

# 2007 Comprehensive Annual Financial Report

For the year ended December 31, 2007



El Dorado Irrigation District



# 2007 Comprehensive Annual Financial Report

For the Year Ended December 31, 2007



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

Prepared by the Finance  
and Management Services Department

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## INTRODUCTORY SECTION



**Lake Aloha**, located in a breathtakingly beautiful alpine setting, is often described by visitors as one of the nicest lakes along the Pacific Crest Trail. Well known for its hundreds of lovely small islands, the Lake Aloha area is actually a combination of several small lakes, once known as Medley Lakes.





June 17, 2008

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 the El Dorado Irrigation District's (EID or District) Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2007. This is the sixth year the District's CAFR has been prepared using the new 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*. This is also the second year the District's CAFR has been prepared using the new 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), Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon 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 is accurate and complete in all material respects for the annual period ending December 31, 2007. 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**

The El Dorado Irrigation District is a special district 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 for 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-most portion. 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 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 approximately 23 miles of flumes, canals, siphons, and tunnels. Project facilities are located east of Placerville in El Dorado, Alpine, and Amador counties.

In addition, the District 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 for water activities, 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 component unit to provide assistance to 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. However, 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. The system requires 181 pressure-regulating zones to operate reliably. The water system operates more than 1,245 miles of pipe, 27 miles of ditches, 6 treatment plants, 36 storage reservoirs and 37 pumping stations. The wastewater system operates 63 lift stations, 390 miles of pipe, and 5 treatment facilities. The El Dorado Hills and the Deer Creek wastewater treatment facilities produce Title 22 recycled water, which is used at golf courses and other commercial entities and for landscape irrigation on single family homes 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 US Bureau of Reclamation (USBR), which 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. The Sly Park Unit was operated by EID under contract from 1955 until the District purchased the Sly Park Unit from the United States on December 23, 2003. The average yield of this project is 23,000 acre-feet annually.

Project 184 Forebay, located in Pollock Pines, is another main 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 USBR water service contract totaling 7,550 acre-feet and serving the El Dorado Hills community.



Future water supply sources include the relocation of three of the District's historic pre-1914 ditch water rights and Weber Reservoir supplies totaling about 4,600 acre-feet, a new water right of 17,000 acre-feet awarded by the State Water Resources Control Board, and 7,500 acre-feet in a new USBR water service contract. All supplies would be taken at Folsom Reservoir. It is expected that the first source will be available for diversion in 2008 with others to follow in 2009.

### *Governance*

The District's Board of Directors is comprised of five members elected by the citizens within five geographical divisions. 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 hydroelectricity, 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 electors.

### *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 Governmental Generally Accepted Accounting Principles (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) budget increases 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 appropriation increases 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 2007. High prices for homes in 2003 and 2004 leveled off, and sales have decreased. With the slowdown in the housing market, the District has proactively scaled down—and is now phasing in—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 back up in 2007 and still 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 EID. From 1998 to 2007, El Dorado County's population increased by 18.4% to 178,674 residence, 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 industries.

Most El Dorado County residents are within commuting distance of the greater Sacramento region, which offers employment in the defense and state government industry 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 work within El Dorado County.

The 2007 El Dorado County unemployment rate was 5.2%, showing a slight increase compared to 2006.

## *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. Measure Y will come before county voters for extension in 2008. If not extended, it will expire. The General Plan includes alternative policies that will go into effect if voters do not extend Measure Y.

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 increased 10% to \$5.4 billion in 2007. Property tax revenues increased from \$10.1 million in 2006 to \$11.6 million in 2007. The state's Educational Revenue Augmentation Fund (ERAF) property tax shift from special districts to school districts as a partial solution for the state's budget deficit ended in 2005, and property tax revenues from the state were fully restored in 2006.

## *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 will continue on January 1 of successive years through 2009. In anticipation of the loss of 40% of the District's property tax revenues, as described in the "Property Tax Revenue" section, the District raised water and wastewater rates effective September 1, 2004 through 2008. In 2005, to offset additional losses in property tax revenues, the Board adopted a 4.3% surcharge on water customers effective April 1, 2005 through April 1, 2008. In September 2004, a task force was formed to review the FCC charges, and the new fees resulting from the taskforce recommendations were adopted by the Board on April 18, 2005. 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.

The District is in the process of updating its comprehensive financial plan to include any Board-approved results of the current water, wastewater, and recycled water rate analysis and future borrowings for the funding of the District's five-year CIP.

### *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. That 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 rose in 2007, bringing the District's overall portfolio yield to 4.52%, an increase over the 4.24% yield in 2006.

### *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, automobile collision damage, and mobile equipment. The District's competitive property insurance program requires the insurer to cover Project 184's extensive flume and conveyance system. The District continually evaluates its insurance programs.

## 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 the current discharge permit requirements. Construction is expected to be completed in 2010.

The El Dorado Hills water treatment plant (EDHWTP) and Folsom Lake raw water pump station are being expanded in two phases. Phase 1 will increase the capacity of the EDHWTP to 24.4 mgd and will be completed by end of 2009. 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. The pump station will also be replaced with a new raw water intake and pump station that is designed to selectively withdraw water at different elevations within 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 also be expanded in phases to match the phased expansions at the EDHWTP. The District will develop an integrated water master plan in 2008 that will, in part, determine ultimate buildout capacity required for the El Dorado Hills water treatment plant facilities.

Geographic locations of the District's major water and wastewater facilities are shown on page 12.

### *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 kw of electricity to operate the plant. A rebate from Pacific Gas and Electric in the amount of \$2.8 million paid approximately 50% of the capital cost of the project, which began operation in June 2006. From that date through 2007, the District has saved estimated \$422,000 on its electric bill for the plant, and the project is expected to pay for itself within 8 years.

### *Flume Replacement Program*

The El Dorado Canal, the water conveyance system for the FERC Project 184 and drinking water supply to Pollock Pines, was originally built in the late 1800's. The system is more than 22-miles long and includes a series of in-ground canals, tunnels, and above-ground flume sections. In order to proactively reduce the District's risk of failures in this complex canal system, the District in 2001 and again in 2007 formally evaluated the condition of the flume structures. This comprehensive assessment prioritized all flumes, identified the priority for replacement, and ranked the flumes as high, medium, and low priority.

Each flume is distinctly different from the other due to many factors such as; location, access, landslides, construction methods, geological and geotechnical conditions, and environmental considerations, resulting in different levels of effort for design and construction. For example, Flume 41 is located entirely on an historic rock wall with moderate access limitations, while Flume 51 is accessible by nearby roads but is situated amongst severely unstable geologic conditions. 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 USFS lands. Construction of Flume 49/50 was completed in 2007 with approximately 1,400 feet of flume replaced. Scheduled for construction in 2008 is replacement of flume 13, 31 and 31A, totaling approximately 500 feet.

## AWARDS AND ACKNOWLEDGEMENTS

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, 2006. That marked the eleventh consecutive year that the District has received this prestigious 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 2007, 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) declared the District's Drought Preparedness and Action Initiative a finalist for the Association's 2007 Clair A. Hill Award for Excellence. The District also won ACWA's 2007 statewide Outstanding Outreach Network Award, as well as the outreach award for Region 3, both of which acknowledged EID's legislative outreach efforts to assist ACWA in accomplishing its legislative goals. 2007 marked the second year that EID received the Region 3 award and the first year for the statewide award.

The District's Bass Lake Tanks Kids' Planting Project received the statewide Outstanding Public Involvement/Education Program Award from the California Association of Environmental Professionals. The project, a collaboration among EID, an elementary school, and a local non-profit organization, demonstrated how agencies and community groups can work together to achieve educational goals, improve the environment, and meet regulatory requirements.

The California Water Environmental Association's Sacramento section recognized the outstanding work of the District's wastewater and collections teams with awards for Mechanical Technician of the Year and Collections System of the Year, while the recycled water team received the Association's Public Education Award. District staff were also recognized through the Chairperson Award for Outstanding Service to the Pretreatment, Pollution, Prevention, and Storm Water Committee and the Chairperson Award for Outstanding Service to the Laboratory Committee.

The District received the California Water Policy 17 Conference's Public Officials for Water and Environmental Reform Award in recognition of EID's "vision and leadership in raising the awareness and urgency of climate change." The award reflects the District's creative programs to reduce demand for energy and to plan for long-term changes in water supply.

The Cosumnes, American, Bear, and Yuba (CABY) Integrated Water Resources Management Plan received the Sierra Nevada Alliance's Dean Malley—Sun Tzu Award, which recognized CABY stakeholders throughout the region for their collaborative efforts to create a regional water management plan for the four watersheds in the central Sierra region. EID played the lead role in organizing the group and coordinating its efforts to create the plan.

The District's Project 184 El Dorado powerhouse was certified by the state as a "green" source of energy eligible for California's Renewable Portfolio Standard.

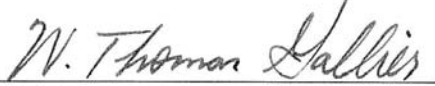
Sly Park Recreation Area was voted "best day hike" by readers of the local *Mountain Democrat* newspaper.

Additional outstanding District recognition includes the selection by ACWA of EID Board of Director John Fraser to serve as a California representative on the Board of the National Water Resources Association.

The preparation of this report required the exceptional services and dedicated efforts of the entire Finance and Management Services Department. We would like to express our appreciation to all District staff members who contributed to the preparation of this report, including the Facilities Management, Strategic Management and Communications, Recreation, and Environmental Compliance and Water Policy 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 continuous leadership and support that ultimately made the preparation of this report possible.

Respectfully submitted,

  
\_\_\_\_\_  
W. Thomas Gallier,  
General Manager

  
\_\_\_\_\_  
Philip Knapik, Department Head  
Finance and Management Services



# 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, 2006

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.



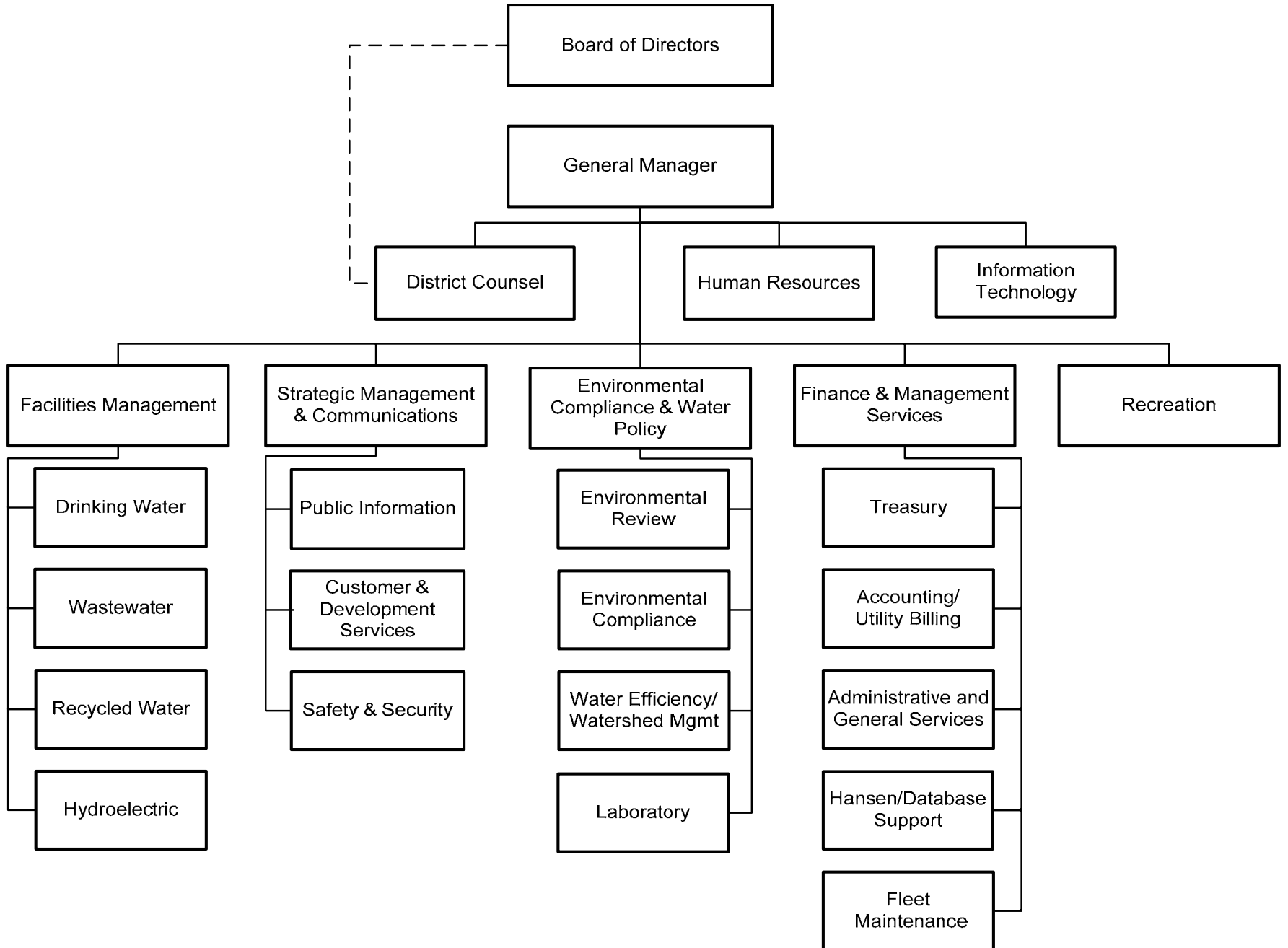
*Charles S. Cox*

President

*Jeffrey R. Emery*

Executive Director

# El Dorado Irrigation District Organization Chart



# El Dorado Irrigation District



## 2007 Comprehensive Annual Financial Report For the Year Ended December 31, 2007

### Board of Directors

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

### District Officials

William Thomas (Tom) Gallier, General Manager  
Thomas D. Cumpston, General Counsel  
Philip C. Knapik, Department Head of Finance and Management Services  
Steve Setoodeh Ph.D., PE, Department Head of Facilities Management  
Robert A. DiNunzio, M.Ed., C.A.S., Department Head of Human Resources  
Don Pearson, Department Head of Recreation  
David K. Witter, Department Head of Environmental Compliance and Water Policy  
Deanne Kloepfer, Department Head of Strategic Management and Communication

### Acknowledgments

Prepared by the EID Finance and Management Services Department  
Philip Knapik, Department Head of Finance and Management Services  
Mark Price, CPA, Asst. Department Head of Finance and Management Services  
Gary Buzby, Deputy Treasurer  
John Frankhouser, Accounting Manager  
Minda Bila, Financial Projects Administrator

Special thanks to Jesse Saich for cover design and print production



## FINANCIAL SECTION



**Caples Lake** is located at 7950 feet in elevation off of Highway 88. Surrounded by granite peaks, fir, pine, and groves of aspen and alder, Caples is a pure joy for the photographer and avid angler. There is fishing access at the Caples auxiliary dam, Caples Lake Resort, and Woods Creek.

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
El Dorado Irrigation District  
Placerville, California

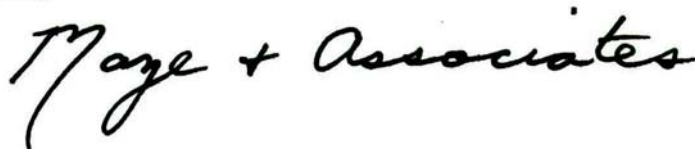
We have audited the financial statements of the business-type activities and the major fund of the El Dorado Irrigation District as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These basic financial 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 have been derived from the District's 2006 financial statements, audited by other auditors, and the auditor's report dated June 7, 2007, in which they expressed an unqualified opinion.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2007 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.

The introductory section, supplemental schedules and statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.



May 1, 2008



## **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, 2007. This information is presented in conjunction with the audited financial statements and their accompanying notes.

### **FINANCIAL HIGHLIGHTS**

The District's total net assets increased \$18.2 million. In the prior year, the comparable increase was \$20.6 million. Operating revenues increased by \$4.2 million to \$39.7 million and operating expenses increased by \$1.7 million to \$43.9 million, excluding depreciation. In 2006 these increases were \$1.2 million for operating revenues and \$2.5 million for operating expenses over 2005. Non-operating revenues were \$16.0 million more than non-operating expenses in 2007 and \$12.0 million more than non-operating expenses in 2006. Non-operating revenues exceeded non-operating expenses by \$9.2 million in 2005. The increase in non-operating revenues in 2007 is due to an increase in flood damage reimbursement. The increase in non-operating revenues in 2006 is primarily due to the restoration of property tax revenues to normal levels plus an increase in interest income that both offset the decline in FEMA/OES revenues for flood damage reimbursement. 2005 was the second and last year of the State tax shift of property taxes from special districts to school districts. This shift cost the District \$5.2 million of lost property tax revenues in both 2004 and 2005. The shift was not in effect in 2006 or 2007. Decreasing interest rates on variable rate debt caused interest expense to decline by \$.2 million in 2007. Increasing interest rates on the variable rate debt caused interest expense to increase by \$.9 million in 2006 and \$1.1 million in 2005. Facility capacity charges for 2007 were \$3.8 million more than 2006. Developer contributions were \$11.3 million less in 2007. In 2006, facility capacity charges were \$4.4 million less than 2005 but developer contributions were \$8.7 million higher than 2005.

The District issued new debt of \$10.9 million in 2006 and \$2.9 million in 2005 for State Revolving Fund loans in connection with the reservoir line and cover program. In 2004, the District issued both fixed rate and adjustable rate Revenue Certificates of Participation 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. At the end of 2006, \$6.8 million of the 2003 proceeds remains unspent and is included in Restricted Cash on the balance sheet. By the end of 2007, all of the proceeds from the 2003 issuances had been spent. The District's hydroelectric Project 184 came online in late 2003 generating revenues of \$2.2 million in 2004, \$5.6 million in 2005, \$3.8 million in 2006, and \$4.3 million in 2007.

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 in order to refund the 2003B and 2004B issues which were Auction Rate Securities (ARS). Those 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 and it was in the District's economic interest to replace that debt with VRDOs. The interest rate on the new VRDO issue is expected to be much lower than the recent ARS rates had been prior to the refunding.

The District's rating was increased to A from A- for the new 2008 debt issue.

## **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, 2007 and 2006, the Statements of Revenues, Expenses and Changes in Net Assets for the year ended December 31, 2007 with comparative amounts for the year ended December 31, 2006, and the Statements of Cash Flows for the year ended December 31, 2007 with comparative amounts for the year ended December 31, 2006.

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.

## **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 increased \$18.2 million in 2007 and \$20.6 million in 2006. The increase in net assets of \$18.2 million is a good indication that the District's financial condition improved during the year. Net assets invested in capital assets, net of related debt, increased by \$30.3 million to \$309.9 million resulting from expenditures net of debt for capital assets. The related increase in the prior year was \$.4 million. Restricted net assets increased by \$30.9 million to \$76.6 million primarily due to net assets restricted for new facilities. In the prior year restricted net assets increased by \$4.1 million to \$45.7 million. In the prior year, restricted net assets declined by \$.4 million. Net assets restricted for debt service increased by \$3.0 million resulting from a release of debt-related restrictions due to the pay down of debt. Unrestricted net assets declined by \$43.0 million in the current year but increased by \$16.1 in the prior year.

Capital assets increased by \$35.4 million to \$571.9 million as a result of the capital improvement program. In the prior year, the increase in capital assets was \$58.9 million to \$536.4 million. Noncurrent assets declined by \$11.4 million as a result of the decrease in restricted cash and cash equivalents. Deferred credits of \$32 million related to the FERC license are included in noncurrent liabilities of \$289.4. Current assets declined by \$12.5 million and increased by \$1.6 million in the prior year. In the prior year, current assets declined by \$23.5 as a result of the draws made on the unspent portion of the bond proceeds. 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><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Current assets	\$81.7	\$94.2	\$117.6
Noncurrent assets	77.6	89.0	63.3
Capital assets	571.9	536.4	477.5
Total Assets	<u>\$731.2</u>	<u>\$719.6</u>	<u>\$658.4</u>
Current Liabilities	\$26.8	\$24.2	\$22.7
Noncurrent Liabilities	289.4	298.6	259.5
Total Liabilities	\$316.20	\$322.8	\$282.2
Invested in Capital Assets, Net of Related Debt	\$309.9	\$279.6	\$279.2
Restricted Net Assets	76.6	45.7	41.6
Unrestricted Net Assets	28.5	71.5	55.4
Total Net Assets	<u>\$415.0</u>	<u>\$396.8</u>	<u>\$376.2</u>

## 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 increased by \$7.6 million to \$67.0 million in 2007 due to increased flood damage reimbursement and normal increases in operating revenues. In 2006, total revenues increased \$5.6 million to \$59.4 million primarily due to the restoration of property taxes. Total expenses increased by \$2.5 million to \$68.3 million in 2007 and by \$4.4 million to \$65.8 in 2006 due to higher personnel and interest costs. The net loss before capital contributions declined by \$5.1 million to \$1.3 million in 2007 and by \$1.2 million to \$6.4 million in 2006. Operating expenses increased in both 2007 and 2006 due to increased salaries from added positions as well as increased pay scales and employee benefits. Capital contributions declined by \$7.5 million in 2007 as a result of an increase in facility capacity charges of \$3.8 million and a decrease in developer contributions of \$11.2 million. In 2006, capital contributions increased by \$4.2 million as a net result of increases in developer contributions of \$8.7 million offset by a decline of \$4.4 million in facility capacity charges. Ending net assets total \$415.0 million, an increase of \$18.2 million over the prior year. The increase in the prior year was \$20.6 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)**

	<u>December 31,</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating Revenues	\$39.7	\$35.5	\$34.2
Non-operating Revenues	27.3	23.9	19.6
Total Revenues	<u>\$67.0</u>	<u>\$59.4</u>	<u>\$53.8</u>
Operating Expenses	\$43.9	\$42.2	\$39.7
Depreciation	13.1	11.9	11.3
Non-operating Expenses	11.3	11.7	10.4
Total Expenses	<u>\$68.3</u>	<u>\$65.8</u>	<u>\$61.4</u>
Net Loss Before Capital Contributions	(\$1.3)	(\$6.4)	(\$7.6)
Capital Contributions	19.5	27.0	22.8
Change in Net Assets	<u>\$18.2</u>	<u>\$20.6</u>	<u>\$15.2</u>
Beginning Net Assets	<u>396.8</u>	<u>376.2</u>	<u>361.0</u>
Total Net Assets	<u>\$415.0</u>	<u>\$396.8</u>	<u>\$376.2</u>

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>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Water Sales & Service	\$18.9	\$17.1	\$15.6
Wastewater Sales & Service	15.8	13.8	12.3
Recreational Revenues	0.7	0.7	0.7
Hydroelectric Revenues	4.3	3.8	5.6
Total Revenues	<u>\$39.7</u>	<u>\$35.4</u>	<u>\$34.2</u>

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

	<b>December 31,</b>		
	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Departmental Expenses			
Office of the General Manager	\$5.0	\$4.6	\$3.7
Strategic Management and Communication	3.8	3.6	6.1
Environmental Compliance and Water Policy	3.1	2.3	1.4
Finance and Management Services	6.6	6.3	4.6
Facilities Management	23.0	22.9	21.7
Recreation	1.6	1.5	1.1
Other Operating Expenses			
Developer reimbursed expenses	0.8	1.0	1.1
Total Operating Expenses Excluding Depreciation	<u>\$43.9</u>	<u>\$42.2</u>	<u>\$39.7</u>

Operating expenses, excluding depreciation, increased by \$1.7 million to \$43.9 million in 2007 and \$2.5 million to \$42.2 million in 2006, primarily due to increased salaries resulting from newly added positions, increased pay scales and other employee benefits primarily related to expanded service reliability. The increase in operating expenses in 2005 of \$2.5 million was principally due to the same reasons.

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>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Operating Revenues	\$39.7	\$35.5	\$34.2
Operating Expenses	43.9	42.2	39.7
Net Operating Loss Excluding Depreciation	(\$4.2)	(\$6.7)	(\$5.5)

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>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Surcharges	\$1.9	\$2.4	\$2.6
Voter-approved taxes	0.6	0.5	0.4
Property Taxes	11.6	10.1	3.7
Interest Income	5.2	5.7	3.4
Other Income	1.3	1.6	0.7
Flood Damage Reimbursements	6.7	3.6	8.8
Total Non-operating Revenues	\$27.3	\$23.9	\$19.6

Total non-operating revenues increased in 2007 by \$3.4 million due to the increase in flood damage reimbursement. In the prior year, non-operating revenues increased by \$4.3 million due to the restoration of property taxes to their normal levels, an increase in investment income of \$2.3 million, and a decline of \$5.2 million from flood damage reimbursement. Because of State budget problems, property taxes normally paid to the District for a two year period were instead shifted to school districts to help balance the State budget. This shift caused property tax revenues to decline by \$5.2 million in both 2005 and 2004.

Interest income rose dramatically in 2006 but declined slightly in 2007 due to a declining rate environment. The rise in interest income in 2006 occurred as bond proceeds were invested at higher rates than that earned on the collateralized investment agreements. Interest expense declined slightly in 2007 due to lower interest rates but rose in 2006 due to higher rates in that year.



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

	<b>December 31,</b>		
	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Flood Damage Expenses	\$0.0	\$0.2	\$0.4
Other Expenses	0.4	0.3	0.2
Interest Expense	10.9	11.2	9.8
<b>Total Non-operating Expenses</b>	<b>\$11.3</b>	<b>\$11.7</b>	<b>\$10.4</b>

In 2007, non-operating revenues exceeded non-operating expenses by \$16.0 due to increased flood damage reimbursement. In 2006, non-operating revenues exceeded non-operating expenses by \$12.0 million due to the restoration of property taxes. In 2005, non-operating revenues exceeded non-operating expenses by \$9.2 million due to the large flood damage reimbursement.

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

	<b>December 31,</b>		
	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Non-operating Revenues	\$27.3	\$23.9	\$19.6
Non-operating Expenses	(11.3)	(11.7)	(10.4)
<b>Net Non-operating Revenues</b>	<b>\$16.0</b>	<b>\$12.2</b>	<b>\$9.2</b>

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The District's capital assets, net of accumulated depreciation, increased by \$35.4 million to \$571.9 million. In the prior year, capital assets increased \$58.9 million to \$536.5 million. These increases encompasses a broad range of infrastructure, including water and wastewater plants in service, reclaimed water facilities, construction in progress, and other assets such as vehicles, equipment, office equipment and furniture. The increase in net capital assets is mainly due to improvements to the District's water and wastewater plants in service to cover current and future growth resulting from the heavy private development in El Dorado Hills. Capital assets increased by \$44.7million in 2005. Detail of the District's capital assets follows:

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

	<b>December 31,</b>		
	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Capital assets not being depreciated			
Land	\$8.2	\$5.3	\$5.3
Construction in progress	165.0	147.3	107.3
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$173.2</b>	<b>\$152.6</b>	<b>\$112.6</b>
Capital Assets Being Depreciated			
Water plant in service	\$339.5	\$252.8	\$280.3
Wastewater plant in service	183.7	174.8	159.1
Future use facilities	0.0	21.7	21.7
General plant	18.8	68.1	32.4
Reclaimed water facility	20.2	18.4	16.2
Electric power plant	0.0	0.1	0.1
<b>Total capital assets being depreciated</b>	<b>\$562.2</b>	<b>\$535.9</b>	<b>\$509.8</b>
Less Accumulated Depreciation	163.5	152.0	145.0
<b>Net Capital Assets</b>	<b>\$571.9</b>	<b>\$536.5</b>	<b>\$477.4</b>

The District has capital project commitments outstanding of \$91.3 million at December 31, 2007 and \$18.1 million at December 31, 2006. Additional information about the capital assets can be found in Note 3 to the financial statements.

### **LONG-TERM DEBT**

At the end of 2007, the District had \$254.0 million in noncurrent debt. 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 as a result of 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 in order to refund the 2003B and 2004B issues which were Auction Rate Securities (ARS). Those 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 and it was in the District's economic interest to replace that debt with VRDOs. The interest rate on the new VRDO issue is expected to be much lower than the recent ARS rates had been. The District's rating was increased 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, 2007**  
**(in millions)**

	<u>Balance</u> <u>1/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>
State of California loans	\$16.5		\$0.4	\$16.1
Revenue Certificates of Participation 2003A	74.0			74.0
Revenue Certificates of Participation 2003B	91.8			91.8
Revenue Certificates of Participation 2004A	70.1		3.9	66.2
Revenue Certificates of Participation 2004B	8.3			8.3
2003 General Obligation bonds	5.0		0.3	4.7
Totals	265.7	0.0	4.6	261.1
Deferred bond premium net of refunding	1.2		0.2	1.0
Less current portion	(4.7)			(8.1)
Long-term debt	<u>\$262.2</u>			<u>\$254.0</u>

The District maintains a Standard & Poors rating of A- for its revenue certificates of participation as of December 31, 2007. The District's rating was upgraded to A for the 2008A 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</u> <u>balance</u>	<u>Average coupon</u> <u>rate</u>
State of California loans	\$16.1	2.32% to 2.60%
2003A Revenue COPs	74.0	3% to 5.25%
2003B Revenue COPs	91.8	Varies *
2004A Revenue COPs	66.2	2.5% to 5.0%
2004B Revenue COPs	8.3	Varies *

\* The effective interest rate on the 2003B Revenue COPs was 3.82% at December 31, 2007 3.38% at December 31, 2006, and 2.4254% at December 31, 2005. 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 2007 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 reclaimed system for service reliability and regulatory required projects, such as the Federal requirement to line and cover all the reservoirs. Many of these projects are a result of growth, especially in El Dorado Hills. Rates and facility capacity charges are being reviewed in 2007 and will continued to be reviewed in 2008.

## **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 and Management Services, 2890 Mosquito Road, Placerville CA 95667.

**EL DORADO IRRIGATION DISTRICT**

**BALANCE SHEETS**

**December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents (Note 2)	\$ 21,951,000	\$ 8,359,623
Restricted Cash and Cash Equivalents (Note 2)	39,947,309	57,625,051
Accounts Receivable, Net	5,814,838	4,493,041
Due From Other Government Agencies	1,216,310	12,149,616
Interest Receivable	1,106,427	928,573
Taxes Receivable	10,754,348	9,830,579
Inventory	453,285	354,076
Prepaid Expenses and Other Current Assets	408,471	409,436
<b>Total Current Assets</b>	<u>81,651,988</u>	<u>94,149,995</u>
<b>CAPITAL ASSETS, Non Depreciable (Note 3)</b>	<u>173,237,650</u>	<u>152,545,601</u>
<b>CAPITAL ASSETS, net of Accumulated Depreciation (Note 3)</b>	<u>398,729,343</u>	<u>383,832,285</u>
<b>NONCURRENT ASSETS</b>		
Investments (Note 2)	34,000,000	44,083,023
Intangible Assets - FERC License, Net (Note 1. P.)	40,045,885	41,199,259
Deferred Bond Costs	3,482,357	3,670,502
Notes Receivable	77,159	82,046
<b>Total Noncurrent Assets</b>	<u>77,605,401</u>	<u>89,034,830</u>
<b>TOTAL ASSETS</b>	<u>\$ 731,224,382</u>	<u>\$ 719,562,711</u>

See accompanying notes to financial statements

EL DORADO IRRIGATION DISTRICT

BALANCE SHEETS (Continued)

December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 9,298,988	\$ 9,820,683
Deposits	450,994	336,891
Accrued Compensated Absences (Note 1. L.)	1,210,327	1,053,360
Accrued Payroll and Benefits Payable	592,426	978,497
Unearned Revenue	4,697,567	4,803,439
Current Contracts, Bonds and Leases Payable (Note 4)	8,134,020	4,732,812
Accrued Interest Payable	2,426,077	2,477,087
<b>Total Current Liabilities</b>	<u>26,810,399</u>	<u>24,202,769</u>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt (Note 4)	253,983,488	262,170,212
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 Deferred Credit - FERC (Note 1. P.)	32,142,220	33,099,195
Other Liabilities	930,000	930,000
<b>Total Noncurrent Liabilities</b>	<u>289,421,708</u>	<u>298,565,407</u>
<b>TOTAL LIABILITIES</b>	<u>316,232,107</u>	<u>322,768,176</u>
<b>NET ASSETS (Note 5)</b>		
Invested in Capital Assets, Net of Related Debt	309,849,485	279,591,914
Restricted for New Facilities	65,688,381	37,826,485
Restricted for Debt Service	10,932,328	7,913,234
Unrestricted	28,522,081	71,462,902
<b>Total Net Assets</b>	<u>414,992,275</u>	<u>396,794,535</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 731,224,382</u>	<u>\$ 719,562,711</u>

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, 2007 and 2006**

	2007	2006
<b>OPERATING REVENUES</b>		
Water sales	\$17,679,512	\$15,438,014
Water services	1,236,112	1,700,902
Reclaimed water reimbursement/sales	1,253,802	723,331
Wastewater sales	14,518,927	12,943,653
Wastewater services	25,810	118,847
Recreation fees	746,517	725,922
Hydroelectric sales	4,321,950	3,828,653
<b>Total Operating Revenues</b>	<b>39,782,630</b>	<b>35,479,322</b>
<b>OPERATING EXPENSES</b>		
Office of the General Manager	5,067,396	4,653,518
Strategic management and communications	3,828,204	3,556,546
Environmental compliance and resource management	3,134,540	2,275,340
Finance and management service	6,620,751	6,312,366
Facilities management	22,980,237	22,863,652
Recreation	1,561,225	1,523,563
Developer reimbursed expenses	750,589	1,021,352
Depreciation and amortization	13,126,446	11,914,105
<b>Total Operating Expenses</b>	<b>57,069,388</b>	<b>54,120,442</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(17,286,758)</b>	<b>(18,641,120)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Surcharges	1,869,986	2,413,569
Voter - approved taxes	604,711	533,316
Property taxes	11,550,648	10,069,016
Interest income	5,180,271	5,747,457
Flood damage expenses	0	(253,637)
Other income	1,280,428	1,612,498
Other expenses	(333,710)	(332,915)
Interest expense	(10,941,162)	(11,161,005)
Flood damage reimbursements	6,736,775	3,562,759
<b>Total Nonoperating Revenues</b>	<b>15,947,947</b>	<b>12,191,058</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>(1,338,811)</b>	<b>(6,450,062)</b>
<b>CAPITAL CONTRIBUTIONS</b>		
Facility capacity charges	15,236,576	11,469,961
Developer contributions	4,299,975	15,560,035
<b>Total capital contributions</b>	<b>19,536,551</b>	<b>27,029,996</b>
<b>Changes in Net Assets</b>	<b>18,197,740</b>	<b>20,579,934</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>396,794,535</b>	<b>376,214,601</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$414,992,275</b>	<b>\$396,794,535</b>

See accompanying notes to financial statements

**EL DORADO IRRIGATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2007 and 2006**

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 48,114,527	\$ 36,391,887
Payments to suppliers for goods and services	(17,128,751)	(21,594,381)
Payments to employees for services and benefits	(28,116,657)	(19,650,952)
Payments for claims and judgments	(53,567)	(495,321)
Other operating receipts	1,253,802	8,788,165
<b>Net Cash Provided by Operating Activities</b>	<b>4,069,354</b>	<b>3,439,398</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property tax receipts	11,231,590	4,157,537
Surcharges received	1,869,986	2,421,385
Flood damage reimbursements	6,736,775	3,562,759
Flood damage expenses	0	(253,637)
Other income	2,047,912	1,619,900
Other expense	(333,710)	(332,915)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>21,552,553</b>	<b>11,175,029</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(45,947,975)	(55,211,012)
Principal payments on long-term debt	(4,785,516)	(4,399,583)
Interest payments on long-term debt	(10,992,172)	(11,244,302)
Facility capacity charges received	15,236,576	11,469,961
Proceeds from disposal of capital assets	773,511	216,246
<b>Net Cash (Used For) Capital and Related Financing Activities</b>	<b>(45,715,576)</b>	<b>(59,168,690)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturities and calls of investments	14,000,000	14,000,000
Purchases of investments	(3,000,000)	(7,000,000)
Interest received on investments	5,002,417	5,221,806
Payments on notes receivable	4,887	4,615
<b>Net Cash Flows from Investing Activities</b>	<b>16,007,304</b>	<b>12,226,421</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(4,086,365)</b>	<b>(32,327,842)</b>
Cash and cash equivalents at beginning of year	65,984,674	98,312,516
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 61,898,309</b>	<b>\$ 65,984,674</b>

**EL DORADO IRRIGATION DISTRICT**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**For the Years Ended December 31, 2007 and 2006**

<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	<b>2007</b>	<b>2006</b>
Operating income (loss)	\$ (17,286,758)	\$ (18,641,120)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation and amortization	13,126,446	11,914,105
Change in assets and liabilities:		
Accounts receivable	(1,321,797)	455,155
Due from other governmental agencies	10,933,306	8,209,015
Inventory	(99,209)	17,053
Prepaid expenses and other current assets	965	(193,949)
Deferred relicense costs		418,740
Accounts payable	(521,695)	728,039
Deposits	114,103	111,907
Accrued compensated absences	(386,071)	71,787
Accrued payroll and benefits payable	(386,071)	1,157
Unearned revenue	(105,872)	345,503
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 4,069,354</b>	<b>\$ 3,439,398</b>
 <b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Receipt of contributed assets	\$ 4,299,975	\$ 15,560,035
Change in fair value of investments	4,414,715	483,557
Loan proceeds receivable	0	10,869,660

See accompanying notes to financial statements

**EL DORADO IRRIGATION DISTRICT  
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 industrial water (both retail and wholesale), irrigation water, wastewater treatment and reclamation and recreation services in El Dorado County. Hydroelectric services consist of power generated at Akin Powerhouse, which is sold to power brokers at market rates.

**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.

**EL DORADO IRRIGATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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.

***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.

***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.

**EL DORADO IRRIGATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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***N. New Pronouncement***

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions*, establishes standards for the measurement, recognition and display of other postemployment benefits (OPEB) expenses/expenditures, related assets and liabilities, note disclosures and, if applicable, required supplementary information in the financial reports of state and local government employers. GASB No. 45 will become effective for the District in the year ending during December 31, 2008. The District is currently analyzing the impact of the required implementation of this new statement.

***O. Inventory***

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

***P. FERC License***

On October 16, 2006, the Federal Energy Regulatory Commission 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 District also agreed to a number of conditions as part of the license agreement that will result in the District incurring future expenses, 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 future expenses, totaling \$33,099,195, was accrued as a deferred credit and was capitalized as part of the intangible asset. Actual expenses of \$ 956,975 incurred during 2007 we recorded as a reduction to the asset. The intangible asset will be amortized over the 40 year license term. Amortization for 2007 was \$196,399.

***Q. 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.

***R. Classification Changes***

For the year ended December 31, 2007, 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 2007 presentation.

**EL DORADO IRRIGATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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



**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

<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:

	2007	2006
Cash and cash equivalents	\$21,951,000	8,359,623
Restricted cash and cash equivalents	39,947,309	57,625,051
Investments	34,000,000	44,083,023
Total cash and investments	\$95,898,309	\$110,067,697

Cash and investments consisted of the following at December 31:

Cash on hand	\$3,670	\$3,670
Deposits with financial institutions	(1,041,396)	98,065
Total cash	(1,037,726)	101,735
U.S. Agency securities	34,000,000	44,083,023
Collateralized investment agreement	0	6,859,302
Certificates of deposit	235,281	0
Money market mutual funds	1,035,958	1,180,930
Guaranteed investment contract	6,732,303	6,732,303
Investments in Local Agency investment Fund (LAIF)	33,128,426	32,976,224
JPA pool (CAMP)	21,804,067	18,134,180
Total investments	96,936,035	109,965,962
Total cash and investments	\$95,898,309	\$110,067,697

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**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	50%	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%
Mutual Funds	N/A	A1, P1	10%	10%

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

**D. Investments Authorized by Debt Agreements**

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.

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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

***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:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Agency Securities:				
Non-Callable	\$3,979,345	\$2,018,125		\$5,997,470
Callable	18,901,705	9,100,825		28,002,530
California Local Agency Investment Fund	28,084,757			28,084,757
California Asset Management Program	21,804,067			21,804,067
Money Market Funds	851,077			851,077
<b>HELD BY TRUSTEE</b>				
Money Market Funds	184,881			184,881
Guaranteed investment contract			\$6,732,303	6,732,303
California Local Agency Investment Fund	5,043,669			5,043,669
Certificates of Deposit	235,281			235,281
Cash in Banks	(1,037,726)			(1,037,726)
<b>Total Cash and Investments</b>	<b>\$78,047,056</b>	<b>\$11,118,950</b>	<b>\$6,732,303</b>	<b>\$95,898,309</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, 2007, these investments matured in an average of 204 days.

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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

**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, 2007 for each investment type as provided by Standard and Poor's.

Investment Type	AAA	AA	AAAm	Not Rated	Total
U.S. Agency Securities:					
Non-Callable	\$5,997,470				\$5,997,470
Callable	28,002,530				28,002,530
Guaranteed Investment Contract		\$6,732,303			6,732,303
Money Market Funds			\$1,035,958		1,035,958
Totals Investments	\$34,000,000	\$6,732,303	\$1,035,958		41,768,261
California Local Agency Investment Fund				\$33,128,426	33,128,426
California Asset Management Program				21,804,067	21,804,067
Certificates of Deposit				235,281	235,281
Cash in Banks				(1,037,726)	(1,037,726)
Total Cash and Investments				\$54,130,048	\$95,898,309

**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
Federal Home Loan Bank	U.S. Agency Securities	\$18,937,188
Federal Home Loan Mortgage Company	U.S. Agency Securities	6,964,860
Federal Farm Credit Bank	U.S. Agency Securities	4,970,313
Royal Bank of Canada	Guaranteed Investment Contract	6,732,303

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**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, 2007, 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:

<u>Investment Type</u>	<u>Reported Amount</u>
Guaranteed Investment Contract	\$6,732,303
Money Market Mutual Fund	1,035,958

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**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:

Description	Years
Facilities and improvements	30-50
Buildings and structures	40
Equipment and Furniture	5-10

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – CAPITAL ASSETS (Continued)**

**B. Additions and Retirements**

Capital assets balances and activity are summarized below:

	Balance at December 31, 2006	Additions	Retirements	Transfers	Balance at December 31, 2007
Capital assets not being depreciated:					
Land	\$5,260,654		(\$78,502)	\$3,060,712	\$8,242,864
Construction in Progress	147,284,947	\$39,565,771	(956,975)	(20,898,957)	164,994,786
Total capital assets not being depreciated	152,545,601	39,565,771	(1,035,477)	(17,838,245)	173,237,650
Capital assets being depreciated:					
Water plant in service	288,526,431	4,220,221	(484,548)	47,187,948	339,450,052
Wastewater plant in service	174,799,166	4,298,946	(148,225)	4,718,026	183,667,913
Future use facilities	21,736,724		(7,076)	(21,729,648)	
General plant	32,298,770	316,810	(1,525,796)	(12,248,811)	18,840,973
Reclaimed water facility	18,386,399	1,846,202	(12,277)	32,623	20,252,947
Electric power plant	121,893			(121,893)	
Total capital assets being depreciated:	535,869,383	10,682,179	(2,177,922)	17,838,245	562,211,885
Less accumulated depreciation for:					
Water plant in service	(77,943,739)	(5,208,403)	383,595	(5,409,136)	(88,177,683)
Wastewater plant in service	(46,513,412)	(5,179,757)	280,018	6,472,704	(44,940,447)
Future use facilities	(18,627,000)			18,627,000	
General plant	(5,851,493)	(1,934,772)	705,449	(22,684,649)	(29,765,465)
Reclaimed water facility	(3,039,218)	(503,536)	11,962	2,931,845	(598,947)
Electric power plant	(62,236)			62,236	
Total accumulated depreciation	(152,037,098)	(12,826,468)	1,381,024		(163,482,542)
Total capital assets being depreciated, net	383,832,285	(2,144,289)	(796,898)	17,838,245	398,729,343
Total capital assets, net	\$536,377,886	\$37,421,482	(\$1,832,375)		\$571,966,993

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – LONG-TERM DEBT**

**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, 2006	Retirements	Balance December 31, 2007	Amount due within one year
<b>State of California Loans</b>	\$16,981,465	\$16,543,255	\$405,117	\$16,138,138	\$689,020
2.32% - 2.60%, due 01/01/27					
<b>Revenue Certificates of Participation</b>					
<b>2003 A Series</b>					
3.00% - 5.25%, due 03/01/21	74,025,000	74,025,000		74,025,000	2,920,000
<b>2003 B Series</b>					
3.82% variable rate, due 03/01/36	91,800,000	91,800,000		91,800,000	
<b>2004 A Series</b>					
3.00% - 5.00%, due 03/01/25	75,445,000	70,065,000	3,945,000	66,120,000	4,100,000
<b>2004 B Series</b>					
3.72 variable rate, due 03/01/34	8,275,000	8,275,000		8,275,000	
<b>2003 General Obligation Bonds</b>					
2.50% - 4.50%, due 04/01/19	6,000,000	5,010,000	325,000	4,685,000	425,000
Total		265,718,255	\$4,675,117	261,043,138	\$8,134,020
Deferred amount on Refunding		(6,326,617)		(5,954,463)	
Bond Premiums		7,511,386		7,028,833	
Less: Current Portion of long-term debt		(4,732,812)		(8,134,020)	
Total Long -Term Debt		\$262,170,212		\$253,983,488	

**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, 2007, the District has entered into nine State Revolving Fund loans to finance the lining and covering of reservoirs as mandated by the State Department of Health Services, in the aggregate amount of \$22,803,441 of which \$16,981,465 was disbursed. 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.



**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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

**Adjustable Rate Revenue Certificates of Participation, Series 2003B** – On December 11, 2003, the District issued Adjustable Revenue Certificates of Participation, Series 2003B in the amount of \$91,800,000 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. Interest rates are variable and based on weekly auction rates established by Citigroup Global Markets, Inc. The interest rates at December 31, 2007 and 2006 were 3.82% and 3.55%, respectively. Principal payments are payable annually on March 1 from March 1, 2031 through March 1, 2036.

**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 2004B** – On July 29, 2004, the District issued Adjustable Refunding Revenue Certificates of Participation, Series 2004B in the amount of \$8,275,000 to refund the District’s 1996 Revenue bonds. The Certificates are payable from the District’s net revenues. Interest rates are variable and based on weekly auction rates established by Deutsche Bank Trust Company Americas. The interest rates at December 31, 2007 and 2006 were 3.72% and 3.45%, respectively. Principal payments are payable annually on March 1 from March 1, 2030 through March 1, 2034.

**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.

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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

**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
2008	\$8,134,020	\$11,140,874
2009	9,326,195	10,791,217
2010	9,998,853	10,371,111
2011	10,386,946	9,984,567
2012	10,820,487	9,555,552
2013-2017	54,591,955	40,088,752
2018-2022	50,914,137	26,471,076
2023-2027	6,785,602	19,560,753
2028-2032	29,359,943	17,441,226
2033-2037	70,725,000	4,035,250
Totals	\$261,043,138	\$159,440,378

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, 2007 and 2006.

**D. Prior Year Refundings**

In July 2004, the District issued Adjustable Rate Revenue Certificates of Participation, Series 2004B to refund a portion of the 1996 Revenue Bonds. In September 2004, the District issued Refunding Revenue Certificates of Participation, Series 2004A to refund the remaining balance of 1996 Revenue Bonds and the 1999 Revenue Bonds. The proceeds of the new bonds were placed into irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the refunded debt are not included in the District's financial statements. The outstanding balances of debt considered defeased at December 31, 2007 and 2006 were \$0 and \$11,895,000 respectively.

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**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, 2007, 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	1.426% - 2.700%
Required employee contribution rate	7%, 8%
Required employer contribution rate	7.793%

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.

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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

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
6/30/2004	\$50,058,828	\$34,589,449	\$15,469,379	69.1%	\$15,743,625	98.3%
6/30/2005	58,133,258	39,820,550	18,312,708	68.5%	17,026,527	107.6%
6/30/2006	64,651,794	46,346,525	18,305,269	71.7%	18,391,298	99.5%

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 new 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 \$18,305,269 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 11 years.

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

The District’s employees are eligible for postretirement health care benefits if they directly retire from employment at the District. As of December 31, 2007 and 2006, there were 111 and 102 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 \$349,265 in 2007 and \$280,390 in 2006.

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**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:

Type of Claim	Self-Insured Portion (Per Occurance)
Liability (including bodily injury, property damage, employment-related practices injury, professional, wrongful acts and employee benefits)	\$25,000
Liability - Auto	None
Property damage and inland marine (including buildings, bridges, equipment, and infrastructure.)	100,000

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, 2007 and 2006 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, 2007 and 2006, the entire claims liability is reported as a long-term liability on the balance sheet. Changes in the District's claims liability amount in 2007 and 2006 were as follows:

	Total
Reserve for claims and claims expenses at December 31, 2005	\$833,000
Current year incurred claims and changes in estimates	480,517
Net (payments) recoveries	(480,517)
Reserve for claims and claims expenses at December 31, 2006	833,000
Current year incurred claims and changes in estimates	194,908
Net (payments) recoveries	(194,908)
Reserve for claims and claims expenses at December 31, 2007	\$833,000

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – SUBSEQUENT EVENT**

On April 30, 2008, the District issued variable rate debt in the form of Variable Rate Demand Obligations, 2008A, in the amount of \$110,705,000 in order to refund the District’s outstanding Adjustable Rate Certificates of Participation series 2003B and 2004B, which were both called in full on May 5, 2008.

**NOTE 10 - COMMITMENT AND CONTINGENT LIABILITIES**

*A. Capital Project Commitments*

The District has the following capital project commitments outstanding as of December 31, 2007:

Canals and flumes upgrades	\$18,218,630
FERC C65 Mill to Bull Tunnels groundwater seepage minimization	9,661,609
Powerhouse upgrades	9,654,391
Replace canals and flumes	8,712,901
New York Creek lift station	7,034,028
Silver Lake planning and improvements	4,636,270
Emergency slide stabilization	3,403,744
Hazel Creek tunnel channel	2,383,235
Flume 49/50 replacement	1,906,607
El Dorado Hills Water Treatment Plant Expansion	1,886,013
Baumhoff tank replacement	1,855,199
Jenkinson Lake intake	1,761,933
Main boat launch improvements	1,545,314
Trail improvements and bridge addition	1,519,450
New headquarters facility Phase II	1,515,254
El Dorado Hills Wastewater Treatment Plant National Pollutant Discharge Eliminations System	1,337,792
Motherlode main repairs	1,290,634
Camino Heights disposal upgrade	1,073,860
Facilities security improvements	920,886
Retreat house improvements	917,160
Other projects	<u>10,118,965</u>
	<u><u>\$91,353,875</u></u>

**EL DORADO IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

<b>NOTE 10 - COMMITMENT AND CONTINGENT LIABILITIES (Continued)</b>
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***B. Litigation***

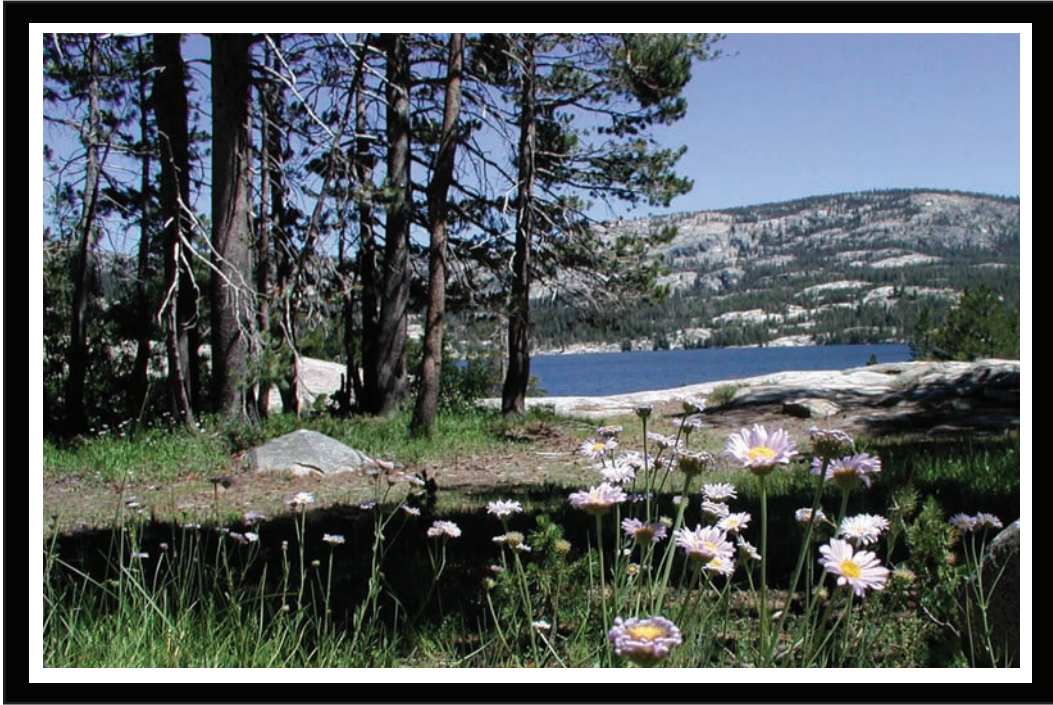
The District was involved in a construction dispute and subsequent legal action with a contractor and the contractor's surety bond holder involving the FERC Project 184 Mill to Bull Tunnel project. On April 7, 2008, the District and the other parties entered into a settlement agreement wherein the District agreed to pay a total of \$4,450,000 to the parties due no later than June 6, 2008.

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 charges. 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, 2007 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.

## COMPLIANCE REPORT



Located at 7200 feet above sea level right off Highway 88, **Silver Lake** is a sparkling gem set in a large granite basin—a perfect setting for family outings. The lake’s history includes use as a resting spot on the Emigrant Trail that was forged by the legendary Kit Carson. EID’s Silver Lake West campground, just north of Silver Lake, offers 42 camp sites that are open from mid-May through mid-October every year.



## MEMORANDUM ON INTERNAL CONTROL

May 1, 2008

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

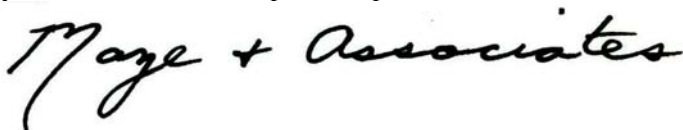
In planning and performing our audit of the financial statements of the El Dorado Irrigation District as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we did identify certain deficiencies in internal control that we consider to be significant deficiencies that are included on the Schedule of Significant Deficiencies.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with generally accepted government auditing standards, and is not intended to be and should not be used by anyone other than these specified parties.



**EL DORADO IRRIGATION DISTRICT**  
**MEMORANDUM ON INTERNAL CONTROLS**  
**SCHEDULE OF SIGNIFICANT DEFICIENCIES**

**December 31, 2007**

**2007-01 Outstanding Accounts Payable Checks**

We reviewed the Accounts Payable Outstanding Checks listing dated December 31, 2007, which showed fourteen checks dated in 2006. We understand that the District has a policy of contacting recipients of a check outstanding for more than six months, but this procedure is not being followed. It is important that the District follows up on stale-dated checks on a continuous basis in order to keep the Outstanding Checks listing current.

**Management Response:**

Management concurs with auditor's recommendation.

Procedures will be followed to ensure adequate follow-up is conducted on stale dated checks on a timely basis.

**2007-02 Bank Reconciliations**

It was discovered that one District employee tracks bank balances on a daily basis by the use of positive pay, allowing the employee to track outstanding checks and also recording cash receipts for the day. At the end of every month another employee reconciles cash in banks using the bank statements. However, these two reconciliations are not currently cross checked as the accounting software system is designed to do. The employee who tracks cash and investments daily has the cash balance that is used to reconcile cash and investments to the general ledger. The traditional bank reconciliation is not used and during testing was found to be out of balance with the amount used to reconcile to the general ledger. The District should use the accounting software system that it has in place in order to get a true cash reconciliation.

**Management Response:**

Management concurs with auditor recommendation.

Staff is now using the new financial software, and is in the process of reconciling balances to the general ledger on a monthly basis starting January 1, 2008.

**2007-03 Accounts Payable**

During testing of internal controls for accounts payable, we noted that the District does not indicate that they have checked invoices for extensions, footings, discounts, and freight terms on the face of the invoice. We recommend that the District checks all data on invoices for accuracy and clearly indicates with signature or initial.

We also noticed that there were ten disbursement backups that did not have the receiving report and check request attached. We were told that the missing documents were still at the departments which received the goods. The check request document is where the authorizing signature is documented. We need to verify that the correct authorizing employee approved the purchase. We recommend that all receiving reports and check requests are kept by the finance department.

**Management Response:**

Management concurs with auditor's recommendation.

Accounts payable staff will implement procedures so that documentation is present in the Finance Department prior to payment of invoices.

**EL DORADO IRRIGATION DISTRICT**  
**MEMORANDUM ON INTERNAL CONTROLS**  
**SCHEDULE OF SIGNIFICANT DEFICIENCIES (Continued)**

**December 31, 2007**

**2007-04 Cash Receipts**

During our testing of the front desk cash collection site, we noticed that the pre-numbered receipts are not numerically accounted for when employees are reconciling receipts. The receipts are pre-numbered and given to customers after making payments via cash. We also discovered that voided receipts are not approved by another employee. In order to strengthen controls, we recommend that when employees are reconciling receipts, they check all pre-numbered receipts to make sure there are no missing receipts.

**Management Response:**

Management concurs with auditor recommendation.

Reconciliation procedures will be strengthened to ensure that all pre-numbered receipts are orderly and accounted for by counter staff.

**2007-05 Deposits Payable**

While testing the District's deposits payable, we noticed that there were almost one hundred deposits, dated from 1980 to 1992, that were for sewer inspections. These deposits have not had any activity since the time they were deposited. Each deposit is immaterial, all together totaling \$19,250. Based on the age of deposits, the District should simply recognize them as revenue in the coming fiscal year.

**Management Response:**

Management has not pursued writing off such deposits due to their immateriality, but will review in the upcoming months.

**2007-06 Year End Closing Entries**

Evidence of strong internal controls is a timely and accurate closing of the District's books. We understand that in November, 2007 the District converted to its new accounting software program; however, in order to achieve an efficient and timely audit, District staff must close its books prior to the commencement of audit fieldwork.

After fieldwork was completed, we received adjusting journal entries from the District to reconcile a number of balance sheet account balances to detail records. This included cash, interest receivable, accounts receivable, capital assets and construction in progress, deferred credits-FERC, debt accounts and even net asset accounts.

We recommend that the District implement procedures to reconcile balance sheet accounts to supporting documentation on a regular basis and require management to review reconciliations on a timely basis.

**Management Response:**

This was not a typical year for the accounting department. Due to the unforeseen circumstances of the implementation of the new accounting software package in late 2007 and continuing into 2008, refinancing of bond issuance in early 2008, and a key accounting staff member out on disability prior to the start of the audit, staff was forced to book key entries just before and during fieldwork of the audit.

In the future, proper planning by EID personnel and interim field work performed by the auditors prior to start of fieldwork will ensure that the audit is conducted in a more efficient manner.

## REQUIRED COMMUNICATIONS

May 1, 2008

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

We have audit of the financial statements of the El Dorado Irrigation District as of and for the year ended December 31, 2007 and have issued our report thereon dated May 1, 2008. Professional standards require that we advise you of the following matters relating to our audit.

**Financial Statement Audit Assurance:** Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit in accordance with generally accepted auditing standards does not provide absolute assurance about, or guarantee the accuracy of, the financial statements. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is an inherent risk that material errors, fraud, or illegal acts may exist and not be detected by us.

**Other Information Included with the Audited Financial Statements:** Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. Our responsibility also includes communicating to you any information that we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements. This other information and the extent of our procedures is explained in our audit report.

**Accounting Policies:** Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during fiscal year 2007.

**Unusual Transactions, Controversial or Emerging Areas:** No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Estimates:** Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the useful lives of capital assets and depreciation expense calculated based on these estimated lives. We evaluated the key factors and assumptions used to develop the useful lives and depreciation expense and determined that it is reasonable in relation to the basic financial statements taken as a whole.

**Disagreements with Management:** For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Retention Issues:** We did not discuss any major issues with management regarding the application of accounting principles and auditing standards that resulted in a condition to our retention as the District's auditors.

**Difficulties:** We encountered no serious difficulties in dealing with management relating to the performance of the audit.

**Audit Adjustments:** For purposes of this communication, professional standards define an audit adjustment, whether or not recorded by the District, as a proposed correction of the financial statements that, in our judgment, may not have been detected except through the audit procedures performed. These adjustments may include those proposed by us but not recorded by the District that could potentially cause future financial statements to be materially misstated, even though we have concluded that the adjustments are not material to the current financial statements.

We did propose audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the entity's financial reporting process, as discussed in the Schedule of Significant Deficiencies.

**Uncorrected Misstatements:** There were no uncorrected financial statement misstatements.

\*\*\*\*\*

This report is intended solely for the information and use of the Audit Committee, Board of Directors, and management and is not intended to be and should not be used by anyone other than these specified parties.

*Maye + Associates*

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## SUPPLEMENTAL SCHEDULES



**Forebay Reservoir** is located on Forebay Road in Pollock Pines, just off Pony Express Trail at Highway 50's Sly Park Road exit. This delightful picnic area and its fishing opportunities are popular with local residents and visitors from afar. The reservoir was initially created to regulate flow to EID's hydroelectric power generation facility, but it is also a great daytime recreation spot—perfect for barbeques, quiet walks, and angler's of all stripes.

**EL DORADO IRRIGATION DISTRICT**

**COMBINING BALANCE SHEET**

**December 31, 2007**

	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	\$ (26,368,266)	\$ 64,172,642	\$ (15,612,443)	\$ 198,097	\$ (2,700,838)	\$ 2,261,808	\$ 21,951,000
Restricted Cash and Cash Equivalents	27,957,833	5,043,669	6,917,184			28,623	39,947,309
Accounts Receivable, Net	5,133,990		114,506		216,084	350,258	5,814,838
Due from Other Governmental Agencies	604,872			103,321	233,524	274,593	1,216,310
Interest Receivable	778,846		327,581				1,106,427
Taxes Receivable	9,938,310		562,421		253,617		10,754,348
Inventory	453,285						453,285
Prepaid Expenses and Other Current Assets	277,733		9,849			120,889	408,471
Intrafund Receivable/Payable	23,640,184	(16,373,321)			(451,863)	(6,815,000)	
<b>Total current assets</b>	<b>42,416,787</b>	<b>52,842,990</b>	<b>(7,680,902)</b>	<b>301,418</b>	<b>(2,449,476)</b>	<b>(3,778,829)</b>	<b>81,651,988</b>
<b>CAPITAL ASSETS, non depreciable</b>	<b>63,987,281</b>	<b>75,876,459</b>			<b>3,518,264</b>	<b>29,855,646</b>	<b>173,237,650</b>
<b>CAPITAL ASSETS, net of accumulated depreciation</b>	<b>355,023,798</b>				<b>2,386,386</b>	<b>41,319,159</b>	<b>398,729,343</b>
<b>NONCURRENT ASSETS</b>							
Investments			34,000,000				34,000,000
Intangible Asset - FERC License, Net						40,045,885	40,045,885
Deferred Bond Costs			3,482,357				3,482,357
Notes Receivable	77,159						77,159
<b>Total noncurrent assets</b>	<b>77,159</b>		<b>37,482,357</b>			<b>40,045,885</b>	<b>77,605,401</b>
<b>TOTAL ASSETS</b>	<b>\$461,505,025</b>	<b>\$128,719,449</b>	<b>\$ 29,801,455</b>	<b>\$ 301,418</b>	<b>\$ 3,455,174</b>	<b>\$107,441,861</b>	<b>\$731,224,382</b>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts Payable	5,960,183	(2,950)			28	3,341,727	9,298,988
Deposits	448,148				696	2,150	450,994
Accrued Compensated Absences	1,050,135				44,296	115,896	1,210,327
Accrued Payroll and Benefits Payable	507,283	(16,064)			23,670	77,537	592,426
Deferred Revenue	4,697,567						4,697,567
Current Portion of Long-Term Debt			8,134,020				8,134,020
Accrued Interest Payable			2,426,077				2,426,077
<b>Total current liabilities</b>	<b>12,663,316</b>	<b>(19,014)</b>	<b>10,560,097</b>		<b>68,690</b>	<b>3,537,310</b>	<b>26,810,399</b>
<b>LONG-TERM LIABILITIES</b>							
Long-Term Debt			253,983,488				253,983,488
Texas Hill Property Liability			1,533,000				1,533,000
Reserve for Claims and Claims Expense	833,000						833,000
Other Deferred Credit - FERC						32,142,220	32,142,220
Other Liabilities	930,000						930,000
<b>Total long-term liabilities</b>	<b>1,763,000</b>		<b>255,516,488</b>			<b>32,142,220</b>	<b>289,421,708</b>
<b>TOTAL LIABILITIES</b>	<b>14,426,316</b>	<b>(19,014)</b>	<b>266,076,585</b>		<b>68,690</b>	<b>35,679,530</b>	<b>316,232,107</b>
<b>NET ASSETS</b>							
Invested in Capital Assets, Net of Related Debt	419,011,079	75,876,459	(262,117,508)		5,904,650	71,174,805	309,849,485
Restricted for New Facilities	57,097,962		4,958,945			3,631,474	65,688,381
Restricted for Debt Service			10,932,328				10,932,328
Unrestricted	(29,030,332)	52,862,004	9,951,105	301,418	(2,518,166)	(3,043,948)	28,522,081
<b>Total Net Assets (Deficits)</b>	<b>447,078,709</b>	<b>128,738,463</b>	<b>(236,275,130)</b>	<b>301,418</b>	<b>3,386,484</b>	<b>71,762,331</b>	<b>414,992,275</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$461,505,025</b>	<b>\$128,719,449</b>	<b>\$ 29,801,455</b>	<b>\$ 301,418</b>	<b>\$ 3,455,174</b>	<b>\$107,441,861</b>	<b>\$731,224,382</b>



**EL DORADO IRRIGATION DISTRICT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**For the Year Ended December 31, 2007**

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Total
<b>OPERATING REVENUES</b>							
Water Sales	\$ 17,679,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,679,512
Water Services	1,236,112						1,236,112
Reclaimed Water Reimbursement/Sales	1,253,802						1,253,802
Wastewater Sales	14,518,927						14,518,927
Wastewater Services	25,810						25,810
Recreation Fees					\$680,830	\$65,687	746,517
Hydroelectric Sales						4,321,950	4,321,950
<b>Total Operating Revenues</b>	<b>34,714,163</b>				<b>680,830</b>	<b>4,387,637</b>	<b>39,782,630</b>
<b>OPERATING EXPENSES</b>							
Office of the General Manager	5,067,396						5,067,396
Strategic Management and Communication	3,828,204						3,828,204
Environmental Compliance and Resource	3,134,540						3,134,540
Finance and Management Services	6,620,751						6,620,751
Facilities Management	18,659,316	\$123,903	\$139		1,746	4,195,133	22,980,237
Recreation					1,561,225		1,561,225
Developer Reimbursed Expenses	750,589						750,589
Depreciation and Amortization	12,150,476				167,617	808,353	13,126,446
<b>Total Operating Expenses</b>	<b>50,211,272</b>	<b>123,903</b>	<b>139</b>		<b>1,730,588</b>	<b>5,003,486</b>	<b>57,069,388</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(15,497,109)</b>	<b>(123,903)</b>	<b>(139)</b>		<b>(1,049,758)</b>	<b>(615,849)</b>	<b>(17,286,758)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Surcharges	1,081,628		788,358				1,869,986
Voter - Approved Taxes			604,711				604,711
Property Tax	11,282,038				268,610		11,550,648
Interest Income	4,012,064		797,189		13,684	357,334	5,180,271
Flood Damage Expense							
Other Income	921,162	1,226			237,987	120,053	1,280,428
Other Expenses	(322,391)				(32,425)	21,106	(333,710)
Interest Expense	(616)		(10,923,969)	(\$5,733)	(10,844)		(10,941,162)
Flood Damage Reimbursements	6,372,530				215,045	149,200	6,736,775
<b>Total Nonoperating Revenues</b>	<b>23,346,415</b>	<b>1,226</b>	<b>(8,733,711)</b>	<b>(5,733)</b>	<b>692,057</b>	<b>647,693</b>	<b>15,947,947</b>
<b>NET LOSS BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>7,849,306</b>	<b>(122,677)</b>	<b>(8,733,850)</b>	<b>(5,733)</b>	<b>(357,701)</b>	<b>31,844</b>	<b>(1,338,811)</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>							
Facility Capacity Charges	13,058,506		5,338			2,172,732	15,236,576
Developer Contributions	4,299,975						4,299,975
Transfers In	32,810,639	17,624,014	14,657,169		1,279,535	7,188,174	73,559,531
Transfers (Out)	(32,714,393)	(19,900,986)	(13,275,954)		(1,237,382)	(6,430,816)	(73,559,531)
<b>Total Capital Contributions and Transfers</b>	<b>17,454,727</b>	<b>(2,276,972)</b>	<b>1,386,553</b>		<b>42,153</b>	<b>2,930,090</b>	<b>19,536,551</b>
<b>NET INCOME (LOSS)</b>	<b>25,304,033</b>	<b>(2,399,649)</b>	<b>(7,347,297)</b>	<b>(5,733)</b>	<b>(315,548)</b>	<b>2,961,934</b>	<b>18,197,740</b>
<b>NET ASSETS (DEFICITS), BEGINNING OF YEAR</b>	<b>421,774,676</b>	<b>131,138,112</b>	<b>(228,927,833)</b>	<b>307,151</b>	<b>3,702,032</b>	<b>68,800,397</b>	<b>396,794,535</b>
<b>NET ASSETS (DEFICITS), END OF YEAR</b>	<b>\$ 447,078,709</b>	<b>\$ 128,738,463</b>	<b>\$ (236,275,130)</b>	<b>\$ 301,418</b>	<b>\$ 3,386,484</b>	<b>\$ 71,762,331</b>	<b>\$ 414,992,275</b>

**EL DORADO IRRIGATION DISTRICT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**BUDGET AND ACTUAL**

**For the Year Ended December 31, 2007**

	<u>Actual</u>	<u>Budget</u>	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Sales	\$17,679,512	\$16,191,946	\$1,487,566
Water Services	1,236,112	2,758,688	(1,522,576)
Reclaimed Water Reimbursement/Sales	1,253,802	763,916	489,886
Wastewater Sales	14,518,927	13,468,616	1,050,311
Wastewater Services	25,810	235,657	(209,847)
Recreation Fees	746,517	746,126	391
Hydroelectric Sales	4,321,950	2,400,000	1,921,950
<b>Total operating revenues</b>	<u>39,782,630</u>	<u>36,564,949</u>	<u>3,217,681</u>
<b>OPERATING EXPENSES</b>			
Office of the General Manager	5,067,396	5,177,115	109,719
Strategic Management and Communication	3,828,204	4,716,901	888,697
Environmental Compliance and Resource	3,134,540	4,048,048	913,508
Finance and Management Services	6,620,751	7,415,970	795,219
Facilities Management	22,980,237	23,317,351	337,114
Recreation	1,561,225	1,853,309	292,084
Developer Reimbursed Expenses	750,589		(750,589)
<b>Total operating expenses</b>	<u>43,942,942</u>	<u>46,528,694</u>	<u>2,585,752</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(4,160,312)</u>	<u>(9,963,745)</u>	<u>5,803,433</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Facility Capacity Charges	15,236,576	12,722,420	(2,514,157)
Surcharges	1,869,986	1,577,527	(292,459)
Voter - Approved Taxes	604,711		(604,711)
Property Tax	11,550,648	10,994,387	(556,261)
Interest Income	5,180,271	3,442,500	(1,737,771)
Other Income	1,280,428	489,263	(791,165)
Other Expenses	(333,710)		333,710
Interest Expense	(10,941,162)		10,941,162
Flood Damage Reimbursements	6,736,775	2,000,000	(4,736,775)
<b>Total nonoperating revenues</b>	<u>31,184,523</u>	<u>31,226,096</u>	<u>41,573</u>
<b>EXCESS OF BUDGETED REVENUES OVER BUDGETED EXPENSES</b>	<u>27,024,211</u>	<u>\$21,262,351</u>	<u>\$5,845,006</u>
<b>NON-BUDGETED ITEMS</b>			
Developer Contributions	4,299,975		
Depreciation and Amortization	(13,126,446)		
<b>Total Capital Contributions and Transfers</b>	<u>(8,826,471)</u>		
<b>CHANGE IN NET ASSETS</b>	<u>\$18,197,740</u>		

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## STATISTICAL SECTION



**Jenkinson Lake** is located in the western foothills of El Dorado County just 13 miles east of Placerville at the heart of EID's **Sly Park Recreation Area**. The lake, formed in the mid-1950s when the federal Bureau of Reclamation built Sly Park dam, has a storage capacity of 41,000 acre-feet of high-quality water. The area offers a plethora of activities for the whole family, including day-use and overnight camping at 191 campsites, 9 miles of hiking and equestrian trails, and a retreat house available to rent for special occasions.

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## STATISTICAL SECTION TABLE OF CONTENTS

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This part of the El Dorado Irrigation District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s over all financial health.

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### **SOURCES**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant years. The District implemented GASB Statement 34 in 2002 and presented comparative data for 2001; schedules presenting net asset information include information beginning that year.

Table #1  
**Net Assets by Component**  
 Last Seven 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	309,849,485	76,620,709	28,522,081	414,992,275

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 Seven Years  
 (in dollars)

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

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 #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>
1998	\$10,209,773	\$5,268,633	\$106,045	\$460,905	\$789,542	\$16,834,898
1999	12,202,225	8,396,107	234,304	516,429	0	21,349,065
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

Source: El Dorado Irrigation District

Chart #1  
**Operating Revenues**  
 Last Ten Years

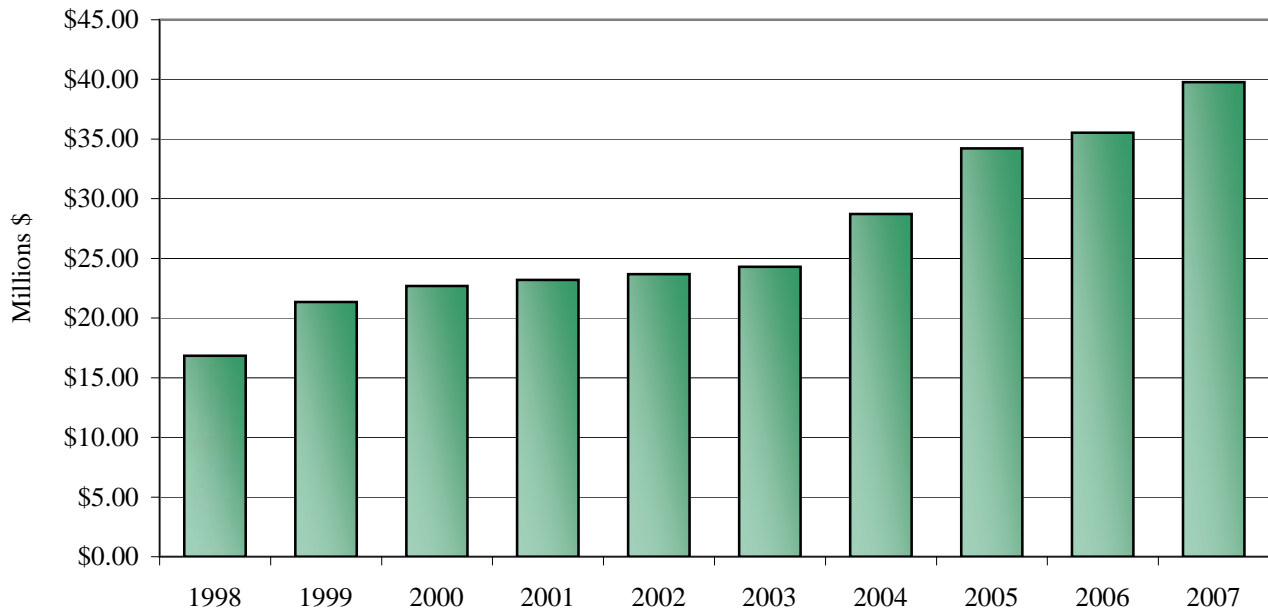




Table #4  
**Non-Operating Revenues by Source**  
 Last Ten Years  
 (in dollars)

<b>Year</b>	<b>Surcharges</b>	<b>Voter-approved taxes</b>	<b>Property taxes</b>	<b>Interest income</b>	<b>Other income</b>	<b>Flood damage reimbursements</b>	<b>Total</b>
1998	\$3,503,528	\$714,551	\$4,116,097	\$3,796,313	\$153,241	\$57,496	\$12,341,226
1999	3,848,999	798,645	4,364,904	2,786,610	190,568	2,546,789	14,536,515
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

Source: El Dorado Irrigation District

Chart # 2  
**Non-Operating Revenues**  
 Last Ten Years

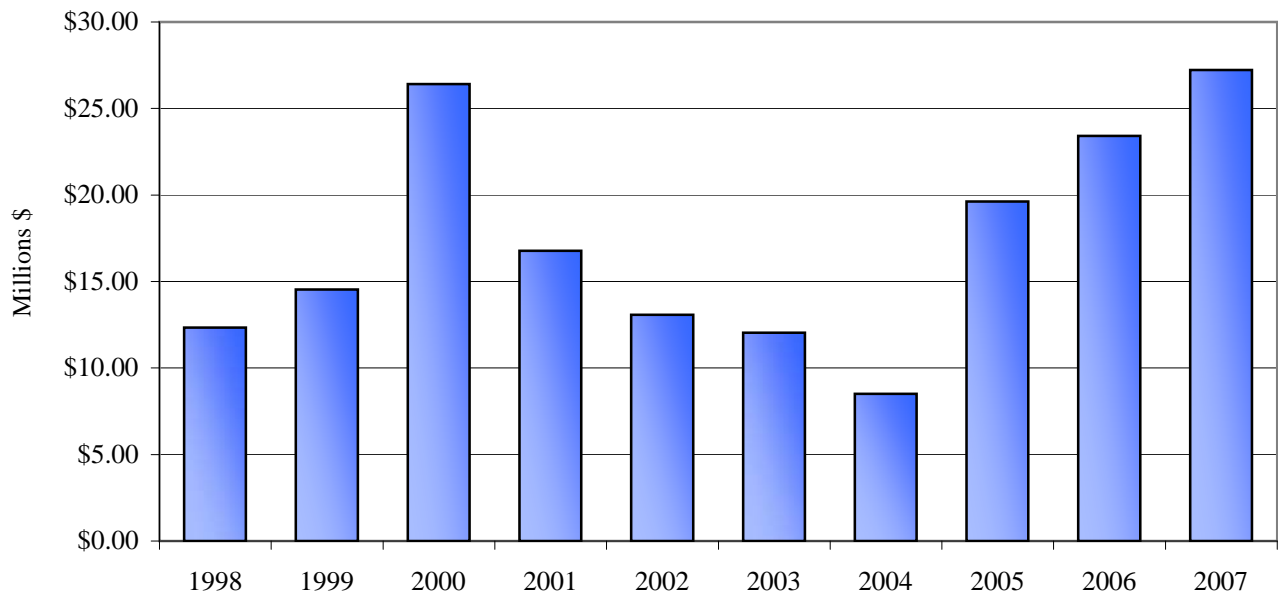


Table #5  
**Operating Expenses by Function**  
 Last Seven Years  
 (in dollars)

	Year						
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001<sup>[1]</sup></u>
<b><u>Operating Expenses</u></b>							
Office of the General Manager <sup>[2]</sup>	\$5,067,396	\$4,653,518	\$3,696,379	\$3,401,143	\$2,588,725	\$2,434,859	\$1,997,313
Strategic Management and Communications	3,828,204	3,556,546	6,081,888	5,179,964	4,085,197	2,389,819	1,771,204
Environmental Compliance and Water Policy	3,134,540	2,275,340	1,397,145	766,842	688,377	307,385	-
Finance and Management Services	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>	22,980,237	22,863,652	21,632,197	21,505,326	19,300,982	19,199,302	17,155,381
Recreation	1,561,225	1,523,563	1,149,460	1,116,661	807,683	719,911	648,716
Developer Reimbursed Expenses	750,589	1,021,352	1,213,046	1,026,606	1,681,625	2,012,016	1,392,805
Depreciation and Amortization	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><u>\$57,069,388</u></b>	<b><u>\$54,120,442</u></b>	<b><u>\$51,009,013</u></b>	<b><u>\$46,549,070</u></b>	<b><u>\$40,505,652</u></b>	<b><u>\$38,044,403</u></b>	<b><u>\$34,513,485</u></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 Seven Years

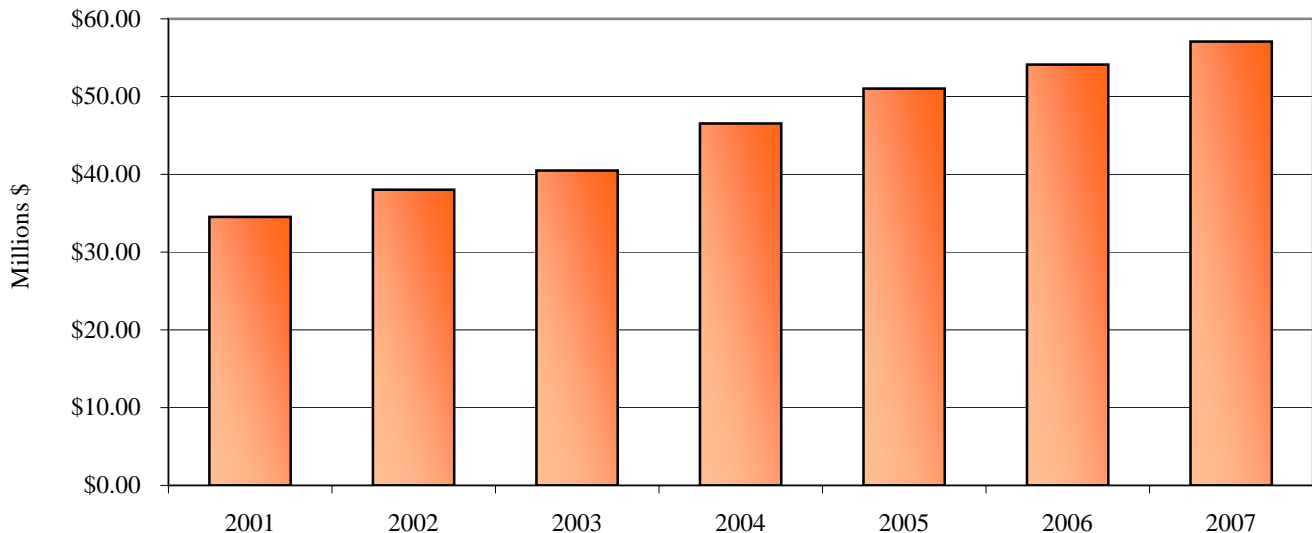


Table #6  
**Non-Operating Expenses by Function**  
 Last Ten Years  
 (in dollars)

<u>Year</u>	<u>Flood Damage Expenses</u>	<u>Other expenses</u>	<u>Interest Expense</u>	<u>Amortization<sup>[1]</sup></u>	<u>Total</u>
1998	\$0	\$389,126	\$4,324,879	\$197,097	\$4,911,102
1999	-	79,003	4,094,840	222,357	4,396,200
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

<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

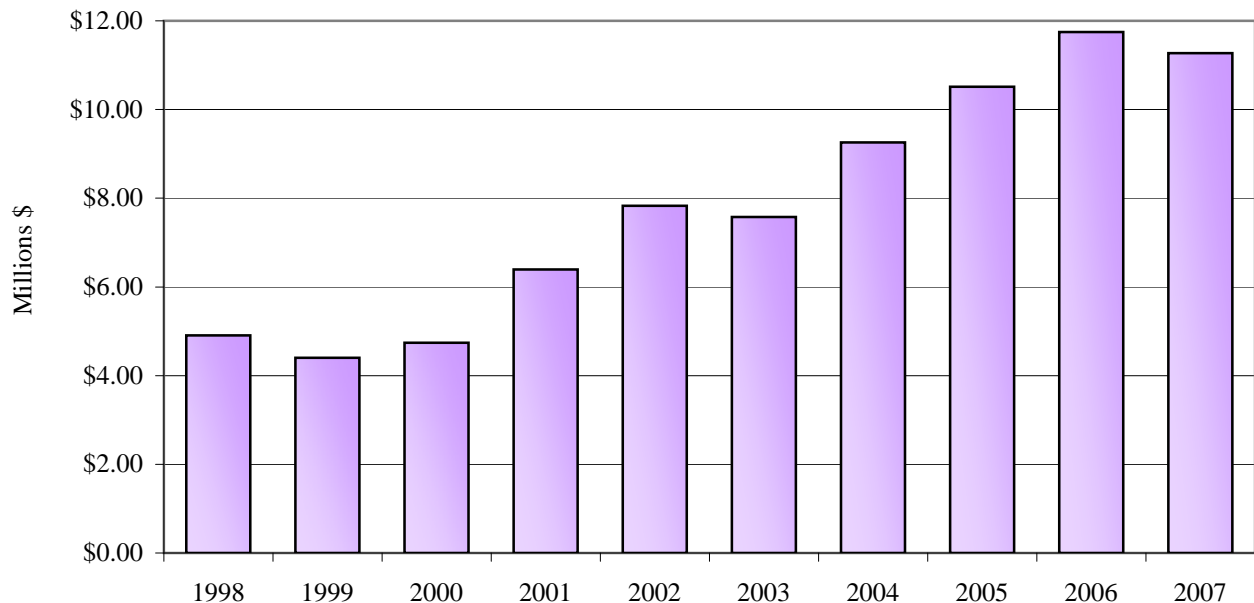


Table # 7  
**Assessed Value and Actual Value of Taxable Property**  
 Last Ten County Fiscal Years  
 (in dollars)

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>
1998-99	\$10,995,941,558	\$125,970,813	1.1456	\$2,064,162,072	\$714,200	0.0346
1999-00	\$11,611,175,922	\$133,633,826	1.1509	\$2,182,158,839	\$798,670	0.0366
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

<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 U.S. Bureau of Reclamation (USBR) 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 the USBR 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 the USBR 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 the USBR was cancelled in connection with the transfer of title by the USBR 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><u>Fiscal Year</u></b>	<b><u>General Property Tax Levy</u></b>	<b><u>State Assessed Unitary Value Properties</u></b>	<b><u>School Districts</u></b>	<b><u>Special Districts</u></b>	<b><u>EID Voter Approved Tax</u></b> <sup>[2]</sup>	<b><u>Total</u></b>
1998-99	1.000%	0.0648%	0.0397%	0.0213%	0.0346%	1.1604%
1999-00	1.000%	0.0751%	0.0349%	0.0252%	0.0366%	1.1718%
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%

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 U.S. Bureau of Reclamation (USBR) 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 the USBR was cancelled in connection with the transfer of title by the USBR 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 Four Years Ago

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2007</u>			<u>2003<sup>[2]</sup></u>		
		<u>2007-2008</u>		<u>% of</u>	<u>2003-2004</u>		<u>% of</u>
		<u>Assessed</u>	<u>Rank</u>		<u>Assessed</u>	<u>Rank</u>	
		<u>Valuation</u>		<u>Total</u>	<u>Valuation</u>		<u>Total</u>
Toll Brothers Development Co.	Residential Develop.	\$48,450,110	1	0.90%			
Serrano Associates LLC	Residential Develop.	31,812,868	2	0.59%	\$49,934,672	2	1.53%
Western Pacific Housing Inc.	Residential Develop.	25,030,800	3	0.46%			
GHC Company 5 LLC	Residential Develop.	14,458,600	4	0.27%			
Pulte Home Corp.	Residential Develop.	12,615,056	5	0.23%			
Shea Homes LP	Residential Develop.	12,148,671	6	0.22%			
Richmond American Homes	Residential Develop.	10,711,932	7	0.20%			
Min Nan Tseng	Residential Develop.	8,479,645	8	0.16%	6,317,843	15	0.19%
Orchard Hills Est II	Residential Develop.	7,702,000	9	0.14%			
PAC/SIB LLC	Undeveloped	7,043,265	10	0.13%			
K. Hovnanian Forecast Homes	Residential Develop.	6,878,109	11	0.13%			
Edward Mackay	Undeveloped	6,206,470	12	0.11%			
Safeway Inc.	Commercial	6,202,050	13	0.11%			
RPA Inc.	Undeveloped	6,196,247	14	0.11%	7,000,786	11	0.21%
WRI Golden State LLC	Commercial	5,836,225	15	0.11%	4,522,468	17	0.14%
Town Center East LP	Commercial	5,686,741	16	0.11%			
Syers Properties III LLC	Commercial	5,661,661	17	0.10%			
AKT Promontory LLC	Residential Develop.	5,241,866	18	0.10%			
Lakes Kar Shingle Springs	Residential Develop.	5,171,452	19	0.10%			
Russell-Promontory LLC	Residential Develop.	4,797,056	20	0.09%	4,397,443	19	0.14%
JTS Communities	Residential Develop.				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 Develop.				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 Develop.				7,315,640	10	0.22%
Apple Mountain LP	Recreational				6,877,044	12	0.21%
W L Homes	Residential Develop.				6,839,880	13	0.21%
Suncrest Homes LLC	Residential Develop.				6,460,051	14	0.20%
PMP at El Dorado Hills LLC	Vacant Land				6,160,000	16	0.19%
Regency Centers LP	Commercial				4,431,000	18	0.14%
Len-Serrano II LLC	Residential Develop.				3,780,000	20	0.12%
		<u>\$236,330,824</u>		<u>4.37%</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	<b>Levy</b>	<b>Collections</b>				
	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
1998-99	\$125,970,813	\$3,993,168	\$3,208	\$81,128	\$4,077,504	3.24%
1999-00	\$133,633,826	\$4,261,469	\$2,909	\$50,188	\$4,314,566	3.23%
2000-01	\$143,148,392	\$4,434,471	\$9,486	\$93,031	\$4,536,988	3.17%
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%

<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**

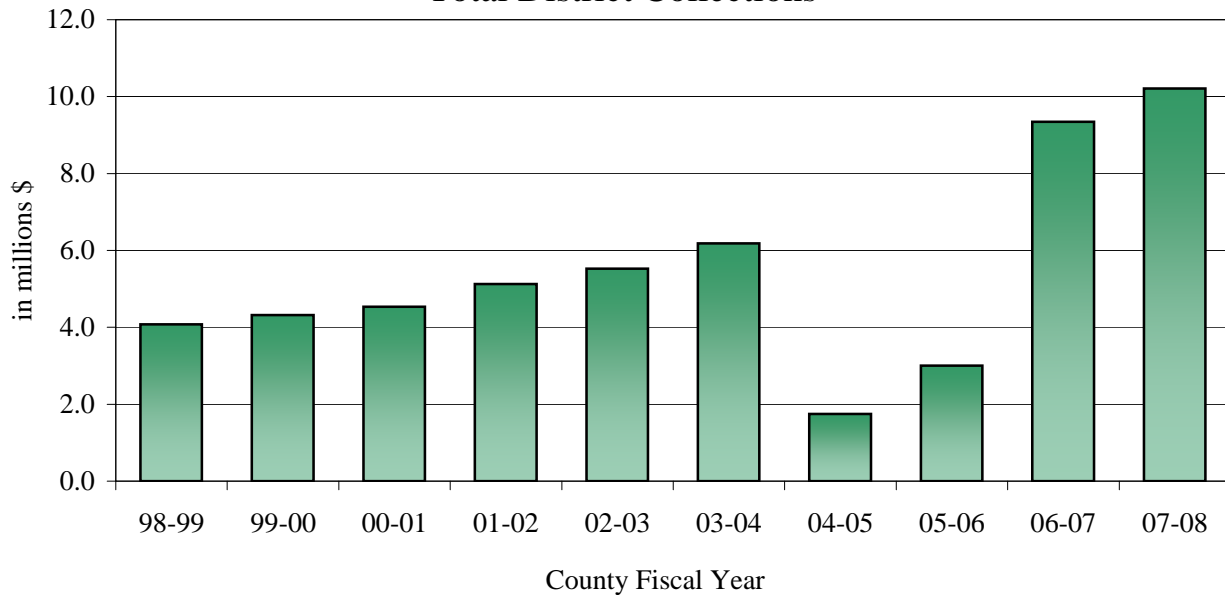


Table #11  
 Equivalent Dwelling Unit (EDU)<sup>[1]</sup> Sales  
 Last Ten Years

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>	<u>Recycled Water</u>
1998	821	692	
1999	860	956	272
2000	1,099	798	226
2001	1,819	2,189	664
2002	776	862	248
2003	944	1,185	313
2004	709	579	121
2005	734	823	335
2006	583	616	187
2007	622	941	466

<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 and Development Services Division

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

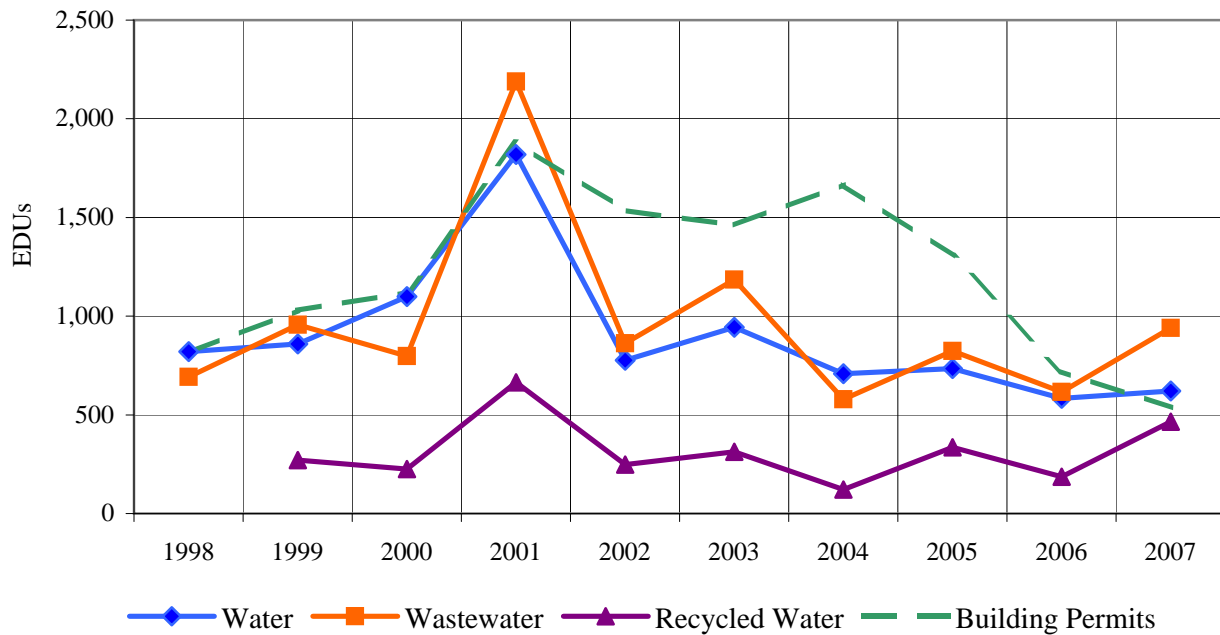




Table #12  
Water and Recycled Water Sales by Type of Customer  
Last Ten Years

<u>Type of Customer</u>	<u>Year</u>									
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>Potable Water Sold (acre feet)</b>										
Residential <sup>[1]</sup>	23,288	22,190	20,319	22,559	20,169	20,090	19,469	18,068	18,106	14,714
Commercial & Industrial	3,065	2,850	2,805	2,806	2,778	2,613	2,613	2,361	2,482	2,002
Agriculture	5,262	4,963	4,712	6,433	6,074	5,242	5,742	5,950	6,153	5,255
Recreational Turf	1,364	1,387	1,235	1,605	1,112	1,357	1,383	2,044	2,028	1,270
Municipal	1,960	1,672	1,666	1,811	1,709	1,696	1,669	1,637	1,575	1,464
<b>Total</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>30,344</b>	<b>24,705</b>
<b>Sales Revenue (in millions)</b>										
	\$17.680	\$15.438	\$14.018	\$13.480	\$11.438	\$11.125	\$11.985	\$12.048	\$11.055	\$9.527

<b>Recycled Water Sold (acre feet)</b>										
Residential <sup>[2]</sup>	1,578	1,331	1,008	713	493	274	155	46	1	
Commercial & Industrial <sup>[3]</sup>	789	726	669	547	441	751	560	586	636	
Recreational Turf	571	726	455	721	755	811	886	561	864	
<b>Total</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>1,500</b>	n/a <sup>[4]</sup>
<b>Sales Revenue (in millions)</b>										
	\$1.254	\$0.723	\$0.533	\$0.492	\$0.382	\$0.323	\$0.359	\$0.106	\$0.234	\$0.106

<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

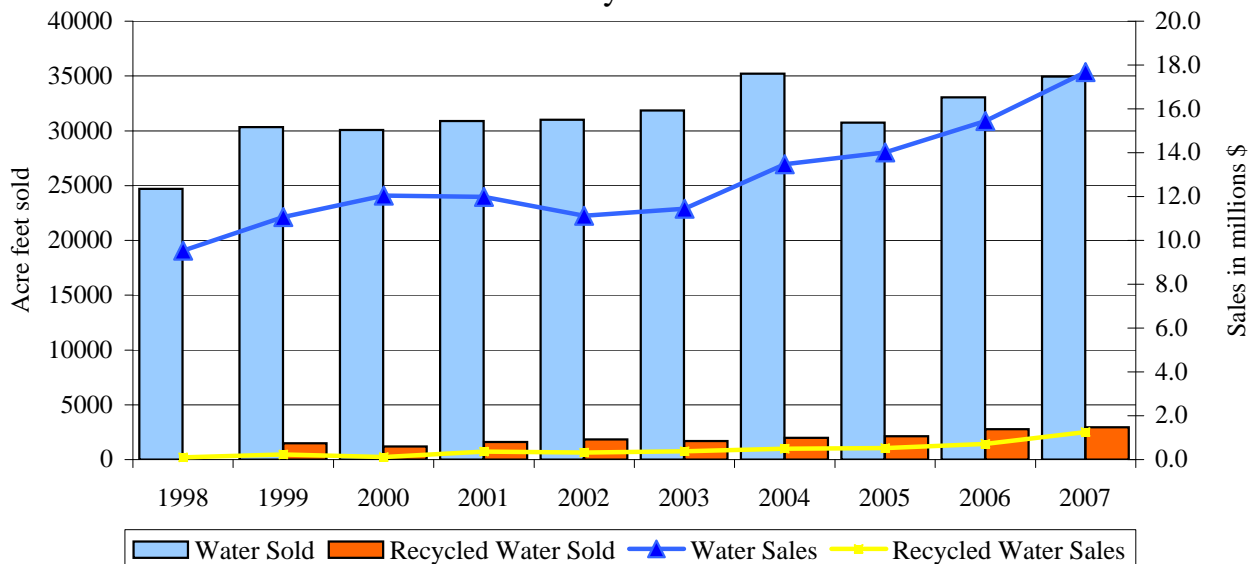


Table #13  
**Largest Water Customers**  
 Current Year and Six Years Ago

<u>Water Customers</u>	<b>2007</b>			<b>2001<sup>[1]</sup></b>		
	<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	\$343,633	1	1.94%	-	1	1.85%
Sierra Pacific Industries	99,777	2	0.56%	-	3	0.35%
Serrano Country Club <sup>[2]</sup>	93,106	3	0.53%	-	-	
Cameron Park Golf Course	52,127	4	0.29%	-	7	0.22%
Lake Oaks Mobile Homes Park	45,877	5	0.26%	-	4	0.33%
Serrano Associates LLC <sup>[2]</sup>	34,632	6	0.20%	-	2	1.52%
Cameron Park Mobile Homes Park	31,576	7	0.18%	-	6	0.23%
Diamond Springs Mobile Home Park	31,434	8	0.18%	-	-	
Cameron Oaks Investment Co.	28,802	9	0.16%	-	9	0.21%
Gliksman, George	26,860	10	0.15%	-	-	
Sierra Pacific Industries Co.	-	-		-	5	0.31%
Fuller-Sunset Mobile Home Park	-	-		-	8	0.21%
Hidden Springs Mobile Home Park	-	-		-	10	0.20%
<b>Total</b>	<b><u>\$787,824</u></b>		<b><u>4.46%</u></b>	<b><u>-</u></b>		<b><u>5.43%</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 Database Support Division

Table #14  
**Largest Wastewater Customers**  
 Current Year and Six Years Ago

<u>Wastewater Customers</u>	<u>2007</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>
Lake Oaks Mobile Home Park	\$105,611	1	0.73%	\$92,984	1	1.10%
Cameron Park Mobile Home Park	89,311	2	0.61%	76,077	2	0.90%
Cameron Oaks Investment Company	77,503	3	0.53%	71,851	3	0.85%
Bridge-Cameron Park LP	77,139	4	0.53%	30,431	9	0.36%
PW Eagle Inc.	72,928	5	0.50%	41,420	5	0.49%
Diamond Springs Mobile Home Park	71,304	6	0.49%	33,812	6	0.40%
Fuller-Sunset Mobile Home Park	52,593	7	0.36%	29,586	10	0.35%
Crestview Mobile Home Park	52,160	8	0.36%	48,182	4	0.57%
RPA Inc.	45,817	9	0.32%	-	-	-
Best/SCV Cameron Park PTSP	43,784	10	0.30%	-	-	-
Cameron Park Village	-	-	-	32,122	7	0.38%
Westwood Mobile Home Park	-	-	-	31,276	8	0.37%
<b>Total</b>	<b><u>\$688,150</u></b>		<b><u>4.73%</u></b>	<b><u>487,741</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 Database Support Division

Table # 15  
**Water Rates - Gravity Zone**  
 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									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b><u>Retail<sup>(1)</sup></u></b>										
Basic Charge 3/4" - 5/8" meter	\$30.74	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$20.06	\$20.06	\$20.06
0 - 1,500 cf	\$.750 per ccf	\$.694 per ccf	\$.637 per ccf	\$.595 per ccf	\$.550 per ccf	\$.550 per ccf	\$.550 per ccf	\$0.750 per ccf	\$0.750 per ccf	\$0.750 per ccf
1,501 - 20,000 cf	\$.802 per ccf	\$.743 per ccf	\$.682 per ccf	\$.637 per ccf	\$.590 per ccf	\$.590 per ccf	\$.590 per ccf	\$0.810 per ccf	\$0.810 per ccf	\$0.810 per ccf
over 20,000 cf	\$.938 per ccf	\$.869 per ccf	\$.797 per ccf	\$.745 per ccf	\$.690 per ccf	\$.690 per ccf	\$.690 per ccf	\$0.950 per ccf	\$0.950 per ccf	\$0.950 per ccf
Basic Charge 1" meter	\$30.74	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$31.36	\$31.36	\$31.36
Basic Charge 1 1/2" meter	\$32.27	\$29.88	\$27.41	\$25.62	\$23.71	\$23.71	\$23.71	\$31.36	\$31.36	\$31.36
0 - 7,800 cf	\$.750 per ccf	\$.694 per ccf	\$.637 per ccf	\$.595 per ccf	\$.550 per ccf	\$.550 per ccf	\$.550 per ccf	\$0.490 per ccf	\$0.490 per ccf	\$0.490 per ccf
7,801 - 100,000 cf	\$.802 per ccf	\$.743 per ccf	\$.682 per ccf	\$.637 per ccf	\$.590 per ccf	\$.590 per ccf	\$.590 per ccf	\$0.510 per ccf	\$0.510 per ccf	\$0.510 per ccf
over 100,000 cf	\$.938 per ccf	\$.869 per ccf	\$.797 per ccf	\$.745 per ccf	\$.690 per ccf	\$.690 per ccf	\$.690 per ccf	\$0.620 per ccf	\$0.620 per ccf	\$0.620 per ccf
Basic Charge 2" meter	\$33.81	\$31.31	\$28.72	\$26.84	\$24.83	\$24.83	\$24.83	\$31.36	\$31.36	\$31.36
Basic Charge 3" meter	\$37.19	\$34.43	\$31.59	\$29.52	\$27.32	\$27.32	\$27.32	\$31.36	\$31.36	\$31.36
Basic Charge 4" meter	\$40.90	\$37.87	\$34.74	\$32.47	\$30.03	\$30.03	\$30.03	\$31.36	\$31.36	\$31.36
Basic Charge 6" meter	\$45.00	\$41.66	\$38.22	\$35.72	\$33.06	\$33.06	\$33.06	\$31.36	\$31.36	\$31.36
Basic Charge 8" meter	\$54.46	\$50.42	\$46.26	\$43.23	\$40.00	\$40.00	\$40.00	n/a	n/a	n/a
Basic Charge 10" meter	\$65.90	\$61.01	\$55.97	\$52.31	\$48.40	\$48.40	\$48.40	n/a	n/a	n/a
Basic Charge 12" meter	\$79.73	\$73.82	\$67.72	\$63.29	\$58.56	\$58.56	\$58.56	n/a	n/a	n/a
0 - 25,000 cf	\$.750 per ccf	\$.694 per ccf	\$.637 per ccf	\$.595 per ccf	\$.550 per ccf	\$.550 per ccf	\$.550 per ccf	\$0.490 per ccf	\$0.490 per ccf	\$0.490 per ccf
25,001 - 133,300 cf	\$.802 per ccf	\$.743 per ccf	\$.682 per ccf	\$.637 per ccf	\$.590 per ccf	\$.590 per ccf	\$.590 per ccf	\$0.510 per ccf	\$0.510 per ccf	\$0.510 per ccf
over 133,333 cf	\$.938 per ccf	\$.869 per ccf	\$.797 per ccf	\$.745 per ccf	\$.690 per ccf	\$.690 per ccf	\$.690 per ccf	\$0.620 per ccf	\$0.620 per ccf	\$0.620 per ccf
<b><u>Multi-Family</u></b>										
Basic Charge Per Unit	\$15.28	\$14.15	\$12.98	\$12.13	\$11.22	\$11.22	\$11.22	\$11.22	\$11.22	\$11.22
0 - 1,500 cf	\$.750 per ccf	\$.694 per ccf	\$.637 per ccf	\$.595 per ccf	\$.550 per ccf	\$.550 per ccf	\$.550 per ccf	\$0.660 per ccf	\$0.660 per ccf	\$0.660 per ccf
1,501 - 20,000 cf	\$.802 per ccf	\$.743 per ccf	\$.682 per ccf	\$.637 per ccf	\$.590 per ccf	\$.590 per ccf	\$.590 per ccf	\$0.690 per ccf	\$0.690 per ccf	\$0.690 per ccf
over 20,000 cf	\$.938 per ccf	\$.869 per ccf	\$.797 per ccf	\$.745 per ccf	\$.690 per ccf	\$.690 per ccf	\$.690 per ccf	\$0.830 per ccf	\$0.830 per ccf	\$0.830 per ccf
<b><u>Small Farms</u></b>										
Basic Charge	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	n/a	n/a	n/a
0 - 1,760 cf	\$.802 per ccf	\$.743 per ccf	\$.682 per ccf	\$.637 per ccf	\$.590 per ccf	\$.590 per ccf	\$.590 per ccf	n/a	n/a	n/a
1,761 - 6,500 cf	\$.082 per ccf	\$.076 per ccf	\$.070 per ccf	\$.065 per ccf	\$.060 per ccf	\$.060 per ccf	\$.060 per ccf	n/a	n/a	n/a
6,501 - 100,000 cf	\$.096 per ccf	\$.089 per ccf	\$.081 per ccf	\$.076 per ccf	\$.070 per ccf	\$.070 per ccf	\$.070 per ccf	n/a	n/a	n/a
over 100,000 cf	\$.110 per ccf	\$.101 per ccf	\$.093 per ccf	\$.087 per ccf	\$.080 per ccf	\$.080 per ccf	\$.080 per ccf	n/a	n/a	n/a

<sup>(1)</sup> The retail water rate category represents single family residential and commercial/industrial customer rate classifications

Source: El Dorado Irrigation District Utility Billing Division

Table #15 continued  
**Water Rates - Gravity Zone (continued)**  
 Last Ten Years  
 (in dollars)

<b>Category</b>	<b>Year</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>1999</b>	<b>1998</b>
<b><u>Agriculture Metered Irrigation</u></b>										
<b><u>with residence</u></b>										
Basic Charge	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	\$38.24	\$38.24	\$38.24
0 - 1,760 cf	\$.802 per ccf	\$.743 per ccf	\$.682 per ccf	\$.637 per ccf	\$.590 per ccf	\$.590 per ccf	\$.590 per ccf	n/a	n/a	n/a
1,761 cf - 16 inches per acre	\$.082 per ccf	\$.076 per ccf	\$.070 per ccf	\$.065 per ccf	\$.060 per ccf	\$.060 per ccf	\$.060 per ccf	\$0.060 per ccf	\$0.060 per ccf	\$0.060 per ccf
16.01 - 47 inches per acre	\$.096 per ccf	\$.089 per ccf	\$.081 per ccf	\$.076 per ccf	\$.070 per ccf	\$.070 per ccf	\$.070 per ccf	\$0.070 per ccf	\$0.070 per ccf	\$0.070 per ccf
over 47 inches per acre	\$.110 per ccf	\$.101 per ccf	\$.093 per ccf	\$.087 per ccf	\$.080 per ccf	\$.080 per ccf	\$.080 per ccf	\$0.080 per ccf	\$0.080 per ccf	\$0.080 per ccf
<b><u>without residence</u></b>										
Basic Charge	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	\$38.24	\$38.24	\$38.24
0 - 16 inches per acre	\$.082 per ccf	\$.076 per ccf	\$.070 per ccf	\$.065 per ccf	\$.060 per ccf	\$.060 per ccf	\$.060 per ccf	\$0.060 per ccf	\$0.060 per ccf	\$0.060 per ccf
16.01 - 47 inches per acre	\$.096 per ccf	\$.089 per ccf	\$.081 per ccf	\$.076 per ccf	\$.070 per ccf	\$.070 per ccf	\$.070 per ccf	\$0.070 per ccf	\$0.070 per ccf	\$0.070 per ccf
over 47 inches per acre	\$.110 per ccf	\$.101 per ccf	\$.093 per ccf	\$.087 per ccf	\$.080 per ccf	\$.080 per ccf	\$.080 per ccf	\$0.080 per ccf	\$0.080 per ccf	\$0.080 per ccf
<b><u>Domestic Irrigation</u></b>										
Basic Charge	\$52.00	\$48.15	\$44.17	\$41.28	\$38.20	\$38.20	\$32.99	\$38.20	\$38.20	\$38.20
0 - 6,500 cf	\$.110 per ccf	\$.101 per ccf	\$.093 per ccf	\$.087 per ccf	\$.080 per ccf	\$.080 per ccf	\$.240 per ccf	\$.080 per ccf	\$.080 per ccf	\$.080 per ccf
6,501 - 100,000 cf	\$.122 per ccf	\$.113 per ccf	\$.104 per ccf	\$.097 per ccf	\$.090 per ccf	\$.090 per ccf	\$.260 per ccf	\$.090 per ccf	\$.090 per ccf	\$.090 per ccf
over 100,000 cf	\$.163 per ccf	\$.150 per ccf	\$.138 per ccf	\$.129 per ccf	\$.120 per ccf	\$.120 per ccf	\$.310 per ccf	\$.120 per ccf	\$.120 per ccf	\$.120 per ccf
<b><u>Recreational Turf</u></b>										
Basic Charge 3/4" - 1 1/2" meter	\$104.15	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$58.53	\$76.50	\$76.50	\$76.50
0 - 13,300 cf	\$.382 per ccf	\$.353 per ccf	\$.324 per ccf	\$.303 per ccf	\$.280 per ccf	\$.280 per ccf	\$.370 per ccf	\$.280 per ccf	\$.280 per ccf	\$.280 per ccf
13,301 - 75,000 cf	\$.394 per ccf	\$.365 per ccf	\$.335 per ccf	\$.313 per ccf	\$.290 per ccf	\$.290 per ccf	\$.390 per ccf	\$.290 per ccf	\$.290 per ccf	\$.290 per ccf
over 75,000 cf	\$.490 per ccf	\$.454 per ccf	\$.416 per ccf	\$.389 per ccf	\$.340 per ccf	\$.340 per ccf	\$.460 per ccf	\$.340 per ccf	\$.340 per ccf	\$.340 per ccf
Basic Charge 2" - 3" meter	\$104.15	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$60.11	\$76.50	\$76.50	\$76.50
0 - 37,500 cf	\$.382 per ccf	\$.353 per ccf	\$.324 per ccf	\$.303 per ccf	\$.280 per ccf	\$.280 per ccf	\$.370 per ccf	\$.280 per ccf	\$.280 per ccf	\$.280 per ccf
37,501 - 166,700 cf	\$.394 per ccf	\$.365 per ccf	\$.335 per ccf	\$.313 per ccf	\$.290 per ccf	\$.290 per ccf	\$.390 per ccf	\$.290 per ccf	\$.290 per ccf	\$.290 per ccf
over 166,700 cf	\$.490 per ccf	\$.454 per ccf	\$.416 per ccf	\$.389 per ccf	\$.340 per ccf	\$.340 per ccf	\$.460 per ccf	\$.340 per ccf	\$.340 per ccf	\$.340 per ccf
Basic Charge 4" - 8", other	\$104.15	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$64.34	\$76.50	\$76.50	\$76.50
0 - 500,000 cf	\$.382 per ccf	\$.353 per ccf	\$.324 per ccf	\$.303 per ccf	\$.280 per ccf	\$.280 per ccf	\$.370 per ccf	\$.280 per ccf	\$.280 per ccf	\$.280 per ccf
500,001 - 1,666,700 cf	\$.394 per ccf	\$.365 per ccf	\$.335 per ccf	\$.313 per ccf	\$.290 per ccf	\$.290 per ccf	\$.390 per ccf	\$.290 per ccf	\$.290 per ccf	\$.290 per ccf
over 1,666,700 cf	\$.490 per ccf	\$.454 per ccf	\$.416 per ccf	\$.389 per ccf	\$.340 per ccf	\$.340 per ccf	\$.460 per ccf	\$.340 per ccf	\$.340 per ccf	\$.340 per ccf

Source: El Dorado Irrigation District Utility Billing Division

Table #15 continued  
**Water Rates - Pumped Zone**  
 Last Ten Years  
 (in dollars)

Category	Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b><u>Retail</u></b> <sup>[1]</sup>										
Basic Charge 3/4" - 5/8" meter	\$30.74	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$22.58	\$22.58	\$22.58
0 - 1,500 cf	\$.844 per ccf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$.830 per ccf	\$.830 per ccf
1,501 - 20,000 cf	\$.912 per ccf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$.890 per ccf	\$.890 per ccf
over 20,000 cf	\$1.075 per ccf	\$.995 per ccf	\$.913 per ccf	\$.853 per ccf	\$.790 per ccf	\$.790 per ccf	\$.790 per ccf	\$.790 per ccf	\$1.060 per ccf	\$1.060 per ccf
Basic Charge 1" meter	\$30.74	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$35.12	\$35.12	\$35.12
Basic Charge 1 1/2" meter	\$32.27	\$29.88	\$27.41	\$25.62	\$23.71	\$23.71	\$23.71	\$35.12	\$35.12	\$35.12
0 - 7,800 cf	\$.844 per ccf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$.880 per ccf	\$.880 per ccf	\$.880 per ccf
7,801 - 100,000 cf	\$.912 per ccf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$.920 per ccf	\$.920 per ccf	\$.920 per ccf
over 100,000 cf	\$1.075 per ccf	\$.995 per ccf	\$.913 per ccf	\$.853 per ccf	\$.790 per ccf	\$.790 per ccf	\$.790 per ccf	\$1.120 per ccf	\$1.120 per ccf	\$1.120 per ccf
Basic Charge 2" meter	\$33.81	\$31.31	\$28.72	\$26.84	\$24.83	\$24.83	\$24.83	\$35.12	\$35.12	\$35.12
Basic Charge 3" meter	\$37.19	\$34.43	\$31.59	\$29.52	\$27.32	\$27.32	\$27.32	\$35.12	\$35.12	\$35.12
Basic Charge 4" meter	\$40.90	\$37.87	\$34.74	\$32.47	\$30.03	\$30.03	\$30.03	\$35.12	\$35.12	\$35.12
Basic Charge 6" meter	\$45.00	\$41.66	\$38.22	\$35.72	\$33.06	\$33.06	\$33.06	\$35.12	\$35.12	\$35.12
Basic Charge 8" meter	\$54.46	\$50.42	\$46.26	\$43.23	\$40.00	\$40.00	\$40.00	n/a	n/a	n/a
Basic Charge 10" meter	\$65.90	\$61.01	\$55.97	\$52.31	\$48.40	\$48.40	\$48.40	n/a	n/a	n/a
Basic Charge 12" meter	\$79.73	\$73.82	\$67.72	\$63.29	\$58.56	\$58.56	\$58.56	n/a	n/a	n/a
0 - 25,000 cf	\$.844 per ccf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$.880 per ccf	\$.880 per ccf	\$.880 per ccf
25,001 - 133,300 cf	\$.912 per ccf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$.920 per ccf	\$.920 per ccf	\$.920 per ccf
over 133,333 cf	\$1.075 per ccf	\$.995 per ccf	\$.913 per ccf	\$.853 per ccf	\$.790 per ccf	\$.790 per ccf	\$.790 per ccf	\$1.120 per ccf	\$1.120 per ccf	\$1.120 per ccf
<b><u>Multi-Family</u></b>										
Basic Charge Per Unit	\$16.72	\$15.48	\$14.20	\$13.27	\$12.28	\$12.28	\$22.58	\$12.28	\$12.28	\$12.28
0 - 1,500 cf	\$.844 per ccf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$.850 per ccf	\$.850 per ccf	\$.850 per ccf
1,501 - 20,000 cf	\$.912 per ccf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$.890 per ccf	\$.890 per ccf	\$.890 per ccf
over 20,000 cf	\$1.075 per ccf	\$.995 per ccf	\$.913 per ccf	\$.853 per ccf	\$.790 per ccf	\$.790 per ccf	\$.790 per ccf	\$1.070 per ccf	\$1.070 per ccf	\$1.070 per ccf
Strawberry Basic Charge	\$36.97	\$34.23	\$31.40	\$29.35	\$27.16	\$27.16	\$27.16	\$27.16	\$27.16	\$27.16
<b><u>Small Farms</u></b>										
Basic Charge	\$61.84	\$57.23	\$52.53	\$49.09	\$45.42	\$45.42	\$45.42	n/a	n/a	n/a
0 - 1,760 cf	\$.912 per ccf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	n/a	n/a	n/a
1,761 - 6,500 cf	\$.082 per ccf	\$.076 per ccf	\$.070 per ccf	\$.065 per ccf	\$.060 per ccf	\$.060 per ccf	\$.060 per ccf	n/a	n/a	n/a
6,501 - 100,000 cf	\$.096 per ccf	\$.089 per ccf	\$.081 per ccf	\$.076 per ccf	\$.070 per ccf	\$.070 per ccf	\$.070 per ccf	n/a	n/a	n/a
over 100,000 cf	\$.110 per ccf	\$.101 per ccf	\$.093 per ccf	\$.087 per ccf	\$.080 per ccf	\$.080 per ccf	\$.080 per ccf	n/a	n/a	n/a

<sup>[1]</sup> The retail water rate category represents single family residential and commercial/industrial customer rate classifications

Source: El Dorado Irrigation District Utility Billing Division

Table #15 continued  
**Water Rates - Pumped Zone (continued)**  
 Last Ten Years  
 (in dollars)

<b>Category</b>	<b>Year</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>1999</b>	<b>1998</b>
<b><u>Agriculture Metered Irrigation</u></b>										
<b><u>with residence</u></b>										
Basic Charge	\$61.84	\$57.26	\$52.53	\$49.09	\$45.42	\$45.42	\$45.42	\$43.26	\$43.26	\$43.26
0 - 1,760 ccf	\$ .912 per ccf	\$ .844 per ccf	\$ .775 per ccf	\$ .724 per ccf	\$ .670 per ccf	\$ .670 per ccf	\$ .670 per ccf	n/a	n/a	n/a
1,761 ccf - 16 inches per acre	\$ .082 per ccf	\$ .076 per ccf	\$ .070 per ccf	\$ .065 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf
16.01 - 47 inches per acre	\$ .096 per ccf	\$ .089 per ccf	\$ .081 per ccf	\$ .076 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf
over 47 inches per acre	\$ .110 per ccf	\$ .101 per ccf	\$ .093 per ccf	\$ .087 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf
<b><u>without residence</u></b>										
Basic Charge	\$61.84	\$57.26	\$52.53	\$49.09	\$45.42	\$45.42	\$45.42	\$43.26	\$43.26	\$43.26
0 - 16 inches per acre	\$ .082 per ccf	\$ .076 per ccf	\$ .070 per ccf	\$ .065 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf	\$ .060 per ccf
16.01 - 47 inches per acre	\$ .096 per ccf	\$ .089 per ccf	\$ .081 per ccf	\$ .076 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf	\$ .070 per ccf
over 47 inches per acre	\$ .110 per ccf	\$ .101 per ccf	\$ .093 per ccf	\$ .087 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf
<b><u>Domestic Irrigation</u></b>										
Basic Charge	\$58.05	\$53.75	\$49.31	\$46.08	\$42.64	\$42.64	\$35.95	\$42.64	\$42.64	\$42.64
0 - 4,500 ccf	\$ .258 per ccf	\$ .239 per ccf	\$ .219 per ccf	\$ .205 per ccf	\$ .190 per ccf	\$ .190 per ccf	\$ .330 per ccf	\$ .190 per ccf	\$ .190 per ccf	\$ .190 per ccf
4,501 - 46,500 ccf	\$ .286 per ccf	\$ .265 per ccf	\$ .243 per ccf	\$ .227 per ccf	\$ .210 per ccf	\$ .210 per ccf	\$ .360 per ccf	\$ .210 per ccf	\$ .210 per ccf	\$ .210 per ccf
over 46,500 ccf	\$ .368 per ccf	\$ .341 per ccf	\$ .312 per ccf	\$ .292 per ccf	\$ .270 per ccf	\$ .270 per ccf	\$ .440 per ccf	\$ .270 per ccf	\$ .270 per ccf	\$ .270 per ccf
<b><u>Recreational Turf</u></b>										
Basic Charge 3/4" - 1" meter	\$30.74	\$28.46	\$26.11	\$24.40	\$43.90	\$65.21	\$65.21	\$86.52	\$86.52	\$86.52
Basic Charge 1 1/2" meter	\$32.27	\$29.88	\$27.41	\$25.62	\$44.64	\$65.58	\$65.58	\$86.52	\$86.52	\$86.52
0 - 25,000 cf	\$ .843 per ccf	\$ .781 per ccf	\$ .717 per ccf	\$ .670 per ccf	\$ .570 per ccf	\$ .530 per ccf	\$ .530 per ccf	\$ .490 per ccf	\$ .490 per ccf	\$ .490 per ccf
25,001 - 62,500 cf	\$ .912 per ccf	\$ .844 per ccf	\$ .775 per ccf	\$ .724 per ccf	\$ .620 per ccf	\$ .560 per ccf	\$ .560 per ccf	\$ .500 per ccf	\$ .500 per ccf	\$ .500 per ccf
over 62,500 cf	\$ 1.075 per ccf	\$ .995 per ccf	\$ .913 per ccf	\$ .853 per ccf	\$ .720 per ccf	\$ .650 per ccf	\$ .650 per ccf	\$ .580 per ccf	\$ .580 per ccf	\$ .580 per ccf
Basic Charge 2" meter	\$33.81	\$31.31	\$28.72	\$26.84	\$45.40	\$65.96	\$65.96	\$86.52	\$86.52	\$86.52
Basic Charge 3" meter	\$37.18	\$34.43	\$31.59	\$29.52	\$47.06	\$66.76	\$66.76	\$86.52	\$86.52	\$86.52
Basic Charge 4" meter	\$40.90	\$37.87	\$34.74	\$32.47	\$48.88	\$67.70	\$67.70	\$86.52	\$86.52	\$86.52
Basic Charge 6" meter	\$44.99	\$41.66	\$38.22	\$35.72	n/a	n/a	n/a	n/a	n/a	n/a
Basic Charge 8" meter	\$54.45	\$50.42	\$46.26	\$43.23	n/a	n/a	n/a	n/a	n/a	n/a
0 - 50,000 cf	\$ .843 per ccf	\$ .781 per ccf	\$ .717 per ccf	\$ .670 per ccf	\$ .570 per ccf	\$ .530 per ccf	\$ .530 per ccf	\$ .490 per ccf	\$ .490 per ccf	\$ .490 per ccf
50,001 - 333,300 cf	\$ .912 per ccf	\$ .844 per ccf	\$ .775 per ccf	\$ .724 per ccf	\$ .620 per ccf	\$ .560 per ccf	\$ .560 per ccf	\$ .500 per ccf	\$ .500 per ccf	\$ .500 per ccf
over 333,300 cf	\$ 1.075 per ccf	\$ .995 per ccf	\$ .913 per ccf	\$ .853 per ccf	\$ .720 per ccf	\$ .650 per ccf	\$ .650 per ccf	\$ .580 per ccf	\$ .580 per ccf	\$ .580 per ccf

Source: El Dorado Irrigation District Utility Billing Division

Table #15 continued  
**Additional Water Rates**  
 Last Ten Years  
 (in dollars)

<b>Category</b>	<b>Year</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>1999</b>	<b>1998</b>
<b><u>Wholesale (City of Placerville)</u></b>										
<b><u>Wholesale</u></b>										
Basic Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0 - 295,500 cf	\$ .442 per ccf	\$ .391 per ccf	\$ .358 per ccf	\$ .335 per ccf	\$ .310 per ccf	\$ .310 per ccf	\$ .310 per ccf	\$ .310 per ccf	\$ .310 per ccf	\$ .310 per ccf
295,501 - 12,160,000 cf	\$ .477 per ccf	\$ .442 per ccf	\$ .406 per ccf	\$ .379 per ccf	\$ .350 per ccf	\$ .350 per ccf	\$ .350 per ccf	\$ .350 per ccf	\$ .350 per ccf	\$ .350 per ccf
over 12,160,000 cf	\$ .544 per ccf	\$ .504 per ccf	\$ .462 per ccf	\$ .432 per ccf	\$ .400 per ccf	\$ .400 per ccf	\$ .400 per ccf	\$ .400 per ccf	\$ .400 per ccf	\$ .400 per ccf
<b><u>Fire Hydrant/Construction</u></b>										
Basic Charge	\$68.26	\$63.23	\$58.00	\$54.21	\$50.16	\$50.16	\$50.16	\$50.16	\$50.16	\$50.16
Commodity charge	\$1.36 per ccf	\$1.26 per ccf	\$1.16 per ccf	\$1.08 per ccf	\$1.00 per ccf	\$1.00 per ccf	\$1.00 per ccf	\$1.00 per ccf	\$1.00 per ccf	\$1.00 per ccf
<b><u>Fire Hydrant/Reclaimed Lines</u></b>										
Basic Charge	\$106.00	\$98.14	\$90.03	\$84.14	\$77.86	\$77.86	\$77.86	n/a	n/a	n/a
Commodity charge	\$ .613 per ccf	\$ .568 per ccf	\$ .521 per ccf	\$ .487 per ccf	\$ .450 per ccf	\$ .450 per ccf	\$ .450 per ccf	n/a	n/a	n/a
<b><u>Ditches (Raw Water) <sup>[1]</sup></u></b>										
Basic Charge - metered										
landscape irrigation	\$59.57	\$55.16	\$50.60	\$47.29	\$43.76	\$43.76	\$43.76	\$39.78	\$39.78	\$39.78
Commodity charge	\$ .109 per ccf	\$ .101 per ccf	\$ .093 per ccf	\$ .087 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$ .080 per ccf	\$0.702 per ccf	\$0.702 per ccf	\$0.702 per ccf
Basic Charge 1/2" flow	\$54.91	\$50.84	\$46.64	\$43.59	\$40.33	\$40.33	\$40.33	\$36.66	\$36.66	\$36.66
Basic Charge 1" flow	\$121.95	\$112.92	\$103.59	\$96.81	\$89.58	\$89.58	\$89.58	\$81.44	\$81.44	\$81.44
Basic Charge 2" flow	\$243.91	\$225.84	\$207.17	\$193.62	\$179.16	\$179.16	\$179.16	n/a	n/a	n/a
Basic Charge 4" flow	\$487.80	\$451.67	\$414.34	\$387.23	\$358.32	\$358.32	\$358.32	n/a	n/a	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	\$ .069 per ccf	\$ .064 per ccf	\$ .062 per ccf	\$ .055 per ccf	\$ .050 per ccf	\$ .050 per ccf	\$ .050 per ccf	\$0.470 per ccf	\$0.470 per ccf	\$0.470 per ccf

<sup>[1]</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)

Category	Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b><u>Sewer Only for:</u></b>										
<b><u>Small Farm/Rec Turf/Domestic Irrigation</u></b>										
Basic Charge	\$111.00	\$104.72	\$96.93	\$93.20	\$90.49	\$90.49	\$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	\$52.68	\$49.70	\$46.00	\$44.23	\$42.94	\$42.94	\$42.94	\$45.25	\$90.49	\$90.49
Commodity Charge	\$1.975 per ccf	\$1.863 per ccf	\$1.724 per ccf	\$1.658 per ccf	\$1.160 per ccf	\$1.160 per ccf	\$1.160 per ccf	\$1.160 per ccf	\$1.160 per ccf	n/a
<b><u>Commercial Industrial</u></b>										
Basic Charge	\$47.53	\$44.84	\$41.51	\$39.91	\$38.75	\$38.75	\$38.75	\$38.75	\$38.75	\$38.75
Laundromat	\$2.625 per ccf	\$2.476 per ccf	\$2.292 per ccf	\$2.204 per ccf	\$2.140 per ccf	\$2.140 per ccf	\$2.140 per ccf	\$1.100 per ccf	\$1.100 per ccf	\$1.100 per ccf
Market	\$5.668 per ccf	\$5.347 per ccf	\$4.950 per ccf	\$4.759 per ccf	\$4.620 per ccf	\$4.620 per ccf	\$4.620 per ccf	\$1.950 per ccf	\$1.950 per ccf	\$1.950 per ccf
Repair Shop/Service Station	\$3.951 per ccf	\$3.727 per ccf	\$3.450 per ccf	\$3.317 per ccf	\$3.220 per ccf	\$3.220 per ccf	\$3.220 per ccf	\$1.950 per ccf	\$1.950 per ccf	\$1.950 per ccf
Light Industrial	\$5.287 per ccf	\$4.988 per ccf	\$4.616 per ccf	\$4.439 per ccf	\$4.310 per ccf	\$4.310 per ccf	\$4.310 per ccf	\$2.630 per ccf	\$2.290 per ccf	\$2.290 per ccf
Restaurant	\$7.312 per ccf	\$6.898 per ccf	\$6.384 per ccf	\$6.139 per ccf	\$5.960 per ccf	\$5.960 per ccf	\$5.960 per ccf	\$4.170 per ccf	\$3.330 per ccf	\$3.330 per ccf
Other	\$3.386 per ccf	\$3.194 per ccf	\$2.957 per ccf	\$2.843 per ccf	\$2.760 per ccf	\$2.760 per ccf	\$2.760 per ccf	\$1.640 per ccf	\$1.640 per ccf	\$1.640 per ccf
<b><u>Commercial w/o water service</u></b>										
Basic Charge	\$55.62	\$52.47	\$48.57	\$46.70	\$45.34	\$45.34	\$45.34	\$45.34	\$45.34	\$45.34
Each additional unit	\$63.47	\$59.88	\$55.42	\$53.29	\$51.74	\$51.74	\$51.74	\$51.74	\$51.74	\$51.74
<b><u>School Wastewater (yearly)</u></b>										
Basic Charge, <i>per student</i>	\$3.76	\$3.55	\$3.29	\$3.16	\$3.07	\$3.07	\$3.07	\$6.06	\$6.06	\$6.06
<b><u>Septage Transfer</u></b>										
Basic Charge, <i>per 1,000 gal</i>	\$134.32	\$126.72	\$117.29	\$112.78	\$109.59	\$109.59	\$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>Gravity and Pumped</b>									
	<b>Year</b>									
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b><u>Commercial / Industrial</u></b>										
Basic Charge	\$106.00	\$98.14	\$90.03	\$84.14	\$77.86	\$77.86	\$77.86	\$77.86	\$77.86	\$77.86
Commodity Charge	\$.613 per ccf	\$.568 per ccf	\$.521 per ccf	\$.487 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf
<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	\$.613 per ccf	\$.568 per ccf	\$.521 per ccf	\$.487 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf

Source: El Dorado Irrigation District Utility Billing Division

Table # 18  
**Water and Wastewater Rate Surcharges**  
 Last Seven 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 Surcharge<sup>[2]</sup></u>
			<u>Phase I (LCS)</u>	<u>Phase II (LCS2)</u>	<u>Amount</u>
5/8" & 3/4"	D	1	\$0.98	\$0.98	\$10.00
1"	D	2	\$1.96	\$1.96	\$20.00
1 1/2"	D,C,P,T	3	\$2.94	\$2.94	\$30.00
2"	D,C,P,T	5	\$4.90	\$4.90	\$50.00
3"	T	23	\$22.54	\$22.54	\$230.00
3"	C,D,P	11	\$10.78	\$10.78	\$110.00
4"	T	67	\$65.66	\$65.66	\$670.00
4"	C,D,P	17	\$16.66	\$16.66	\$170.00
6"	T	133	\$130.34	\$130.34	\$1,330.00
6"	C,D,P	33	\$32.34	\$32.34	\$330.00
8"	T	233	\$228.34	\$228.34	\$2,330.00
8"	C,D,P	54	\$52.92	\$52.92	\$540.00
10"	T	367	\$359.66	\$359.66	\$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 remained the same for years 2001 to 2007, data was not reported prior to 2001.

Multi-family water surcharge will be based on a bi-monthly per unit charge of \$0.74

Water rate surcharge Phase I adopted February 1, 1999. The first effective billing period was February 7, 1999. Phase I was revised and Phase II adopted on November 1, 2001.

<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 Three Years<sup>[1]</sup>  
 (in dollars)

<u>AREA</u>	<u>WATER</u>	<u>RECYCLED WATER</u>	<u>TOTAL</u>
<b>El Dorado Hills</b>			
<b>Residential/Commercial/Landscape (Potable only)</b>			
FCC	\$11,954		
Gabbro Soils	345		
Line & Cover 1	101		
Line & Cover 2	118		
TOTAL	\$12,518		\$12,518
<hr/>			
<b>El Dorado Hills</b>			
<b>Residential (Dual Plumbed)</b>			
FCC	\$5,977	\$2,241	
Gabbro Soils	345		
Line & Cover 1	101		
Line & Cover 2	118		
TOTAL	\$6,541	\$2,241	\$8,782
<hr/>			
<b>El Dorado Hills</b>			
<b>Commercial/Landscape (Recycled Water)</b>			
FCC		\$4,482	
TOTAL		\$4,482	\$4,482
<hr/>			
<b>El Dorado Hills</b>			
<b>Residential - AFA Entitlement (Potable only)</b>			
FCC	\$7,865		
Gabbro Soils	345		
Line & Cover 1	101		
Line & Cover 2	118		
TOTAL	\$8,429		\$8,429
<hr/>			
<b>El Dorado Hills</b>			
<b>Residential - AFA Entitlement (Dual Plumbed)</b>			
FCC	\$3,932	\$2,241	
Gabbro Soils	345		
Line & Cover 1	101		
Line & Cover 2	118		
TOTAL	\$4,496	\$2,241	\$6,737
<hr/>			
<b>El Dorado Hills</b>			
<b>Residential - AFA w/no Entitlement</b>			
FCC	\$7,865		
Gabbro Soils	345		
Line & Cover 1	101		
Line & Cover 2	118		
AFA/Weber	4,000		
TOTAL	\$12,429		\$12,429
<hr/>			
<b>General District - Potable only</b>			
FCC	\$7,953		
Gabbro Soils	345		
Line & Cover 1	101		
Line & Cover 2	118		
TOTAL	\$8,517		\$8,517

<sup>[1]</sup> For year 2005 through 2007 only, information not reported with the same methodology previous to 2005.

Note: All figures stated for 1 equivalent dwelling unit (EDU)

Source: EID Customer & Development Services Division

Table #19 continued  
 Facility Capacity Charges continued  
 Last Three Years<sup>[1]</sup>  
 (in dollars)

<u>AREA</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
<b>El Dorado Hills</b>		
Wastewater Buy In	\$8,443	
Recycled Costs Share	1,412	
<b>TOTAL</b>	<b>\$9,855</b>	<b>\$9,855</b>
<hr/>		
<b>Cameron Park</b>		
Wastewater Buy In	\$4,418	
Recycled Costs Share	1,412	
<b>TOTAL</b>	<b>\$5,830</b>	<b>\$5,830</b>
<hr/>		
<b>Motherlode</b>		
Wastewater Buy In	\$6,246	
Recycled Costs Share	1,412	
<b>TOTAL</b>	<b>\$7,658</b>	<b>\$7,658</b>
<hr/>		
<b>Satellite Areas</b>		
Wastewater Buy In	\$6,181	
Recycled Costs Share	0	
<b>TOTAL</b>	<b>\$6,181</b>	<b>\$6,181</b>

<sup>[1]</sup> For year 2005 through 2007 only, information not reported with the same methodology previous to 2005.

Note: All figures stated for 1 equivalent dwelling unit (EDU)

Source: EID Customer & Development Services Division

Table #20  
 Installation and Inspection Fees  
 Last Three Years<sup>[1]</sup>  
 (in dollars)

<b>Water Meter Installation Fees</b>	
3/4 Outlet with PR	\$537
3/4 Outlet with no PR	\$428
1 Outlet with PR	\$653
1 Outlet with no PR	\$508
<b>Wastewater Inspection Fees</b>	
Commercial	\$145
Residential	\$70

PR - Pressure Regulator

<sup>[1]</sup> For year 2005 through 2007 only, information not reported with the same methodology previous to 2005.

Source: EID Customer & Development Services Division

Table #21  
**Ratios of Outstanding Debt by Type**  
 Last Ten Years  
 (in thousand of dollars, except per capita)

<u>Year</u>	<u>State of California Loans</u>	<u>U.S. Government Loans</u>	<u>County of El Dorado Note</u>	<u>COPs</u>	<u>GO Bonds</u>	<u>Revenue Bonds</u>	<u>LaSalle Bank Bridge Loan</u>	<u>Capital Leases</u>	<u>Assessment and Improvement Districts</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
1998	\$8,444	\$17,851	\$2,318	\$0	\$0	\$65,313	\$0	\$0	\$0	\$93,926	2.01%	\$623
1999	152	17,137	1,935	-	-	77,512	-	441	-	97,177	1.90%	634
2000	1,616	16,300	1,533	-	-	75,991	-	775	-	96,215	1.72%	613
2001	2,934	15,500	1,533	-	-	74,135	15,000	600	-	109,702	1.92%	684
2002	2,934	14,652	1,533	-	-	72,190	15,000	459	-	106,768	1.78%	651
2003	3,224	-	1,533	165,825	6,000	68,885	15,000	254	-	260,721	4.14%	1,560
2004	3,096	-	1,533	249,545	5,585	-	-	101	-	259,860	3.92%	1,526
2005	5,918	-	1,533	248,000	5,330	-	-	-	-	260,781	n/a <sup>[1]</sup>	1,502
2006	16,543	-	1,533	244,165	5,010	-	-	-	-	267,251	n/a <sup>[1]</sup>	1,513
2007	16,138	-	1,533	240,220	4,685	-	-	-	-	262,576	n/a <sup>[1]</sup>	1,470

<sup>[1]</sup> Personal income for years 2005 to 2007 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 population figures are for the County of El Dorado
- 3) Personal Income information is not available for 2006 and 2005 so the figure for 2004 was used for those years.

Table #22  
Debt Service Coverage  
Revenue Certificates of Participation series  
2003A, 2003B, 2004A and 2004B  
Water and Wastewater<sup>[1]</sup>  
Last Five Years<sup>[2]</sup>  
(in dollars)

<u>Category</u>	<u>Revenues</u> <sup>[3]</sup>	<u>Expenses</u> <sup>[4]</sup>	<u>Net Revenues</u>	<u>Debt service</u>			<u>Coverage</u> <sup>[5]</sup>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
<u>Water</u>							
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
<u>Wastewater</u>							
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
<u>Total</u>							
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

<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 2006 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 2003 and 2004 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 #23  
**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>		
	<b>Residential</b>	<b>Non- Residential</b>	<b>Single Family</b>	<b>Multi- Family</b>	<b>Single Family</b>	<b>Multi- Family</b>	<b>Commercial</b>
1998	\$169,862	\$19,739	662	152	659	141	63
1999	\$239,861	\$36,517	890	140	690	136	59
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

Source: El Dorado County Land Management Information System



Table #24  
Principal Employers  
of El Dorado County  
Current Year and Nine Years Ago

<u>Employer</u>	<u>2007</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	2,057	1	2.18%	1,525	1	1.98%
Blue Shield of California	1,434	2	1.52%	-	-	-
DST Output	1,200	3	1.27%	-	-	-
Marshall Medical Center	979	4	1.04%	810	3	1.05%
State of California	703	5	0.74%	-	-	-
Sierra-at-Tahoe	635	6	0.67%	-	-	-
El Dorado County Office of Education	528	7	0.56%	600	5	0.78%
Safeway Inc.	434	8	0.46%	-	-	-
Roebbelen	375	9	0.40%	-	-	-
El Dorado Irrigation District	340	10	0.36%	219	7	0.28%
IBS, A USCS International Company	-	-	-	1,250	2	1.63%
Barton Hospital	-	-	-	750	4	0.98%
U.S. Forest Service	-	-	-	290	6	0.38%
City of South Lake Tahoe	-	-	-	206	8	0.27%
Sierra Pacific Industries	-	-	-	135	9	0.18%
Pacific Western Plastic	-	-	-	120	10	0.16%
<b>Total</b>	<b><u>8,685</u></b>		<b><u>9.19%</u></b>	<b><u>5,905</u></b>		<b><u>7.68%</u></b>

Source 2007: Sacramento Business Journal, April 18, 2008

Source 1998: El Dorado County Chamber of Commerce

Table #25  
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>Personal Income</u> (in thousands of dollars)	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>
1998	150,857	1.7%	76,900	73,100	5.0%	\$4,684,243	\$31,051	29,006
1999	153,231	1.6%	79,300	76,200	3.9%	\$5,117,082	\$33,395	28,864
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%	\$6,636,228	\$38,961	29,072
2005	173,668	2.0%	92,000	87,600	4.8%	n/a <sup>[1]</sup>	n/a <sup>[1]</sup>	29,368
2006	176,637	1.7%	93,000	88,700	4.6%	n/a <sup>[1]</sup>	n/a <sup>[1]</sup>	29,332
2007	178,674	1.2%	94,500	89,600	5.2%	n/a <sup>[1]</sup>	n/a <sup>[1]</sup>	29,417

<sup>[1]</sup> Information more recent than 2004 unavailable at time of report

Source: Economic Development Department, California Labor Market Information Division  
California Department of Education, Educational Demographics Unit

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

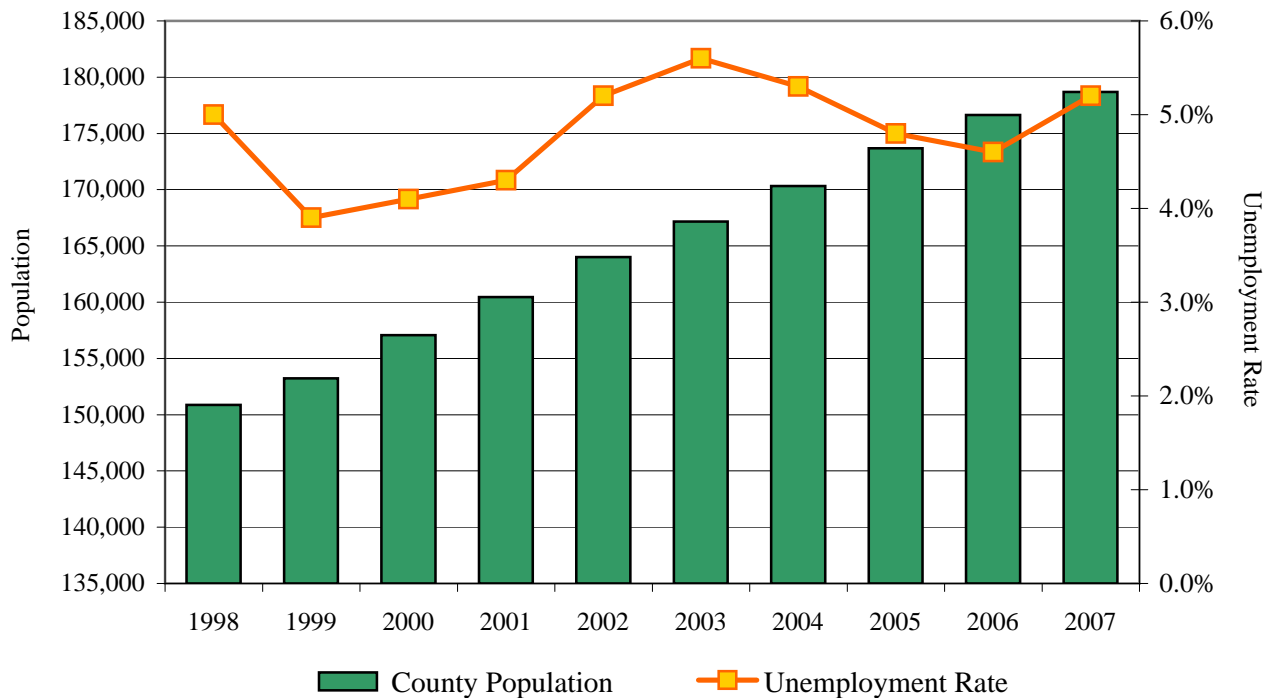


Table #26  
Water System Demographics and Statistical Summary  
Last Ten Years

<b>Water System</b>	<b>Year</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>1999</b>	<b>1998</b>
<b>Facilities:</b>										
Miles of Main Line (estimated)	1,245	1,289	1,245	1,229	1,220	1,200	1,150	1,150	1,111	1,111
Miles of Ditches (estimated)	27	27	27	37	40	40	40	40	50	50
Number of Treatment Plants	6	6	6	6	6	6	6	6	6	6
Total Plant Capacity (cfs)	184	184	177	177	164	161	190	147	123	123
# of Pumping Stations	37	38	38	38	36	34	21	21	21	21
# of Storage Tanks/Reservoirs	36	36	35	35	32	28	33	33	26	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
USBR-Folsom Lake <sup>[1]</sup>	24,500	24,500	7,550	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
Crawford Ditch <sup>[2]</sup>	=	=	=	=	=	<u>700</u>	<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>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>46,330</b>
<b>Supply Delivered (acre feet):</b>										
Sly Park Reservoir <sup>[3]</sup>	22,467	21,694	20,144	22,919	23,312	25,738	23,280	17,492	19,163	18,420
USBR-Folsom Lake	9,171	8,189	7,555	8,424	7,528	7,728	7,136	6,436	6,138	4,960
Forebay - Project 184 <sup>[3]</sup>	12,329	11,451	9,957	12,016	6,298	4,719	7,730	10,253	9,495	5,947
Crawford Ditch <sup>[2]</sup>	=	=	=	=	=	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>
<b>Total Water Deliveries</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>30,027</b>
<b>Consumption (acre feet)<sup>[4]</sup>:</b>										
Residential <sup>[5]</sup>	23,341	22,190	20,319	22,559	20,169	20,090	19,469	18,068	18,106	14,714
Commercial and Industrial	3,076	2,850	2,805	2,806	2,778	2,613	2,613	2,361	2,482	2,002
Agricultural <sup>[6]</sup>	5,262	4,963	4,712	6,433	6,074	5,242	5,742	5,950	6,153	5,255
Recreational Turf	1,364	1,387	1,235	1,605	1,112	1,357	1,383	2,044	2,028	1,270
Municipal	<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>	<u>1,464</u>
<b>Total Water Consumption</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>24,705</b>
<b>Customer Accounts<sup>[4]</sup>:</b>										
Residential <sup>[5]</sup>	36,223	35,825	35,221	34,180	33,184	31,578	30,458	29,250	28,243	27,665
Commercial and Industrial	1,417	1,344	1,303	1,254	1,217	1,181	1,130	1,104	1,072	1,040
Agricultural <sup>[6]</sup>	390	389	391	380	397	349	342	372	356	331
Recreational Turf	109	108	104	101	97	99	99	97	93	92
Municipal	<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>	<u>9</u>
<b>Total Water Accounts</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>	<b>29,137</b>

<sup>[1]</sup> Folsom now includes USBR water service contract for 7,550 AF *and* Water Right permit No. 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: 2007 Water Resource and Service Reliability Report, Annual Consumption Report and Facilities Management Department

Table #27  
**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>
1998	41,700	30,027	24,638	560	n/a	4,829
1999	43,280	35,496	30,262	405	n/a	4,829
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	4,909
2004	54,550	43,359	35,160	1,692	918	5,588
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

<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, meter testing, sewage lift station and collection system flushing, private fire services, fire hydrant meters, aesthetics maintenance, pipeline draining, and ditch deliveries.

<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: 2007 EID Water Resources and Service Reliability Report

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

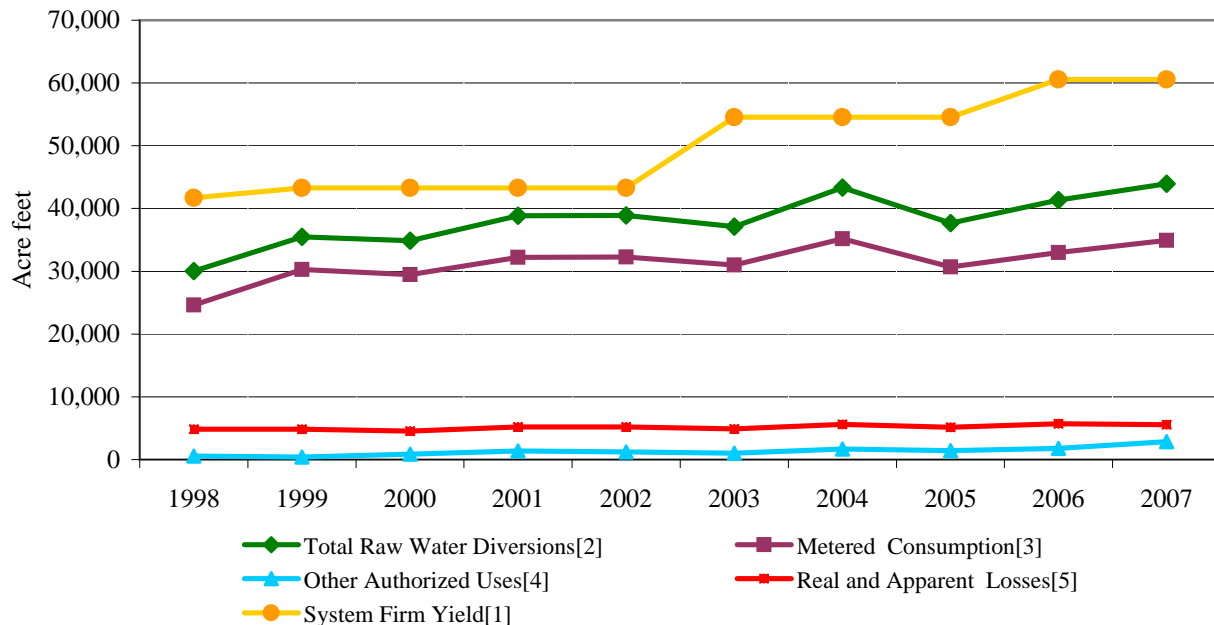


Table #28  
**Recycled Water System**  
**Demographics and Statistical Summary**  
 Last Ten Years

<b>Recycled Water System</b>	<b>Year</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>1999</b>	<b>1998</b>
<b>Facilities:</b>										
Miles of Recycled Pipe	49	49	46	44	37	28	11	n/a	n/a	n/a
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2
Storage Reservoirs /Tanks	5	5	5	5	4	4	4	4	4	4
Number of Pump Stations	5	5	5	5	4	4	4	4	4	4
<b>Consumption (acre feet):</b>										
Residential <sup>[1][2]</sup>	1,578	1,331	1,008	713	493	274	155	46	1	-
Commercial & Industrial <sup>[3]</sup>	789	726	669	547	441	751	560	586	636	628
Recreational Turf	571	726	455	721	755	811	886	561	864	184
<b>Total Recycled Water Consumption</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>1,500</b>	<b>812</b>
<b>Customer Accounts:</b>										
Residential <sup>[1][2]</sup>	3,513	3,277	3,010	2,420	1,978	1,247	811	392	21	-
Commercial & Industrial <sup>[3]</sup>	156	147	129	101	91	89	92	59	36	36
Recreational Turf	12	13	12	12	9	9	3	3	3	2
<b>Total Recycled Water Accounts</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>	<b>60</b>	<b>38</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 2007 Water Resources and Service Reliability Report and Facilities Management Department

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

<u>Wastewater System</u>	<u>Year</u>									
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>Facilities:</b>										
Miles of Sewer Line	390	390	377	377	338	305	300	300	300	300
Number of Treatment Plants	5	5	5	5	5	5	5	5	5	5
Permitted Average Dry Weather Flow (mgd)	6.60	6.60	6.60	6.60	5.50	5.50	5.50	5.50	5.50	5.50
Plant Capacity Wet Weather (mgd)	22.40	22.40	22.40	22.40	7.50	7.50	7.50	7.50	7.50	7.50
Avg. Dry Weather Daily Plant Flow (mgd)	5.45	5.79	4.68	5.15	4.58	4.25	4.18	4.17	4.00	3.98
El Dorado Hills Plant (mgd)	2.68	2.69	2.28	2.44	2.08	1.72	1.74	1.58	1.49	1.52
Deer Creek Plant (mgd)	2.77	3.10	2.40	2.71	2.50	2.53	2.44	2.59	2.51	2.46
Number of Lift Stations	63	63	60	60	60	58	58	57	50	50
<b>Customer Accounts:</b>										
Residential <sup>[1]</sup>	19,422	19,192	17,849	17,310	16,111	14,946	13,882	13,264	12,130	11,765
Commercial & Industrial	752	699	644	608	581	551	532	511	550	453
Schools	27	27	22	21	20	23	19	19	20	19
<b>Total Wastewater Accounts</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>	<b>12,700</b>	<b>12,237</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**

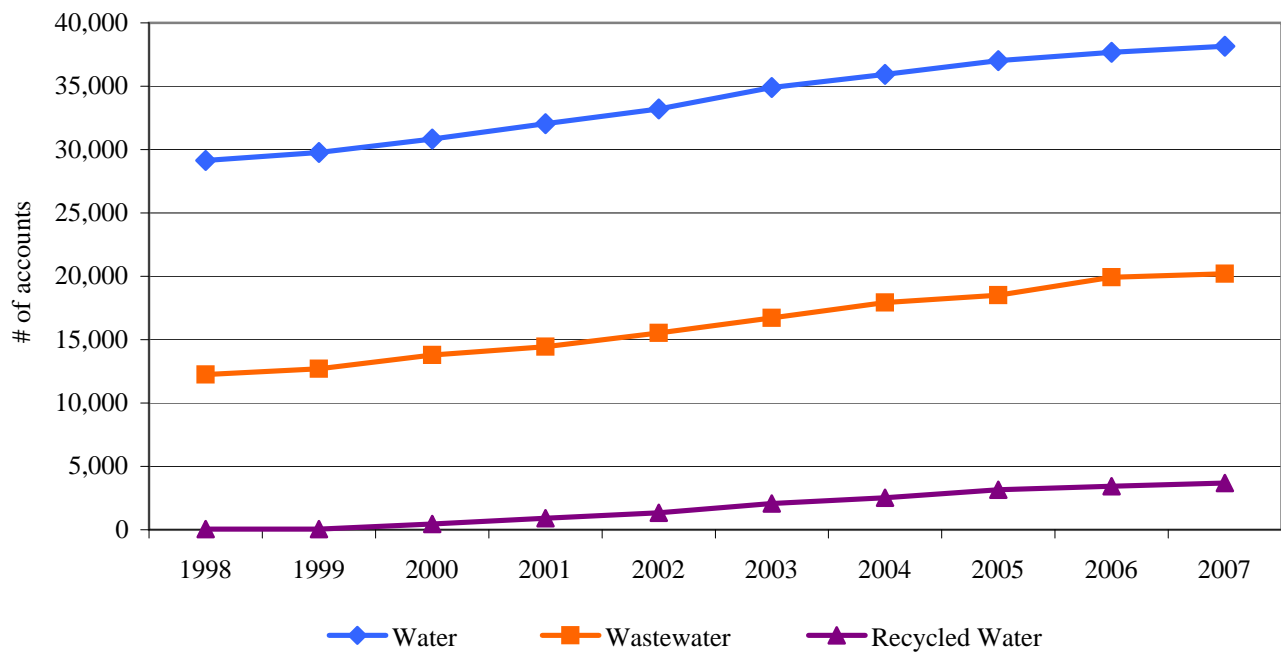


Table #30  
Recreation Demographics and Statistical Summary  
Last Ten Years

<u>Recreation</u>	<u>Year</u>									
	<u>2007</u>	<u>2006</u> <sup>[1]</sup>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Day Visitors <sup>[2]</sup>	155,730	69,523	78,144	76,930	75,706	72,343	90,865	85,735	83,206	80,688
Overnight Campers	69,381	60,855	85,760	77,968	75,080	74,963	90,971	99,700	77,903	62,516
Boat Use	17,435	17,003	24,825	18,823	13,285	13,671	12,762	11,278	11,090	12,444
Museum Visitors	0	0	500	1,100	1,200	1,300	1,580	1,475	1,360	1,340
Guided Hikes	0	2	4	4	2	5	8	11	10	22
Fish Plants	8	5	7	9	9	9	6	6	6	8
Volunteer Hours	0	0	0	5,000	4,900	4,700	4,500	4,000	3,800	5,520
Museum Volunteer Hours	0	0	0	500	500	500	500	515	500	500

<sup>[1]</sup> Decreased visitors due to waterline construction in 2006

<sup>[2]</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
Native American/Historical Museum	1

Chart #11

Recreation Visitor Statistics

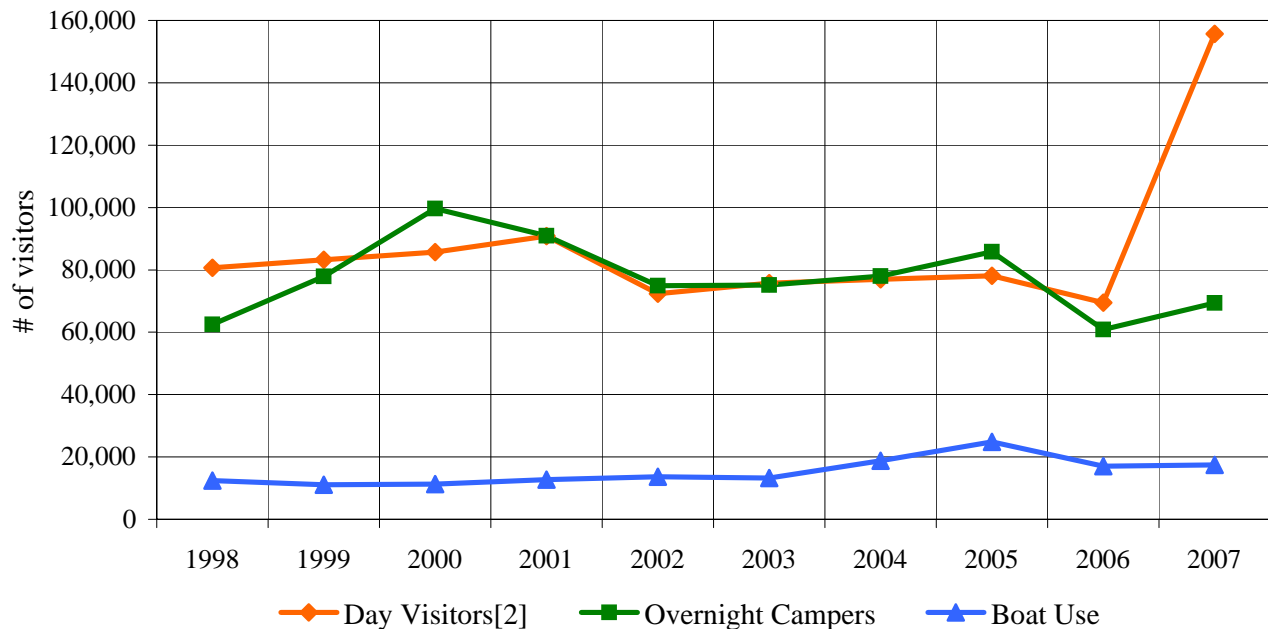


Table #31  
 Full-time Equivalent Employees by Function/Program  
 Last Four Years<sup>[1]</sup>

<u>Function/Program</u>	<u>Full-time Equivalent Employees for Year</u>			
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Office of the General Manager <sup>[2]</sup>	22	15	21	12
Facilities Management	153	147	151	146
Finance and Management Services	55	55	51	39
Strategic Management and Communication	44	49	43	58
Recreation	7	7	6	6
Environmental Compliance and Water Policy	24	24	23	14
<b>District Total</b>	<b>305</b>	<b>297</b>	<b>295</b>	<b>275</b>

<sup>[1]</sup> Data not available in the same organizational format for 1998 to 2003

<sup>[2]</sup> Contract Management and IT divisions moved to the Office of the General Manager

Source: El Dorado Irrigation District Finance Department



Table #32

Residential Rate Increases  
Last Ten Years

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>
1998	0.0%	0.0%
1999	0.0%	62.4%
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>

<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

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