

# 2009

## Comprehensive Annual Financial Report

For the year ended December 31, 2009

### EL DORADO IRRIGATION DISTRICT



### Placerville, California

## Mission Statement

*The El Dorado Irrigation District is a public agency dedicated to providing high quality water, wastewater treatment, recycled water, hydropower and recreation services in an environmentally and fiscally responsible manner.*

# 2009 Comprehensive Annual Financial Report

For the Year Ended December 31, 2009



El Dorado Irrigation District  
Placerville, California  
[www.eid.org](http://www.eid.org)

Prepared by the Finance Department

Front and back cover photos: Flume 49/50 and Spillway 44, near Pollock Pines, after \$5.7 million in repairs to ensure safe operation. These facilities are part of the 22.3-mile El Dorado Canal system, which delivers water from high Sierra lakes for EID customers and to generate state-certified, renewable hydroelectric power.

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# Table of Contents

## 2009 Comprehensive Annual Financial Report

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### **Introductory Section**

Letter of Transmittal .....	1
Map of Major District Water and Wastewater Facilities .....	7
Government Finance Officers Association Award .....	9
Organization Chart .....	10
Directors and District Officials and Acknowledgements.....	11

### **Financial Section**

Independent Auditor's Report.....	15
Management's Discussion and Analysis.....	17
Basic Financial Statements.....	28-32
Balance Sheets .....	28
Statements of Revenues, Expenses and Changes in Net Assets.....	30
Statements of Cash Flows .....	31
Notes to the Basic Financial Statements (an essential part of the financial statements).....	33

### **Supplemental Schedules**

Combining Balance Sheets .....	53
Combining Schedule of Revenues, Expenses, and Changes in Net Assets.....	54
Combining Schedule of Revenues, Expenses, and Changes in Net Assets Budget and Actual.....	55

### **Statistical Section**

#### Financial Trends Data

Net Assets by Component, last eight fiscal years: Table 1 .....	57
Change in Net Assets, last eight fiscal years: Table 2 .....	58
Operating Revenues by Source, last ten fiscal years: Table 3, Chart 1 .....	59
Non-Operating Revenues by Source, last ten fiscal years: Table 4, Chart 2 .....	60
Operating Expenses by Function, last eight fiscal years: Table 5, Chart 3.....	61
Non-Operating Expenses by Function, last ten fiscal years: Table 6, Chart 4 .....	62

#### Revenue Capacity data

Assessed Value and Actual Value of Taxable Property: Table 7.....	63
Direct and Overlapping Property Tax Rates, last ten fiscal years: Table 8.....	64
Principal Property Tax Payers, current fiscal year and five years ago: Table 9.....	65
Property Tax Levies and Collections, last ten fiscal years: Table 10, Chart 5.....	66
Equivalent Dwelling Unit (EDU) Sales, last ten fiscal years: Table 11, Chart 6 .....	67
Water and Recycled Water Sales by Type of Customer, last ten fiscal years: Table 12, Chart 7 .....	68

---

# Table of Contents

## 2009 Comprehensive Annual Financial Report

---

### Statistical Section (continued)

#### Revenue Capacity data (*continued*)

Largest Water Customers, current year and seven years ago: Table 13.....	69
Largest Wastewater Customers, current year and seven years ago: Table 14.....	70
Water Rates, last ten fiscal years: Table 15 .....	71
Wastewater Rates, last ten fiscal years: Table 16 .....	73
Recycled Water Rates, last ten fiscal years: Table 17.....	73
Water and Wastewater Rate Surcharges, last eight fiscal years: Table 18.....	74
Facility Capacity Charges, last four fiscal years: Table 19 .....	75
Wastewater Facility Capacity Charges, last four fiscal years: Table 20 .....	76
Installation and Inspection Fees, last four fiscal years: Table 21 .....	77

#### Debt Capacity Data

Ratios of Outstanding Debt by Type, last ten fiscal years: Table 22 .....	78
Debt Service Coverage Revenue Certificates of Participation Series 2003A, 2003B, 2004A, and 2004B Water and Wastewater, last six fiscal years: Table 23.....	79

#### Demographic and Economic Information

Building Permit and Valuation Demographics for EID Service Area, last ten fiscal years: Table 24.....	80
Principal Employers of El Dorado County, current and ten years ago: Table 25 .....	81
El Dorado County Demographic and Economic Statistics, last ten fiscal years: Table 26, Chart 8 .....	82

#### Operating Information

Water System Demographics and Statistical Summary, last ten fiscal years: Table 27 .....	83
Water Supply and Demand Data, last ten fiscal years: Table 28, Chart 9 .....	84
Recycled Water System Demographics and Statistical Summary, last ten fiscal years: Table 29.....	85
Wastewater System Demographics and Statistical Summary, last ten fiscal years: Table 30, Chart 10 .....	86
Recreation Demographics and Statistical Summary, last ten fiscal years: Table 31, Chart 11 .....	87
Full-time Equivalent Employees by Function/Program, last five fiscal years: Table 32.....	88
Residential Rate Increases, last ten fiscal years: Table 33 .....	89



The new El Dorado Hills Wastewater Treatment Plant operations building. This building is part of the two-year, \$54.7 million regulatory upgrade and capacity expansion at the plant.







June 14, 2010

Honorable President and Members of the Board of Directors,  
Customers and Interested Parties of the El Dorado Irrigation District:

We are pleased to submit to you El Dorado Irrigation District's (EID or District) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2009. This is the eighth year the District's CAFR has been prepared using the financial reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments*. And it is also the fourth year the District's CAFR has been prepared using the statistical reporting requirements of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1*. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it.

The Government Code requires an annual independent audit of the District's financial records by a certified public accountant. Through a competitive bid process, the District selected Maze & Associates as its independent auditor. The auditor's report on the District's financial statements and supplemental schedules is included in the financial section of this report.

While the independent auditors have expressed their opinion that the District's financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP), EID assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive internal control structure. The District's internal control structure is designed to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with GAAP. Since the cost of control should not exceed the projected benefits, the objective is to provide reasonable assurance. We believe the data are accurate and complete in all material respects for the annual period ending December 31, 2009. Based on the findings and results of the audit, the auditors have identified the District as fiscally sound and a low-risk auditee.

## **PROFILE OF THE DISTRICT**

El Dorado Irrigation District was organized in 1925 under the Irrigation District Act (Water Code §§20500, et seq.) and authorizing statutes (Water Code §§22975, et seq.). The District provides water to approximately 100,000 people for municipal, industrial, and irrigation uses, as well as wastewater treatment and recycled water services to meet the growing needs of our customers. As such, EID is one of the few California districts that provide a full complement of water-related services.

The District is located in El Dorado County on the western slope of the Sierra Nevada Mountains. The service area is bounded by Sacramento County to the west and the town of Strawberry to the east. The area north of Coloma and Lotus establishes the northern-most part of the service area, while the communities of Pleasant

Valley and South Shingle Springs establish the southern boundary. The City of Placerville, located in the central part of the District, receives water from the District on a wholesale basis.

The District owns and operates a 21-megawatt hydroelectric power generation system—known as the El Dorado Project 184—that is licensed by the Federal Energy Regulatory Commission (FERC). The system consists of 5 reservoirs, including Echo Lake, Lake Aloha, Caples Lake, Silver Lake, and El Dorado Forebay; several dams; and 22.3 miles of flumes, canals, siphons, and tunnels. Project facilities are located east of Placerville in El Dorado, Alpine, and Amador counties.

The District also owns and operates Sly Park Recreation Area at its main reservoir, Jenkinson Lake. Popular for both day visits and overnight camping, the park includes 600 surface acres of water, 10 picnic areas; 9 miles of shoreline, hiking, and equestrian trails; 2 boat ramps; 166 individual campsites; and 9 group camping areas.

### *Reporting Entity*

The District has created the El Dorado Public Agency Financing Authority unit to assist the District in the issuance of debt. Although legally separate from the District, the Authority is reported as if it were part of the primary government because it shares a common Board of Directors with the District and because its sole purpose is to provide financing to the District under the debt issuance documents of the District. Debt issued by the Authority is reflected as debt of the District in these financial statements. All debt issued by the Authority was refunded in 2004. The Authority has no other transactions and does not issue separate financial statements.

### *System Description*

The District's contiguous service area spans 220 square miles and ranges from 500 feet in elevation at the Sacramento County line to more than 4,000 feet in elevation in the eastern part of the District. Two hundred pressure-regulating zones are required for reliable operation. The water system contains more than 1,245 miles of pipe, 27 miles of ditches, 5 treatment plants, 36 storage reservoirs, and 37 pumping stations. The wastewater systems operate 63 lift stations, more than 560 miles of pipe and force mains, and 5 treatment facilities. The El Dorado Hills and Deer Creek wastewater treatment facilities produce Title 22 recycled water, which is used at golf courses and other commercial entities and for landscape irrigation at residences in areas where the service is available. The recycled water system operates more than 49 miles of pipe, 5 storage reservoirs/tanks, and 5 pump stations. EID's recycled water program is entering its third decade and is considered a leader in the recycled water industry in California; the program has won state and regional awards over the past 8 years.

### *Source of Water Supply*

The American River Act of October 14, 1949, signed into law by President Harry Truman, authorized the construction of the Sly Park Unit by the Bureau of Reclamation (Reclamation). Sly Park was designed to augment the District's existing water system. Originally, the District had a ditch conveyance system. The Sly Park Unit included the construction of Sly Park Dam and Reservoir, Camp Creek Diversion Dam and Tunnel, and conduits used to convey, treat, and store water delivered from Sly Park's Jenkinson Lake. The project was completed in 1955 as a detached unit of the Central Valley Project. Sly Park was operated by EID under contract from 1955 until the District purchased it from the United States on December 23, 2003. The average yield of this project is 23,000 acre-feet annually.

The El Dorado Project 184's Forebay Reservoir, located in Pollock Pines, is another primary source of water, using pre-1914 water rights that now provide the District up to 15,080 acre-feet annually. The District's other main source of water supply is at Folsom Reservoir, where the District currently has a Reclamation water service contract totaling 7,550 acre-feet to serve the El Dorado Hills community.

Future water supply sources include the permanent relocation of three of the District's historic pre-1914 ditch water rights and Weber Reservoir supplies totaling 4,560 acre-feet, a water right of 17,000 acre-feet awarded by

the State Water Resources Control Board, and 7,500 acre-feet in a new Reclamation water service contract. All of these supplies would be taken at Folsom Reservoir. It is expected that the first source will be available for diversion in 2010, with others to follow in 2011.

### *Governance*

The District's Board of Directors is comprised of five members elected by the citizens in five geographical divisions within the District's service area. The directors serve staggered four-year terms and must be a resident of the division that he or she represents. Every year, the Board members choose a President and Vice President. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board, administers the daily affairs of the District, and carries out policies of the Board of Directors.

The District has a wide range of powers to finance, construct, and operate facilities for the transportation, treatment, and distribution of raw and treated water, wastewater, recycled water, and hydroelectric power, as well as for recreation purposes. It has full authority to set rates for services without review of any governmental unit and is accountable only to its constituents.

### *Budget Process*

The two-year operating budget and the five-year capital improvement plan serve as the foundation for the District's financial planning and control. Budgets are adopted on a basis consistent with GAAP. Budgetary controls are set at the department level and maintained to ensure compliance with the budget approved by the Board of Directors. Department directors have the discretion to transfer appropriations between activities within their departments. Two consenting departments can transfer appropriations between their departments. The General Manager has the authority to approve capital improvement plan (CIP) budgets and overall appropriations and transfers up to \$50,000 per transaction and can approve construction change orders up to \$100,000. Budget transfers and overall budget appropriations greater than \$50,000 require Board approval through the budget amendment process.

## **ECONOMIC CONDITION OF THE DISTRICT**

### *Economic Growth*

While long-term regional forecasts, including the El Dorado County General Plan, show a rising demand for housing in El Dorado County, the regional and local housing market slowed during the second half of 2005, a trend that continued through 2008. Formerly high prices for homes have dropped below levels seen in 2003 and 2004, and sales have decreased. With the slowdown in the housing market, the District has proactively scaled down — and is now phasing — some of its capital improvement projects that center on expansion and future growth. The objective is to avoid over-building for the current housing market while, at the same time, maintaining the ability to serve customers with a reliable water supply and ample wastewater treatment facilities. The District also reduced its 2008 operating budget, which was initially adopted in 2006, again with the intent of maintaining current service levels.

Commercial real estate development began to slow in 2006, but picked up in 2007 and remains strong in El Dorado County.

### *Population and Employment*

In the last decade, the Sacramento region has seen a steady increase in population growth that has spilled into the neighboring western El Dorado County area served by the District. From 1999 to 2008, El Dorado County's population increased by 14.9% to 176,075 residents, with a projected population of 218,200 by 2015, according to the El Dorado County 2007 Economic and Demographic Profile.

El Dorado County residents employed within the District's service area work in a variety of industries, including government, health care, retail trade, education, construction, manufacturing, agriculture, professional businesses, and hospitality services. The largest employers in El Dorado County are in the public service, health care, data processing, and trade sectors.

Most El Dorado County residents are within commuting distance of the greater Sacramento region, which offers employment in the defense and state government sectors and more diversified employment opportunities such as computer technology, financial services, health care, and biotechnology. The largest percentage of the county's employed civilian labor force works within El Dorado County.

The 2009 El Dorado County unemployment rate was 12.5%, an increase from 6.9% in 2008.

### *El Dorado County General Plan and Measure Y Traffic Control Initiative*

The current General Plan for land use in El Dorado County went into effect in September 2005. The General Plan includes policies to interpret and implement a 1998 local initiative, Measure Y, which was intended to control growth-related traffic congestion in the county. Implementation of Measure Y changed the planning for new subdivision growth in the county and the District's service area and substantially increased the traffic impact fees paid as a condition of new development. A modified version of Measure Y came before county voters for extension in 2008 and was approved.

The General Plan and Measure Y have not necessitated any changes in existing plans to develop District infrastructure.

### *Property Tax Revenue*

The total secured assessed valuation of the properties within the District's 220 square-mile service area decreased 6% to \$5.3 billion in 2009. The Districts property tax revenues decreased from \$10.8 million in 2008 to \$10.1 million in 2009.

### *Long-term Financial Planning*

In 2003, the District developed and began to implement a multi-faceted, comprehensive financing plan that incorporated a water and wastewater rate analysis, a study of hook-up fees—called facility capacity charges (FCCs)—and a financing plan to fund the District's five-year CIP. The Board adopted a schedule of water and wastewater rate increases over six years and a recommended FCC increase on October 6, 2003. These rates became effective on January 1, 2004 and continued on January 1 of successive years through 2009. In anticipation of the loss of 40% of the District's property tax revenues due to the Educational Revenue Augmentation Fund (ERAF) shift, the District held a special board meeting on August 24, 2004, at which time the District adopted a modified rate schedule that became effective September 1, 2004 through 2008 then returned to the previously approved rate schedule for the final year.

A task force was formed in September 2004 to review FCC charges. The recommendations from the task force led the Board, on April 18, 2005, to adopt the revised FCC schedules effective immediately and directed staff to adjust the FCC annually on April 1<sup>st</sup> using the *Engineering News Record Construction Cost Index*. In August 2007, the District contracted with Bartle Wells Associates to conduct a new study of FCCs. The study process included interaction with a community-based task force and District staff and resulted in Board action that approved an updated FCC fee schedule in early 2008.

In 2004, the District issued refunding debt in the form of both auction rate and fixed rate Certificates of Participation (COPs) to refinance the 1996 revenue bonds, 1999 revenue bonds, and the LaSalle bank bridge loan. Favorable interest rates enabled the District to save approximately \$3 million on these refunding issues. On February 15, 2006, the status of the District's Revenue COP issue 2004B was converted from taxable to tax-exempt, and the 1996 revenue bonds were redeemed in full. On February 15, 2007, the 1999 revenue bonds were redeemed in full.

On April 30, 2008, the District issued COPs in the form of Variable Rate Demand Obligations (VRDOs) of \$110,705,000 to refund the 2003B and 2004B issues, which were Auction Rate Securities (ARS). The ARS 2003B and 2004B issues were called May 5, 2008. Although in past years the interest incurred on the ARS issues was far below that of fixed rate debt, problems developed in late 2007 and 2008 in connection with the ARS market. It was in the District's economic interest to replace that debt with VRDOs. Interest rates on the new VRDO issue are expected to be much lower than the ARS rates prior to the refunding. Standard & Poor's (S&P) increased the District's rating to A from A- for the 2008 debt issuance.

Because of the approximately \$10 million decline in connection fees in 2009 resulting from slowed construction in the District's service area, the calculated debt service ratio of net revenues to debt service payments for 2009 was 0.77 rather than the 1.25 required under our bond covenants. Therefore, the District took several steps to restore the debt service ratios to the covenanted levels in fiscal year 2010. The District raised rates, refinanced three years of debt payments into the future, cut operating expenses, deferred capital improvement projects, and entered into a new, more favorable hydroelectric power marketing agreement.

### *Cash Management*

The District's cash is invested in securities as allowed under the California State Government Code and in compliance with the District's Investment Policy. The policy focuses on the goals of safety, liquidity, and yield and seeks to minimize credit and market risks while maintaining a competitive market yield. Interest rates declined in 2009, reducing the District's overall portfolio yield to 1.04%, a decrease from the 2.91% yield in 2008.

### *Debt Management*

The District manages its debt to ensure high-quality credit, access to credit markets, financial flexibility, and the lowest overall long-term cost of debt—all in compliance with the District's Debt Management Policy. EID's general philosophy on debt is to use pay-as-you-go funds for minor construction projects and debt issuances for major, long-term construction projects. This enables future users to share in the costs without overburdening existing ratepayers.

### *Risk Management*

As part of a continuing effort to reduce costs and provide optimal protection and coverage, the District's risk management strategy combines self-insurance and commercial insurance in excess of the deductibles. The deductible for general liability is \$25,000 per occurrence with a \$1 million per occurrence coverage limit and a \$3 million aggregate. In addition, the District has a \$10 million excess insurance policy, bringing the total per occurrence coverage to \$11 million with a \$13 million aggregate. For property damage, the deductible is \$25,000 per occurrence. The District is also self-insured for employee dental and vision claims, collision damage to District vehicles, and mobile equipment. The District's competitive property insurance program requires the

insurer to cover the El Dorado Project 184 flume and conveyance system. The District continually evaluates its insurance programs for cost effectiveness and sufficient coverage.

## **MAJOR INITIATIVES**

### *El Dorado Hills Service Area*

To meet anticipated population growth in the county while taking the current housing market conditions into consideration, the District is phasing in expansions of the El Dorado Hills wastewater and water treatment plants. Substantial construction at the wastewater plant is required to provide adequate average dry weather flow capacity of 4.0 million gallons a day (mgd) to fully comply with current discharge permit requirements. Construction will be completed in mid-2010.

The El Dorado Hills water treatment plant (EDHWTP) and Folsom Lake raw water pump station are being expanded in two phases. Phase 1, which is currently underway, will increase the capacity of the EDHWTP to 26 mgd and will be completed by the end of 2010. Phase 2, to be constructed in later years depending on the rate of housing development, will increase the plant's capacity to 31.5 mgd using a combination of conventional and membrane technology. Later, the raw water pump station will also be replaced with a new intake and pump station that is designed to selectively withdraw water at different elevations in Folsom Lake. This will allow warmer water to be extracted to preserve the cooler water in the lake for downstream fisheries and permit the District to exercise its full water right. The new raw water pump station will be expanded in phases to match the phased expansions at the EDHWTP. The District is also in the process of developing an integrated water and wastewater master plan that will, in part, determine ultimate build out capacity required for the El Dorado Hills service area.

Locations of the District's major water and wastewater facilities are shown on the next page.

### *Energy Savings*

The District took advantage of a prime opportunity to reduce energy costs and improve energy efficiencies through construction of a solar photovoltaic (PV) system at the El Dorado Hills wastewater treatment plant. Installation of approximately 81,000 square feet of monocrystalline PV panels was completed in 2006 to generate approximately 900 kilowatts of electricity to operate the plant. A rebate from Pacific Gas and Electric for \$2.8 million paid approximately 50% of the capital cost of the project, which began operation in May 2006. From that date through 2009, the District has saved an estimated \$756,000 on its electric bill for the plant, and the project is expected to pay for itself within 8 years.

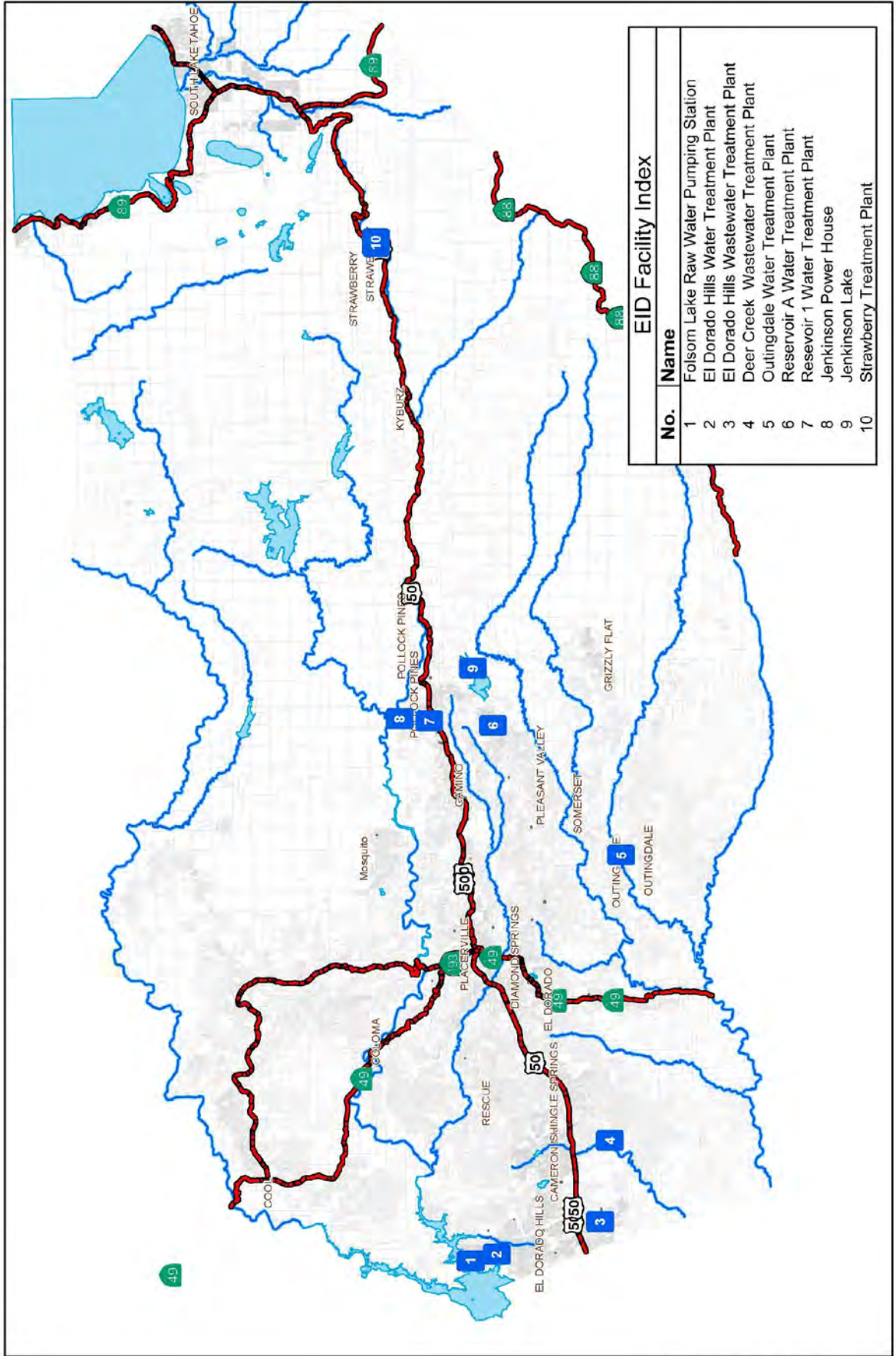
### *El Dorado Canal Flume Replacement Program*

The El Dorado Canal, the water conveyance system for the El Dorado Project 184 and drinking water delivered to Forebay Reservoir, was originally built in the late 1800s. The system is more than 22 miles long and includes a series of in-ground canals, tunnels, and above ground flume sections. To reduce the risk of failures in this complex system, the District in 2001 and again in 2007 formally evaluated the condition of the flume structures. The comprehensive assessments prioritized all flumes for repair and replacement.

Each flume is distinctly different from the others because of factors such as location, access, landslide risks, construction methods, geological and geotechnical conditions, and environmental considerations resulting in different levels of effort for design and construction. Common complexities among each flume include the need for helicopters for some portion of the work, limited staging areas, limited vehicular access, off-road travel, landslides, unstable geological conditions, tree hazards, intense labor needs, and locations on U.S. Forest Service lands. For example, Flume 41 is located entirely on a historic rock wall with moderate access limitations, while Flume 51 is accessible by nearby roads and is situated in severely unstable geologic conditions. In 2009, Flume 51, approximately 500 feet in length, was replaced, and the geologic conditions were stabilized.

# El Dorado Irrigation District Major Water and Wastewater Facilities 2009

April, 2009



## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the El Dorado Irrigation District for the quality of its Comprehensive Annual Financial Report for the year ended December 31, 2008. That marked thirteen consecutive years that the District has received this national award. To receive a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and accepted legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

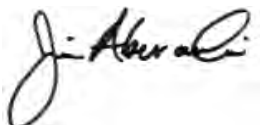
In 2009, the District received other significant awards that recognize excellent performance in operational efficiency and industry practices. They include the following.

- The Association of California Water Agencies (ACWA) 2009 Theodore Roosevelt Environmental Award for Excellence in Conservation and Natural Resources Management. This statewide award recognized the District for its program to preserve and restore fisheries and habitat as a result of the emergency rehabilitation project at the Caples Lake main dam in the summer of 2008.
- The Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) "President's Special Recognition Award" for achieving a low ratio of paid claims and case reserves to deposit premiums in the District's workers' compensation program.
- The Sacramento Section of the American Society of Civil Engineers "2009 Outstanding Engineering Project Award" in the geotechnical category. The award was presented to Carlton Engineering, Inc., the Flume 51 Project designer, and EID, the project owner. The Flume 51 project is part of the District's long-term rehabilitation program for the 22.3-mile El Dorado Canal, which delivers drinking water from four high-Sierra reservoirs to customers throughout the District's service area and supplies water to generate EID's state-certified renewable hydroelectric power.
- The Associated General Contractors of California "project of the year [2009] for innovation in construction techniques and material." EID and Syblon Reid, the District's construction contractor for the Flume 51 Project, accepted the award.
- Sly Park Recreation Area was voted "best day hike" and "best recreational facility" by readers of the local *Mountain Democrat* newspaper.
- The Community Economic Development Association of Pollock Pines gave Sly Park the Association's award for "Most Important Business to the Economy of Pollock Pines."

The preparation of this report required the exceptional services and dedicated efforts of the entire Finance Department. We would like to express our appreciation to all District staff members who contributed to the preparation of this report, including the Communications, Engineering, Operation, and Recreation departments along with the Office of the General Manager and the Office of the General Counsel.

We thank each member of the Board of Directors for their leadership and support that ultimately made the preparation of this report possible.

Respectfully submitted,



Jim Abercrombie  
General Manager



Mark Price  
Director of Finance



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

El Dorado Irrigation District  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

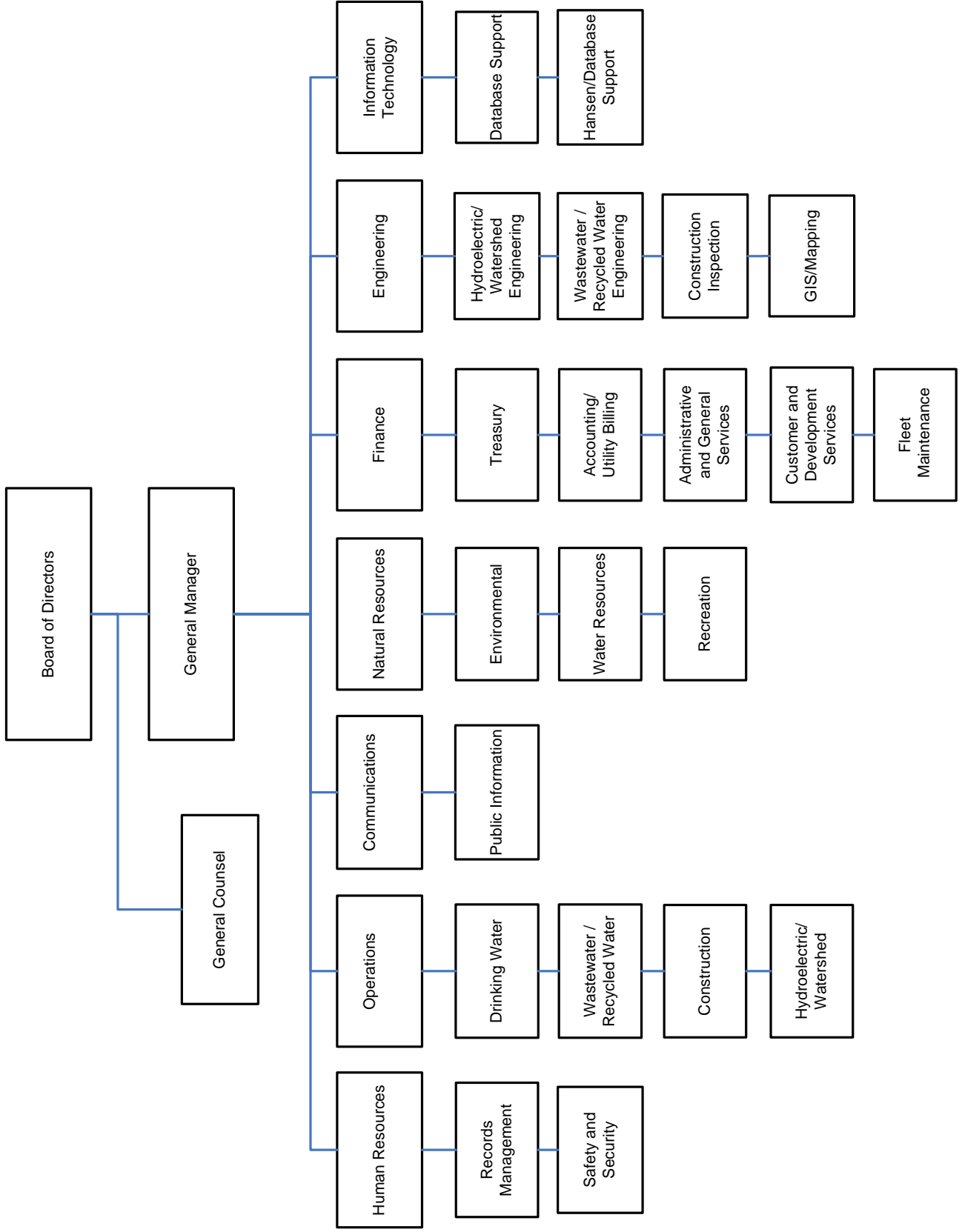


President

Executive Director

# El Dorado Irrigation District Organization Chart

Through 12/31/2009



# El Dorado Irrigation District



## 2009 Comprehensive Annual Financial Report For the Year Ended December 31, 2009

### Board of Directors

District 1 – George W. Osborne  
District 2 – John P. Fraser, Vice President  
District 3 – William (Bill) L. George  
District 4 – George A. Wheeldon, President  
District 5 – Harry J. Norris

### District Officials

Jim Abercrombie, General Manager  
Thomas D. Cumpston, General Counsel  
Brian Mueller, Director of Engineering  
David Witter, Director of Natural Resources  
Deanne Kloepfer, Director of Communications  
Mark T. Price, CPA, Director of Finance  
Robert A. DiNunzio, M.Ed., Director of Human Resources  
Tim Ranstrom, Director of Information Technology  
Tom McKinney, Director of Operations

### Acknowledgments

Prepared by the EID Finance Department

Mark T. Price, CPA, Director of Finance  
Gary Buzby, Deputy Treasurer  
John Frankhouser, Accounting Manager  
Jason Ide, Administrative Analyst II

Special thanks to Jesse Saich for cover design and photos





EID's 3.3 acre photovoltaic system, located at the District's El Dorado Hills wastewater treatment plant. This system, projected to pay for itself over eight years, saves several hundred thousand dollars per year in electricity bills.



**EL DORADO IRRIGATION DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2009 AND 2008**

**PREPARED BY THE**  
**FINANCE DEPARTMENT**

**EL DORADO IRRIGATION DISTRICT  
 BASIC FINANCIAL STATEMENTS  
 For the Years Ended December 31, 2009 and 2008**

**Table of Contents**

	<u>Page</u>
<b>FINANCIAL SECTION</b>	
<i>Independent Auditor's Report</i> .....	15
<i>Management's Discussion and Analysis</i> .....	17
 <i>Basic Financial Statements</i>	
Balance Sheets .....	28
Statements of Revenues, Expenses and Changes in Net Assets .....	30
Statements of Cash Flows .....	31
Notes to Basic Financial Statements .....	33
 <i>Supplemental Schedules</i>	
Combining Balance Sheets .....	53
Combining Schedule of Revenues, Expenses, and Changes in Net Assets .....	54
Combining Schedule of Revenues, Expenses, and Changes in Net Assets, Budget and Actual .....	55



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
the El Dorado Irrigation District  
Placerville, California

We have audited the financial statements of the business-type activities and the major fund of the El Dorado Irrigation District as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year comparative totals has been derived from the District's 2008 financial statements and in our report dated April 23, 2009, in which we expressed an unqualified opinion.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the respective financial position of the business-type activities and the major fund of the El Dorado Irrigation District at December 31, 2009 and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Management's Discussion and Analysis is required by the Governmental Accounting Standards Board, but is not part of the basic financial statements. We have applied certain limited procedures to this information, principally inquiries of management regarding the methods of measurement and presentation of this information, but we did not audit this information and we express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 2010 on our consideration of the El Dorado Irrigation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The statistical section listed in the Table of Contents was not audited by us, and we do not express an opinion on this information.

*Maze + Associates*

April 29, 2010

*A Professional Corporation*

## ***OVERVIEW OF THE BASIC FINANCIAL STATEMENTS***

This annual financial report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and optional Supplementary Information.

The required financial statements are the Balance Sheets at December 31, 2009 and 2008, the Statements of Revenues, Expenses and Changes in Net Assets for the year ended December 31, 2009 with comparative amounts for the year ended December 31, 2008, and the Statements of Cash Flows for the year ended December 31, 2009 with comparative amounts for the year ended December 31, 2008.

The financial statements, except for the cash flow statements, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The cash flow statements are an exception because those statements show the receipt and payment of cash for operating, non-capital, capital and related financing, and investing activities.

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

The following discussion and analysis of the El Dorado Irrigation District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2009. This information is presented in conjunction with the audited financial statements and their accompanying notes.

### ***FINANCIAL HIGHLIGHTS***

The District's total net assets decreased \$8.0 million. In the prior year, net assets increased \$2.5 million. Operating revenues decreased by \$3.2 million to \$37.6 million but operating expenses decreased by \$2.1 million to \$44.2 million, excluding depreciation. Operating expenses includes a non-cash charge to expenses of \$1.8 million for the current year cost of retiree health benefits. Beginning in 2008, the District is required to begin reporting these costs annually. In 2009, the operating revenues decreased \$3.2 million from the prior year. Non-operating revenues were \$5.4 million more than non-operating expenses in 2009, \$6.8 million more than non-operating expenses in 2008, and \$16.0 million more than non-operating expenses in 2007. The decrease in non-operating revenues in 2009 and 2008 is due to declines in property tax receipts and interest income. In April 2008, the District converted its variable rate debt from Auction Rate Securities to Variable Rate Demand Obligations to escape rising interest rates resulting from problems with bond insurer ratings. Since that time, variable interest rates have stabilized. Interest expense for 2009 of \$11.7 million is slightly lower than the 2008 interest expense of \$12.0 million. Interest expense for 2008 was \$1 million more than in 2007. In 2007, decreasing interest rates on variable rate debt caused interest expense to decline by \$.2 million. Facility capacity charges for 2009 were \$10.4 million less than 2008 due to the decline in new construction resulting from the sharp downturn in the new housing market. In 2008, they were \$3.7 million less than the prior year again due to slowing home construction. In 2007 they were \$3.8 million higher than the prior year. Developer contributions for 2009 were \$0.9 million more than in 2008 which was \$2.7 million more than the prior year.

On February 4, 2009, the District issued fixed rate COPs totaling \$132,285,000 to finance capital improvements. Interest rates range from 3.5% to 6.25% for an average true interest cost of 5.96%. The District's S&P rating was increased to A+ from A for the new 2009 debt issue. The District issued new debt of \$5.8 million in 2008 and \$10.9 million in 2006 for State Revolving Fund loans in connection with the District's reservoir line and cover program. In 2004, the District issued both fixed rate and adjustable rate Revenue Certificates of Participation (COPs) to refund the 1996 and 1999 Revenue Bonds and the LaSalle Bank bridge loan. Lower interest rates on the new debt made this 2004 refinancing economically attractive. In 2003, the District issued fixed rate and adjustable rate Revenue Certificates of Participation totaling \$165.8 million to finance the capital improvement program. By the end of 2007, all of the proceeds from the 2003 issuances had been spent. The District's hydroelectric Project 184 went online in late 2003, generating revenues of \$3.8 million in 2006, \$4.3 million in 2007, and \$4.8 million in 2008, and \$2.9 million in 2009.

On February 15, 2006, the 2004B variable debt issue was converted from taxable to tax-exempt and the 1996 Revenue Bonds were called and redeemed in full. The 1999 Revenue Bonds were redeemed in full on February 15, 2007.

On April 30, 2008, the District issued COPs in the form of Variable Rate Demand Obligations (VRDOs) of \$110,705,000 to refund the 2003B and 2004B issues, which were Auction Rate Securities (ARS). The

ARS 2003B and 2004B issues were called May 5, 2008. Although in past years, the interest incurred on the ARS issues was far below that of fixed rate debt, problems developed in late 2007 and 2008 in connection with the ARS market. It was in the District's economic interest to replace that debt with VRDOs. Interest rates on the new VRDO issue are expected to be much lower than the ARS rates prior to the refunding. Standard & Poor's (S&P) increased the District's rating to A from A- for the 2008 debt issuance.

Because of the approximately \$10 million decline in connection fees in 2009 resulting from slowed construction in the District's service area, the calculated debt service ratio of net revenues to debt service payments for 2009 was 0.82 rather than the 1.25 required under our bond covenants. Therefore, the District took several steps to restore the debt service ratios to the covenanted levels in fiscal year 2010. The District raised rates, refinanced three years of debt payments into the future, cut operating expenses, deferred capital improvement projects, and entered into a new, more favorable hydroelectric power marketing agreement.

The rate increases were 18% for 2010, 15% for 2011, and 5% for 2012. The District refinanced payments for three years on its 2003 debt issue, totaling \$14.8 million at fixed rates of 5.27%. Principal payments begin in 2022 on the refinanced debt. The refinancing led to a lowering of the District's credit rating—the S&P rating from A+ to A and the Moody's rating from A2 to A3. The District reduced its operating expenses projected in the 2010 budget by \$2 million, primarily through reductions in personnel expenses, without compromising safe, reliable service. The District also cut the costs of the capital improvement program by almost one half of the original projected amount by deferring a number of CIP projects. Finally, the District entered into a more favorable hydropower marketing agreement that will at least double the amount of income from power sales over estimates in the initial 2010 budget.

### ***REQUIRED FINANCIAL STATEMENTS***

The Financial Statements of the District report information about the District using accounting methods similar to those used by companies in the private sector. These statements offer short and long-term financial information about its activities. The *Balance Sheet* includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in assets and obligations to District creditors as liabilities. It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the *Statements of Revenues, Expenses, and Changes in Net Assets*. These statements measure the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its rates, fees, capacity and other charges. The District's profitability and credit worthiness can also be determined from these statements. They are prepared using the accrual basis of accounting by recognizing revenues in the period they are earned and expenses in the period they are incurred without regard to the period of cash receipt or payment.

The final required financial statement is the *Statements of Cash Flows*. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period as well as net changes in cash resulting from operations, investing, and financing activities. The statements explain where cash came from and where cash was used and the change in the cash balance during the reporting period.

## ***FINANCIAL ANALYSIS OF THE DISTRICT***

Has the financial condition of the District improved or deteriorated as a result of last year's operations? The Balance Sheets and the Statements of Revenues, Expenses and Changes in Net Assets are used to attempt to answer this question. These two statements report the net assets and the changes in them. Net assets may be a useful indicator over time as to the District's financial position. But, there may be other non-economic factors that could cause a change in the District's financial situation.

### **NET ASSETS**

Net assets decreased \$8.0 million in 2009 but increased \$2.5 million in 2008. The decrease in net assets in 2009 is an indication that the District's financial condition reflected the downturn in the economy during 2009. The increase in net assets for 2008 is an indication that the District's financial condition improved that year albeit not at the rate it had in the prior year when net assets increased by \$18.2 million. Net assets invested in capital assets, net of related debt, decreased by \$76 million in 2009, but increased by \$46.6 million in 2008 and by \$30.3 million in the prior year due to capital expenditures. New debt issuance, net of custodial funds amounted to \$121 million which increased long term debt and decreased net assets in Capital Assets, Net of Related debt. Restricted net assets increased by \$40.0 million in 2009 to \$88.0 million and decreased by \$29.0 million in 2008. This was due to the financing of the 2009 debt that was still restricted at the end of the fiscal year. Unrestricted net assets increased by \$27.7 million in 2009 to \$33.3 million, but declined by \$15.0 million in 2008. This increase represents the difference between the increase in restricted net assets and the decrease in investment in capital assets.

Capital assets increased by \$42.7 million to \$706.7 million as a result of the capital improvement program. In the prior year, the increase in capital assets was \$52.1 million to \$664.1 million. In 2007 intangible FERC license costs of \$40.0 million were classified as noncurrent assets, but in 2008 those costs were classified as capital assets. Noncurrent assets were relatively unchanged, declining by \$.2 million in 2009, but they declined by \$30.7 million in 2008. In 2008, investments of \$7.0 million were shown as cash and cash equivalents in current assets on the balance sheet, since the investments were all due within one year. In 2007, investments of \$34.0 million were shown as noncurrent assets. As investments matured or were called in 2009 and 2008, the proceeds were used to fund capital expenditures rather than reinvested in short-term holdings. Deferred credits of \$26.2 million related to the FERC license were included in noncurrent liabilities of \$414.2 million. Current assets increased by \$67.3 million in the current year because remaining bond proceeds from the 2009 issue were included in cash. Current assets declined by \$12.1 million in 2008. A summary of the District's Balance Sheets is presented in Table A-1.

**Table A-1**  
**Condensed Balance Sheets**  
(in millions)

	<b>December 31,</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
Current assets	\$137.0	\$69.6	\$81.7
Noncurrent assets	6.6	6.8	37.5
Capital assets	706.7	664.1	612.0
Total Assets	\$850.3	\$740.5	\$731.2
Current Liabilities	\$26.5	\$28.6	\$28.6
Noncurrent Liabilities	414.2	294.4	287.6
Total Liabilities	\$440.7	\$323.0	\$316.2
Invested in Capital Assets, Net of Related Debt	\$288.3	\$364.4	\$317.8
Restricted Net Assets	87.9	47.5	76.6
Unrestricted Net Assets	33.3	5.6	20.6
Total Net Assets	\$409.5	\$417.5	\$415.0

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

The Balance Sheet shows assets, liabilities, and net assets at a specific point in time whereas the Statements of Revenues, Expenses, and Changes in Net Assets show the results of operations for the year. Total revenues decreased by \$4.8 million to \$54.7 million in 2009 due to declines in property tax revenues and interest income. In 2008, total revenue decreased by \$7.5 million to \$59.5 million, a loss due to decreases in property tax revenues and interest income. In 2007, total revenues increased by \$7.6 million to \$67.0 million due to flood damage reimbursement and normal increases in operating revenues. Total expenses decreased by \$2.4 million to \$71.5 million due to budget cuts mainly to personnel expenses. In 2008, total expenses increased by \$7.0 million to \$75.3 million due to higher operating costs, interest cost, and depreciation expense. In 2007, total expenses increased by \$2.5 million to \$68.3 million due to higher personnel and interest costs. The net loss before capital contributions increased by \$2.3 million to \$18.1 in 2009, increased by \$14.5 million to \$15.8 million in 2008, and declined by \$5.1 million to \$1.3 million in 2007. Operating expenses decreased in 2009 by \$2.1 million due to budget cuts, but increased in both 2008 and 2007 due to increased salaries from added positions as well as increased pay scales and employee benefits. In early 2008, the District reorganized its structure by eliminating some positions and consolidating others. Late in the year, the District laid off 31 employees in a further move to reduce operating costs given the economic slowdown. In 2009, there were more layoffs and consolidation of operating departments. Operating expenses for 2009 and 2008 include a charge for \$1.8 million for post-retirement benefits. Capital contributions declined by \$9.5 million in 2009 as a result of a decline in facility capacity charges greater than the \$0.8 million increase in developer contributions. Capital contributions declined by \$1.2 million in 2008 and by \$7.5 million in 2007 due to decreases in facility capacity charges. Ending net assets total \$409.5 million, a decrease of \$8.0 million from the prior year. The increase in the prior year was \$2.5 million.

On the Statement of Revenues, Expenses and Changes in Net Assets, the non-operating revenues and expenses are listed together. On the condensed statement below, operating and non-operating revenues and expenses are shown together, as follows:

**Table A-2**  
**Condensed Statements of Revenues, Expenses, and Changes in Net Assets**  
**For the Years Ended**  
**(in millions)**

	<b>December 31,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Operating Revenues	\$37.6	\$40.8	\$39.7
Non-operating Revenues	17.3	18.7	27.3
Total Revenues	\$54.9	\$59.5	\$67.0
Operating Expenses	\$44.2	\$46.3	\$43.9
Depreciation	15.6	17.1	13.1
Non-operating Expenses	11.7	11.9	11.3
Total Expenses	\$71.5	\$75.3	\$68.3
Net Loss Before Capital Contributions	(\$16.8)	(\$15.8)	(\$1.3)
Capital Contributions	8.8	18.3	19.5
Change in Net Assets	(\$8.0)	\$2.5	\$18.2
Beginning Net Assets	417.5	415.0	396.8
Total Net Assets	\$409.5	\$417.5	\$415.0

Significant items of operating revenues and expenses are as follows:

**Table A-3**  
**Operating Revenues**  
**For the Years Ended**  
**(in millions)**

	<b>December 31,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Water Sales & Service	\$17.6	\$18.9	\$18.9
Wastewater Sales & Service	16.1	16.1	15.8
Recreational Revenues	1.0	1.0	0.7
Hydroelectric Revenues	2.9	4.8	4.3
Total Operating Revenues	\$37.6	\$40.8	\$39.7

The departments were reorganized and restructured in 2009. The following is the list of operating expenses for 2009 and 2008 under the new organization chart.

**Table A-4**  
**Operating Expenses Excluding Depreciation**  
**For the Years Ended**  
**(in millions)**

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
Departmental Expenses		
Office of the General Manager	\$4.7	\$1.7
Communication	0.6	0.9
Natural Resources	3.9	5.0
Finance	6.6	7.9
Human Resources	2.2	4.2
Information Technology	2.5	2.8
Engineering	0.9	1.5
Water Operations	9.5	9.4
Wastewater Operations	9.3	8.6
Recycled Water Operations	0.6	0.8
Hydroelectric Operations	3.4	3.5
Developer reimbursed expenses	0.0	0.0
Total Operating Expenses Excluding Depreciation	<u>\$44.2</u>	<u>\$46.3</u>

Operating expenses for 2007 under the old organization of departments is as follows:

	<u>December 31,</u>
	<u>2007</u>
Departmental Expenses	
Office of the General Manager	\$5.0
Strategic Management and Communication	3.8
Environmental compliance and resource management	3.1
Finance and Management Services	6.6
Facilities Management	23.0
Recreation	1.6
Other Operating Expenses	
Developer reimbursed expenses	0.8
Total Operating Expenses Excluding Depreciation	<u>\$43.9</u>

Operating expenses, excluding depreciation, decreased by \$2.1 million to \$44.2 million in 2009 but increased by \$2.4 million to \$46.3 million in 2008 and by \$1.7 million to \$43.9 in 2007, primarily because of increased salaries resulting from newly added positions, increased pay scales, and other



employee benefits related to expanded service reliability. The decrease in operating expenses for 2009 is primarily due to cuts in personnel costs. Operating expenses for 2009 and 2008 include a non-cash charge for the cost of retirement health benefits of \$1.8 million. This item is added to the District's expense list for the first time in 2008 in accordance with governmental accounting pronouncements.

Operating revenues compared to operating expenses, excluding depreciation, are as follows:

**Table A-5**  
**Operating Revenues vs Operating Expenses Excluding Depreciation**  
**For the Years Ended**  
**(in millions)**

	<b>December 31,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Operating Revenues	\$37.6	\$40.8	\$39.7
Operating Expenses	44.2	46.3	43.9
Net Operating Loss Excluding Depreciation	<u>(\$6.6)</u>	<u>(\$5.5)</u>	<u>(\$4.2)</u>

Significant items of non-operating revenues and expenses are as follows:

**Table A-6**  
**Non-operating Revenues**  
**For the Years Ended**  
**(in millions)**

	<b>December 31,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Surcharges	\$2.5	\$2.5	\$1.9
Voter-approved taxes	0.5	0.6	0.6
Property Taxes	10.1	10.8	11.6
Interest Income	2.0	1.9	5.2
Other Income	2.2	2.6	1.3
Flood Damage Reimbursements	0.0	0.4	6.7
Total Non-operating Revenues	<u>\$17.3</u>	<u>\$18.8</u>	<u>\$27.3</u>

Total non-operating revenues decreased in 2009 by \$1.5 million and by \$8.5 million in 2008 due to declines in property tax revenues and interest income. In 2007, non-operating income increased by \$3.4 million due to the increase in flood damage reimbursement.

Interest income declined slightly in 2007, declined dramatically in 2008 to \$1.9 million due to a declining rate environment, and was unchanged in 2009 at \$2.0 million. Interest expense for 2009 was \$0.3 million less than 2008 due to stabilizing interest rates. Interest expense for 2008 was higher by \$1.1 million due to higher rates on variable rate debt earlier in that year before the Auction Rate Securities could be replaced with the Variable Rate Demand Obligations. Interest expense declined slightly in 2007 due to lower interest rates.

**Table A-7**  
**Non-operating Expenses**  
**For the Years Ended**  
**(in millions)**

	<b>December 31,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Flood Damage Expenses	\$0.2	\$0.0	\$0.0
Other Expenses	0.0	0.0	0.4
Interest Expense	11.7	12.0	10.9
Total Non-operating Expenses	<u>\$11.9</u>	<u>\$12.0</u>	<u>\$11.3</u>

In 2009 non-operating revenues exceeded non-operating expenses by \$5.4 million, whereas in 2008, non-operating revenues exceeded non-operating expenses by \$6.8. Property taxes declined in 2009, and in 2008 both property taxes and interest income declined, but interest expense rose. In 2007, non-operating revenues exceeded non-operating expenses by \$16.0 million due to flood damage reimbursement.

**Table A-8**  
**Non-operating Revenues vs Expenses**  
**For the Years Ended**  
**(in millions)**

	<b>December 31,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Non-operating Revenues	\$17.3	\$18.8	\$27.3
Non-operating Expenses	(11.9)	(12.0)	(11.3)
Net Non-operating Revenues	<u>\$5.4</u>	<u>\$6.8</u>	<u>\$16.0</u>

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The District's capital assets, net of accumulated depreciation, increased by \$42.7 million to \$706.8 million in 2009 and by \$52.1 million to \$664.1 million in the prior year. These increases encompass a broad range of infrastructure, including water and wastewater plants in service, recycled water facilities, construction in progress, and other assets such as vehicles, equipment, office equipment, and furniture. The increase in net capital assets was mainly due to improvements to the District's water and wastewater plants in service to cover current and future growth resulting from private development in El Dorado Hills. Capital assets increased by \$35.4 million in 2007. The capital assets section for 2009 includes the intangible FERC license costs of \$40.0 million which were classified as noncurrent assets in the prior year. Details of the District's capital assets follow.

**Table A-9**  
**Capital Assets, Net**  
**(in millions)**

	<b>December 31,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Capital assets not being depreciated			
Land	\$8.3	\$8.2	\$8.2
Water rights	\$1.4	\$0.0	\$0.0
Construction in progress	154.8	193.0	165.0
FERC license	33.6	33.1	32.1
Total Capital Assets Not Being Depreciated	<u>\$198.1</u>	<u>\$234.3</u>	<u>\$205.3</u>
Capital Assets Being Depreciated			
Water plant in service	\$439.1	\$361.2	\$339.4
Wastewater plant in service	208.0	195.6	183.7
Future use facilities	0.0	0.0	0.0
General plant	27.2	23.7	18.8
Recycled water facility	23.8	22.4	20.2
FERC license	7.9	7.9	8.1
Electric power plant	0.0	0.0	0.0
Total capital assets being depreciated	<u>\$706.0</u>	<u>\$610.7</u>	<u>\$570.2</u>
Less Accumulated Depreciation	<u>197.3</u>	<u>181.2</u>	<u>163.5</u>
Net Capital Assets	<u><u>\$706.8</u></u>	<u><u>\$663.8</u></u>	<u><u>\$612.0</u></u>

The District had outstanding capital project commitments of \$23.9 million at December 31, 2009, and \$49.3 million at December 31, 2008. Additional information about the capital assets is found in Note 3 to the financial statements.

### **LONG-TERM DEBT**

At the end of 2009, the District had \$380.2 million in noncurrent debt. In 2009 the District issued \$132.3 million of fixed rate debt with an average true interest cost of 5.96% to finance capital improvements. The new borrowing in 2008 consisted of \$5.8 million in State Revolving Fund loans as well as the 2008A issuance of \$110.7 million issued to refund the 2003B and 2004B issues. There was no new borrowing in 2007. The District obtained new State Revolving Fund loans of \$10.9 million in 2006 and \$2.9 million in 2005 to finance the reservoir line and cover program. In 2004, the District refinanced the 1996 Revenue Bonds, the 1999 Revenue Bonds, and the LaSalle Bank Bridge loan via the issuance of Revenue Certificates of Participation. In 2003, the District issued \$165.8 of Revenue Certificates of Participation to fund the District's five-year capital improvement program. Also in 2003, the District issued \$6.1 million of General Obligation bonds to finance the remainder of the Sly Park purchase. The payments on the 2003 General Obligation bonds are reimbursed via voter-approved property taxes.

On April 30, 2008 the District issued COPs in the form of Variable Rate Demand Obligations (VRDOs) of \$110,705,000 to refund the 2003B and 2004B issues, which were Auction Rate Securities (ARS). The ARS 2003B and 2004B issues were called May 5, 2008. Although in past years, the interest incurred on the ARS issues was far below that of fixed rate debt, problems developed in late 2007 and 2008 in connection with the ARS market. It was in the District's economic interest to replace that debt with VRDOs. The interest rates paid on the VRDO issue in 2009 are much lower than current fixed rates of interest. The District's S&P rating was lowered to A from A+ for the new 2008 debt issue.

An analysis of the activity in the District's outstanding debt for the year is as follows:

**Table A-10**  
**Debt Analysis**  
**For the year ended December 31, 2009**

	(in millions)			
	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2009</u>
State of California loans	\$21.3	\$	\$0.9	\$20.4
Revenue Certificates of Participation 2003A	71.1		3.9	67.2
Revenue Certificates of Participation 2004A	62.1		4.3	57.7
Revenue Certificates of Participation 2008A	110.7			110.7
Revenue Certificates of Participation 2008A	0.0	132.3		132.3
2003 General Obligation bonds	4.3		0.4	3.9
Totals	269.5	132.3	9.5	392.2
Deferred bond premium net of refunding	0.9	0.9	0.0	(1.8)
Less current portion	9.1			(10.2)
Long-term debt	<u>\$261.3</u>			<u>\$380.2</u>

On February 4, 2009 the District issued fixed rate COPs totaling \$132,285,000 to finance capital improvements. Interest rates range from 3.5% to 6.25% with an average true interest cost of 5.96%. The District's S&P rating was increased to A+ from A for the new 2009 debt issue. Additional information on the District's long-term debt can be found in Note 4 of the financial statements.

**Table A-11**  
**Cost of Capital**  
**(in millions)**

	<u>Debt balance</u>	<u>Average coupon rate</u>
State of California loans	\$21.3	2.32% to 2.60%
2003A Revenue COPs	71.1	3% to 5.25%
2004A Revenue COPs	62.1	2.5% to 5.0%
2008A Revenue COPs	110.7	varies *
2009A Revenue COPs	132.3	3.5% to 6.25%

\* The effective rate for the 2008A issue for 2009 is 1.15% and 2.33% since its inception in April 2008. The effective rate for 2008 for the refunded 2003B and 2004B issues is 5.46% and 6.45%, respectively. For prior years, the effective interest rate for the 2003B Revenue COPs was 3.82% at December 31, 2007 and 3.38% at December 31, 2006. The 2004B Revenue COPs issue became subject to auction rates on February 15, 2006 and the rate was 3.45% at the end of 2006 and 3.72% at the end of 2007.

### **ECONOMIC FACTORS AND RATES**

In 2009, the District continued the work on the many projects that comprise the capital improvement program. This program includes water treatment plant upgrades and storage in El Dorado Hills, wastewater projects, and seasonal water storage projects for the recycled water system for service reliability and regulatory required projects, such as the State requirement to line and cover all the reservoirs. During the year, the District completed a study of its facility capacity charges, which resulted in higher charges in some areas. The District's 2008 rate study adjusted rate tier levels to promote conservation, but is revenue neutral in terms of revenue generation. The District is affected by the slowdown in new home construction and has reduced costs accordingly.

### ***REQUESTS FOR INFORMATION***

This financial report is designed to provide a general overview of the finances for the El Dorado Irrigation District. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 2890 Mosquito Road, Placerville CA 95667.

EL DORADO IRRIGATION DISTRICT  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008

ASSETS	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and Cash Equivalents (Note 2)	\$45,079,255	\$9,442,300
Restricted Cash and Cash Equivalents (Note 2)	77,402,812	47,992,675
Accounts Receivable, Net	4,661,200	5,035,899
Due From Other Government Agencies	150,084	662,955
Interest Receivable	120,112	201,771
Taxes Receivable	8,425,623	5,539,838
Inventory	368,587	345,870
Prepaid Expenses and Other Current Assets	<u>767,079</u>	<u>375,195</u>
Total Current Assets	<u>136,974,752</u>	<u>69,596,503</u>
CAPITAL ASSETS, Non Depreciable (Note 3)	<u>198,096,681</u>	<u>234,283,057</u>
CAPITAL ASSETS, net of Accumulated Depreciation (Note 3)	<u>508,659,055</u>	<u>429,774,803</u>
NONCURRENT ASSETS		
Investments (Note 2)		3,034,908
Deferred Bond Costs	6,555,680	3,679,695
Notes Receivable		<u>69,280</u>
Total Noncurrent Assets	<u>6,555,680</u>	<u>6,783,883</u>
TOTAL ASSETS	<u>\$850,286,168</u>	<u>\$740,438,246</u>

(Continued)

See accompanying notes to financial statements

EL DORADO IRRIGATION DISTRICT  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008

	2009	2008
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$5,990,697	\$8,003,183
Deposits	1,393,410	1,314,827
Accrued Compensated Absences (Note 1. L.)	14,277	263,578
Accrued Payroll and Benefits Payable	639,330	1,115,915
Unearned Revenue	4,102,524	4,070,683
Deferred Credit - FERC License (Note 3. B.)	1,819,732	2,332,106
Current Contracts, Bonds and Leases Payable (Note 4)	10,217,497	9,075,707
Accrued Interest Payable	2,320,074	2,376,271
Total Current Liabilities	26,497,541	28,552,270
<b>NONCURRENT LIABILITIES</b>		
Accrued Compensated Absences (Note 1. L.)	852,373	958,518
Long-term Debt (Note 4)	380,164,436	261,325,153
Texas Hill Property Liability (Note 10. C.)	1,533,000	1,533,000
Reserve for Claims and Claims Expense (Note 8)	833,000	833,000
Other Post Employment Benefits Obligation (Note 7. B.)	3,681,017	1,843,387
Deferred Credit - FERC License (Note 3. B.)	26,221,533	26,951,334
Other Liabilities	930,000	930,000
Total Noncurrent Liabilities	414,215,359	294,374,392
<b>TOTAL LIABILITIES</b>	<b>440,712,900</b>	<b>322,926,662</b>
<b>NET ASSETS (Note 5)</b>		
Invested in Capital Assets, Net of Related Debt	288,332,538	364,373,560
Restricted for New Facilities	10,664,866	36,619,698
Restricted for Debt Service	77,268,475	10,932,328
Unrestricted	33,307,389	5,585,998
<b>TOTAL NET ASSETS</b>	<b>409,573,268</b>	<b>417,511,584</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$850,286,168</b>	<b>\$740,438,246</b>

See accompanying notes to financial statements

EL DORADO IRRIGATION DISTRICT  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
OPERATING REVENUES		
Water sales	\$17,403,450	\$18,008,366
Water services	180,329	993,358
Reclaimed water reimbursement/sales	790,070	882,916
Wastewater sales	15,329,043	15,270,725
Wastewater services		9,720
Recreation fees	954,321	941,681
Hydroelectric sales	<u>2,918,012</u>	<u>4,840,431</u>
Total Operating Revenues	<u>37,575,225</u>	<u>40,947,197</u>
OPERATING EXPENSES		
Office of the General Manager	4,769,987	1,692,724
Communication	561,468	889,604
Natural Resources	3,891,728	5,060,313
Finance	6,574,244	7,923,229
Human Resources	2,215,002	4,155,066
Information Technology	2,511,958	2,830,483
Engineering	934,312	1,524,256
Water Operations	9,457,872	9,387,656
Wastewater Operations	9,348,275	8,577,353
Recycled Water Operations	577,220	831,667
Hydroelectric Operations	3,363,285	3,459,387
Depreciation and amortization	<u>15,640,615</u>	<u>17,121,235</u>
Total Operating Expenses	<u>59,845,966</u>	<u>63,452,973</u>
OPERATING INCOME (LOSS)	<u>(22,270,741)</u>	<u>(22,505,776)</u>
NONOPERATING REVENUES (EXPENSES)		
Surcharges	2,482,263	2,499,897
Voter - approved taxes	499,757	588,363
Property taxes	10,138,728	10,797,872
Interest income	2,019,452	1,942,787
Other income	2,167,917	2,352,937
Interest expense	(11,676,950)	(11,989,898)
Flood damage reimbursements (expense)	<u>(242,295)</u>	<u>424,013</u>
Total Nonoperating Revenues (Expenses), net	<u>5,388,872</u>	<u>6,615,971</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>(16,881,869)</u>	<u>(15,889,805)</u>
CAPITAL CONTRIBUTIONS		
Facility capacity charges	1,099,015	11,453,468
Developer contributions	<u>7,844,538</u>	<u>6,955,646</u>
Total Contributions	<u>8,943,553</u>	<u>18,409,114</u>
Changes in Net Assets	<u>(7,938,316)</u>	<u>2,519,309</u>
NET ASSETS, BEGINNING OF YEAR	<u>417,511,584</u>	<u>414,992,275</u>
NET ASSETS, END OF YEAR	<u><u>\$409,573,268</u></u>	<u><u>\$417,511,584</u></u>

See accompanying notes to financial statements



EL DORADO IRRIGATION DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$37,672,725	\$41,386,855
Payments to suppliers for goods and services	(29,348,143)	(10,766,357)
Payments to employees for services and benefits	(16,114,184)	(33,998,845)
Payments for claims and judgments	(54,088)	(96,336)
Other operating receipts	790,070	882,916
	<u>(7,053,620)</u>	<u>(2,591,767)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property tax receipts	7,752,700	16,600,745
Surcharges received	2,482,263	2,499,897
Flood damage reimbursements	(242,295)	424,013
Other income	2,167,917	2,424,855
	<u>12,160,585</u>	<u>21,949,510</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(51,339,076)	(59,351,791)
Principal payments on long-term debt	(9,554,649)	(16,368,339)
Net proceeds and premiums from sale of bonds	120,297,593	32,736,678
Interest payments on long-term debt	(11,733,147)	(12,039,704)
Facility capacity charges received	1,099,015	11,453,468
Proceeds from disposal of capital assets		441,219
	<u>48,769,736</u>	<u>(43,128,469)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturities and calls of investments	8,000,000	22,227,049
Purchases of investments	1,000,000	(5,703,061)
Interest received on investments	2,101,111	2,775,525
Payments on notes receivable	69,280	7,879
	<u>11,170,391</u>	<u>19,307,392</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	65,047,092	(4,463,334)
Cash and cash equivalents at beginning of year	<u>57,434,975</u>	<u>61,898,309</u>
Cash and cash equivalents at end of year	<u>\$122,482,067</u>	<u>\$57,434,975</u>

(Continued)

EL DORADO IRRIGATION DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	(\$22,270,741)	(\$22,505,776)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation and amortization	15,640,615	17,121,235
Change in assets and liabilities:		
Accounts receivable	374,699	778,939
Due from other governmental agencies	512,871	553,355
Inventory	(22,717)	107,415
Prepaid expenses and other current assets	(391,884)	33,276
Accounts payable	(2,012,486)	(1,295,805)
Deposits	78,583	863,833
Accrued compensated absences	(355,446)	11,769
Accrued payroll and benefits payable	1,361,045	2,366,876
Unearned revenue	31,841	(626,884)
	(\$7,053,620)	(\$2,591,767)
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Receipt of contributed assets	\$7,844,538	\$6,955,646
Change in fair value of investments	39,414,701	39,414,701

See accompanying notes to financial statements

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **A. General**

The El Dorado Irrigation District (the District) was organized under the Irrigation District Act and authorizing statutes, and is governed by an elected five-member Board of Directors. The District, which was established on October 5, 1925, was created to provide municipal, and irrigation water in El Dorado County. Today, the District provides additional services, including wastewater treatment, recycled water production, solar and hydroelectric power generation, and recreational opportunities.

### **B. Financial Reporting Entity**

The accompanying basic financial statements of the District include the financial activities of the El Dorado Public Agency Financing Authority (the Authority), a component unit of the District which was created to provide assistance to the District in the issuance of debt (see Note 9), because financial operations are closely related and the Authority is governed by the same Board. Debt issued by the Authority is reflected as debt of the District in these financial statements. However, all debt issued by the Authority was refunded in 2004. The Authority has no other transactions and does not issue separate financial statements.

### **C. Basis of Presentation**

The District's Basic Financial Statements are prepared in conformity with generally accepted accounting principles generally (GAAP) accepted in the United States of America. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

The accounts of the District are organized and operated on a fund basis. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

### **D. Basis of Accounting**

The financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, including taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

For its proprietary activities, the District does not apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989. The proprietary funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as statements and interpretations of FASB, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

***E. Measurement Focus***

Enterprise funds are accounted for on a cost of services or *economic resources* measurement focus, which means that all assets and all liabilities associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

***F. Cash and Cash Equivalents***

For purposes of the statement of cash flows the District defines cash and cash equivalents to include all cash and temporary investments with original maturities of three months or less from the date of acquisition, including restricted assets, and all pooled deposits.

***G. Investments***

Investments are stated at fair value. Included in investment income (loss) is the net change in the fair value of investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments. Measurement of the fair value of investments is based upon quoted market prices.

***H. Receivables***

Accounts receivable arise from billings to customers for water and sewer usage and certain improvements made to customers' property. Uncollectible amounts from individual customers are not significant.

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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***I. Budgets and Budgetary Accounting***

The District adopts an annual budget in December each year. The budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The department heads can provide transfers within their own departmental operations budget. Budget transfers between two departments require the approval of the respective department heads. The General Manager may approve the transfer of appropriations from one department to another and transfers of \$50,000 or less from the District’s contingency fund. All other transfers must be approved by the Board of Directors. The Board may approve additional appropriations throughout that year as well.

***J. Property Taxes***

The District receives property taxes from El Dorado County. The District recognizes property taxes as revenue in the fiscal year of levy, based on the assessed value as of September 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on September 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill. Under this program the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

***K. Bond Discount and Issuance Costs***

Bond discounts and issuance costs are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond discounts. Issuance costs are reported as deferred charges.

***L. Compensated Absences***

The District’s policy allows employees to accumulate earned but unused vacation and other forms of leave which will be paid to employees upon separation from the District’s service, subject to a vesting policy. The cost of vacation is recorded in the period it is earned. Unused sick leave at retirement is applied to California Public Employees’ Retirement System service credits for retirement purposes.

	2009	2008
Beginning Balance	\$1,222,096	\$1,210,327
Additions	935,294	411,436
Payments	<u>(1,290,740)</u>	<u>(399,667)</u>
Ending Balance	<u>\$866,650</u>	<u>\$1,222,096</u>
Current Portion	<u>\$14,277</u>	<u>\$263,578</u>

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***M. Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***N. Inventory***

Inventories are stated at the lower of average cost or market. Inventories consist of parts and supplies.

***O. Reserves for Claims and Claims Expense***

The District is self-insured for the per-occurrence deductible for personal injury, general liability, property, fire, employee dishonesty, forgery, alteration, theft, disappearance, destruction and computer fraud claims. The District is also self-insured for all dental and vision claims. The District accrues the estimated costs of the self-insured portion of claims in the period in which the amount of the estimated loss is determinable.

***P. Classification Changes***

For the year ended December 31, 2009, certain classifications have been changed to improve financial statement presentation. For comparative purposes, prior year balances have been reclassified to conform with the fiscal year 2009 presentation.

<b>NOTE 2 - CASH AND INVESTMENTS</b>
--------------------------------------

***A. Policies***

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution.

The District invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the District employs the Trust Department of a bank as the custodian of certain District managed investments, regardless of their form.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The District is in compliance with the Board approved Investment Policy and California Government Code requirements.

<b>NOTE 2 - CASH AND INVESTMENTS (Continued)</b>
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***B. Classification***

The District's cash and investments consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$45,079,255	\$9,442,300
Restricted cash and cash equivalents	77,402,812	47,992,675
Investments		<u>3,034,908</u>
Total cash and investments	<u>\$122,482,067</u>	<u>\$60,469,883</u>

Cash and investments consisted of the following at December 31,

Cash on hand	\$4,301	\$4,165
Deposits with financial institutions	<u>447,858</u>	<u>(1,161,955)</u>
Total cash	<u>452,159</u>	<u>(1,157,790)</u>
U.S. Agency securities		7,081,158
Certificates of deposit	235,288	235,287
Money market mutual funds	5,105,079	1,130,639
Guaranteed investment contract	16,673,000	16,673,000
Investments in Local Agency investment Fund (LAIF)	99,365,448	35,991,850
JPA pool (CAMP)	<u>651,093</u>	<u>515,739</u>
Total investments	<u>122,029,908</u>	<u>61,627,673</u>
Total cash and investments	<u>\$122,482,067</u>	<u>\$60,469,883</u>

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	90 Days	N/A	N/A	N/A
California Local Agency Investment Fund	N/A	N/A	75%	(A)
U. S. Treasury Obligations	5 Years	N/A	75%	N/A
U.S. Agency Securities	5 Years	N/A	80%	30%
Bankers' Acceptances	180 Days	N/A	40%	30%
Commercial Paper	180 Days	A1, P1	15%	10%
Collateralized Certificates of Deposit	5 Years	N/A	N/A	N/A
Medium Term Corporate Notes	5 Years	A,A2	30%	10%
California Asset Management Program	N/A	N/A	75%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	25%	N/A
Money Market Mutual Funds	N/A	A1, P1	20%	10%
Collateralized Negotiable investments	N/A	N/A	N/A	N/A

(A) LAIF limit is \$40,000,000.

***D. Investments Authorized by Debt Agreements***

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The debt agreements contain certain provisions that address interest risk, credit risk and concentration of credit risk. The permitted investments, maximum percentage of the portfolio and maximum investment in one issuer specified in debt agreements are identical to the table above with the exception of debt agreements not allowing investments in repurchase agreements. In addition, the debt agreements require obligations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and money market mutual funds to be rated AAA by the applicable national statistical rating agency.



<b>NOTE 2 - CASH AND INVESTMENTS (Continued)</b>
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***E. Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call date as of December 31, 2009:

Investment Type	12 Months or less	13 to 24 Months	More than 24 Months	Total
California Local Agency Investment Fund	\$43,874,751			\$43,874,751
California Asset Management Program	651,093			651,093
Money Market Funds	1,158,901			1,158,901
<b>HELD BY TRUSTEE</b>				
Money Market Funds	3,946,178			3,946,178
Guaranteed investment contract			\$16,673,000	16,673,000
California Local Agency Investment Fund	55,490,697			55,490,697
Certificates of Deposit	235,288			235,288
Cash in Banks	452,159			452,159
<b>Total Cash and Investments</b>	<b>\$105,809,067</b>		<b>\$16,673,000</b>	<b>\$122,482,067</b>

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At December 31, 2009, these investments matured in an average of 222 days.

<b>NOTE 2 - CASH AND INVESTMENTS (Continued)</b>
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**F. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of December 31, 2009 for each investment type as provided by Standard and Poor's.

Investment Type	AA	AAM	Not Rated	Total
Guaranteed Investment Contract	\$16,673,000			\$16,673,000
Money Market Funds		\$5,105,079		5,105,079
Total Investments	<u>\$16,673,000</u>	<u>\$5,105,079</u>		<u>21,778,079</u>
California Local Agency Investment Fund			\$99,365,448	99,365,448
California Asset Management Program			651,093	651,093
Certificates of Deposit			235,288	235,288
Cash in Banks			452,159	452,159
Total Cash and Investments			<u>\$100,703,988</u>	<u>\$122,482,067</u>

**G. Concentration of Credit Risk**

Included in the table at F. above are the following significant investments in the securities of issuers other than U. S. Treasury securities, mutual funds, and external investment pools:

Issuer	Investment Type	Reported Amount
Union Bank of California	Guaranteed Investment Contract	\$9,940,698
Royal Bank of Canada	Guaranteed Investment Contract	6,732,303

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

***H. Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of December 31, 2009, the U.S. Agency securities were held by the District's agent in the District's name and District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Investment Type	Reported Amount
Guaranteed Investment Contract	\$16,673,000
Money Market Funds	5,105,079

**NOTE 3 – CAPITAL ASSETS**

**A. Summary**

Property, plant and equipment are stated at cost. The District capitalizes all assets with a historical cost of at least \$5,000 and a useful life of at least three years. The cost of additions to utility plant and major replacements of property are capitalized. Capitalized costs include material, direct labor, transportation and such indirect items as engineering, supervision, employee fringe benefits and interest on net borrowed funds related to plant under construction. Contributed property is recorded at estimated fair market value at the date of donation. Payments received for connection fees are recorded as contributions in aid of construction. Repairs, maintenance and minor replacements of property are expensed.

The purpose of depreciation is to spread the cost of capital assets equitably among all customers over the life of these assets, so that each customer’s bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of depreciable capital assets.

Depreciation of all capital assets in service, excluding land, is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the capital assets.

Capital assets are depreciated using the straight line method of depreciation, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

<u>Description</u>	<u>Years</u>
Facilities and improvements	30-50
Buildings and structures	40-100
Equipment and Furniture	5-10

<b>NOTE 3 – CAPITAL ASSETS (Continued)</b>
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***B. FERC License***

On October 16, 2006, the Federal Energy Regulatory Commission (FERC) issued an order renewing the license for the El Dorado Hydroelectric Project No. 184, effective October 1, 2006. Expenses of \$7,856,145 incurred for studies, legal counsel and consultants through the date the license was issued were capitalized as an intangible asset during 2006. The intangible asset is being amortized over the forty year license term. Amortization for 2009 was \$196,399.

The District also agreed to a number of conditions as part of the license agreement that result in the District incurring additional costs, including improving and maintaining a number of campgrounds, constructing a boat launch facility, making modifications to the outlets of dams, improving trailheads and monitoring environmental issues. The present value of these costs, totaling \$33,099,195, were accrued as a deferred credit in fiscal year 2006 and were capitalized as part of the intangible asset. Actual expenses in 2009 of \$1,242,175 were recorded as a retirement of the asset. Retirements of FERC licensing costs consist of the following:

	<u>2009</u>	<u>2008</u>
Beginning Balance	\$29,283,440	\$32,142,220
Retirements	<u>(1,242,175)</u>	<u>(2,858,780)</u>
Ending Balance	<u>\$28,041,265</u>	<u>\$29,283,440</u>
Current Portion	<u>\$1,819,732</u>	<u>\$2,332,106</u>

<b>NOTE 3 – CAPITAL ASSETS (Continued)</b>
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**C. Additions and Retirements**

Capital assets balances and activity are summarized below:

	Balance at December 31, 2008	Additions	Retirements	Transfers	Balance at December 31, 2009
Capital assets not being depreciated:					
Land	\$8,242,728				\$8,242,728
Water Rights		\$1,418,000			1,418,000
Construction in Progress	192,941,134	47,981,178		(\$86,085,445)	154,836,867
FERC license	33,099,195	499,891			33,599,086
<b>Total capital assets not being depreciated</b>	<b>234,283,057</b>	<b>49,899,069</b>		<b>(86,085,445)</b>	<b>198,096,681</b>
Capital assets being depreciated:					
Water plant in service	361,162,059	3,848,344		74,112,499	439,122,902
Wastewater plant in service	195,602,877	3,206,030		9,188,732	207,997,639
General plant	23,663,641	872,364	(\$148,832)	2,775,483	27,162,656
Reclaimed water facility	22,416,716	1,357,807		8,731	23,783,254
FERC license	7,856,145				7,856,145
<b>Total capital assets being depreciated:</b>	<b>610,701,438</b>	<b>9,284,545</b>	<b>(148,832)</b>	<b>86,085,445</b>	<b>705,922,596</b>
Less accumulated depreciation for:					
Water plant in service	(105,660,407)	(7,016,046)			(112,676,453)
Wastewater plant in service	(56,772,350)	(5,112,497)			(61,884,847)
General plant	(10,315,970)	(1,666,984)			(11,982,954)
Reclaimed water facility	(4,213,274)	(602,914)			(4,816,188)
FERC license - Amortization	(4,208,553)	(1,694,546)			(5,903,099)
<b>Total accumulated depreciation and amortization</b>	<b>(181,170,554)</b>	<b>(16,092,987)</b>			<b>(197,263,541)</b>
<b>Total capital assets being depreciated, net</b>	<b>429,530,884</b>	<b>(6,808,442)</b>	<b>(148,832)</b>	<b>86,085,445</b>	<b>508,659,055</b>
<b>Total capital assets, net</b>	<b>\$663,813,941</b>	<b>\$43,090,627</b>	<b>(\$148,832)</b>		<b>\$706,755,736</b>

<b>NOTE 4 – LONG-TERM DEBT</b>
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**A. Composition and Changes**

The District generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The District's debt issues and transactions are summarized below and discussed in detail thereafter.

	Original Issue Amount	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009	Amount due within one year
<b>State of California Loans</b>						
2.32% - 2.60%, due 01/01/29	\$22,855,212	\$21,363,538		\$944,649	\$20,418,889	\$952,497
<b>Revenue Certificates of Participation</b>						
<b>2003 A Series</b>						
3.00% - 5.25%, due 03/01/21	74,025,000	71,105,000		3,870,000	67,235,000	4,365,000
<b>2004 A Series</b>						
3.00% - 5.00%, due 03/01/25	75,445,000	62,020,000		4,305,000	57,715,000	4,525,000
<b>2008 A Series</b>						
3.21% variable rate, due 03/01/36	110,705,000	110,705,000			110,705,000	
<b>2009 A Series</b>						
3.50% - 6.25%, due 08/01/39	132,285,000		\$132,285,000		132,285,000	
<b>2003 General Obligation Bonds</b>						
2.50% - 4.50%, due 04/01/19	6,000,000	4,260,000		435,000	3,825,000	375,000
Total		269,453,538	<u>\$132,285,000</u>	<u>\$9,554,649</u>	392,183,889	<u>\$10,217,497</u>
Deferred amount on Refunding		(5,598,958)			(5,243,453)	
Bond Premiums		6,546,280			3,441,497	
Less: Current Portion of long-term debt		(9,075,707)			(10,217,497)	
Total Long -Term Debt		<u>\$261,325,153</u>			<u>\$380,164,436</u>	

**B. Description of the District's Long Term Debt Issues**

**State of California Loans** – The State of California Department of Water Resources, through the State Revolving Fund Loan Program, provides low interest loans for clean water and drinking projects to localities that operate facilities throughout the State of California. The State Revolving Fund is funded through federal appropriations. As of December 31, 2009, the District has entered into ten State Revolving Fund loans to finance the lining and covering of reservoirs as mandated by the State Department of Health Services. Each loan has a maximum term of 20 years.

**Revenue Certificates of Participation, Series 2003A** – On December 11, 2003, the District issued Revenue Certificates of Participation, Series 2003A in the amount of \$74,025,000 to prepay the District's Economic Development Administration loan, advance refund a portion of the District's 1999 Revenue bonds, acquire facilities for the District's water and wastewater system and to reimburse the District for amounts previously expended on the acquisition of certain facilities within the District's water and wastewater systems. The Certificates are payable from the District's net revenues. Principal payments are payable annually on March 1, beginning March 1, 2008 through March 1, 2021. Interest payments are payable semi-annually on March 1 and September 1.

**NOTE 4 - LONG TERM DEBT (Continued)**

**Refunding Revenue Certificates of Participation, Series 2004A** – On September 15, 2004, the District issued Refunding Revenue Certificates of Participation, Series 2004A in the amount of \$75,445,000 to advance refund the District’s 1996 Revenue bonds, 1999 Revenue Bonds and the LaSalle Bank Bridge Loan. The Certificates are payable from the District’s net revenues. Principal payments are payable annually on March 1, through March 1, 2025. Interest payments are payable semi-annually on March 1 and September 1.

**Adjustable Rate Revenue Certificates of Participation, Series 2008A** – On April 30, 2008, the District issued Adjustable Refunding Revenue Certificates of Participation, Series 2008B in the amount of \$110,705,000 to refund the District’s 2003B and 2004B Adjustable Rate Revenue bonds as well as to establish a reserve account of \$9,940,697. The Certificates are payable from the District’s net revenues. Interest rates are variable and based on weekly auction rates established by Union Bank of California N.A. The interest rate at December 31, 2008 was 3.21%. Principal payments are payable annually on March 1 from March 1, 2030 through March 1, 2036.

**Revenue Certificates of Participation, Series 2009A** – On January 23, 2009, the District issued Revenue Certificates of Participation, Series 2009A in the amount of \$132,285,000 to acquire certain facilities for the District water system and wastewater system and to purchase a financial guaranty insurance policy. The Certificates are payable from the District’s net revenues. Principal payments are payable annually on March 1, through March 1, 2025. Interest payments are payable semi-annually on March 1 and September 1.

**2003 General Obligation Refunding Bonds** – On December 23, 2003, the District issued the 2003 General Obligation Refunding Bonds in the amount of \$6,000,000 to repay a portion of the Sly Park Facilities Contract between the District and the United States Department of the Interior, Bureau of Reclamation. The Bonds are to be repaid from a property tax assessment on property within the District’s jurisdiction. Principal payments are payable annually on October 1. Interest payments are payable semi-annually on April 1 and October 1 through April 1, 2019.

**C. Debt Service Requirements**

Annual debt service requirements are shown below for the above debt issues:

For the Year Ending December 31	Business-Type Activities	
	Principal	Interest
2010	\$10,217,497	\$17,565,944
2011	10,612,606	17,173,975
2012	11,051,704	16,739,400
2013	11,571,398	16,221,121
2014	11,196,701	15,669,678
2015 - 2019	72,225,450	69,561,893
2020 - 2024	50,776,414	53,192,251
2025 - 2029	28,867,119	44,278,948
2030 - 2034	108,200,000	28,693,624
2035 - 2040	77,465,000	8,205,998
Totals	\$392,183,889	\$287,302,832



**NOTE 4 - LONG TERM DEBT (Continued)**

The District is subject to certain revenue bond covenants, the most restrictive of which requires the setting of rates and charges to yield net revenue (as defined) equal to at least 125% of the current annual debt service requirements of the Refunding Revenue Certificates of Participation, Series 2004A. The District was in compliance with all applicable bond covenants for the years ended December 31, 2008.

At December 31, 2009, the District was not in compliance with the provisions of the Revenue Certificates Participation, Series 2003A, Revenue Certificates of Participation, Series 2004A, Revenue Certificates Participation, Series 2008A, and Revenue Certificates of Participation, Series 2009A bond covenants which require water and wastewater rates and charges collected in each year to be at least equal to 125% of the debt service. Rates and charges were \$7,736,327 less than required under the covenant. The rates and charges will increase as the facilities that are being constructed with the proceeds are completed and placed into service.

**NOTE 5 – NET ASSETS**

Net Assets is the excess of all the District’s assets over all its liabilities, regardless of fund. Net Assets are divided into three captions under GASB Statement 34. These captions apply only to Net Assets and are described below:

*Invested in Capital Assets, net of related debt* describes the portion of Net Assets which is represented by the current net book value of the District’s capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and fees charged for the provision of future water resources.

*Unrestricted* describes the portion of Net Assets which is not restricted to use.

**NOTE 6 – RETIREMENT PLAN**

The District contributes to the California Public Employees Retirement System (CALPERS), an agent multiple-employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. It provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions under both plans are established by State Statute and District resolution. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CALPERS; the District must contribute these amounts. The Plan’s provisions and benefits in effect at June 30, 2008, are summarized as follows:

Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50
Monthly benefits, as a % of annual salary	1.092% - 3.000%
Required employee contribution rate	7.802%
Required employer contribution rate	16.703%

**NOTE 6 – RETIREMENT PLAN (Continued)**

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the District’s total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee’s projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The District does not have a net pension obligation since it pays these actuarially required contributions monthly.

CALPERS uses the market related value method of valuing the Plan’s assets. An investment rate of return of 7.75% is assumed, including inflation at 3.0%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

The Plan’s actuarial value (which differs from market value) and funding progress over the most recently available three years is set forth below at the actuarial valuation date of June 30:

Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
6/30/2006	\$64,651,794	\$46,346,525	\$18,305,269	71.7%	\$18,391,298	99.5%
6/30/2007	71,846,081	53,420,519	18,425,562	74.4%	18,928,128	97.3%
6/30/2008	81,068,458	60,125,773	20,942,685	74.2%	20,395,541	102.7%

Audited annual financial statements and ten-year trend data are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709. CALPERS reports this information approximately seventeen months after the end of its June 30 fiscal year.

As required by State law, effective July 1, 2005, the District’s Miscellaneous Plan was terminated, and the employees in this plan were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the District true-up any unfunded liability in the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The District satisfied its Miscellaneous Plan’s unfunded liability of \$18,425,562 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 10 years.

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN RETIREMENT**

***A. Trust Description***

The District's employees are eligible for postretirement health care benefits if they directly retire from employment at the District. As of December 31, 2009 and 2008, there were 165 and 83 retirees or their beneficiaries, respectively, receiving these health care benefits. These benefits are fully funded by the District in accordance with the District's Code of Regulations and with the Memorandum of Understanding for employees in the Clerical/Maintenance Representation Unit. These benefits are accounted for on a pay-as-you-go basis through payments to an insurance company. The cost of these benefits totaled \$528,370 in 2009 and \$448,613 in 2008.

During fiscal year 2008, the District implemented the provisions of the Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing other postemployment benefits (OPEB). As part of the implementation, the District elected to establish an irrevocable trust to provide a funding mechanism for the OPEB and to apply the provisions of the statements on a prospective basis. The activities of the Trust are accounted for in the Other Post-Employment Benefits Trust Fund.

***B. Funding Policy and Actuarial Assumptions***

The annual required contribution (ARC) was determined by an actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, and (b) between 5.5% - 7.0% healthcare inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The postemployment benefit plan is of the single-employer defined benefit plan. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The District's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year closed amortization period.

Generally accepted accounting principles permit assets to be treated as OPEB assets and deducted from the actuarial accrued liability when such assets are placed in an irrevocable trust or equivalent arrangement. The calculations are based on OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. Actuarially determined amounts for the OPEB plan are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The District has calculated and recorded the net OPEB liability, representing the difference between the ARC, amortization and contributions, as presented below:

Annual required contribution	\$2,366,000
Contributions made	<u>528,370</u>
OPEB Obligation	<u><u>\$1,837,630</u></u>

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (Continued)**

The Trust's annual required contributions and actual contributions for the year ended December 31, 2009 is as follows:

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
12/31/08	\$2,292,000	\$448,613	20%	\$1,843,387
12/31/09	2,366,000	528,370	22%	3,681,017

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the October 27, 2008 actuarial study is presented below:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Cost Method Actuarial Accrued Liability (B)</u>	<u>Overfunded (Underfunded) Actuarial Accrued Liability (A - B)</u>	<u>Funding Ratio (A / B)</u>
7/1/2008	\$0	\$16,554,000	(\$16,554,000)	0

**NOTE 8 - INSURANCE**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District is self-insured up to the amounts specified below for claims related to the following:

<u>Type of Claim</u>	<u>Coverage Limits</u>	<u>Self insured Portion (Per Occurrence)</u>
<b><i>District</i></b>		
Liability		
General Liability	\$3,000,000	\$25,000
Property	32,910,175	25,000
Crime	250,000	25,000
Management Liability	3,000,000	25,000
Business Automobile	1,000,000	None
Excess - Umbrella Liability	10,000,000	None
Workers' Compensation	Statutory Limit	None
<b><i>Hydro-Electric Plant</i></b>		
Property	96,425	25,000
Excess Property	13,000,000	100,000
Boiler & Machinery Equipment	18,000,000	100,000

**NOTE 8 – INSURANCE (Continued)**

The District purchases commercial insurance for claims in excess of self-insured amounts and for all other risks of loss to a stated maximum amount. The District is self-insured for amounts in excess of these amounts. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The reserve for claims and claims expense of \$833,000 reported at December 31, 2009 and 2008 is based on historical cost and/or actuarial estimates of the amounts needed to pay prior and current year claims, and to allow the accrual of estimated incurred but not reported claims and incremental claims expense. As of December 31, 2009 and 2008, the entire claims liability is reported as a long-term liability on the balance sheet. Changes in the District's claims liability amount in 2009 and 2008 were as follows:

	<u>Total</u>
Reserve for claims and claims expenses at December 31, 2007	\$833,000
Current year incurred claims and changes in estimates	466,728
Net (payments) recoveries	<u>(466,728)</u>
Reserve for claims and claims expenses at December 31, 2008	833,000
Current year incurred claims and changes in estimates	382,354
Net (payments) recoveries	<u>(382,354)</u>
Reserve for claims and claims expenses at December 31, 2009	<u><u>\$833,000</u></u>

**NOTE 9 - COMMITMENT AND CONTINGENT LIABILITIES**

**A. Capital Project Commitments**

The District has the following capital project commitments outstanding as of December 31, 2009:

El Dorado Hills WTP Expansion	6,550,067
New HQ Facility Phase III	4,685,809
Folsom Lake Temp Control	2,842,738
El Dorado Hills WWTP Phase III	1,313,795
Forebay Dredging/Upgrades	1,149,301
Other Projects	<u>7,364,748</u>
	<u>23,906,458</u>

**B. Litigation**

The District is a defendant in a number of lawsuits, which have arisen, in the normal course of business including challenges over certain rates and changes. The ultimate outcome of these matters is not presently determinable. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

**C. Other Contingencies**

On February 6, 1996, the District purchased the Texas Hill property from the County under an installment purchase agreement, which called for five annual payments of \$500,000 commencing September 1, 1996. In the event that the property is sold or used for any purpose that is inconsistent with the development of the Texas Hill Reservoir, any funds received must be used to fund the development of increased water supplies or increased wastewater capacity for the benefit of customers or potential customers of the District, but no additional payment is due the County. As of December 31, 2009 the outstanding balance due if and when the District obtains construction financing for and commences construction on the Texas Hill Reservoir is \$1,533,000. Currently the District has no plans to start construction.

**NOTE 10 – SUBSEQUENT EVENT**

On February 17, 2010, the District issued Refunding Revenue Certificates of Participation, Series 2010A, in the amount of \$14,755,000 in order to refund a portion of the Revenue Certificates of Participation, Series 2003A maturing March 1, 2010, March 1, 2011 and March 1, 2012 consisting of \$13,095,000 of the \$67,235,000 currently outstanding principal amount of such maturities.



Installation of a new flash mix manifold for the \$7.9 million El Dorado Hills water treatment plant expansion project.





EL DORADO IRRIGATION DISTRICT  
COMBINING BALANCE SHEET  
DECEMBER 31, 2009

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Total
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	\$8,627,693	\$34,133,090		\$198,097	(\$3,900,765)	\$6,021,140	\$45,079,255
Restricted Cash and Cash Equivalents	126,690	7,647	\$77,268,475				77,402,812
Accounts Receivable, Net	4,080,456		182,920			397,824	4,661,200
Due from Other Governmental Agencies	150,084						150,084
Interest Receivable	62,726		57,386				120,112
Taxes Receivable	7,730,878		499,757		194,988		8,425,623
Inventory	368,587						368,587
Prepaid Expenses and Other Current Assets	619,660		12,120			135,299	767,079
Intrafund Receivable/Payable	23,617,119	(16,373,321)			(428,798)	(6,815,000)	
Total Current Assets	<u>45,383,893</u>	<u>17,767,416</u>	<u>78,020,658</u>	<u>198,097</u>	<u>(4,134,575)</u>	<u>(260,737)</u>	<u>136,974,752</u>
CAPITAL ASSETS, non depreciable	<u>8,202,791</u>	<u>142,340,492</u>			<u>433,427</u>	<u>47,119,971</u>	<u>198,096,681</u>
CAPITAL ASSETS, net of accumulated depreciation	<u>429,348,646</u>				<u>6,209,669</u>	<u>73,100,740</u>	<u>508,659,055</u>
<b>NONCURRENT ASSETS</b>							
Deferred Bond Costs			6,555,680				6,555,680
Total Noncurrent Assets			<u>6,555,680</u>				<u>6,555,680</u>
<b>TOTAL ASSETS</b>	<u>482,935,330</u>	<u>160,107,908</u>	<u>84,576,338</u>	<u>198,097</u>	<u>2,508,521</u>	<u>119,959,974</u>	<u>850,286,168</u>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts Payable	5,990,693					4	5,990,697
Deposits	1,383,760					9,650	1,393,410
Accrued Compensated Absences	12,304					1,973	14,277
Accrued Payroll and Benefits Payable	588,455					50,875	639,330
Deferred Revenue	4,102,524						4,102,524
Deferred Credit - FERC License						1,819,732	1,819,732
Current Portion of Long-Term Debt			10,217,497				10,217,497
Accrued Interest Payable			2,320,074				2,320,074
Total Current Liabilities	<u>12,077,736</u>		<u>12,537,571</u>			<u>1,882,234</u>	<u>26,497,541</u>
<b>NONCURRENT LIABILITIES</b>							
Accrued Compensated Absences	783,796					68577	852,373
Long-Term Debt			380,164,436				380,164,436
Texas Hill Property Liability			1,533,000				1,533,000
Reserve for Claims and Claims Expense	833,000						833,000
Other Post Employment Benefits Obligation	3,681,017						3,681,017
Deferred Credit - FERC License						26,221,533	26,221,533
Other Liabilities	930,000						930,000
Total Noncurrent Liabilities	<u>6,227,813</u>		<u>381,697,436</u>			<u>26,290,110</u>	<u>414,215,359</u>
<b>TOTAL LIABILITIES</b>	<u>18,305,549</u>		<u>394,235,007</u>			<u>28,172,344</u>	<u>440,712,900</u>
<b>NET ASSETS</b>							
Invested in Capital Assets, Net of Related Debt	437,551,437	142,340,492	(390,381,933)		6,643,096	92,179,446	288,332,538
Restricted for New Facilities	126,690		6,906,702			3,631,474	10,664,866
Restricted for Debt Service			77,268,475				77,268,475
Unrestricted	26,951,654	17,767,416	(3,451,913)	198,097	(4,134,575)	(4,023,290)	33,307,389
TOTAL NET ASSETS (DEFICITS)	<u>464,629,781</u>	<u>160,107,908</u>	<u>(309,658,669)</u>	<u>198,097</u>	<u>2,508,521</u>	<u>91,787,630</u>	<u>409,573,268</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$482,935,330</u>	<u>\$160,107,908</u>	<u>\$84,576,338</u>	<u>\$198,097</u>	<u>\$2,508,521</u>	<u>\$119,959,974</u>	<u>\$850,286,168</u>

EL DORADO IRRIGATION DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
 DECEMBER 31, 2009

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Total
<b>OPERATING REVENUES</b>							
Water Sales	\$17,403,450						\$17,403,450
Water Services	180,329						180,329
Recycled Water Reimbursement/Sales	790,070						790,070
Wastewater Sales	15,329,043						15,329,043
Wastewater Services							
Recreation Fees					\$954,321		954,321
Hydroelectric Sales						\$2,918,012	2,918,012
<b>Total Operating Revenues</b>	<b>33,702,892</b>				<b>954,321</b>	<b>2,918,012</b>	<b>37,575,225</b>
<b>OPERATING EXPENSES</b>							
Office of the General Manager	4,769,987						4,769,987
Communications	561,468						561,468
Natural Resources	2,697,558				1,194,170		3,891,728
Finance	6,574,244						6,574,244
Human Resources	2,215,002						2,215,002
Information Technology	2,511,958						2,511,958
Engineering	934,312						934,312
Water Operations	9,457,872						9,457,872
Wastewater Operations	9,348,275						9,348,275
Recycled Water Operations	577,220						577,220
Hydroelectric Operations						3,363,285	3,363,285
Depreciation and Amortization	13,311,068				194,540	2,135,007	15,640,615
<b>Total Operating Expenses</b>	<b>52,958,964</b>				<b>1,388,710</b>	<b>5,498,292</b>	<b>59,845,966</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(19,256,072)</b>				<b>(434,389)</b>	<b>(2,580,280)</b>	<b>(22,270,741)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Surcharges	1,027,554		\$1,454,709				2,482,263
Voter - Approved Taxes			499,757				499,757
Property Tax	9,887,760				250,968		10,138,728
Interest Income	1,010,056	\$30,269	979,127				2,019,452
Other Income	2,144,650				23,267		2,167,917
Interest Expense			(11,667,028)		(9,922)		(11,676,950)
Flood Damage Reimbursements (expense)						(242,295)	(242,295)
<b>Total Nonoperating Revenues</b>	<b>14,070,020</b>	<b>30,269</b>	<b>(8,733,435)</b>		<b>264,313</b>	<b>(242,295)</b>	<b>5,388,872</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>							
Facility Capacity Charges	1,099,015						1,099,015
Developer Contributions	7,844,538						7,844,538
Transfers In	71,686,473	163,069,784	343,215,400		3,775,027	51,101,617	632,848,301
Transfers (Out)	(10,288,046)	(172,775,762)	(409,254,141)		(4,701,311)	(35,829,041)	(632,848,301)
<b>Total Capital Contributions and Transfers</b>	<b>70,341,980</b>	<b>(9,705,978)</b>	<b>(66,038,741)</b>		<b>(926,284)</b>	<b>15,272,576</b>	<b>8,943,553</b>
<b>NET INCOME (LOSS)</b>	<b>65,155,928</b>	<b>(9,675,709)</b>	<b>(74,772,176)</b>		<b>(1,096,360)</b>	<b>12,450,001</b>	<b>(7,938,316)</b>
<b>NET ASSETS (DEFICITS), BEGINNING OF YEAR</b>	<b>399,473,853</b>	<b>169,783,617</b>	<b>(234,886,493)</b>	<b>198,097</b>	<b>3,604,881</b>	<b>79,337,629</b>	<b>417,511,584</b>
<b>NET ASSETS (DEFICITS), END OF YEAR</b>	<b>\$464,629,781</b>	<b>\$160,107,908</b>	<b>(\$309,658,669)</b>	<b>\$198,097</b>	<b>\$2,508,521</b>	<b>\$91,787,630</b>	<b>\$409,573,268</b>

EL DORADO IRRIGATION DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Actual	Budget	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Sales	\$17,403,450	\$18,754,426	(\$1,350,976)
Water Services	180,329	1,311,267	(1,130,938)
Recycled Water Reimbursement/Sales	790,070	1,383,234	(593,164)
Wastewater Sales	15,329,043	16,017,745	(688,702)
Wastewater Services		414,127	(414,127)
Recreation Fees	954,321	960,000	(5,679)
Hydroelectric Sales	2,918,012	4,150,000	(1,231,988)
Total Operating Revenues	<u>37,575,225</u>	<u>42,990,799</u>	<u>(5,415,574)</u>
<b>OPERATING EXPENSES</b>			
Office of General Manager	4,769,987	2,469,641	(2,300,346)
Communications	561,468	637,224	75,756
Natural Resources	3,891,728	3,498,310	(393,418)
Finance	6,574,244	6,797,544	223,300
Human Resources	2,215,002	2,825,219	610,217
Information Technology	2,511,958	2,901,696	389,738
Engineering	934,312	(182,740)	(1,117,052)
Water Operations	9,457,872	9,965,337	507,465
Wastewater Operations	9,348,275	10,187,181	838,906
Recycled Water Operations	577,220	780,935	203,715
Hydroelectric Operations	3,363,285	3,751,048	387,763
Total Operating Expenses	<u>44,205,351</u>	<u>43,631,395</u>	<u>(1,394,753)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(6,630,126)</u>	<u>(640,596)</u>	<u>(4,020,821)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Facility Capacity Charges	1,099,015	14,670,724	(13,571,709)
Surcharges	2,482,263	3,596,102	(1,113,839)
Voter - Approved Taxes	499,757		499,757
Property Tax	10,138,728	10,871,748	(733,020)
Interest Income	2,019,452	2,500,000	(480,548)
Other Income	2,167,917	817,143	1,350,774
Interest Expense	(11,676,950)		(11,676,950)
Flood Damage Reimbursements	(242,295)		(242,295)
Total Nonoperating Revenues	<u>6,487,887</u>	<u>32,455,717</u>	<u>(25,967,830)</u>
<b>EXCESS OF BUDGETED REVENUES OVER BUDGETED EXPENSES</b>	<u>(142,239)</u>	<u>\$31,815,121</u>	<u>(\$29,988,651)</u>
<b>NON-BUDGETED ITEMS</b>			
Developer Contributions	7,844,538		
Depreciation and Amortization	(15,640,615)		
Total Capital Contributions and Depreciation	<u>(7,796,077)</u>		
<b>CHANGE IN NET ASSETS</b>	<u><u>(\$7,938,316)</u></u>		





The new \$2.1 million, odor-reducing biofilter system at El Dorado Hills wastewater treatment plant—required under EID’s operating permit. The system is part of the two-year, \$54.7 million upgrade/expansion at the plant.



Table #1  
**Net Assets by Component**  
 Last Eight Years  
 (in dollars)

<b>Year</b>	<b>Invested in Capital Assets Net of Related Debt</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
2001	\$205,740,893	\$46,969,253	\$57,502,246	\$310,212,392
2002	233,348,406	48,975,507	34,167,480	316,491,393
2003	261,340,004	44,249,530	47,339,174	352,928,708
2004	268,570,440	42,009,351	50,424,997	361,004,788
2005	279,217,991	41,555,689	55,440,921	376,214,601
2006	279,591,914	45,739,719	71,462,902	396,794,535
2007	317,753,150	76,620,709	20,618,416	414,992,275
2008	364,373,560	47,552,026	5,585,998	417,511,584
2009	288,332,538	87,933,341	33,307,389	409,573,268

As recommended by GASB 44, this schedule provides data retroactively to the year GASB 34 was implemented. The District implemented GASB 34 in 2002 and presented comparative data for 2001. Accordingly, the last five years are presented.

Source: El Dorado Irrigation District

Table #2  
**Changes in Net Assets**  
 Last Nine Years

(in dollars)

Year	Operating Revenues	Operating Expenses	Operating Income	Non-operating revenues less expenses	Income before Capital Contributions	Capital Contributions	Change in Net Assets
<b>2001</b>	23,211,226	34,513,484	(11,302,258)	10,390,648	(911,610)	34,475,752	33,564,142
<b>2002</b>	23,673,261	38,044,403	(14,371,142)	5,236,224	(9,134,918)	17,889,858	8,754,940
<b>2003</b>	24,307,550	40,505,652	(16,198,102)	4,460,697	(11,737,405)	48,290,474	36,553,069
<b>2004</b>	28,708,369	46,549,070	(17,840,701)	(763,197)	(18,603,898)	26,564,224	7,960,326
<b>2005</b>	34,221,768	51,009,013	(16,787,245)	9,173,972	(7,613,273)	22,823,086	15,209,813
<b>2006</b>	35,479,322	54,120,442	(18,641,120)	12,191,058	(6,450,062)	27,029,996	20,579,934
<b>2007</b>	39,782,630	57,069,388	(17,286,758)	15,947,947	(1,338,811)	19,536,551	18,197,740
<b>2008</b>	40,786,680	63,452,969	(22,666,289)	6,776,484	(15,889,805)	18,409,113	2,519,308
<b>2009</b>	37,575,225	59,845,966	(22,270,741)	5,388,872	(16,881,869)	8,943,553	(7,938,316)

As recommended by GASB 44, this schedule provides data retroactively to the year GASB 34 was implemented.

The District implemented GASB 34 in 2002.

Source: El Dorado Irrigation District



Table #3  
 Operating Revenues by Source  
 Last Ten Years  
 (in dollars)

<b>Year</b>	<b>Water sales &amp; service</b>	<b>Wastewater sales &amp; service</b>	<b>Reclaimed water sales</b>	<b>Recreation</b>	<b>Hydroelectric sales</b>	<b>Total</b>
2000	13,297,855	8,700,880	106,435	590,795	0	22,695,965
2001	13,668,356	8,568,367	359,300	615,203	0	23,211,226
2002	13,702,694	9,031,340	323,326	615,901	0	23,673,261
2003	13,383,211	9,662,282	381,599	607,144	273,314	24,307,550
2004	14,929,262	10,441,742	492,421	668,574	2,176,370	28,708,369
2005	15,617,878	11,733,014	533,134	733,783	5,603,959	34,221,768
2006	17,138,916	13,062,500	723,331	725,922	3,828,653	35,479,322
2007	18,915,624	14,544,737	1,253,802	746,517	4,321,950	39,782,630
2008	19,001,725	15,280,445	882,917	781,162	4,840,431	40,786,680
2009	17,583,779	15,329,043	790,070	954,321	2,918,012	37,575,225

Source: El Dorado Irrigation District

Chart #1  
 Operating Revenues  
 Last Ten Years

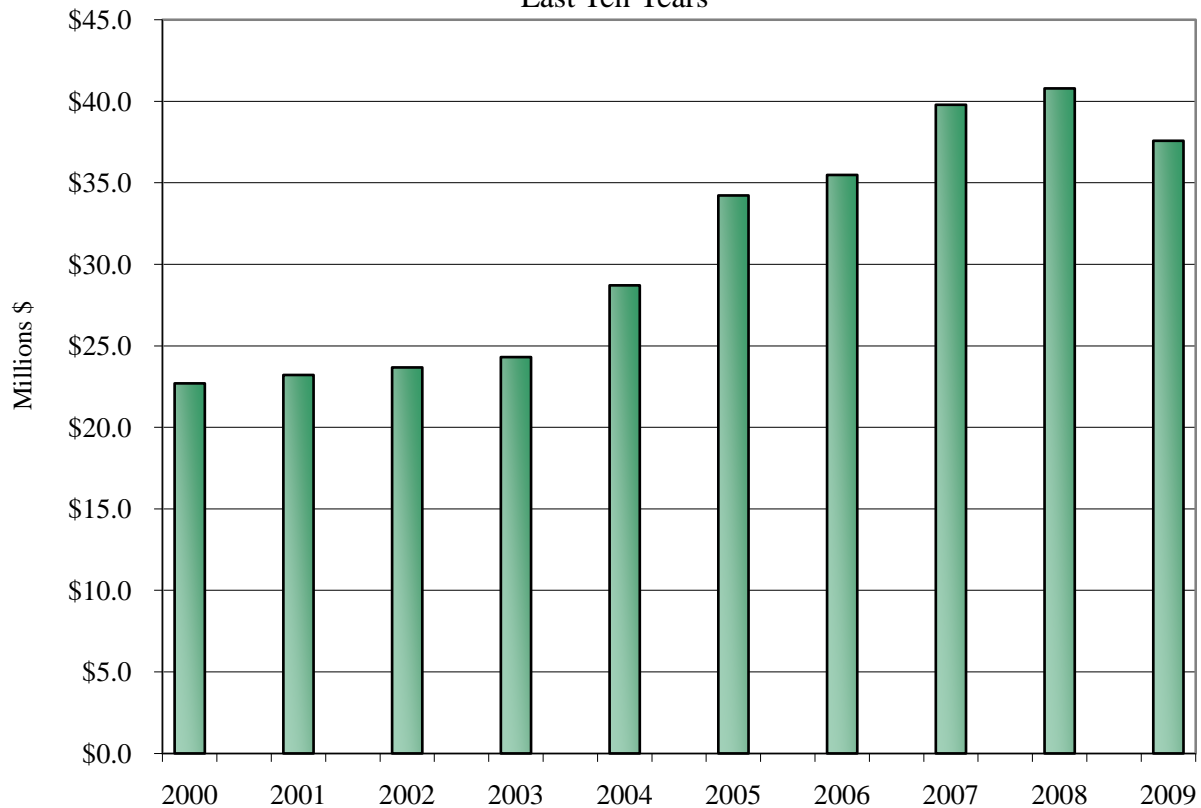


Table #4  
 Non-Operating Revenues by Source  
 Last Ten Years  
 (in dollars)

Year	Surcharges	Voter-approved taxes	Property taxes	Interest income	Other income	Flood damage reimbursements	Total
2000	3,028,138	872,161	4,549,483	5,157,355	661,414	12,149,722	26,418,273
2001	2,168,455	857,653	5,306,972	4,870,981	1,830,714	1,746,180	16,780,955
2002	1,826,112	736,073	5,680,134	3,715,032	429,337	679,725	13,066,413
2003	1,713,431	948,940	6,557,126	2,163,720	644,346	13,983	12,041,546
2004	1,604,137	146,604	2,124,301	3,758,980	863,031		8,497,053
2005	2,635,002	418,532	3,671,212	3,360,286	699,704	8,840,966	19,625,702
2006	2,413,569	533,316	10,069,016	5,747,457	1,612,498	3,562,759	23,938,615
2007	1,869,986	604,711	11,550,648	5,180,271	1,280,428	6,736,775	27,222,819
2008	2,499,894	588,363	10,797,871	1,870,867	2,585,374	424,013	18,766,382
2009	2,482,263	499,757	10,138,728	2,019,452	2,167,917	(242,295)	17,065,822

Source: El Dorado Irrigation District

Chart #2  
 Non-Operating Revenues  
 Last Ten Years

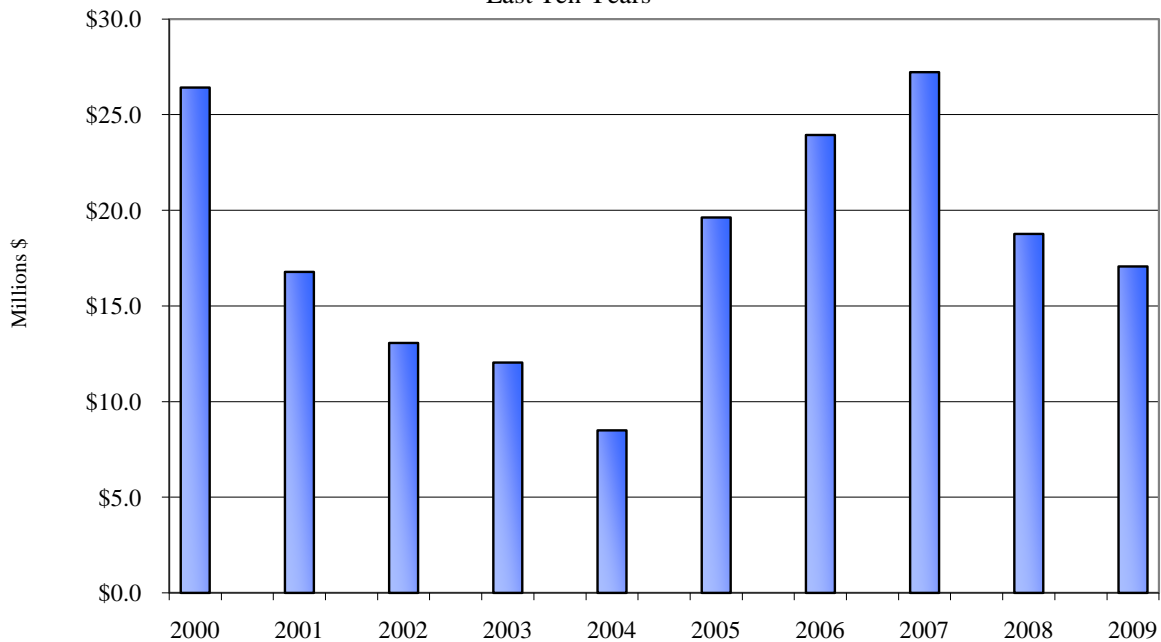


Table #5  
**Operating Expenses by Function**  
 Last Nine Years <sup>[1]</sup>  
 (in dollars)

	Year								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
Office of the General Manager <sup>[2]</sup>	\$4,769,987	\$7,043,045	\$5,067,396	\$4,653,518	\$3,696,379	\$3,401,143	\$2,588,725	\$2,434,859	\$1,997,313
Communications	\$561,468	\$4,024,696	\$3,828,204	\$3,556,546	\$6,081,888	\$5,179,964	\$4,085,197	\$2,389,819	\$1,771,204
Natural Resources	\$3,891,728	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Human Resources	\$2,215,002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Information Technology	\$2,511,958	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineering	\$934,312	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Operations	\$9,457,872	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waste Water Operations	\$9,348,275	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recycled Water Operations	\$577,220	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HydroElectric Operations	\$3,363,285	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Compliance and Water Policy	\$0	\$3,363,705	\$3,134,540	\$2,275,340	\$1,397,145	\$766,842	\$688,377	\$307,385	\$0
Finance	\$6,574,244	\$7,716,723	\$6,620,751	\$6,312,366	\$4,580,149	\$3,138,514	\$2,126,694	\$2,353,964	\$2,418,608
Facilities Management <sup>[3]</sup>	\$0	\$22,477,030	\$22,980,237	\$22,863,652	\$21,632,197	\$21,505,326	\$19,300,982	\$19,199,302	\$17,155,381
Recreation	\$0	\$1,706,536	\$1,561,225	\$1,523,563	\$1,149,460	\$1,116,661	\$807,683	\$719,911	\$648,716
Developer Reimbursed Expenses	\$0	\$0	\$750,589	\$1,021,352	\$1,213,046	\$1,026,606	\$1,681,625	\$2,012,016	\$1,392,805
Depreciation and Amortization	\$15,640,615	\$17,121,236	\$13,126,446	\$11,914,105	\$11,258,749	\$10,414,014	\$9,226,369	\$8,627,147	\$9,129,458
<b>Total Operating Expenses</b>	<b>\$59,845,966</b>	<b>\$63,452,971</b>	<b>\$57,069,388</b>	<b>\$54,120,442</b>	<b>\$51,009,013</b>	<b>\$46,549,070</b>	<b>\$40,505,652</b>	<b>\$38,044,403</b>	<b>\$34,513,485</b>

<sup>[1]</sup> District operating expenses were restated for reorganization and GASB 34 beginning 2001

<sup>[2]</sup> Office of the General Manager includes Human Resources

<sup>[3]</sup> Facilities Management includes Hydroelectric

Source: El Dorado Irrigation District Accounting Department

Chart 3  
**Total Operating Expenses**  
 Last Nine Years

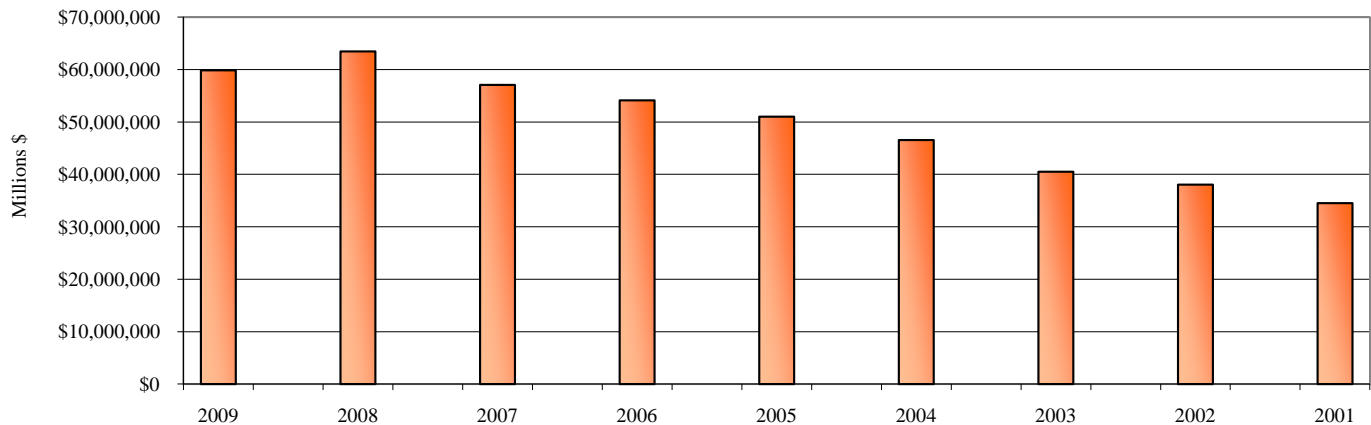


Table #6  
**Non-Operating Expenses by Function**  
 Last Ten Years  
 (in dollars)

<b>Year</b>	<b>Flood Damage Expenses</b>	<b>Other expenses</b>	<b>Interest Expense</b>	<b>Amortization<sup>[1]</sup></b>	<b>Total</b>
2000	-	35,393	4,471,684	233,576	4,740,653
2001	\$1,150,963	666,551	4,572,793	-	6,390,307
2002	1,855,210	1,185,291	4,789,688	-	7,830,189
2003	978,254	1,269,477	5,333,118	-	7,580,849
2004	52,651	484,318	8,723,281	-	9,260,250
2005	431,493	361,678	9,658,559	-	10,451,730
2006	253,637	332,915	11,161,005	-	11,747,557
2007	-	333,710	10,941,162	-	11,274,872
2008	-	-	11,989,897	-	11,989,897
2009	242,295	-	11,676,950	-	11,919,245

<sup>[1]</sup> Beginning in 2001, amortization is included in operating expenses

Source: El Dorado Irrigation District

Chart #4  
**Total Non-Operating Expense**  
 Last Ten Years

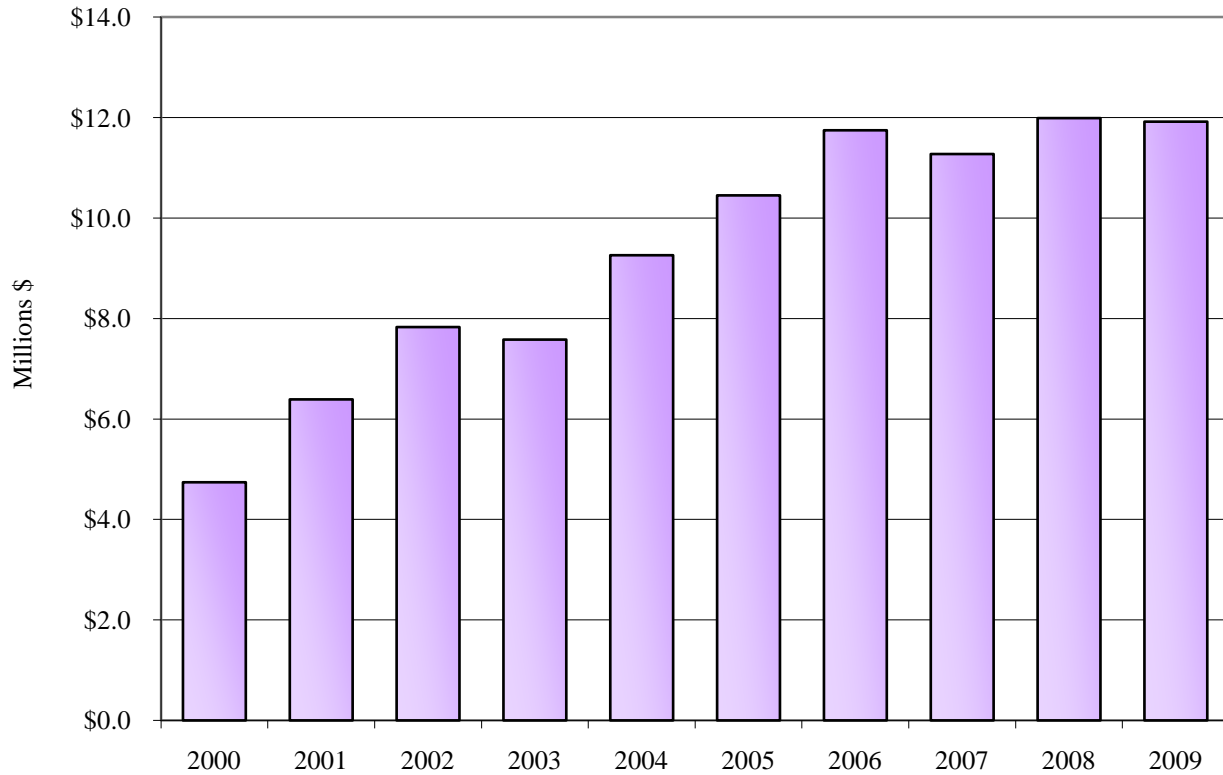


Table # 7  
Assessed Value and Actual Value of Taxable Property  
Last Ten County Fiscal Years  
(in dollars)

Fiscal Year	County-wide Property Tax			District Voter Approved		
	County-wide Total Secured Assessed Valuation	Secured Property Tax Levy	County Tax Rate per \$100 Assessed Value	Secured Land Assessed Value District Boundaries	Voter approved Levy	Tax Rate per \$100 Assessed Value <sup>[2][3]</sup>
2000-01	\$12,315,067,747	\$143,148,392	1.1624	\$2,359,446,490	\$814,009	0.0345
2001-02	\$13,497,268,910	\$157,042,977	1.1635	\$2,621,523,360	\$857,238	0.0327
2002-03	\$14,938,269,091	\$175,046,199	1.1718	\$2,900,034,618	\$739,509	0.0255
2003-04	\$16,722,948,086	\$193,059,128	1.1545	\$3,256,580,233	\$902,073	0.0277
2004-05	\$18,583,511,267	\$212,729,353	1.1447	\$3,556,739,901	\$99,589	0.0028
2005-06	\$21,324,584,293	\$245,106,797	1.1494	\$4,206,890,631	\$387,034	0.0092
2006-07	\$24,269,690,213	\$277,183,486	1.1421	\$4,932,366,058	\$493,237	0.0100
2007-08	\$26,377,814,381	\$302,704,983	1.1476	\$5,404,635,789	\$571,313	0.0106
2008-09	\$27,354,549,191	\$317,280,539	1.1599	\$5,642,044,763	\$588,363	0.0104
2009-10	\$26,805,989,567	\$315,638,143	1.1775	\$5,312,004,863	\$499,757	0.0094

<sup>[1]</sup> In addition to the District's share of the 1% ad valorem property tax, the District collects property taxes levied in connection with the District's obligation to the Bureau of Reclamation (Reclamation) for the construction of the Sly Park Unit of the Central Valley Project, and the District's distribution system therefore. The debt was originally approved by District voters in 1959. Subsequent to 1959, the voters approved additional debt related thereto for construction projects in 1969, 1972, and 1975. The District's total obligation to Reclamation for this debt totaled approximately \$24.2 million. See also note 3 below. The District receives 100% of its general property tax allocation as a result of the tax distribution system

<sup>[2]</sup> The District's payments to Reclamation vary, with annual interest rates on the debt ranging from 0% to 5%. Maturities occur through the year 2028. The annual debt payments are assessed on the property tax bills. Assessments are apportioned and spread, based on total land assessed value within the District boundaries. See also note 3 below.

<sup>[3]</sup> In 2003, the debt to Reclamation was cancelled in connection with the transfer of title by Reclamation to the District for Sly Park and this purchase was financed in part by the issuance of General Obligation bonds of \$6,000,000.

Source: El Dorado Irrigation District; Deputy Treasurer and the El Dorado County Auditor-Controller,  
Property Tax Ledger and Assessed Valuation

Table # 8  
 Direct and Overlapping Property Tax Rates  
 (Rate per \$100 of Assessed Value)  
 Last Ten County Fiscal Years

<b>Fiscal Year</b>	<b>General Property Tax Levy</b>	<b>State Assessed Unitary Value Properties</b>	<b>School Districts</b>	<b>Special Districts</b>	<b>EID Voter Approved Tax<sup>[2]</sup></b>	<b>Total</b>
2000-01	1.000%	0.0842%	0.0348%	0.0081%	0.0346%	1.1617%
2001-02	1.000%	0.0763%	0.0332%	0.0130%	0.0327%	1.1552%
2002-03	1.000%	0.0792%	0.0296%	0.0109%	0.0255%	1.1452%
2003-04	1.000%	0.0704%	0.0274%	0.0090%	0.0277%	1.1345%
2004-05	1.000%	0.0880%	0.0258%	0.0068%	0.0028%	1.1234%
2005-06	1.000%	0.0934%	0.0288%	0.0128%	0.0092%	1.1442%
2006-07	1.000%	0.1067%	0.0250%	0.0100%	0.0100%	1.1517%
2007-08	1.000%	0.1280%	0.0239%	0.0092%	0.0106%	1.1717%
2008-09	1.000%	0.1606%	0.0409%	0.0091%	0.0104%	1.2210%
2009-10	1.000%	0.2249%	0.0290%	0.0213%	0.0094%	1.2846%

Note: In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the debt for the jurisdictions listed.

<sup>[1]</sup> Total tax burden on taxpayers within EID’s geographic jurisdiction

<sup>[2]</sup> Voter Approved Tax Class 207 – EID’s obligation for repayment of debt to the Bureau of Reclamation (Reclamation) for construction of the Sly Park Unit and the District’s main water distribution system. Originally approved in 1959, the voters of the County approved increases in the debt for construction projects in 1969, 1972 and 1975. In 2003, the debt to Reclamation was cancelled in connection with the transfer of title by Reclamation to the District for Sly Park and this purchase was financed in part by the issuance of General Obligation bonds of \$6,000,000.

Source: El Dorado County Auditor – Controller; Tax Rate Area Listing TRJ620P/TRB110

Table #9  
Principal Property Tax Payers<sup>[1]</sup>  
Current Year and Five Years Ago

Property Owner	Primary Land Use	2009			2003 <sup>[2]</sup>		
		2008-2009		% of Total	2003-2004		% of Total
		Assessed Valuation	Rank		Assessed Valuation	Rank	
Landsource Holding Company LLC	Residential Development	\$116,801,298	1	2.20%			
Toll CA X LP / Toll Brothers Inc.	Residential Development	27,767,344	2	0.52%			
Serrano Associates LLC	Residential Development	25,903,820	3	0.49%	49,934,672	2	1.53%
East Ridge Investors	Residential Development	12,451,346	4	0.23%			
GHC Company 5 LLC	Residential Development	10,032,934	5	0.19%			
Min Nan Tseng, Trust	Residential Development	8,822,221	6	0.17%	6,317,843	15	0.19%
LBA Realty Fund III Co.	Office Building	7,907,040	7	0.15%			
CH Blackstone LP	Residential Development	7,593,000	8	0.14%			
Edward Mackay	Industrial Land	6,534,705	9	0.12%			
Safeway Inc.	Supermarket	6,452,608	10	0.12%			
West Valley LLC	Residential Development	6,322,800	11	0.12%			
Lakemont Village Placerville	Residential Development	6,320,177	12	0.12%			
Tradewinds Lodge	Commercial land	6,100,000	13	0.11%			
WRI Golden State LLC	Commercial	6,020,499	14	0.11%			
Cameron Park Senior Living	Commercial Land	5,845,087	15	0.11%			
Deutsche Bank National Trust Co.	Residential Properties	5,764,900	16	0.11%			
Syers Properties III LLC	Commercial	5,740,884	17	0.11%			
Serrano Country Club	Country Club	5,642,088	18	0.11%			
Target Corporation	Commercial Land	5,602,241	19	0.11%			
AKT Carson Creek Investors	Residential Development	<u>5,602,231</u>	<u>20</u>	0.11%			
JTS Communities	Residential Dev.				53,383,759	1	1.64%
Angelo K Tsakopoulos	Vacant Land				20,298,523	3	0.62%
LMD SP 257 LLC	Vacant Land				14,887,500	4	0.46%
Pleasant Valley Investment	Vacant Land				13,340,000	5	0.41%
U S Home Corp	Residential Dev.				9,572,583	6	0.29%
El Dorado Hills Investors	Vacant Land				9,309,609	7	0.29%
AKT Development	Vacant Land				7,961,280	8	0.24%
James W. Cameron, Jr	Vacant Land				7,454,362	9	0.23%
D R Horton, Inc, Sacramento	Residential Dev.				7,315,640	10	0.22%
RPA Inc.	Vacant Land				7,000,786	11	0.21%
Apple Mountain LP	Recreational				6,877,044	12	0.21%
W L Homes	Residential Dev.				6,839,880	13	0.21%
Suncrest Homes LLC	Residential Dev.				6,460,051	14	0.20%
PMP at El Dorado Hills LLC	Vacant Land				6,160,000	16	0.19%
WRI Golden State LLC	Commercial				4,522,468	17	0.14%
Regency Centers LP	Commercial				4,431,000	18	0.14%
Russell-Promontory LLC	Residential Dev.				4,397,443	19	0.14%
Len-Serrano II LLC	Residential Dev.				3,780,000	20	0.12%
		<u>\$289,227,223</u>		<u>5.45%</u>	<u>\$250,244,443</u>		<u>7.68%</u>

<sup>[1]</sup> The District reports the 20 largest property tax payers to comply with the 2003 General Obligation Bond Official Statement.

<sup>[2]</sup> The District did not begin tracking principal property tax payers until 2003

Source: California Municipal Statistics, Inc.

Table # 10  
**Property Tax Levies and Collections**  
 Last Ten County Fiscal Years  
 (in dollars)

Fiscal Year	Levy	Collections				
	County Secured Property Tax Levy	District's Share of 1% Property Tax <sup>[1]</sup>	Maintenance District Collections <sup>[2]</sup>	Miscellaneous Collections <sup>[3]</sup>	Total District Collections	% of County Levy
2000-01	\$143,148,392	\$4,434,471	\$9,486	\$93,031	\$4,536,988	3.58%
2001-02	\$157,042,977	\$5,069,169	\$12,813	\$42,406	\$5,124,388	3.26%
2002-03	\$175,046,199	\$5,467,988	\$14,382	\$39,640	\$5,522,010	3.15%
2003-04	\$193,059,128	\$6,136,380	\$14,274	\$35,085	\$6,185,739	3.20%
2004-05	\$212,729,353	\$1,695,982	\$12,939	\$38,205	\$1,747,126	0.82%
2005-06	\$245,106,797	\$2,956,290	\$9,737	\$40,238	\$3,006,265	1.23%
2006-07	\$277,183,486	\$9,294,922	\$5,945	\$40,997	\$9,341,864	3.37%
2007-08	\$302,704,983	\$10,144,673	\$3,890	\$58,203	\$10,206,766	3.37%
2008-09	\$317,280,539	\$10,431,533	\$7,463	\$79,011	\$10,518,007	3.32%
2009-10	\$315,638,143	\$10,038,729	\$6,139	\$94,212	\$10,139,080	3.21%

<sup>[1]</sup> The District receives 100% of its general property tax allocation as a result of the tax distribution system commonly referred to as the “Teeter Plan”, without regard to delinquencies in collections. The dollar amount shown represents El Dorado County’s “Annual Final Estimate” of property taxes allocated to EID net of the estimated County fees.

<sup>[2]</sup> Maintenance Districts: Singleton Ranch Reservoir – 34M, Clear Creek – 97M and Knolls Reservoir – 30M. Only the latter two districts remain active currently.

<sup>[3]</sup> Miscellaneous Collections: Swansboro Surcharge, Water Accounts, Wastewater Accounts, Bond Segregations, Sundry and Lien Release Fees.

Source: El Dorado Irrigation District; Deputy Treasurer

Chart #5  
**Total District Collections**

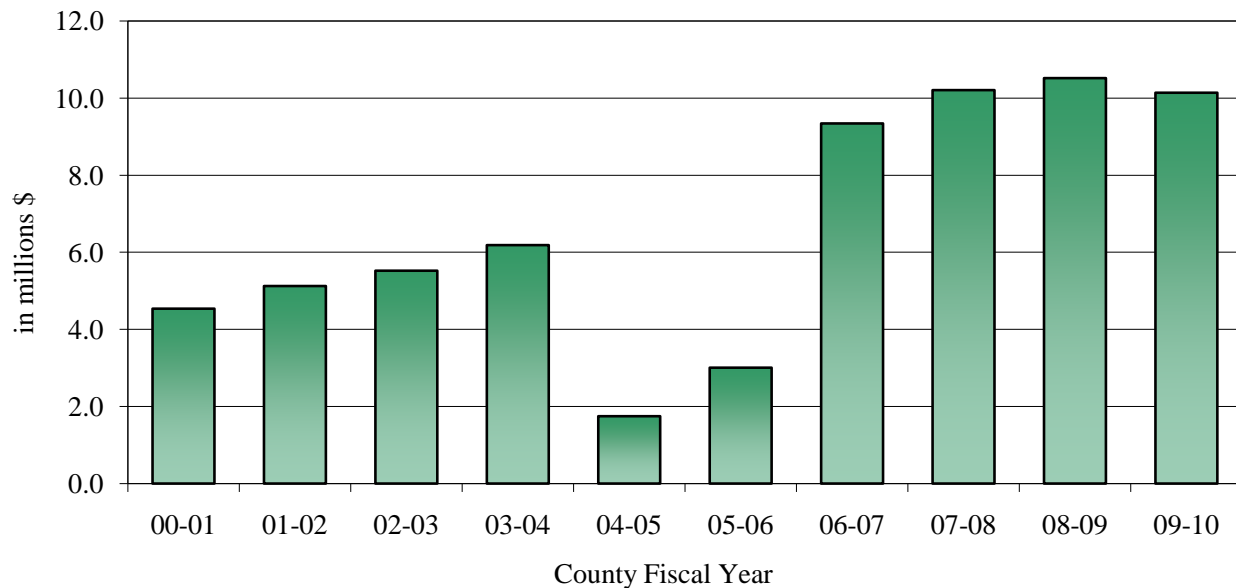




Table #11  
 Equivalent Dwelling Unit (EDU)<sup>[1]</sup> Sales  
 Last Ten Years

Year	Water	Wastewater	Recycled Water	New Dwelling Unit Issued Permits
2000	1,099	798	226	1,121
2001	1,819	2,189	664	1,880
2002	776	862	248	1,535
2003	944	1,185	313	1,460
2004	709	579	121	1,666
2005	734	823	335	1,307
2006	583	616	187	720
2007	622	941	466	537
2008	483	212	9	336
2009	28	19	1	0

<sup>[1]</sup> An Equivalent Dwelling Unit (EDU) represents the water usage equivalent to a typical single-family dwelling with a 3/4" water meter.

Source: EID Customer Services Division

Chart #6  
 Equivalent Dwelling Unit (EDU) Sales  
 Last Ten Years

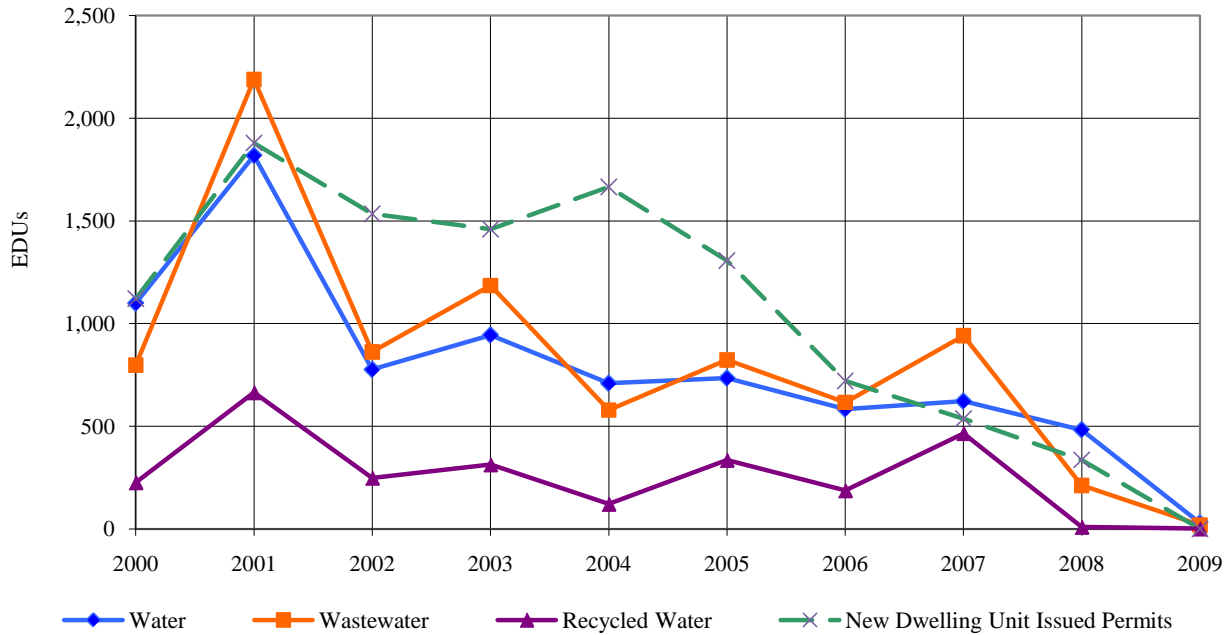


Table #12  
Water and Recycled Water Sales by Type of Customer  
Last Ten Years

Type of Customer	Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Potable Water Sold (acre feet)</b>										
Residential <sup>[1]</sup>	22,099	23,276	23,288	22,190	20,319	22,559	20,169	20,090	19,469	18,068
Commercial & Industrial	1,993	3,024	3,065	2,850	2,805	2,806	2,778	2,613	2,613	2,361
Agriculture	5,690	5,581	5,262	4,963	4,712	6,433	6,074	5,242	5,742	5,950
Recreational Turf	1,238	1,398	1,364	1,387	1,235	1,605	1,112	1,357	1,383	2,044
Municipal	1,422	1,533	1,960	1,672	1,666	1,811	1,709	1,696	1,669	1,637
<b>Total</b>	<b>32,442</b>	<b>34,812</b>	<b>34,939</b>	<b>33,062</b>	<b>30,737</b>	<b>35,214</b>	<b>31,842</b>	<b>30,998</b>	<b>30,876</b>	<b>30,060</b>
<b>Sales Revenue</b> (in millions)	<b>\$17.403</b>	<b>\$18.008</b>	<b>\$17.680</b>	<b>\$15.438</b>	<b>\$14.018</b>	<b>\$13.480</b>	<b>\$11.438</b>	<b>\$11.125</b>	<b>\$11.985</b>	<b>\$12.048</b>
<b>Recycled Water Sold (acre feet)</b>										
Residential <sup>[2]</sup>	1,579	1,674	1,578	1,331	1,008	713	493	274	155	46
Commercial & Industrial <sup>[3]</sup>	654	716	789	726	669	547	441	751	560	586
Recreational Turf	361	513	571	726	455	721	755	811	886	561
<b>Total</b>	<b>2,593</b>	<b>2,903</b>	<b>2,938</b>	<b>2,782</b>	<b>2,133</b>	<b>1,981</b>	<b>1,690</b>	<b>1,836</b>	<b>1,601</b>	<b>1,194</b>
<b>Sales Revenue</b> (in millions)	<b>\$0.790</b>	<b>\$0.883</b>	<b>\$1.254</b>	<b>\$0.723</b>	<b>\$0.533</b>	<b>\$0.492</b>	<b>\$0.382</b>	<b>\$0.323</b>	<b>\$0.359</b>	<b>\$0.106</b>

<sup>[1]</sup> Residential includes domestic irrigation and multi-family accounts

<sup>[2]</sup> Beginning in 1999, residential construction of a "dual pipe" system in the El Dorado Hills community of Serrano features water, sewer and recycled for each home.

<sup>[3]</sup> Commercial & Industrial includes construction meters

<sup>[4]</sup> Data was not collected in the same format for 1998 and 1997

Source: EID Water Resources and Service Reliability Report and Facilities Management Department

Chart #7  
Water and Recycled Water Sales

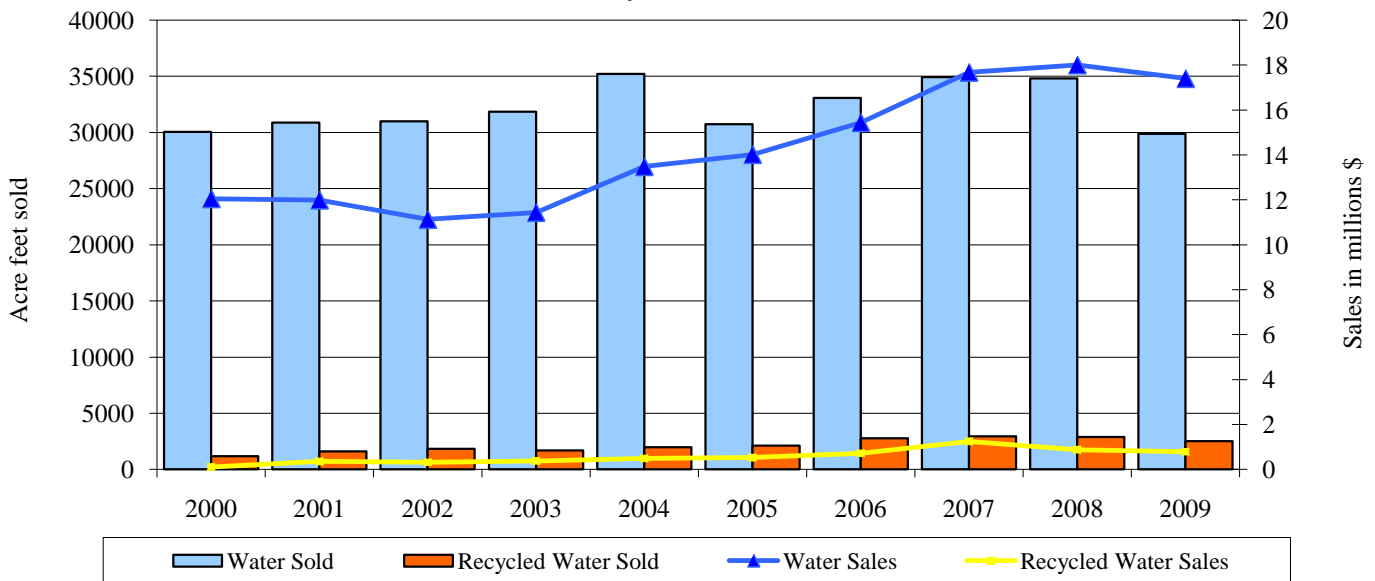


Table #13  
Largest Water Customers  
Current Year and Eight Years Ago

<u>Water Customers</u>	<u>2009</u>			<u>2001<sup>[1]</sup></u>		
	<u>Annual Revenues</u>	<u>Rank</u>	<u>% of Water Sales</u>	<u>Annual Revenues</u>	<u>Rank</u>	<u>% of Water Sales</u>
CITY OF PLACERVILLE	\$288,696	1	1.68%	-	1	1.85%
SIERRA PACIFIC INDUSTRIES	90,751	2	0.53%	-	3	0.31%
CAMERON PARK GOLF COURSE	71,260	3	0.42%	-	7	0.22%
LAKE OAKS MOBILE HOME PRK	60,526	4	0.35%	-	4	0.33%
EL DORADO HILLS CSD	51,999	5	0.30%	-		
USDA	8,553	6	0.05%	-		
VISMAN BROS	6,726	7	0.04%	-		
VISMAN GEORGE C	5,988	8	0.03%	-		
DELFINO ED	5,402	9	0.03%	-		
HOOVER BARBARA	5,212	10	0.03%	-		
SERRANO ASSOCIATES LLC <sup>[2]</sup>					2	1.52%
SIERRA PACIFIC INDUSTRIES					5	0.31%
CAMERON PARK MOBILE HOME PARK					6	0.23%
FULLER-SUNSET MOBILE HOME PARK					8	0.22%
CAMERON OAKS INVESTMENT COMPANY					9	0.21%
HIDDEN SPRINGS MOBILE HOME PARK					10	0.20%
<b>Total</b>	<b><u>\$571,785</u></b>		<b><u>3.34%</u></b>	<b><u>-</u></b>		<b><u>2.71%</u></b>

<sup>[1]</sup> 2001 was the first year the District reported this item

<sup>[2]</sup> Recycled water service

Source: El Dorado Irrigation District Customer Service Division

Table #14  
Largest Wastewater Customers  
Current Year and Eight Years Ago

<u>Wastewater Customers</u>	<u>2009</u>			<u>2001<sup>[1]</sup></u>		
	<u>Annual Revenue</u>	<u>Rank</u>	<u>% of Wastewater Sales</u>	<u>Annual Revenue</u>	<u>Rank</u>	<u>% of Wastewater Sales</u>
DST/RPA INC	45,986	1	0.30%			
NUGGET MARKET INC	42,757	2	0.28%			
EL DORADO HILLS THEATRE DE LLC	40,028	3	0.26%			
BLUE SHIELD OF CALIFORNIA	36,956	4	0.24%			
TOWN CENTER EAST LP	36,083	5	0.24%			
RALEYS #424	35,823	6	0.23%			
SYERS PROPERTIES III LLC	26,943	7	0.18%			
GOLD COUNTRY HEALTH CENTER	22,656	8	0.15%			
CIMMARRON-CAMBRIDGE LP	19,512	9	0.13%			
MILLENIUUM SPORTS CLUB INC	18,344	10	0.12%			
LAKE OAKS MOBILE HOME PARK				-	1	1.10%
CAMERON PARK MOBILE HOME PARK				-	2	0.90%
CAMERON OAKS INVESTMENT				-	3	0.85%
CRESTVIEW MOBILE HOME PARK				-	4	0.57%
PW PIPE				-	5	0.49%
DIAMOND SPRINGS MOBILE HOME PARK				-	6	0.40%
CAMERON PARK VILLAGE				-	7	0.38%
WESTWOOD MOBILE HOME PARK				-	8	0.37%
BRIDGE-CAMEON PARK LP				-	9	0.36%
FULLER-SUNSET MOBILE HOME PARK				-	10	0.35%
<b>Total</b>	<b><u>\$196,315</u></b>		<b><u>1.29%</u></b>	<b><u>0</u></b>		<b><u>5.77%</u></b>

<sup>[1]</sup> 2001 was the first year the District reported this item

Source: El Dorado Irrigation District Customer Service Division

Table # 15  
**Water Rates<sup>[1]</sup>**  
 Last Ten Years  
 (in dollars)

\*\*\* ccf = 100 cubic feet; 1 cubic foot = 7.48 gallons

Note: All services outside the District are billed at 1.5 times

All Basic Charges are Bi-Monthly

Category	Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Retail<sup>[2]</sup></b>	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf
Basic Charge 3/4" - 5/8" meter	\$19.08	\$30.74	\$30.74	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$20.06
0 - 1,500 cf	\$0.96	\$0.75	\$0.75	\$0.69	\$0.64	\$0.60	\$0.55	\$0.55	\$0.55	\$0.75
1,501 - 20,000 cf	\$1.16	\$0.80	\$0.80	\$0.74	\$0.68	\$0.64	\$0.59	\$0.59	\$0.59	\$0.81
over 20,000 cf	\$1.36	\$0.94	\$0.94	\$0.87	\$0.80	\$0.75	\$0.69	\$0.69	\$0.69	\$0.95
Basic Charge 1" meter	\$22.15	\$30.74	\$30.74	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$31.36
Basic Charge 1 1/2" meter	\$25.72	\$32.27	\$32.27	\$29.88	\$27.41	\$25.62	\$23.71	\$23.71	\$23.71	\$31.36
0 - 7,800 cf	n/a	\$0.75	\$0.75	\$0.69	\$0.64	\$0.60	\$0.55	\$0.55	\$0.55	\$0.49
7,801 - 100,000 cf	n/a	\$0.80	\$0.80	\$0.74	\$0.68	\$0.64	\$0.59	\$0.59	\$0.59	\$0.51
over 100,000 cf	n/a	\$0.94	\$0.94	\$0.87	\$0.80	\$0.75	\$0.69	\$0.69	\$0.69	\$0.62
Basic Charge 2" meter	\$34.66	\$33.81	\$33.81	\$31.31	\$28.72	\$26.84	\$24.83	\$24.83	\$24.83	\$31.36
Basic Charge 3" meter	\$46.72	\$37.19	\$37.19	\$34.43	\$31.59	\$29.52	\$27.32	\$27.32	\$27.32	\$31.36
Basic Charge 4" meter	\$62.96	\$40.90	\$40.90	\$37.87	\$34.74	\$32.47	\$30.03	\$30.03	\$30.03	\$31.36
Basic Charge 6" meter	\$84.86	\$45.00	\$45.00	\$41.66	\$38.22	\$35.72	\$33.06	\$33.06	\$33.06	\$31.36
Basic Charge 8" meter	\$114.38	\$54.46	\$54.46	\$50.42	\$46.26	\$43.23	\$40.00	\$40.00	\$40.00	n/a
Basic Charge 10" meter	\$132.79	\$65.90	\$65.90	\$61.01	\$55.97	\$52.31	\$48.40	\$48.40	\$48.40	n/a
Basic Charge 12" meter	\$154.16	\$79.73	\$79.73	\$73.82	\$67.72	\$63.29	\$58.56	\$58.56	\$58.56	n/a
0 - 25,000 cf	n/a	\$0.75	\$0.75	\$0.69	\$0.64	\$0.60	\$0.55	\$0.55	\$0.55	\$0.49
25,001 - 133,300 cf	n/a	\$0.80	\$0.80	\$0.74	\$0.68	\$0.64	\$0.59	\$0.59	\$0.59	\$0.51
over 133,333 cf	n/a	\$0.94	\$0.94	\$0.87	\$0.80	\$0.75	\$0.69	\$0.69	\$0.69	\$0.62
<b>Commercial and retail landscape<sup>[3]</sup></b>										
Basic Charge Per Unit <sup>[4]</sup>										
0 - 1,500 cf	\$1.05									
<b>Multi-Family</b>										
Basic Charge Per Unit	\$9.45	\$15.28	\$15.28	\$14.15	\$12.98	\$12.13	\$11.22	\$11.22	\$11.22	\$11.22
0 - 1,500 cf	\$1.05	\$0.75	\$0.75	\$0.69	\$0.64	\$0.60	\$0.55	\$0.55	\$0.55	\$0.66
1,501 - 20,000 cf	\$1.05	\$0.80	\$0.80	\$0.74	\$0.68	\$0.64	\$0.59	\$0.59	\$0.59	\$0.69
over 20,000 cf	\$1.05	\$0.94	\$0.94	\$0.87	\$0.80	\$0.75	\$0.69	\$0.69	\$0.69	\$0.83
<b>Small Farms</b>										
Basic Charge <sup>[4]</sup>		\$54.66	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	n/a
0 - 1,760 cf / <b>0-1,800 cf</b>	\$0.96	\$0.80	\$0.80	\$0.74	\$0.68	\$0.64	\$0.59	\$0.59	\$0.59	n/a
1,761 - 6,500 cf / <b>1,801-6,500 cf</b>	\$0.09	\$0.08	\$0.08	\$0.08	\$0.07	\$0.07	\$0.06	\$0.06	\$0.06	n/a
6,501 - 100,000 cf / <b>6,501-50,000 cf</b>	\$0.10	\$0.10	\$0.10	\$0.09	\$0.08	\$0.08	\$0.07	\$0.07	\$0.07	n/a
over 100,000 cf / <b>above 50,000 cf</b>	\$0.12	\$0.11	\$0.11	\$0.10	\$0.09	\$0.09	\$0.08	\$0.08	\$0.08	n/a
<b>Agriculture Metered Irrigation</b>										
<b>with residence</b>										
Basic Charge <sup>[1]</sup>		\$54.66	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	\$38.24
0 - 1,760 cf / <b>0-1,800 cf</b>	\$0.96	\$0.80	\$0.80	\$0.74	\$0.68	\$0.64	\$0.59	\$0.59	\$0.59	n/a
1,761 cf - 16 inches per acre/ <b>1,801-30,000 cf</b>	\$0.09	\$0.08	\$0.08	\$0.08	\$0.07	\$0.07	\$0.06	\$0.06	\$0.06	\$0.06
16.01 - 47 inches per acre/ <b>30,001-58,200 cf</b>	\$0.10	\$0.10	\$0.10	\$0.09	\$0.08	\$0.08	\$0.07	\$0.07	\$0.07	\$0.07
over 47 inches per acre/ <b>above 58,201 cf</b>	\$0.12	\$0.11	\$0.11	\$0.10	\$0.09	\$0.09	\$0.08	\$0.08	\$0.08	\$0.08
<b>without residence</b>										
Basic Charge <sup>[1]</sup>		\$54.66	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	\$38.24
0 - 16 inches per acre/ <b>0-30,000 cf</b>	\$0.09	\$0.08	\$0.08	\$0.08	\$0.07	\$0.07	\$0.06	\$0.06	\$0.06	\$0.06
16.01 - 47 inches per acre/ <b>30,001-58,200</b>	\$0.10	\$0.10	\$0.10	\$0.09	\$0.08	\$0.08	\$0.07	\$0.07	\$0.07	\$0.07
over 47 inches per acre/ <b>above 58,201 cf</b>	\$0.12	\$0.11	\$0.11	\$0.10	\$0.09	\$0.09	\$0.08	\$0.08	\$0.08	\$0.08

[1] Beginning in 2009 Gravity and Pumped rates are the same, pages that previously had shown pumped rates have been omitted

[2] Prior to 2009 the retail water rate category represents single family residential and commercial/industrial customer rate classifications

[3] Beginning in 2009 commercial/industrial restructured as a separate class

[4] Beginning in 2009, Basic charge determined by meter size

Table #15 continued  
**Water Rates<sup>[1]</sup>**  
 Last Ten Years  
 (in dollars)

\*\*\* ccf = 100 cubic feet; 1 cubic foot = 7.48 gallons

Note: All services outside the District are billed at 1.5 times

All Basic Charges are Bi-Monthly

Category	Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf
<b><u>Domestic Irrigation</u></b>										
Basic Charge	\$52.40	\$52.00	\$52.00	\$48.15	\$44.17	\$41.28	\$38.20	\$38.20	\$32.99	\$38.20
0 - 6,500 cf	\$0.12	\$0.11	\$0.11	\$0.10	\$0.09	\$0.09	\$0.08	\$0.08	\$0.24	\$0.08
6,501 - 100,000 cf	\$0.13	\$0.12	\$0.12	\$0.11	\$0.10	\$0.10	\$0.09	\$0.09	\$0.26	\$0.09
over 100,000 cf	\$0.18	\$0.16	\$0.16	\$0.15	\$0.14	\$0.13	\$0.12	\$0.12	\$0.31	\$0.12
<b><u>Recreational Turf</u></b>										
Basic Charge 3/4" - 1 1/2" meter <sup>[2]</sup>		\$104.15	\$104.15	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$58.53	\$76.50
0 - 13,300 cf	\$0.53	\$0.38	\$0.38	\$0.35	\$0.32	\$0.30	\$0.28	\$0.28	\$0.37	\$0.28
13,301 - 75,000 cf	\$0.54	\$0.39	\$0.39	\$0.37	\$0.34	\$0.31	\$0.29	\$0.29	\$0.39	\$0.29
over 75,000 cf	\$0.68	\$0.49	\$0.49	\$0.45	\$0.42	\$0.39	\$0.34	\$0.34	\$0.46	\$0.34
Basic Charge 2" - 3" meter <sup>[2]</sup>		\$104.15	\$104.15	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$60.11	\$76.50
0 - 37,500 cf	\$0.53	\$0.38	\$0.38	\$0.35	\$0.32	\$0.30	\$0.28	\$0.28	\$0.37	\$0.28
37,501 - 166,700 cf	\$0.54	\$0.39	\$0.39	\$0.37	\$0.34	\$0.31	\$0.29	\$0.29	\$0.39	\$0.29
over 166,700 cf	\$0.68	\$0.49	\$0.49	\$0.45	\$0.42	\$0.39	\$0.34	\$0.34	\$0.46	\$0.34
Basic Charge 4" - 8", other <sup>[2]</sup>		\$104.15	\$104.15	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$64.34	\$76.50
0 - 500,000 cf	\$0.53	\$0.38	\$0.38	\$0.35	\$0.32	\$0.30	\$0.28	\$0.28	\$0.37	\$0.28
500,001 - 1,666,700 cf	\$0.54	\$0.39	\$0.39	\$0.37	\$0.34	\$0.31	\$0.29	\$0.29	\$0.39	\$0.29
over 1,666,700 cf	\$0.68	\$0.49	\$0.49	\$0.45	\$0.42	\$0.39	\$0.34	\$0.34	\$0.46	\$0.34
<b><u>Wholesale (City of Placerville)</u></b>										
<b><u>Wholesale</u></b>										
Basic Charge	n/a	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0 - 295,500 cf	\$0.42	\$0.44	\$0.44	\$0.39	\$0.36	\$0.34	\$0.31	\$0.31	\$0.31	\$0.31
295,501 - 12,160,000 cf	\$0.48	\$0.48	\$0.48	\$0.44	\$0.41	\$0.38	\$0.35	\$0.35	\$0.35	\$0.35
over 12,160,000 cf	\$0.54	\$0.54	\$0.54	\$0.50	\$0.46	\$0.43	\$0.40	\$0.40	\$0.40	\$0.40
<b><u>Fire Hydrant/Construction<sup>[5]</sup></u></b>										
Basic Charge	\$42.39	\$68.26	\$68.26	\$63.23	\$58.00	\$54.21	\$50.16	\$50.16	\$50.16	\$50.16
Commodity charge	\$1.75	\$1.36	\$1.36	\$1.26	\$1.16	\$1.08	\$1.00	\$1.00	\$1.00	\$1.00
<b><u>Ditches (Raw Water)<sup>[6]</sup></u></b>										
Basic Charge - metered										
landscape irrigation	\$59.57	\$59.57	\$59.57	\$55.16	\$50.60	\$47.29	\$43.76	\$43.76	\$43.76	\$39.78
Commodity charge	\$0.11	\$0.11	\$0.11	\$0.10	\$0.09	\$0.09	\$0.08	\$0.08	\$0.08	\$0.70
Basic Charge 1/2" flow	\$54.91	\$54.91	\$54.91	\$50.84	\$46.64	\$43.59	\$40.33	\$40.33	\$40.33	\$36.66
Basic Charge 1" flow	\$121.95	\$121.95	\$121.95	\$112.92	\$103.59	\$96.81	\$89.58	\$89.58	\$89.58	\$81.44
Basic Charge 2" flow	\$243.91	\$243.91	\$243.91	\$225.84	\$207.17	\$193.62	\$179.16	\$179.16	\$179.16	n/a
Basic Charge 4" flow	\$487.80	\$487.80	\$487.80	\$451.67	\$414.34	\$387.23	\$358.32	\$358.32	\$358.32	n/a
Basic Charge - continuous flow	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity charge	\$0.07	\$0.07	\$0.07	\$0.06	\$0.06	\$0.06	\$0.05	\$0.05	\$0.05	\$0.47

<sup>[1]</sup> Beginning in 2009 Gravity and Pumped rates are the same, pages that previously had shown pumped rates have been omitted

<sup>[2]</sup> Prior to 2009 the retail water rate category represents single family residential and commercial/industrial customer rate classifications

<sup>[3]</sup> Beginning in 2009 commercial/industrial restructured as a separate class

<sup>[4]</sup> Beginning in 2009, Basic charge determined by meter size

<sup>[5]</sup> Previously Fire Hydrant Recycled Lines was located on this page. It has been moved to Table #17 Recycled Water Rates

<sup>[6]</sup> 1 miners inch - 11.22 gallons per minute; 1 miners inch day (MID)= 2,160 cubic feet

Source: El Dorado Irrigation District Utility Billing Division

Table #16  
**Wastewater Rates**  
 Last Ten Years  
 (in dollars)

<b>Category</b>	<b>Year</b>									
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b><u>Sewer Only for:</u></b>	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf
<b><u>Small Farm/Rec Turf/Domestic Irrigation</u></b>										
Basic Charge	\$95.43	\$115.44	\$111.00	\$104.72	\$96.93	\$93.20	\$90.49	\$90.49	\$90.49	\$90.49
Commodity Charge	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b><u>Single Family Residential</u></b>										
Basic Charge	\$56.98	\$54.79	\$52.68	\$49.70	\$46.00	\$44.23	\$42.94	\$42.94	\$42.94	\$45.25
Commodity Charge	\$2.14	\$2.05	\$1.98	\$1.86	\$1.72	\$1.66	\$1.16	\$1.16	\$1.16	\$1.16
<b><u>Commercial Industrial</u></b>										
Basic Charge	\$51.41	\$49.43	\$47.53	\$44.84	\$41.51	\$39.91	\$38.75	\$38.75	\$38.75	\$38.75
Laundromat	\$2.84	\$2.73	\$2.63	\$2.48	\$2.29	\$2.20	\$2.14	\$2.14	\$2.14	\$1.10
Market	\$4.27	\$5.90	\$5.67	\$5.35	\$4.95	\$4.76	\$4.62	\$4.62	\$4.62	\$1.95
Repair Shop/Service Station	\$5.72	\$4.11	\$3.95	\$3.73	\$3.45	\$3.32	\$3.22	\$3.22	\$3.22	\$1.95
Light Industrial	\$6.13	\$5.50	\$5.29	\$4.99	\$4.62	\$4.44	\$4.31	\$4.31	\$4.31	\$2.63
Restaurant	\$7.91	\$7.60	\$7.31	\$6.90	\$6.38	\$6.14	\$5.96	\$5.96	\$5.96	\$4.17
Other	\$3.66	\$3.52	\$3.39	\$3.19	\$2.96	\$2.84	\$2.76	\$2.76	\$2.76	\$1.64
<b><u>Commercial w/o water service</u></b>										
Basic Charge	\$60.16	\$57.85	\$55.62	\$52.47	\$48.57	\$46.70	\$45.34	\$45.34	\$45.34	\$45.34
Each additional unit	\$68.65	\$66.01	\$63.47	\$59.88	\$55.42	\$53.29	\$51.74	\$51.74	\$51.74	\$51.74
<b><u>School Wastewater (yearly)</u></b>										
Basic Charge, <i>per student</i>	\$4.07	\$3.91	\$3.76	\$3.55	\$3.29	\$3.16	\$3.07	\$3.07	\$3.07	\$6.06
<b><u>Septage Transfer</u></b>										
Basic Charge, <i>per 1,000 gal</i>	\$145.28	\$139.70	\$134.32	\$126.72	\$117.29	\$112.78	\$109.59	\$109.59	\$109.59	\$109.59

Source: El Dorado Irrigation District Utility Billing Division

Table #17  
**Recycled Water Rates**  
 Last Ten Years  
 (in dollars)

<b>Category</b>	<b>Year</b>									
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b><u>Gravity and Pumped</u></b>										
<b><u>Commercial / Industrial</u></b>	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf	per ccf
Basic Charge	\$106.00	\$106.00	\$106.00	\$98.14	\$90.03	\$84.14	\$77.86	\$77.86	\$77.86	\$77.86
Commodity Charge	\$0.61	\$0.61	\$0.61	\$0.57	\$0.52	\$0.49	\$0.45	\$0.45	\$0.45	\$0.45
<b><u>Dual Plumbed - Residential</u></b>										
Basic Charge	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge	\$0.61	\$0.61	\$0.61	\$0.57	\$0.52	\$0.49	\$0.45	\$0.45	\$0.45	\$0.45
<b><u>Fire Hydrant/Recycled Lines</u></b>										
Basic Charge	\$65.79	\$106.00	\$106.00	\$98.14	\$90.03	\$84.14	\$77.86	\$77.86	\$77.86	n/a
Commodity charge	\$0.79	\$0.61	\$0.61	\$0.57	\$0.52	\$0.49	\$0.45	\$0.45	\$0.45	n/a

Source: El Dorado Irrigation District Utility Billing Division

Table # 18  
**Water and Wastewater Rate Surcharges**  
 Last Nine Years  
 (in dollars)

<u>Meter Size</u>	<u>Meter Type</u>	<u>EDUs</u>	<u>Water Line and Cover Surcharge<sup>[1]</sup></u>			<u>Wastewater</u>
			<u>Phase I (LCS)</u>	<u>Phase II (LCS2)</u>	<u>Phase III (LCS3)</u>	<u>Surcharge<sup>[2]</sup></u>
5/8" & 3/4"	D	1	\$0.98	\$0.98	\$3.25	\$10.00
1"	D	2	\$1.96	\$1.96	\$6.50	\$20.00
1 1/2"	D,C,P	3	\$2.94	\$2.94	\$9.75	\$30.00
1 1/2"	T	4	\$3.92	\$3.92	\$13.00	\$30.00
2"	C,D,P,T	5	\$4.90	\$4.90	\$16.25	\$50.00
3"	C,D,P,T	12	\$11.76	\$11.76	\$39.00	\$110.00
4"	C,D,P,T	21	\$20.58	\$20.58	\$68.25	\$335.00
6"	C,D,P	43	\$42.14	\$42.14	\$139.75	\$330.00
6"	T	47	\$46.06	\$46.06	\$152.75	\$1,330.00
8"	C,D,P	53	\$51.94	\$51.94	\$172.25	\$540.00
8"	T	80	\$78.40	\$78.40	\$260.00	\$2,330.00
10"	T	127	\$124.46	\$124.46	\$412.75	\$3,670.00

Note: Single family residential, domestic irrigation and agricultural meter irrigation and small farms surcharge will be based on a 3/4" meter, regardless of size.  
 All charges are reported as bi-monthly.

<sup>[1]</sup> Water rate surcharges for Phase I and II remained the same for years 2001 through October 2009, data was not reported prior to 2001.  
 Water rate surcharges for Phase I ended effective October 2009.  
 Water rate surcharge for Phase III began in 2008.  
 Multi-family water surcharge will be based on a bi-monthly per unit charge of \$0.74 for Phase I and II, and \$2.44 for Phase III.  
 Phase I adopted February 1, 1999. The first effective billing period was February 7, 1999.  
 Phase II was adopted and Phase I was revised on November 1, 2001.  
 Phase III was adopted March 10, 2008. The first effective billing period was April 1, 2008.

<sup>[2]</sup> Wastewater rate surcharges remained the same for the last ten fiscal years  
 Wastewater multi-family rates are based on a bi-monthly per unit charge of \$7.50.  
 Wastewater rate surcharge adopted January 19, 1996. First effective billing period beginning March 7, 1996.



Table #19  
**Facility Capacity Charges**  
 Last Four Years  
 (in dollars per 1 equivalent dwelling unit)

AREA	2009	2008	2007	2006	2005 <sup>[1]</sup>
<b>El Dorado Hills / Cameron Park<sup>[2]</sup></b>					
<b>Residential/Commercial/Landscape (Potable only)</b>					
Potable Water FCC	\$15,751	\$15,751	\$11,954	\$11,954	\$11,954
Gabbro Soils	345	345	345	345	345
Line & Cover 1		101	101	101	101
Line & Cover 2	118	118	118	118	118
Line & Cover 3	325	325	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$16,539</b>	<b>\$16,640</b>	<b>\$12,518</b>	<b>\$12,518</b>	<b>\$12,518</b>
<b>El Dorado Hills / Cameron Park<sup>[2]</sup></b>					
<b>Residential (Dual Plumbed)</b>					
Potable Water FCC	\$6,631	\$6,631	\$5,977	\$5,977	\$5,977
Gabbro Soils	345	345	345	345	345
Line & Cover 1		101	101	101	101
Line & Cover 2	118	118	118	118	118
Line & Cover 3	325	325	n/a	n/a	n/a
Recycled Water FCC	4,553	4,553	2,241	2,241	2,241
<b>TOTAL</b>	<b>\$11,972</b>	<b>\$12,073</b>	<b>\$8,782</b>	<b>\$8,782</b>	<b>\$8,782</b>
<b>El Dorado Hills / Cameron Park<sup>[2]</sup></b>					
<b>Commercial/Landscape (Recycled Water)</b>					
Recycled Water FCC	\$4,553	\$4,553	\$4,482	\$4,482	\$4,482
<b>TOTAL</b>	<b>\$4,553</b>	<b>\$4,553</b>	<b>\$4,482</b>	<b>\$4,482</b>	<b>\$4,482</b>
<b>El Dorado Hills</b>					
<b>Residential - AFA Entitlement (Potable only)</b>					
Potable Water FCC	\$12,361	\$12,361	\$7,865	\$7,865	\$7,865
Gabbro Soils	345	345	345	345	345
Line & Cover 1		101	101	101	101
Line & Cover 2	118	118	118	118	118
Line & Cover 3	325	325	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$13,149</b>	<b>\$13,250</b>	<b>\$8,429</b>	<b>\$8,429</b>	<b>\$8,429</b>
<b>El Dorado Hills</b>					
<b>Residential - AFA Entitlement (Dual Plumbed)</b>					
Potable Water FCC	\$5,512	\$5,512	\$3,932	\$3,932	\$3,932
Gabbro Soils	345	345	345	345	345
Line & Cover 1		101	101	101	101
Line & Cover 2	118	118	118	118	118
Line & Cover 3	325	325	n/a	n/a	n/a
Recycled Water FCC	4,553	4,553	2,241	2,241	2,241
<b>TOTAL</b>	<b>\$10,853</b>	<b>\$10,954</b>	<b>\$6,737</b>	<b>\$6,737</b>	<b>\$6,737</b>
<b>El Dorado Hills</b>					
<b>Residential - AFA w/no Entitlement (Potable only)</b>					
Potable Water FCC	\$12,361	\$12,361	\$7,865	\$7,865	\$7,865
Gabbro Soils	345	345	345	345	345
Line & Cover 1		101	101	101	101
Line & Cover 2	118	118	118	118	118
Line & Cover 3	325	325	n/a	n/a	n/a
AFA/Weber Fee	4,000	4,000	4,000	4,000	4,000
<b>TOTAL</b>	<b>\$17,149</b>	<b>\$17,250</b>	<b>\$12,429</b>	<b>\$12,429</b>	<b>\$12,429</b>

<sup>[1]</sup> Information not reported with the same methodology previous to 2005.

<sup>[2]</sup> Cameron Park included with El Dorado Hill FCC effective February 25, 2008

<sup>[3]</sup> Line & Cover 1 ended effective October 2009

Source: EID Customer Services Division

**El Dorado Hills****Residential - AFA w/no Entitlement (Dual Plumbed)**

Potable Water FCC	\$5,512	\$5,512	\$7,865	\$7,865	\$7,865
Gabbro Soils	345	345	345	345	345
Line & Cover 1		101	101	101	101
Line & Cover 2	118	118	118	118	118
Line & Cover 3	325	325	n/a	n/a	n/a
AFA/Weber Fee	2,000	2,000	2,000	2,000	2,000
Recycled Water FCC	4,553	4,553			
<b>TOTAL</b>	<b>\$12,853</b>	<b>\$12,954</b>	<b>\$10,429</b>	<b>\$10,429</b>	<b>\$10,429</b>

**General District / Satellites - Potable only**

Potable Water FCC	\$16,305	\$16,305	\$7,953	\$7,953	\$7,953
Gabbro Soils	345	345	345	345	345
Line & Cover 1		101	101	101	101
Line & Cover 2	118	118	118	118	118
Line & Cover 3	325	325	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$17,093</b>	<b>\$17,194</b>	<b>\$8,517</b>	<b>\$8,517</b>	<b>\$8,517</b>

<sup>[1]</sup> Information not reported with the same methodology previous to 2005.

<sup>[2]</sup> Cameron Park included with El Dorado Hill FCC effective February 25, 2008

<sup>[3]</sup> Line & Cover 1 ended effective October 2009

Source: EID Customer Services Division

Table #20  
Wastewater Facility Capacity Charges  
Last Four Years  
(in dollars per 1 equivalent dwelling unit)

<b>AREA</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005<sup>[1]</sup></b>
<b>El Dorado Hills</b>					
Wastewater Buy In	\$4,967	\$4,967	\$8,443	\$8,443	\$8,443
Recycled Costs Share	1,538	1,538	1,412	1,412	1,412
Future Capital Projects	6,936	6,936	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$13,441</b>	<b>\$13,441</b>	<b>\$9,855</b>	<b>\$9,855</b>	<b>\$9,855</b>
<b>Cameron Park</b>					
Wastewater Buy In	\$7,425	\$7,425	\$4,418	\$4,418	\$4,418
Recycled Costs Share	1,538	1,538	1,412	1,412	1,412
Future Capital Projects	486	486	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$9,449</b>	<b>\$9,449</b>	<b>\$5,830</b>	<b>\$5,830</b>	<b>\$5,830</b>
<b>Motherlode</b>					
Wastewater Buy In	\$10,114	\$10,114	\$6,246	\$6,246	\$6,246
Recycled Costs Share	1,538	1,538	1,412	1,412	1,412
Future Capital Projects	1,751	1,751	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$13,403</b>	<b>\$13,403</b>	<b>\$7,658</b>	<b>\$7,658</b>	<b>\$7,658</b>
<b>Satellite Areas</b>					
Wastewater Buy In	\$9,120	\$9,120	\$6,181	\$6,181	\$6,181
Future Capital Projects	777	777	0	0	0
<b>TOTAL</b>	<b>\$9,897</b>	<b>\$9,897</b>	<b>\$6,181</b>	<b>\$6,181</b>	<b>\$6,181</b>

<sup>[1]</sup> Information not reported with the same methodology previous to 2005.

Source: EID Customer & Development Services Division

Table #21  
**Installation and Inspection Fees**  
 Last Five Years<sup>[1]</sup>  
 (in dollars)

<b>Water Meter Installation Fees</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005<sup>[1]</sup></b>
3/4" Meter with PR	\$598	\$598	\$537	\$537	\$537
3/4" Meter without PR	\$464	\$464	\$428	\$428	\$428
1" Meter with PR	\$670	\$670	\$653	\$653	\$653
1" Meter without PR	\$525	\$525	\$508	\$508	\$508
<b>Recycled Water Meter Installation Fees</b>					
3/4" Commercial	\$654	\$654	\$545	\$545	\$545
3/4" Residential	\$545	\$545	\$545	\$545	\$545
<b>Wastewater Inspection Fees</b>					
Commercial	\$145	\$145	\$145	\$145	\$145
Residential	\$70	\$70	\$70	\$70	\$70
<b>Recycled Water Plan Check &amp; Inspection Fees</b>					
Back yard not done by developer	\$400 per lot	\$400 per lot	\$400	\$500	\$500
Front and back yard done by developer	\$325 per lot	\$325 per lot	\$325	\$500	\$500

PR - Pressure Regulator

<sup>[1]</sup> Information not reported with the same methodology previous to 2005.

Source: EID Customer & Development Services Division

Table #22  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**  
(in thousand of dollars, except per capita)

Year	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
State of California Loans	\$20,419	\$21,708	\$16,138	\$16,543	\$5,918	\$3,096	\$3,224	\$2,934	\$2,934	\$1,616
U.S. Government Loans	-	-	-	-	-	-	-	14,652	15,500	16,300
County of El Dorado Note		1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533
COPs	392,183	243,830	240,220	244,165	248,000	249,545	165,825	-	-	-
GO Bonds	3,825	4,260	4,685	5,010	5,330	5,585	6,000	-	-	-
Revenue Bonds	-	-	-	-	-	-	68,885	72,190	74,135	75,991
LaSalle Bank Bridge Loan	-	-	-	-	-	-	15,000	15,000	15,000	-
Capital Leases	-	-	-	-	-	101	254	459	600	775
Total	416,427	271,331	262,576	267,251	260,781	259,860	260,721	106,768	109,702	96,215
Percentage of Personal Income	n/a <sup>[1]</sup>	3.08%	3.04%	3.42%	3.56%	3.84%	4.18%	1.78%	1.92%	1.72%
Per Capita	2,365	1,510	1,477	1,513	1,502	1,526	1,560	651	684	613
Personal income per capita		\$49,091	\$48,606	\$44,283	\$42,147	\$39,723	\$37,350	\$36,637	\$35,660	\$35,624
Population	176,075	179,722	177,766	176,637	173,668	170,331	167,177	164,020	160,468	157,079

<sup>[1]</sup> Personal income for years 2007 and 2008 unavailable at time of report

Source: El Dorado Irrigation District Finance Department

**NOTE:**

- 1) The District is not subject to any legal debt limitations.
- 2) The personal income and per capital figures are for the County of El Dorado

Table #23  
**Debt Service Coverage**  
**Revenue Certificates of Participation series**  
**2003A, 2003B, 2004A and 2004B**  
**Water and Wastewater<sup>[1]</sup>**  
**Last Seven Years<sup>[2]</sup>**  
(in dollars)

<b>Category</b>	<b>Revenues<sup>[3]</sup></b>	<b>Expenses<sup>[4]</sup></b>	<b>Net Revenues</b>	<b>Debt service</b>			<b>Coverage<sup>[5]</sup></b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
<b>Water</b>							
2003	\$21,149,731	\$15,653,676	\$5,496,055			\$2,748,632	2.00
2004	24,675,510	20,317,119	4,358,391	\$1,032,024	\$4,134,711	5,166,735	0.84
2005	32,916,548	22,704,324	10,212,224	685,626	4,304,637	4,990,263	2.05
2006	49,020,984	24,075,618	24,945,366	1,331,853	5,151,133	6,482,986	3.85
2007	39,495,917	24,823,282	14,672,635	1,519,116	4,934,677	6,453,793	2.27
2008	41,744,079	25,813,634	15,930,445	2,660,200	8,316,364	10,976,564	1.45
2009	31,417,682	24,991,744	6,425,938	4,578,000	3,684,592	8,262,592	0.78
<b>Wastewater</b>							
2003	19,846,852	12,299,316	7,547,536			4,665,151	1.62
2004	21,917,041	15,963,451	5,953,590	1,679,325	4,588,571	6,267,896	0.95
2005	26,205,237	17,839,112	8,366,125	1,280,264	5,353,922	6,634,186	1.26
2006	30,055,658	18,717,271	11,338,387	3,068,000	6,009,872	9,077,872	1.25
2007	32,180,773	19,504,007	12,676,766	3,156,000	5,666,552	8,822,552	1.44
2008	28,674,087	18,685,105	9,988,982	4,359,800	2,455,375	6,815,175	1.47
2009	23,822,623	18,123,237	5,699,386	3,597,000	2,895,037	6,492,037	0.88
<b>Total</b>							
2003	40,996,583	27,952,992	13,043,591			7,413,783	1.76
2004	46,592,551	36,280,570	10,311,981	2,711,349	8,723,282	11,434,631	0.90
2005	59,121,785	40,543,436	18,578,349	1,965,890	9,658,559	11,624,449	1.60
2006	79,076,642	42,792,889	36,283,753	4,399,853	11,161,005	15,560,858	2.33
2007	71,676,690	44,327,289	27,349,401	4,675,116	10,601,229	15,276,345	1.79
2008	70,418,166	44,498,739	25,919,427	7,020,000	10,771,739	17,791,739	1.46
2009	55,240,305	43,114,981	12,125,324	8,175,000	6,579,629	14,754,629	0.82

<sup>[1]</sup> Information provided in compliance with District's continuing disclosures agreement.

<sup>[2]</sup> Data pursuant to debt service covenants issued beginning in 2003

<sup>[3]</sup> Revenues include all District operating revenues and non-operating revenues, excluding interest earnings from the 2003 bond proceeds and developer contributions. The flood damage reimbursements received in 2008 are included.

<sup>[4]</sup> Total expenses include both operating and non-operating expenses, except depreciation and interest expense.

<sup>[5]</sup> Debt service coverage of 1.25 times is required for both water and wastewater for the Revenue COPs. Coverage represents the ratio of net revenues before depreciation and debt service to total debt service.

Source: El Dorado Irrigation District COP Coverage Requirement Analysis

Table #24  
**Building Permit and Valuation Demographics**  
for the EID Service Area  
Last Ten Years

<b>Year</b>	<b>Issued Permit Valuations (in thousands)</b>		<b>New Dwelling Units Issued Permits</b>		<b>New Construction Finals Issued</b>		
	Residential	Non-Residential	Single Family	Multi-Family	Single Family	Multi-Family	Commercial
2000	\$303,566	\$34,408	1,117	4	748	72	61
2001	\$364,150	\$38,013	1,135	745	1,170	0	64
2002	\$399,147	\$39,242	1,349	186	1,235	2	45
2003	\$441,499	\$37,912	1,448	12	1,413	183	66
2004	\$487,301	\$48,569	1,566	100	1,459	398	95
2005	\$392,462	\$41,802	1,179	128	1,309	386	99
2006	\$294,996	\$53,509	681	39	888	24	61
2007	\$219,009	\$51,240	357	180	529	41	87
2008	\$122,106	\$39,145	186	150	338	52	57
2009	\$55,843	\$21,070	95	0	188	119	57

Source: El Dorado County Land Management Information System

Table #25  
Principal Employers  
of El Dorado County  
Current Year and Eleven Years Ago

<u>Employer</u>	<u>2009</u>			<u>1998</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
El Dorado County	1,780	1	1.88%	1,525	1	1.98%
Blue Shield of California	1,635	2	1.73%	-	-	-
DST Output	1,250	3	1.32%	-	-	-
Marshall Medical Center	966	4	1.02%	810	3	1.05%
State of California	729	5	0.77%	-	-	-
Sierra-at-Tahoe	635	6	0.67%	-	-	-
Raley's	550	7	0.58%	-	-	-
Barton Healthcare Systems (Hospital)	480	8	0.51%	750	4	0.98%
El Dorado County Office of Education	340	9	0.36%	600	5	0.78%
Roebbelen	275	10	0.29%	-	-	-
El Dorado Irrigation District	242	11	0.26%	219	7	0.28%
Embassy Suites Lake Tahoe Resort	200	12	0.21%	-	-	-
IBS, A USCS International Company	-	-	-	1,250	2	1.63%
U.S. Forest Service	-	-	-	290	6	0.38%
Sierra Pacific Industries	-	-	-	135	9	0.18%
Pacific Western Plastic	-	-	-	120	10	0.16%
<b>Total</b>	<b><u>9,082</u></b>		<b><u>9.61%</u></b>	<b><u>5,699</u></b>		<b><u>7.41%</u></b>

Source 2009: Sacramento Business Journal, April 2, 2010

Source 1998: El Dorado County Chamber of Commerce

Table #26  
 El Dorado County Demographic and Economic Statistics  
 Last Ten Years

<u>Year</u>	<u>County Population</u>	<u>Annual % Change</u>	<u>Civilian Labor Force</u>	<u>Employed</u>	<u>Unemployment Rate</u>	<u>Income (in thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>
2000	157,079	2.5%	82,100	78,700	4.1%	\$5,595,834	\$35,624	28,906
2001	160,468	2.2%	84,100	80,500	4.3%	\$5,762,650	\$35,912	28,795
2002	164,020	2.2%	86,600	82,100	5.2%	\$5,993,822	\$36,543	29,104
2003	167,177	1.9%	88,100	83,200	5.6%	\$6,244,026	\$37,350	29,147
2004	170,331	1.9%	89,500	84,800	5.3%	\$6,766,107	\$39,723	29,072
2005	173,668	2.0%	92,000	87,600	4.8%	\$7,319,655	\$42,147	29,368
2006	176,637	1.7%	93,000	88,700	4.6%	\$7,822,103	\$44,283	29,332
2007	177,766	0.6%	94,500	89,600	5.2%	\$8,640,506	\$48,606	29,417
2008	179,722	1.1%	96,000	89,400	6.9%	\$8,822,782	\$49,091	29,662
2009	176,075	-2.0%	90,700	79,400	12.5%	n/a <sup>[1]</sup>	n/a <sup>[1]</sup>	29,336

<sup>[1]</sup> Information more recent than 2006 unavailable at time of report  
 Source: California Economic Development Department, Labor Market Information Division  
 California Department of Education, Educational Demographics Unit

Chart #8  
 Annual County Population vs. Unemployment Rate  
 Last Ten Years

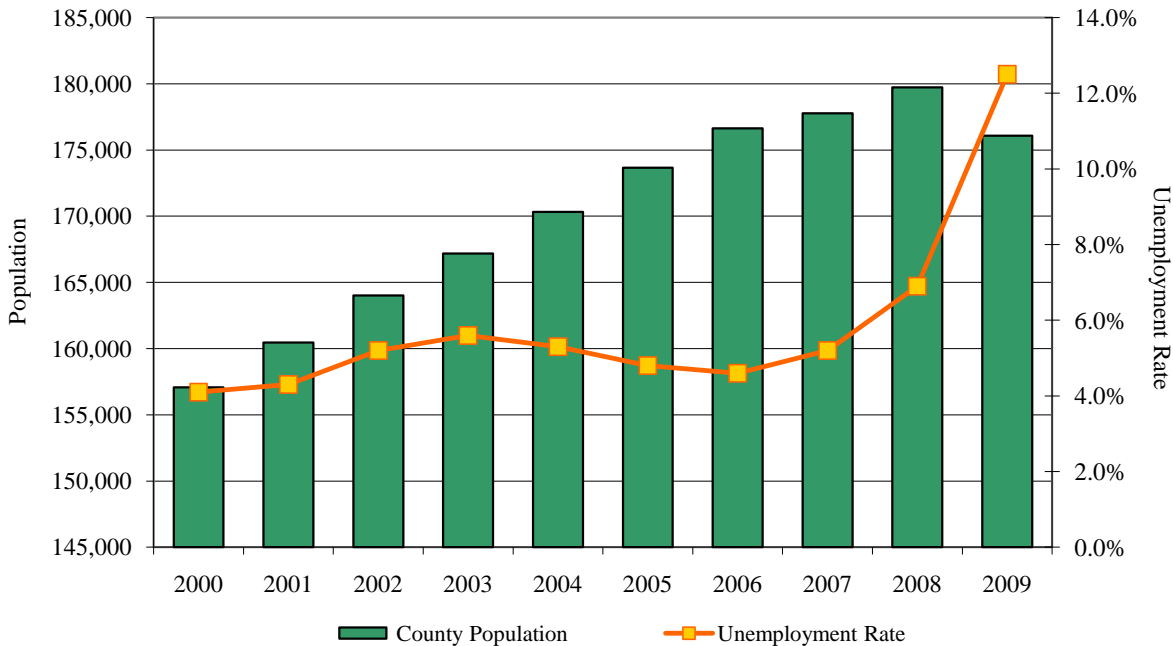




Table #27  
Water System Demographics and Statistical Summary  
Last Ten Years

Water System	Year										
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Facilities:</b>											
Miles of Main Line (estimated)	1,295	1,295	1,245	1,289	1,245	1,229	1,220	1,200	1,150	1,150	1,111
Miles of Ditches (estimated)	27	27	27	27	27	37	40	40	40	40	50
Number of Treatment Plants	6	6	6	6	6	6	6	6	6	6	6
Total Plant Capacity (cfs)	184	184	184	184	177	177	164	161	190	147	123
# of Pumping Stations	38	38	37	38	38	38	36	34	21	21	21
# of Storage Tanks/Reservoirs	33	33	36	36	35	35	32	28	33	33	26
<b>Supply Allocated (acre feet):</b>											
Sly Park Reservoir	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Reclamation-Folsom Lake <sup>[1]</sup>	24,500	24,500	24,500	24,500	7,550	7,550	7,550	7,550	7,550	7,550	7,550
Forebay - Project 184	15,080	15,080	15,080	15,080	15,080	15,080	15,080	15,080	15,080	15,080	15,080
Crawford Ditch <sup>[2]</sup>	=	=	=	=	=	=	=	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>
<b>Total Water Allocations</b>	<b>62,580</b>	<b>62,580</b>	<b>62,580</b>	<b>62,580</b>	<b>45,630</b>	<b>45,630</b>	<b>45,630</b>	<b>46,330</b>	<b>46,330</b>	<b>46,330</b>	<b>46,330</b>
<b>Supply Delivered (acre feet):</b>											
Sly Park Reservoir <sup>[3]</sup>	22,255	25,745	22,467	21,694	20,144	22,919	23,312	25,738	23,280	17,492	19,163
Reclamation-Folsom Lake	6,693	6,882	9,171	8,189	7,555	8,424	7,528	7,728	7,136	6,436	6,138
Forebay - Project 184 <sup>[3]</sup>	11,712	12,423	12,329	11,451	9,957	12,016	6,298	4,719	7,730	10,253	9,495
Crawford Ditch <sup>[2]</sup>	=	=	=	=	=	=	=	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>
<b>Total Water Deliveries</b>	<b>40,660</b>	<b>45,050</b>	<b>43,967</b>	<b>41,334</b>	<b>37,656</b>	<b>43,359</b>	<b>37,138</b>	<b>38,885</b>	<b>38,846</b>	<b>34,881</b>	<b>35,496</b>
<b>Consumption (acre feet)<sup>[4]</sup>:</b>											
Residential <sup>[5]</sup>	22,099	23,322	23,341	22,190	20,319	22,559	20,169	20,090	19,469	18,068	18,106
Commercial and Industrial	1,993	3,029	3,076	2,850	2,805	2,806	2,778	2,613	2,613	2,361	2,482
Agricultural <sup>[6]</sup>	5,690	5,581	5,262	4,963	4,712	6,433	6,074	5,242	5,742	5,950	6,153
Recreational Turf	1,238	1,398	1,364	1,387	1,235	1,605	1,112	1,357	1,383	2,044	2,028
Municipal	<u>1,422</u>	<u>1,533</u>	<u>1,960</u>	<u>1,672</u>	<u>1,666</u>	<u>1,811</u>	<u>1,709</u>	<u>1,696</u>	<u>1,669</u>	<u>1,637</u>	<u>1,575</u>
<b>Total Water Consumption</b>	<b>32,442</b>	<b>34,863</b>	<b>35,003</b>	<b>33,062</b>	<b>30,737</b>	<b>35,214</b>	<b>31,842</b>	<b>30,998</b>	<b>30,876</b>	<b>30,060</b>	<b>30,344</b>
<b>Customer Accounts<sup>[4]</sup>:</b>											
Residential <sup>[5]</sup>	36,464	36,449	36,223	35,825	35,221	34,180	33,184	31,578	30,458	29,250	28,243
Commercial and Industrial	1,179	1,653	1,417	1,344	1,303	1,254	1,217	1,181	1,130	1,104	1,072
Agricultural <sup>[6]</sup>	486	477	390	389	391	380	397	349	342	372	356
Recreational Turf	104	110	109	108	104	101	97	99	99	97	93
Municipal	<u>16</u>	<u>16</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>9</u>
<b>Total Water Accounts</b>	<b>38,249</b>	<b>38,705</b>	<b>38,150</b>	<b>37,677</b>	<b>37,030</b>	<b>35,926</b>	<b>34,906</b>	<b>33,218</b>	<b>32,040</b>	<b>30,833</b>	<b>29,773</b>

<sup>[1]</sup> Folsom now includes Department of Reclamation (Reclamation) water service contract for 7,550 AF *and* Water Right permit number 21112 for 17,000 AF

<sup>[2]</sup> As of 2003 the Crawford Ditch is not connected to the contiguous piped system. It meets the irrigation needs of ditch customers as a separate delivery system.

<sup>[3]</sup> Due to the January 1997 floods and damage to project 184 facilities, water deliveries were reallocated in 1997

<sup>[4]</sup> Includes data for both the contiguous and satellite zones

<sup>[5]</sup> Includes single residential, multi-family residential, single-family dual potable, multi-family dual potable and domestic irrigation

<sup>[6]</sup> Includes agricultural metered irrigation, small farm irrigation, and ditch deliveries

Source: 2008 Water Resource and Service Reliability Report, Annual Consumption Report and Facilities Management Department

Table #28  
**Water Supply and Demand Data**  
 Last Ten Years  
 (in acre feet)

<b>Year</b>	<b>System Firm Yield<sup>[1]</sup></b>	<b>Total Raw Water Diversions<sup>[2]</sup></b>	<b>Metered Consumption<sup>[3]</sup></b>	<b>Other Authorized Uses<sup>[4]</sup></b>	<b>Supplement to Recycled System</b>	<b>Real and Apparent Losses<sup>[5]</sup></b>
2000	43,280	34,882	29,488	870	n/a	4,524
2001	43,280	38,846	32,231	1,398	n/a	5,217
2002	43,280	38,885	32,252	1,201	255	5,177
2003	54,550	37,138	31,021	1,017	190	4,910
2004	54,550	43,359	35,160	1,692	918	5,589
2005	54,550	37,656	30,683	1,408	433	5,132
2006	60,550	41,334	33,011	1,767	870	5,686
2007	60,550	43,967	34,938	2,857	595	5,577
2008	60,550	45,051	34,813	2,653	456	7,129
2009	60,550	40,660	32,442	2,629	393	5,196

<sup>[1]</sup> The System Firm Yield is calculated using a hydrology computer model to determine the annual quantity of water the integrated water supply system can theoretically make available 95% of the time, per Administrative Regulation No. 5010.

<sup>[2]</sup> Includes diversions from Jenkinson Lake, Folsom Reservoir, and Project 184 at Forebay

<sup>[3]</sup> Authorized uses of potable water that are metered and billed to EID customers.

<sup>[4]</sup> Other authorized uses of potable and raw water that is both metered and unmetered, billed and unbilled. This demand includes water quality flushing, aesthetics maintenance, pipeline draining, and ditch deliveries. meter testing, sewage lift station and collection system flushing, private fire services, fire hydrant meters,

<sup>[5]</sup> Real losses include physical water lost into the ground from pipeline leaks and breaks. Apparent losses are considered paper losses, such as under-registration of large meters.

Source: 2008 EID Water Resources and Service Reliability Report

Chart #9  
**Water Supply and Demand Trends**

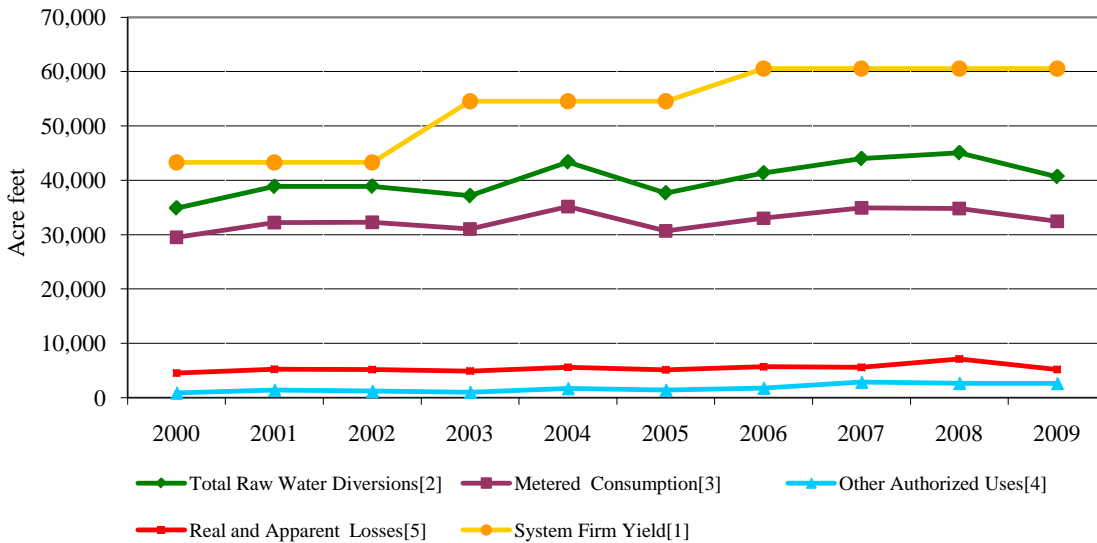


Table #29  
**Recycled Water System**  
**Demographics and Statistical Summary**  
 Last Ten Years

<b><u>Recycled Water System</u></b>	<b>Year</b>									
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>	<b><u>2000</u></b>
<b>Facilities:</b>										
Miles of Recycled Pipe	54	54	49	49	46	44	37	28	11	n/a
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2
Storage Reservoirs /Tanks	5	5	5	5	5	5	4	4	4	4
Number of Pump Stations	5	5	5	5	5	5	4	4	4	4
<b>Consumption (acre feet):</b>										
Residential <sup>[1][2]</sup>	1,579	1,674	1,578	1,331	1,008	713	493	274	155	46
Commercial & Industrial <sup>[3]</sup>	654	716	789	726	669	547	441	751	560	586
Recreational Turf	361	513	571	726	455	721	755	811	886	561
<b>Total Recycled Water Consumption</b>	<b>2,593</b>	<b>2,903</b>	<b>2,938</b>	<b>2,782</b>	<b>2,133</b>	<b>1,981</b>	<b>1,690</b>	<b>1,836</b>	<b>1,601</b>	<b>1,194</b>
<b>Customer Accounts:</b>										
Residential <sup>[1][2]</sup>	3,663	3,714	3,513	3,277	3,010	2,420	1,978	1,247	811	392
Commercial & Industrial <sup>[3]</sup>	139	153	156	147	129	101	91	89	92	59
Recreational Turf	12	11	12	13	12	12	9	9	3	3
<b>Total Recycled Water Accounts</b>	<b>3,814</b>	<b>3,878</b>	<b>3,681</b>	<b>3,437</b>	<b>3,151</b>	<b>2,533</b>	<b>2,078</b>	<b>1,345</b>	<b>906</b>	<b>454</b>

mgd - millions of gallons per day

<sup>[1]</sup> Residential includes multi-family accounts

<sup>[2]</sup> Beginning in November 1999, residential construction of a "dual pipe" system in the El Dorado Hills community of Serrano features water, sewer and recycled for each home.

<sup>[3]</sup> Commercial & Industrial includes construction meters

Source: EID 2008 Water Resources and Service Reliability Report and Facilities Management Department

Table #30  
**Wastewater System**  
**Demographics and Statistical Summary**  
 Last Ten Years

<b>Wastewater System</b>	<b>Year</b>									
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>Facilities:</b>										
Miles of Sewer Line	396	396	390	390	377	377	338	305	300	300
Number of Treatment Plants	4	4	5	5	5	5	5	5	5	5
Permitted Average Dry Weather Flow (mgd)	7.20	7.20	6.60	6.60	6.60	6.60	5.50	5.50	5.50	5.50
Plant Capacity Wet Weather (mgd)	23.00	23.00	22.40	22.40	22.40	22.40	7.50	7.50	7.50	7.50
Avg. Dry Weather Daily Plant Flow (mgd)	5.96	5.96	5.45	5.79	4.68	5.15	4.58	4.25	4.18	4.17
El Dorado Hills Plant (mgd)	2.93	2.93	2.68	2.69	2.28	2.44	2.08	1.72	1.74	1.58
Camino Heights Plant (mgd)	0.017	0.017	0.017	0.018						
Deer Creek Plant (mgd)	3.01	3.01	2.77	3.10	2.40	2.71	2.50	2.53	2.44	2.59
Number of Lift Stations	64	64	63	63	60	60	60	58	58	57
<b>Customer Accounts:</b>										
Residential <sup>[1]</sup>	19,849	19,641	19,422	19,192	17,849	17,310	16,111	14,946	13,882	13,264
Commercial & Industrial	778	804	752	699	644	608	581	551	532	511
Schools	23	23	27	27	22	21	20	23	19	19
<b>Total Wastewater Accounts</b>	<b>20,650</b>	<b>20,468</b>	<b>20,201</b>	<b>19,918</b>	<b>18,515</b>	<b>17,939</b>	<b>16,712</b>	<b>15,520</b>	<b>14,433</b>	<b>13,794</b>

mgd - millions of gallons per day

<sup>[1]</sup> Residential includes multi-family accounts

Source: EID Sewer Capacity Report and Facilities Management Department

Chart #10

**Water, Wastewater and Recycled Water Account Growth Trend**

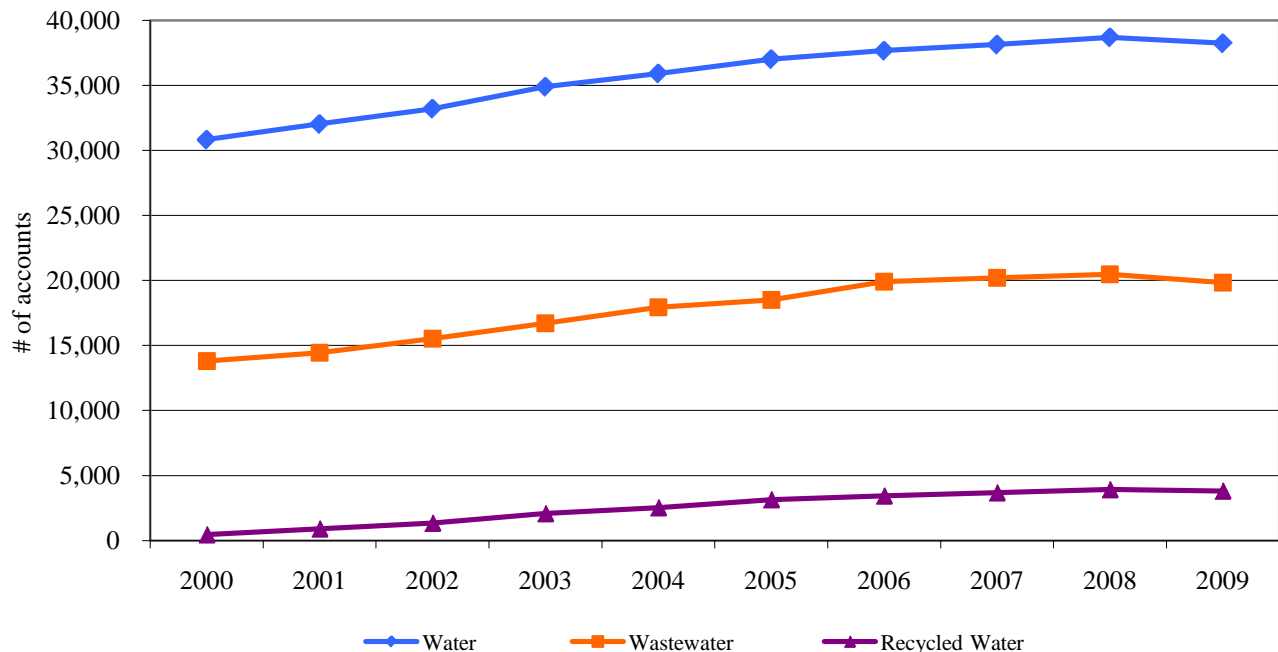


Table #31  
**Recreation Demographics and Statistical Summary**  
 Last Ten Years

<b>Recreation</b>	<b>Year</b>									
	<b>2009</b>	<b>2008</b>	<b>2007<sup>[1]</sup></b>	<b>2006<sup>[2]</sup></b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Day Visitors	244,433	157,447	155,730	69,523	78,144	76,930	75,706	72,343	90,865	85,735
Overnight Campers	83,172	75,167	69,381	60,855	85,760	77,968	75,080	74,963	90,971	99,700
Boat Use	41,690	24,640	17,435	17,003	24,825	18,823	13,285	13,671	12,762	11,278
Museum Visitors	n/a	n/a	n/a	n/a	500	1,100	1,200	1,300	1,580	1,475
Guided Hikes	136	136	0	2	4	4	2	5	8	11
Fish Plants	1	5	8	5	7	9	9	9	6	6
Volunteer Hours	800	800	0	0	0	5,000	4,900	4,700	4,500	4,000
Museum Volunteer Hours	n/a	n/a	n/a	n/a	0	500	500	500	500	515

<sup>[1]</sup> Increased day visitors in 2007 due to an improved tracking process to more accurately account for walk-in traffic  
 Source: EID Recreation Department

**Facilities at Sly Park Recreation Area:**

Jenkinson Lake Shoreline	9 Miles
Boat Ramps	2
Individual Camp Areas	166
Adult Group Camping Areas	5
Youth Group Camping Areas	2
Equestrian Group Camping Areas	1
Handicapped Group Camping Areas	1
Hiking Trails	9 Miles
Equestrian Trails	9 Miles
Nature Trail	1/2 Mile

Chart #11

**Recreation Visitor Statistics**

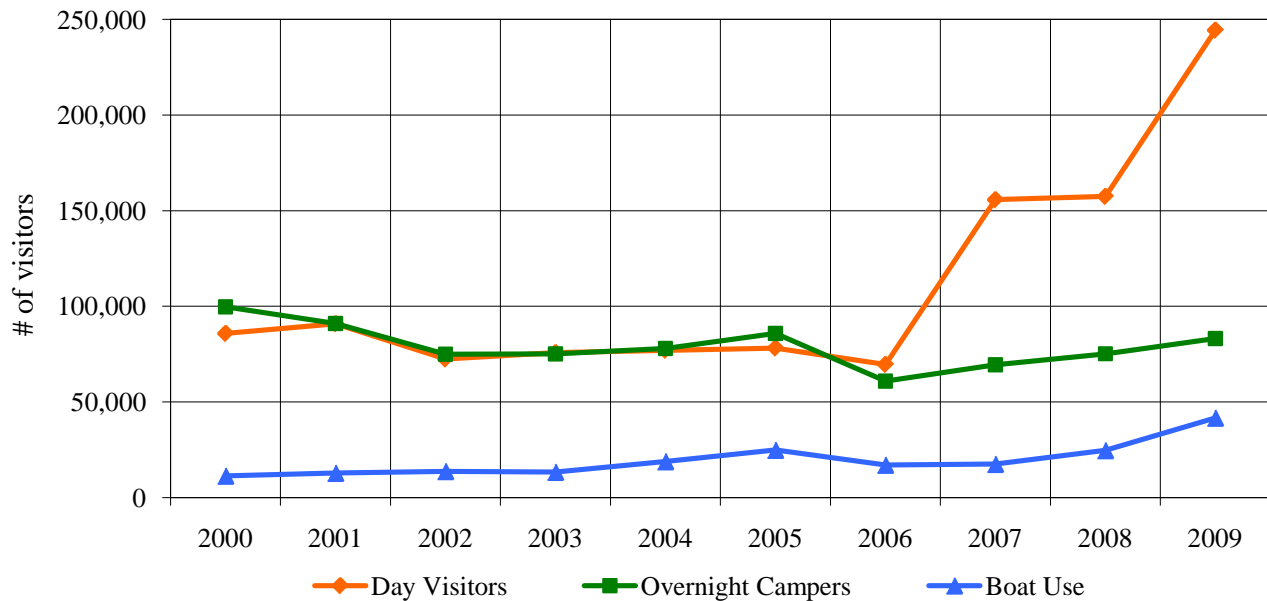


Table #32  
 Full-time Equivalent Employees by Function/Program  
 Last Five Years<sup>[1]</sup>

<u>Function/Program</u>	<u>Full-time Equivalent Employees for Year</u>					
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Office of the General Manager <sup>[2]</sup>	16	23	22	15	21	12
Information Technology	13	n/a	n/a	n/a	n/a	n/a
Facilities Management <sup>[3]</sup>	n/a	134	153	147	151	146
Operations	124.5	n/a	n/a	n/a	n/a	n/a
Finance and Management Services/ Finance <sup>[4]</sup>	45	43	55	55	51	39
Human Resources (8)	8.5	n/a	n/a	n/a	n/a	n/a
Strategic Management and Communication/ Communications <sup>[5]</sup>	3	34	44	49	43	58
Recreation <sup>[6]</sup>	n/a	8	7	7	6	6
Engineering	22	n/a	n/a	n/a	n/a	n/a
Environmental Compliance and Water Policy <sup>[7]</sup>	n/a	18	24	24	23	14
Natural Resources	21.5	n/a	n/a	n/a	n/a	n/a
<b>District Total</b>	<b>253.5</b>	<b>260</b>	<b>305</b>	<b>297</b>	<b>295</b>	<b>275</b>

<sup>[1]</sup> Data not available in the same organizational format prior to 2003

<sup>[2]</sup> Office of the General Manager includes Office of the General Counsel and the Board of Directors

<sup>[3]</sup> Facilities Management broken out to Engineering and Operations

<sup>[4]</sup> Finance and Management Services renamed Finance, payroll function moved to Human Resources

<sup>[5]</sup> Strategic Management and Communications renamed Communications, with programs transferred to Engineering, Finance, and Human Resources

<sup>[6]</sup> Recreation now included with Operations

<sup>[7]</sup> Environmental Compliance and Water Policy broken out to Engineering, Operations, and Natural Resources

<sup>[8]</sup> Human Resources includes Safety and Security program, in addition to Payroll, which was moved from Finance

Source: El Dorado Irrigation District Finance Department - Position Control Report Revised December 3, 2009

Table #33

Residential Rate Increases  
Last Ten Years

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>
2000	0.0%	0.0%
2001	0.0%	0.0%
2002	0.0%	0.0%
2003	0.0%	0.0%
2004	7.0% <sup>[1]</sup>	0.0% <sup>[3]</sup>
2005	7.0% <sup>[1][2]</sup>	4.0% <sup>[4]</sup>
2006	7.0% <sup>[1][2]</sup>	4.0% <sup>[4]</sup>
2007	7.0% <sup>[1][2]</sup>	4.0% <sup>[4]</sup>
2008	0.0%	4.0% <sup>[4]</sup>
2009	0.0%	0.0%

<sup>[1]</sup> In addition to the 7% rate increase, a separate 1% rate increase was adopted, effective September 1, 2004, to help offset lost property tax revenues.

<sup>[2]</sup> A temporary 4.3% water surcharge was adopted, effective April 1, 2005, to recoup lost property tax revenues.

<sup>[3]</sup> A separate 3% wastewater increase was established to help offset lost property tax revenues.

<sup>[4]</sup> In addition to the 4% rate increase, a separate 2% increase was established to help offset lost property tax revenues.

Source: El Dorado Irrigation District







