This brochure is a summary of the quality of water that Riverside Highland Water Company provided to its customers in 2025. Included are details about where your drinking water comes from, what it contains, and how it compares to State and Federal Standards. The enclosed tables show the results of our monitoring for the period of January 1st to December 31st, 2025. In some instances, the results are from prior years because not all constituents in water are required to be tested every year according to the vulnerability of the water being pumped from certain basins.

In an effort to keep our customers informed, we are providing you with updated information because we feel well informed customers/shareholders are our best allies. If, after reading this report, you have any questions or concerns, please call Don Hough, General Manager, or Craig Gudgeon, Operations Manager, at (909) 825-4128.

Also included in this brochure are our Financial Statements for 2025.

Incorporated February 21, 1898, Riverside Highland Water Company is proud to be celebrating its 128th year of continuous operation. This achievement could not have been attained without the ongoing support and involvement of our shareholders.

In 2025, your drinking water met all Environmental Protection Agency (EPA) and State of California drinking water health standards. Riverside Highland Water Company diligently safeguards your water supply and will continue to improve our water delivery system in an effort to maintain our high water quality standards.

The ongoing goal of Riverside Highland Water Company's Management and Staff is to provide you, our customers/shareholders, with safe and reliable drinking water. We are committed to providing excellent customer service and will respond 24 hours a day, seven days a week, if you have a problem. All you have to do is call (909) 825-4128.

The company is managed by a nine member Board of Directors, of which, three are elected each year. The Board members for 2025 were James McNaboe, President; Jennifer Thompsom, Vice President; Donald Larkin Jr., Secretary/Chief Financial Officer; Wendell Baker, Bryan Hegardt, Denis Kidd, Gilbert Rangel, George Saunders and Burt Seuylemezian. The daily operation of the company was the responsibility of Don Hough, General Manager; Jennifer Gimpel, Administrative Manager and Craig Gudgeon, Operations Manager.

Riverside Highland Water Company Board of Directors meet on the fourth Thursday of each month. The location of the meeting is 12374 Michigan Street, Grand Terrace, 92313. For additional information regarding Board meetings or this report, please call Mr. Hough at (909) 825-4128.

Where Does My Water Come From?

In 2025, Riverside Highland Water Company pumped 52 percent of its water from company owned wells located in the San Bernardino and Riverside North Basins. These groundwater basins are deep natural underground storage compartments separated by earthquake faults or other natural barriers. Basins are replenished as water travels over the surface of the land or through the ground. That is why it is so important to control surface contamination.

During the year, the Company received 15 percent of its water from the Baseline Feeder. The Baseline Feeder consist of two wells and other water facilities located in the San Bernardino Basin under the control of San Bernardino Valley Municipal Water District. These facilities were paid for by Riverside Highland Water Company along with two other agencies and are part of our production entitlement. We also received 33 percent of our water from the Encanto Booster, which is supplied by the City of San Bernardino.

In 2002, San Bernardino Valley Water Conservation District, with input from Riverside Highland Water Company, completed a study to assess the vulnerability of water wells in the Lytle Creek and Riverside North Basins. The study indicated that sources of possible contamination are gas stations, dry cleaners, and underground storage tanks.

To obtain a copy of the complete Source Water Assessment, contact the California State Water Resources Control Board.

"I need to have the water at my house turned off for repairs. What should I do?"

If for any reason your water needs to be turned off at the meter so you can make repairs either inside the home or on your sprinkler system, please call us! We will be more than happy to come out at any time and at no charge to you. We have personnel available 24 hours a day, seven days a week.

The turnoff valve on your water meter requires a special tool to turn it off. If the wrong tool is used, the meter or valve can be easily damaged. If you try to turn the water off yourself and damage the turn-off valve, we will come out to fix it for you – but your water account will be charged for the cost of the repair.

So please remember – all you have to do is call us at (909) 825-4128 and we will take care of the rest for you.

Non-English Translation

This report contains important information about your drinking water. Please contact Riverside Highland Water Company at (909) 825-4128 for assistance in Spanish.

Este informe contiene informacion muy importante sobre su agua para beber. Favor de comunicarse con Riverside Highland Water Company a 12374 Michigan Street Grand Terrace, CA 92313 y 909-825-4128 para asistirlo en espanol.

Lead & Copper

Lead & Copper Rule became effective in 1993. The Company has performed ten rounds of sampling. The last round was performed in September 2021. The next round is scheduled for Summer 2025. All samples are taken from the first draw of morning water. The first two rounds were from 40 single-family residences with copper pipe with lead solder installed since 1982. Due to favorable results in earlier rounds, the 1997, 2000, and 2003 rounds included only 20 single-family residences. Because of the increase in our customer base, the 2006, 2009, 2012, 2015,2018 and 2021 round of testing required us to sample 30 single-family residences. In 2017 the Colton Unified School District requested, and RHWC sampled four schools for lead.

Contaminant	Sample Date	No. of Samples Collected	90th Percentile	No. of Sites Exceeding AL	MCLs in CCR Units	PHG	No. of Schools Requesting Lead Sampling	Likely Source of Contamination
Lead (ug/L)	September 2025	31	.0015	0	15	0.2	4	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits
Copper (ug/L)	September 2025	31	0.257	0	1300	300	Not Applicable	Internal corrosion of household plumbing systems; erosions of natural deposits; leaching from wood preservatives

Important Health Information: Drinking water including bottled water may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S. EPA's Safe Drinking Water Hotline (1-800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. U.S. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

Regulation of Drinking Water and Bottled Water Quality: In order to ensure that tap water is safe to drink, the U.S. EPA and the State Board prescribe regulations that limit the number of certain contaminants in water provided by public water systems. The U.S. Food and Drug Administration regulations and California law also establish limits for contaminants in bottled water that provide the same protection for public health. Additional information on bottled water is available on California Department of Public Health's website at https://www.cdph.ca.gov/Programs/CEH/DFDCS/Pages/FDBPrograms/FoodSafetyProgram/Water.aspx

An Important Message About Drinking Water Sources: The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

Microbial Contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

Inorganic Contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

Pesticides and Herbicides, that may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.

Organic Chemical Contaminants, including synthetic and volatile chemicals that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural applications and septic systems.

Radioactive Contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

Regulations: In order to ensure that tap water is safe to drink, the U.S. EPA and the State Water Resources Control Board (State Board) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. State Board regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Nitrate: Nitrate in drinking water at levels above 10 mg/L is a health risk for infants of less than six month of age. Such nitrate levels in drinking water can interfere with the capacity of the infant's blood to carry oxygen resulting in a serious illness; symptoms include shortness of breath and blueness of skin. Nitrate levels above 10 mg/L may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from your health care provider.

Arsenic: While your drinking water meets the federal and state standard for arsenic, it does contain low levels of arsenic. The arsenic standard balances the current understanding of arsenic's possible health effects against the costs of removing arsenic from drinking water. The U.S. Environmental Protection Agency continues to research the health effects of low levels of arsenic, which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

Lead: If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Riverside Highland Water Company is responsible for providing high quality drinking water but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at http://www.epa.gov/lead

Definitions:

- **MCL Maximum Contaminant Level:** The highest level of a contaminant that is allowed in drinking water. Primary MCL's are set as close to the PHS's (or MCLGs) as is economically and technologically feasible. Secondary MCL's are set to protect the odor, taste, and appearance of drinking water.

- **MCLG Maximum Contaminant Level Goal:** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLG's are set by the U.S. Environmental Protection Agency.

- **PHG Public Health Goal:** The level of a contaminant in drinking water below which there is no known or expected risk to health. PHS's are set by the California Environmental Protection Agency.

- **PDWS Primary Drinking Water Standard:** MCLs, MRDLs and treatment techniques (TTs) for contaminants that affect health, along with their monitoring and reporting requirements.

- **AL Regulatory Action Level:** The concentration of a contaminant which, if exceeded, triggers treatment or other requirement that a water system must follow.

- **MRDL Maximum Residual Disinfectant Level:** The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

- **MRDLG Maximum Residual Disinfectant Level Goal:** The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLG's do not reflect the benefits of the use of disinfectants to control microbial contaminants.

- **NA** Not available or not determined

- **ND** Non-Detected or below detection limit, constituent is not present or detectable

- **Level 1 Assessment:** A Level 1 Assessment is a study of the water system to identify potential problems and determine (if possible) why total coliform bacteria have been found in our water system.

- **Level 2 Assessment:** A Level 2 Assessment is a very detailed study of the water system to identify potential problems and determine (if possible) why an (E.coli) MCL violation has occurred and/or why total coliform bacteria have been found in our water system on multiple occasions

UNITS		EQUIVALENCE
mg/L- milligrams per liter	ppm- parts per million	1 second in 11.5 days
ug/L- micrograms per liter	ppb - parts per billion	1 second in nearly 32 years
ng/L-nanograms per liter	ppt - parts per trillion	1 second in nearly 32,000 years
pg/L - picograms per liter	ppq - parts per quadrillion	1 second in nearly 32,000,000 years

WATER MONITORING RESULTS

Microbiological Contaminants

Contaminant	Violation Y/N	Highest No. of detections	Number of months in Violation	Unit Measurement	MCLs in CCR units	PHG	MCLG	Baseline Feeder Result	The City of San Bernardin Result
Total Coliform Bacteria (Total Coliform Rule)	N	0	0	0	For systems that collect less than 40 samples per month: no more than 1 positive sample	0	0	0	0
Fecal coliform and E.coli (Total Coliform Rule)	N	0	0	0	A routine sample and repeat sample are total coliform positive, and one is also fecal coliform or *E. coli* positive	0	0	0	0

Radioactive Contaminants

Contaminant	Violation Y/N	Level Detected	Range	Unit Measure-ment	MCLs in CCR units	PHG	MCLG or MRDLG	Baseline Feeder Result	The City of San Bernardin Result	Likely Source of Contamination
Gross Alpha	N	2.62	ND/5.24	pCi/L	15	N/A	0	N/A	N/A	Erosion of natural deposits
Uranium	N	ND	ND	pCi/L	20	0.43	N/A	N/A	N/A	Erosion of natural deposits

Inorganic Contaminants

Contaminant	Violation Y/N	Level Detected	Range	Unit Measure-ment	MCLs in CCR units	PHG	MCLG or MRDLG	Baseline Feeder Range	The City of San Bernardin Result	Likely Source of Contamination
Arsenic	N	1.47	ND/2.1	ug/L	10	0.004	N/A	N/A	2.8	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes
Fluoride	N	0.3	.19/.54	mg/L	2.0	1	N/A	N/A	0.41	Erosion of natural deposits; water additive that promotes strong teeth; discharge from fertilizer and aluminum factories
Nitrate-N	N	3.23	1.3/5.5	mg/L	10	10	N/A	3.3	N/A	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposits
Total Chromium	N	0.93	ND/1.8	ppb	50	N/A	100	N/A	0.0019	Discharge from steel and pulp mills and chrome plating: erosion of natural deposits
Chromium (Hexavalent)	N	0.9	ND-1.7	ug/L	10	0.02	0.02	1.1	N/A	Erosion of natural deposits; transformation of naturally occurring trivalent chromium to hexavalent chromium by natural processes and human activities such as discharges from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production, and textile manufacturing facilities.

Disinfection Byproducts, Disinfectant Residual

Contaminant	Violation Y/N	Level Detected	Range	Unit Measure-ment	MCLs in CCR units	MCLG or MRDLG	Baseline Feeder Result	The City of San Bernardin Result	Likely Source of Contamination
TTHMs Total Trihalomethane	N	2.32	ND/9.20	ppb	80	N/A	N/A	N/A	Byproduct of drinking water disinfection
HAA5's	N	ND	ND	ppb	60	N/A	N/A	N/A	Byproduct of drinking water disinfection
Chlorine	N	1.11	1.04/1.19	ppm	4	4	1.34	N/A	Drinking water disinfection added for treatment

Secondary Standards

Contaminant	Violation Y/N	Level Detected	Range	Unit Measure-ment	MCLs in CCR units	MCLG or MRDLG	Baseline Feeder Range	The City of San Bernardin Result	Likely Source of Contamination
Chloride	N	21.93	4.8/45	mg/L	500	N/A	N/A	21	Runoff/leaching from natural deposits; seawater influence
PH	N	7.8	7.6/8	ph Units	6.5/8.5	N/A	N/A	7.8	Comparison of "Alkalinity" & "Acidity" of water
Specific Conductance	N	503.33	340/830	us/cm	1600	N/A	N/A	580	Substances that form ions when in water; seawater influence
Sulfate	N	46	21/85	mg/L	500	N/A	N/A	59	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids (TDS)	N	316.67	170/520	mg/L	1000	N/A	322	350	Runoff/leaching from natural deposits
Turbidity	N	0.13	ND/.20	NTU	5	N/A	0.4	N/A	Soil Runoff

Synthetic Organic Contaminants

Contaminant	Level Detected	Traditional MCL in mg/L	MCL in CCR Units	MCL in CCR Units	Baseline Feeder Result	The City of San Bernardino Result	Health Effects Language
1, 2, 3 - Trichloropropane (TCP)	ND	0.000005	0.005	0.0007	N/A	N/A	Some people who drink water containig 1, 2, 3, - TCP in excess of the MCL over many years may have an increased risk of getting cancer.

Additional Constituents Analyzed

Contaminant	Violation Y/N	Level Detected	Range	Unit Measure-ment	MCLs in CCR units	PHG	MCLG or MRDLG	Baseline Feeder	The City of San Bernardin	Likely Source of Contamination
Calcium	N	65.33	50/85	mg/L	N/A	N/A	N/A	N/A	77	Natural in limestone, marble, chalk
Total Hardness CA CO3	N	213.33	160/290	mg/L	N/A	N/A	N/A	N/A	260	Total concentration of calcium and magnesium
Total Alkalinity	N	90.0	ND/270	ppm	N/A	N/A	N/A	N/A	220	Bicarbonates and hydroxide components in raw water
Bicarbonate	N	193.3	150/270	ppm	N/A	N/A	N/A	N/A	N/A	Bicarbonate components in water
Magnesium	N	12	8/18	mg/L	50	N/A	N/A	N/A	16	Metallic chemical element in soil
Sodium	N	29.5	9.4/69	mg/L	N/A	N/A	N/A	N/A	20	Alkaline element industrial and chemical manufacturing

Unregulated Contaminates

Contaminant	Level Detected	RHWC Range	Unit Measurement	Notification Level	Response Level	Baseline Feeder Result	The City of San Bernardino Result	Likely Source of Contamination
perfluorobutanesulfonic acid (PFBS)	3.8	2.4-4.9	ug/L	N/A	N/A	1	N/A	Industrial facilities, landfills, treatment plants, stain resistant carpeting, nonstick cookware, grease and waterproof food packaging, fabric softeners, waterproof clothing, cosmetics.
perfluorobutanoic acid (PFBA)	1.2	ND-2.7	ug/L	N/A	N/A	1.1	N/A	Industrial facilities, landfills, treatment plants, stain resistant carpeting, nonstick cookware, grease and waterproof food packaging, fabric softeners, waterproof clothing, cosmetics.
perfluoroheptanoic acid (PFHpA)	0.8	ND-3.1	ug/L	N/A	N/A	N/A	N/A	Industrial facilities, landfills, treatment plants, stain resistant carpeting, nonstick cookware, grease and waterproof food packaging, fabric softeners, waterproof clothing, cosmetics.
perfluorohexanesulfonic acid (PFHxS)	4.8	3.2-6.1	ug/L	N/A	N/A	0.71	N/A	Industrial facilities, landfills, treatment plants, stain resistant carpeting, nonstick cookware, grease and waterproof food packaging, fabric softeners, waterproof clothing, cosmetics.
perfluorohexanoic acid (PFHxA)	5.1	3-7.7	ug/L	5.1	10	0.75	N/A	Industrial facilities, landfills, treatment plants, stain resistant carpeting, nonstick cookware, grease and waterproof food packaging, fabric softeners, waterproof clothing, cosmetics.
perfluorooctanoic acid (PFOA)	1.3	ND-5.1	ug/L	3	20	N/A	N/A	Industrial facilities, landfills, treatment plants, stain resistant carpeting, nonstick cookware, grease and waterproof food packaging, fabric softeners, waterproof clothing, cosmetics.
perfluoropentanoic acid (PFPeA)	2.2	ND-3.7	1	6.5	40	1	N/A	Industrial facilities, landfills, treatment plants, stain resistant carpeting, nonstick cookware, grease and waterproof food packaging, fabric softeners, waterproof clothing, cosmetics.

RIVERSIDE HIGHLAND WATER COMPANY

BALANCE SHEETS

DECEMBER 31, 2025 and 2024

ASSETS

	2025	2024
Current Assets		
Cash And Cash Equivalents	$ 6,456,789	$ 684,808
Accounts Receivable – Trade	417,188	404,306
Accounts Receivable – Other	185,653	60,620
Contract Assets	343,302	358,025
Prepaid Expenses	135,295	40,511
Total Current Assets	7,538,227	1,548,270
Property And Equipment, Net	44,342,601	45,935,152
Other Assets		
Investments	8,126,058	10,508,480
Water Rights	1,954,106	1,939,954
Total Other Assets	10,080,164	12,448,434
Total Assets	$ 61,960,992	$ 59,931,856

LIABILITIES AND SHAREHOLDERS' EQUITY

	2025	2024
Current Liabilities		
Accounts Payable	$ $ 322,003	$ $ 1,918,160
Accrued Liabilities	63,052	53,125
Contract Liabilities	895,521	652,296
Income Taxes Payable	6991367	395,625
Total Current Liabilities	1,979,943	3,019,206
Shareholders' Equity		
Capital Stock, Par Value $10 Per Share; 80,000 Shares Authorized; 21,248 Shares Issued; 19,029 Shares Outstanding	189,310	190,290
Paid-in Capital	293,123	292,143
Retained Earnings	59,525,850	56,444,189
Accumulated Other Comprehensive Income Loss	(27,234)	(13,972)
Total Shareholders' Equity	59,981,049	56,912,650
Total Liabilities And Shareholders' Equity	$ 61,960,992	$ 59,931,856

The accompanying notes are an integral part of the financial statements.

RIVERSIDE HIGHLAND WATER COMPANY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

	2025	2024
REVENUES		
Water Sales	$ 4,531,082	$ 4,267,337
Assessments	973,132	984,199
Penalties, Transfers, And Inspection Fees	236,006	254,909
Total Revenues	5,740,220	5,506,445
EXPENSES		
Operations And Maintenance		
Pumping Expense And Water Spreading	1,683,176	1,455,160
Transmission And Storage	440,534	453,343
Quality Control	184,901	228,188
Customer Accounting	112,794	119,197
Automotive And Other	212,956	206,386
Total Operations And Maintenance	2,634,361	2,462,274
General And Administrative		
Salaries	696,162	653,467
Payroll Taxes	117,841	105,248
Employee benefits	447,739	398,291
Vacation, Holiday, And Sick Pay	114,310	120,599
Office expense	58,676	77,487
Insurance	150,235	141,476
Professional Services	214,321	173,699
Directors' Fees	30,050	31,900
Dues, Subscriptions, And Water Studies	16,842	15,909
Building Maintenance	119,835	110,245
Property Taxes	171,851	62,409
State Regulatory Agency Fees	80,053	79,194
Depreciation	1,851,496	1,775,033
Other	27,641	36,842
Total General And Administrative	4,097,052	3,781,799
Total EXPENSES	6,731,413	6,244,073

STATEMENTS OF COMPREHENSIVE INCOME (Continued)

	2025	2024
LOSS FROM OPERATIONS	$ (991,193)	$ (737,628)
OTHER INCOME (Expense)	588,914	2,038,684
Charges for new service connections	418,948	635,845
Investment income	6,124	675
Rents and royalties	42,388	
Gain on disposal of assets	3,569,772	6,008,173
Gain (Loss) on investments	40,470	(49,738)
Total Other Income (Expense)	4,666,616	8,633,639
INCOME BEFORE INCOME TAXES	3,675,423	7,896,011
INCOME TAXES	593,762	2,140,625
NET INCOME	$ 3,081,661	$ 5,755,386
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized Gains (Losses) on Debt Securities		
Unrealized losses arising during the year	(262,382)	(144,929)
Reclassification adjustment for (gains) losses realized	249,120	117,884
Total Other Comprehensive Income (Loss)	(13,262)	(27,045)
COMPREHENSIVE INCOME	$ 3,068,399	$ 5,728,341

Monday through Thursday 7:30 a.m. to 5:00 p.m.
1st & 3rd Friday 7:30 a.m. to 4:00 p.m. • Closed on the 2nd & 4th Friday

If at any time you notice any unusual activity, damage, or graffiti at Riverside Highland Water Company Facilities, please call us at (909) 825-4128.

The Board of Directors, Management, and Staff of Riverside Highland Water Company are proud to serve the water needs of our shareholders and customers.