

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006



EL DORADO IRRIGATION DISTRICT
PLACERVILLE, CALIFORNIA

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006



EL DORADO IRRIGATION DISTRICT
PLACERVILLE, CALIFORNIA
WWW.EID.ORG

PREPARED BY THE FINANCE
AND MANAGEMENT SERVICES DEPARTMENT

TABLE OF CONTENTS

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

Letter of Transmittal	1
Government Finance Officers Association Award	8
Organization Chart	9
Directors and District Officials and Acknowledgements.....	10
Map of Major District Water and Wastewater Facilities	11

FINANCIAL SECTION

Independent Auditor's Report.....	13
Management's Discussion and Analysis.....	15
Basic Financial Statements.....	25-29
Balance Sheets	25
Statements of Revenues, Expenses and Changes in Net Assets.....	27
Statements of Cash Flows	28
Notes to the Basic Financial Statements (An essential part of the financial statements).....	30

COMPLIANCE REPORT

Report on Internal Control Over Financial Reporting and on Compliance Over Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	47
Schedule of Findings and Responses	49

SUPPLEMENTAL SCHEDULES

Combining Balance Sheets	51
Combining Schedule of Revenues, Expenses and Changes in Net Assets.....	53
Combined Schedule of Revenues, Expenses and Changes in Net Assets Budget and Actual	54

STATISTICAL SECTION

FINANCIAL TRENDS DATA

Net Assets by Component, last six fiscal years: Table 1	56
Change in Net Assets, last six fiscal years: Table 2.....	57
Operating Revenues by Source, last ten fiscal years: Table 3, Chart 1	58
Non-Operating Revenues by Source, last ten fiscal years: Table 4, Chart 2	59
Operating Expenses by Function, last six fiscal years: Table 5, Chart 3	60
Non-Operating Expenses by Function, last ten fiscal years: Table 6, Chart 4	61

REVENUE CAPACITY DATA

Assessed Value and Actual Value of Taxable Property: Table 7.....	62
Direct and Overlapping Property Tax Rates, last ten fiscal years: Table 8.....	63
Principal Property Tax Payers, current fiscal year and four years ago: Table 9	64
Property Tax Levies and Collections, last ten fiscal years: Table 10, Chart 5.....	65
Equivalent Dwelling Unit (EDU) Sales, last ten fiscal years: Table 11, Chart 6	66
Water and Recycled Water Sales by Type of Customer, last ten fiscal years: Table 12, Chart 7	67

TABLE OF CONTENTS
2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION (*CONTINUED*)

REVENUE CAPACITY DATA (*CONTINUED*)

Largest Water Customers, current year and five years ago: Table 13.....	68
Largest Wastewater Customers, current year and five years ago: Table 14	69
Water Rates, last ten fiscal years: Table 15	70-74
Wastewater Rates, last ten fiscal years: Table 16	75
Recycled Water Rates, last ten fiscal years: Table 17.....	76
Water and Wastewater Rate Surcharges, last six fiscal years: Table 18.....	77
Facility Capacity Charges, last two fiscal years: Table 19.....	78-79
Installation and Inspection Fees, last two fiscal years: Table 20	79

DEBT CAPACITY DATA

Ratios of Outstanding Debt by Type: Table 21.....	80
Debt Service Coverage Revenue Certificates of Participation Series 2003A, 2003B, 2004A and 2004B Water and Wastewater: Table 22.....	81

DEMOGRAPHIC AND ECONOMIC INFORMATION

Building Permit and Valuation Demographics for EID Service Area, last ten fiscal years: Table 23.....	82
Principal Employers of El Dorado County, current and eight years ago: Table 24	83
El Dorado County Demographic and Economic Statistics, last ten fiscal years: Table 25, Chart 8	84

OPERATING INFORMATION

Water System Demographics and Statistical Summary, last ten fiscal years: Table 26	85
Water Supply and Demand Data, last ten fiscal years: Table 27, Chart 9	86
Recycled Water System Demographics and Statistical Summary, last ten fiscal years: Table 28.....	87
Wastewater System Demographics and Statistical Summary, last ten fiscal years: Table 29, Chart 10.....	88
Recreation Demographics and Statistical Summary, last ten fiscal years: Table 30, Chart 11	89
Full-time Equivalent Employees by Function/Program, last three fiscal years: Table 31	90
Residential Rate Increases, last ten fiscal years: Table 32	91





June 7, 2007

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, 2006. This is the fifth 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 first 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 Richardson & Company 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, 2006. Based on the findings and results of the audit, the auditors have identified the District as fiscally sound and a low-risk auditee.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a profile of the District, the economic condition of the District, and awards and acknowledgements. The financial section includes the Independent Auditor's Report, MD&A, basic financial statements, including all District funds, notes to the financial statements, compliance report, and the supplemental schedules. The statistical section, in compliance with GASB 44, provides District information for five specific reporting areas including, financial trends, revenue capacity, debt information, demographic and economic information, and operating information.

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 municipal and industrial water, irrigation water, 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 the full complement of water-related services.

The District is located in El Dorado County on the Western slope of the Sierra Nevada Mountains, 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 service area and the communities of Pleasant Valley and South Shingle Springs establish the southern-most service area. The City of Placerville, located in the central part of the District, receives water from the District on a wholesale basis. The District provides a variety of water services to approximately 100,000 customers.

The District also owns and operates a 21 megawatt hydroelectric generation project licensed by the Federal Energy Regulatory Commission (FERC). This project consists of 4 reservoirs including, Echo Lake, Lake Aloha, Caples Lake, and Silver Lake, dams, and approximately 23 miles of flumes, canals, siphons, and tunnels. The project is located through out the Sierra Nevada Mountains 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 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 at the Sacramento County line to over 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 over 1,289 miles of pipe, 27 miles of ditches, 6 treatment plants, 36 storage reservoirs and 38 pumping stations. In addition, 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 for landscape irrigation on single family homes in selected District communities. The recycled water system operates over 49 miles of pipe, 6 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, winning state and regional awards over the past 7 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) and 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 under contract by EID 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, 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 4,000 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 their geographical district area. Each Director serves a four-year staggered term and must be a resident of the district he or she represents. A President and Vice-President are chosen from among its members annually. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board, and 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 recreation. 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 ability to approve CIP budget increases and overall appropriations and transfers up to \$50,000 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 the long-term regional forecast shows a continued demand for housing in El Dorado County, the regional and local housing market boom slowed the second half of 2005 through 2006. Sky-high prices leveled off and sales decreased notably. According to the Sacramento Area Council of Governments, the long-run regional outlook still shows a continued growth trend in El Dorado County with projections that El Dorado County, excluding the Tahoe Basin, will add 41,075 housing units between January 1, 1997 and July 1, 2020. Almost half of the growth will occur in the El Dorado Hills area. Also maintaining growth and development in El Dorado County was the recent adoption of the county-wide General Plan effective September 2005. Single-family building permits in the District's service area have averaged 1,299 per year from 2000 to 2005, decreasing to 681 in 2006.

In contrast to the housing market slow down, commercial real estate development continues to accelerate. The El Dorado County retail/commercial industry exploded with aggressive construction on the long-planned Town Center in El Dorado Hills and along the Missouri Flat Road corridor in Placerville.

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 region served by EID. In the last ten years, from 1997 to 2006, El Dorado County's population has increased by 18.8% to 176,204, with a projected population of 195,000 by 2015, according to the El Dorado County 2005 Economic and Demographic Profile.

El Dorado County residents employed within the District's service area work in a variety of industries including: government, healthcare, retail trade, education, construction, manufacturing, agriculture, professional business, and hospitality. The largest employers in El Dorado County are in the public service, healthcare, data processing, and trade industries; with the largest percentage of the county's employed civilian labor force working in El Dorado County.

Most El Dorado County residents are within commuting distance of the greater Sacramento region, offering traditional employment in the defense and State government industry and more diversified employment opportunities such as computer technology, financial services, healthcare, and biotechnology.

The 2006 El Dorado County unemployment rate remained consistent with 2005 at 4.6%.

El Dorado County General Plan

In 2004, the El Dorado County adopted a final General Plan and Environmental Impact Report (EIR), which voters approved in March 2005. As required by the 1999 Superior Court decision that voided the County's certification of the EIR for the 1996 General Plan, the new General Plan and EIR had to be reviewed and approved by the Court before becoming effective in September 2005. The new General Plan incorporates the Measure Y Traffic Control Initiative, which has slowed the formation of new subdivisions and will govern future development in El Dorado County. The adopted General Plan, however, does not change existing District infrastructure development plans.

“The General Plan provides land use guidelines...that recognize, promote, facilitate and support activities that provide a positive sustaining economic base for the County, maximize the economic potential of the County's natural resources...and provide housing and job opportunities that are accessible to all levels of our society.” (El Dorado County General Plan Economic Development Element, July 2004)

Property Tax Revenue

The total secured assessed valuation of the properties within the District's 220 square-mile service area increased 17% to \$4.9 billion in 2006. Property tax revenues increased from \$3.7 million in 2005 to \$10.1 million in 2006. The State's 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. Senate Bill 1317, approved by the Governor September 30, 2006, would affect new property tax revenues to special districts if an electrical substation or generation facility was developed within the same county. However, this does not affect the District's property tax revenues at this time. The District allocated 100% of the annual property tax revenues received in 2006 toward operations.

Long-term Financial Planning

In 2003, the District undertook the development and implementation of a multi-faceted comprehensive financing plan that incorporated a water and wastewater rate analysis, a study of facility capacity charges (FCCs) or hook up fees, and a financing plan for the funding of the District's five-year capital improvement program (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 due to the Educational Revenue Augmentation Fund (ERAF) shift, the District also raised water and wastewater rates effective September 1, 2004. These rate increases end in 2008. However, 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 rates resulting from the taskforce recommendations were adopted by the Board on April 18, 2005.

In 2004, the District issued refunding debt in the form of both auction rate and fixed rate Certificates of Participation (COP) 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. The 1999 revenue bonds will be redeemed in full on February 15, 2007.

The District is currently in the process of updating its comprehensive financial plan to include a water and wastewater rate analysis, a study of facility capacity charges (FCCs) or hook up fees, and a financing plan for the funding of the District's five-year, \$298 million capital improvement program (CIP).

Cash Management

The District's cash is invested in securities allowable under the California State Government Code and in compliance with the District's Investment Policy, which focuses on the goals of safety, liquidity, and yield and seeks to minimize credit and market risks but maintain a competitive market yield. Interest rates rose in 2006 bringing the District's overall portfolio yield to 4.24% from 3.26% in the prior year.

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 in compliance with the District's Debt Management Policy. EID's general philosophy on debt is to utilize pay-as-you-go funds for minor construction projects and to utilize debt issuances for major long-term construction projects. This enables future users to share in the costs without overburdening existing ratepayers.

The District has specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the El Dorado Irrigation District 2003A and 2003B COPs; the El Dorado Irrigation District 2003 General Obligation (GO) Bonds, and the El Dorado Irrigation District 2004A and 2004B COPs. The required continuing disclosure items can be found in the statistical section of the CAFR beginning on Page 55.

Risk Management

As part of a continuing effort to reduce costs and provide optimal protection and coverage, the District's risk management strategy is a combination of self-insurance and commercial insurance in excess of the deductibles. The deductible for general liability is \$25,000 per occurrence with a \$1 million coverage limit per occurrence and a \$3 million aggregate. For property damage the deductible is \$100,000 per occurrence. The District is also self-insured for employee dental and vision claims, automobile collision damage and mobile equipment. A major requirement of the District's competitive property insurance program requires the insurer to cover the extensive flume and conveyance system of Project 184. The District is continually evaluating its insurance programs.

MAJOR INITIATIVES

Pleasant Oak Main

In 2006, the District completed repair construction of the Pleasant Oak Main (POM) line to increase the safety of the water supply and to prevent further line breaks. This significant project consists of the construction of approximately 5.5 miles of 36-inch water main to replace the Techite portions of the POM between Reservoir A and Reservoir C, located on the District map on page 11.

El Dorado Hills Service Area

In response to the fast pace of County approved growth in the El Dorado Hills service area, District staff members have accelerated the plant expansions at both the El Dorado Hills Wastewater Treatment Plant (EDHWWTP) and Water Treatment Plant (EDHWTP). Substantial construction on the EDHWWTP is required to provide adequate Average Dry Weather Flow capacity of 4.0 mgd to fully comply with the current discharge permit requirements. Construction is expected to be completed in 2010.

The EDHWTP and Folsom Lake Raw Water Pump Station (FLRWPS) will be expanded in two phases. Phase 1 will increase the capacity of the EDHWTP to 24.4 mgd and will be completed by end of 2008. Phase 2 will increase the plant capacity to 31.5 mgd and is expected to be completed between 2011 and 2012 utilizing a combination of conventional and membrane technology. Because membrane technology requires less space than conventional filtration, the ultimate capacity of the EDHWTP could be as much as 70 mgd at the existing site. The FLRWPS 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 within Folsom Lake for downstream fisheries and permit the District to utilize its full water right. The new FLRWPS station will also be expanded in phases to match the phased expansions of the EDHWTP. Geographical locations of the District's major water and wastewater facilities can be found on page 11 of this report.

Energy Savings

A prime opportunity to reduce the District's energy costs and improve efficient energy use is the Solar Photovoltaic (PV) system at the EDHWWTP. 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 (PG&E) in the amount of \$2.8 million pays for approximately 50% of the capital cost of the project, which began operation in June 2006. The estimated energy cost savings from the Solar PV system was \$170,000 in 2006.

FERC License

On October 18, 2006, the Federal Regulatory Energy Commission (FERC) issued a 40-year License for the District's 21-megawatt hydroelectric plant known as Project 184. The 40-year license took more than seven years to achieve. With the license in hand, the District is engaged in satisfying a number of mitigation measures, deadlines and other requirements imposed by the new license. The areas requiring District action include, among others, the project's impact on biological, hydrology, and water quality; cultural resources; transportation; and recreation.

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, 2005. This is the tenth consecutive year that the District has received this prestigious national award. In order to be awarded 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.

On the operations side, the District won 'ACWA Finalist' for the Clair A. Hill award, recognizing the District's Bass Lake Tanks Kid's Planting Project. The District's wastewater operations were also recognized in 2006, earning Electrician of the Year and Collection Person of the Year Award from the CWEA Sacramento section.

Additional outstanding District recognition includes the election of the District's General Manager to the ACWA Executive Committee Board of Directors as Vice Chair of the Regional Water Authority, and Board Director John Fraser's service on the Board of the National Water Resources Association.

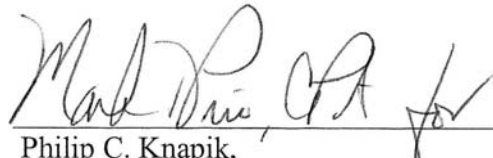
The preparation of this report required the exceptional services and dedicated efforts of the entire Finance and Management Services Department. We would like to express our appreciation to all District staff members who contributed to the preparation of this report including the Facilities Management, Strategic Management and Communication, Recreation and Environmental Compliance and Water Policy Departments, along with the Office of the General Manager.

We would also like to 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,



Ane D. Deister
General Manager



Philip C. Knapik,
Director of 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, 2005

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.



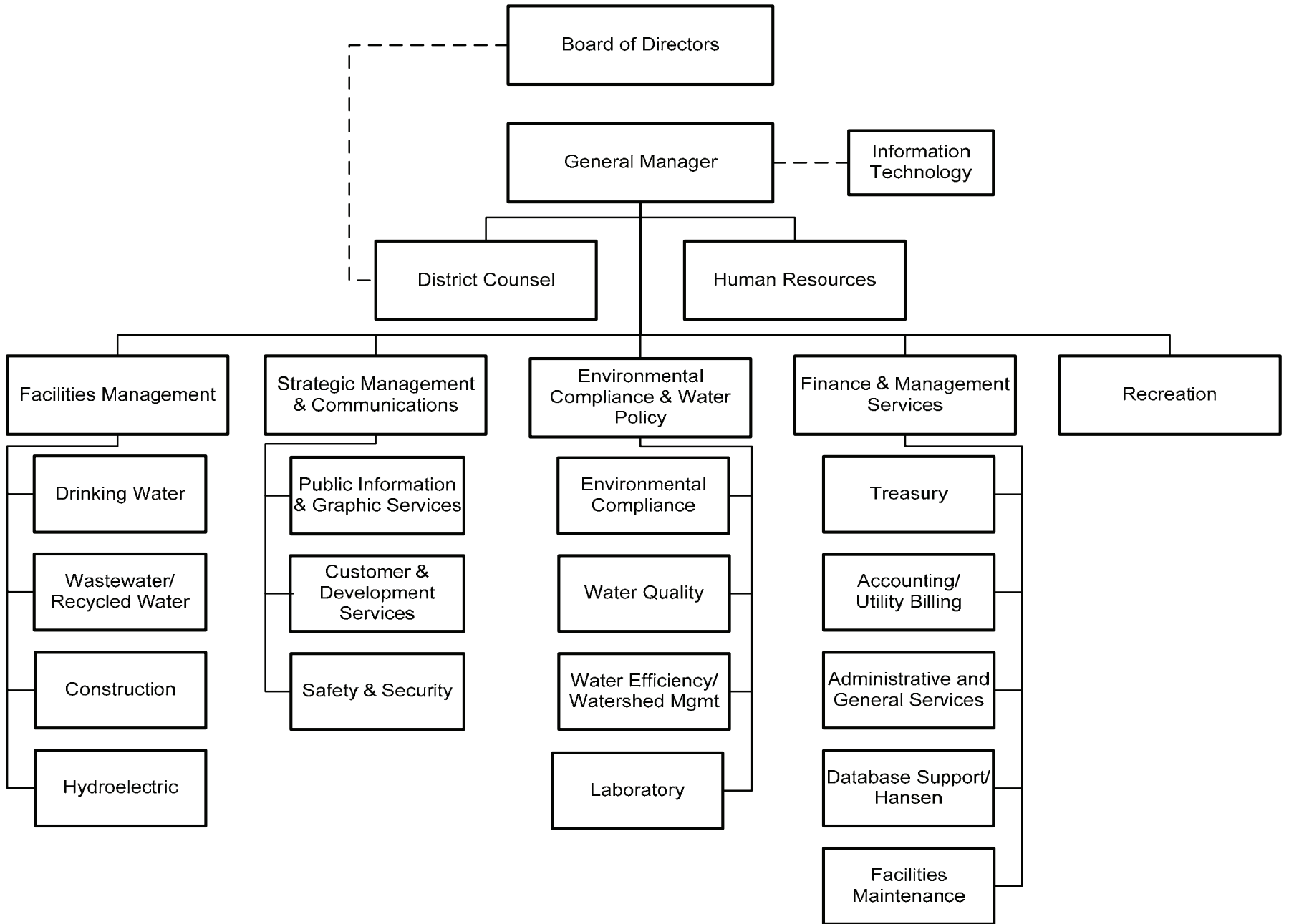
A handwritten signature in black ink, appearing to read "Ronald J. Haun".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

El Dorado Irrigation District Organization Chart



EL DORADO IRRIGATION DISTRICT



2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2006

BOARD OF DIRECTORS

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

DISTRICT OFFICIALS

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

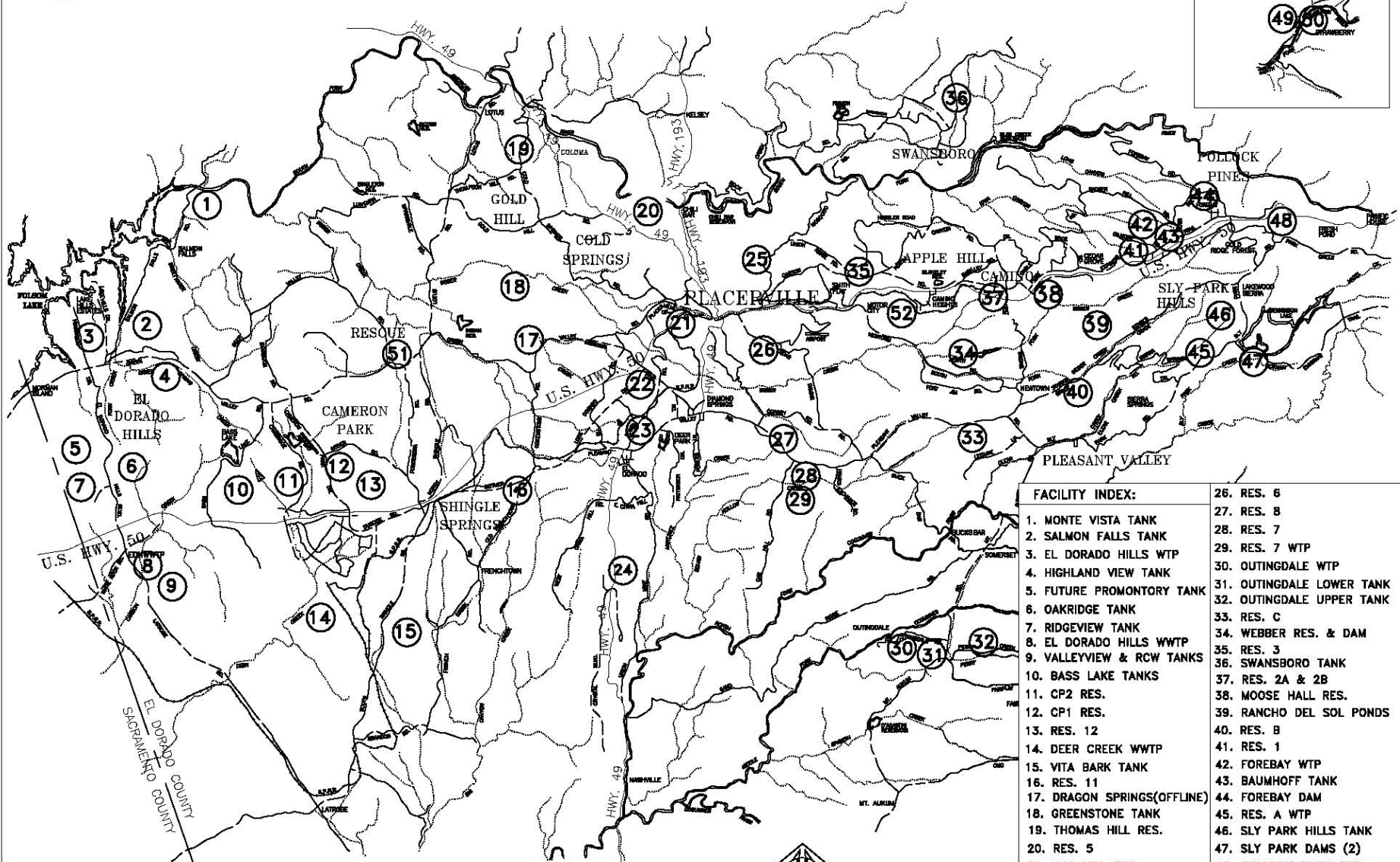
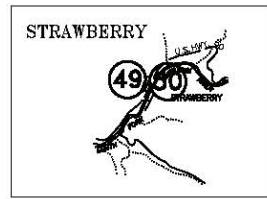
ACKNOWLEDGMENTS

Prepared by the EID Finance and Management Services Department

Philip Knapik, Director of Finance and Management Services
Mark Price, CPA, Asst. Director of Finance and Management Services
Gary Buzby, Deputy Treasurer
Karen Coleman, Acting Accounting Manager
Minda Bila, Administrative Analyst

El Dorado Irrigation District Major Water and Wastewater Facilities

**FACILITY
MAP**



FACILITY INDEX:	
1. MONTE VISTA TANK	26. RES. 6
2. SALMON FALLS TANK	27. RES. 8
3. EL DORADO HILLS WTP	28. RES. 7
4. HIGHLAND VIEW TANK	29. RES. 7 WTP
5. FUTURE PROMONTORY TANK	30. OUTINGDALE WTP
6. OAKRIDGE TANK	31. OUTINGDALE LOWER TANK
7. RIDGEVIEW TANK	32. OUTINGDALE UPPER TANK
8. EL DORADO HILLS WWTP	33. RES. C
9. VALLEYVIEW & RCW TANKS	34. WEBBER RES. & DAM
10. BASS LAKE TANKS	35. RES. 3
11. CP2 RES.	36. SWANSBORO TANK
12. CP1 RES.	37. RES. 2A & 2B
13. RES. 12	38. MOOSE HALL RES.
14. DEER CREEK WWTP	39. RANCHO DEL SOL PONDS
15. VITA BARK TANK	40. RES. B
16. RES. 11	41. RES. 1
17. DRAGON SPRINGS(OFFLINE)	42. FOREBAY WTP
18. GREENSTONE TANK	43. BAUMHOFF TANK
19. THOMAS HILL RES.	44. FOREBAY DAM
20. RES. 5	45. RES. A WTP
21. SAC HILL RES.	46. SLY PARK HILLS TANK
22. RES. 10	47. SLY PARK DAMS (2)
23. RES. 9	48. POLLOCK PINES RES.
24. DOLOMITE RES.	49. STRAWBERRY TANK
	50. STRAWBERRY WTP
	51. RANCHO PONDEROSA POND
	52. SAN JUAN WTP





INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the El Dorado Irrigation District (the District) as of December 31, 2006 and 2005 and for the years then ended, 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 basic financial statements based on our audits.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2006 and 2005 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2007, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 24 is not a required part of the basic financial statements but is supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the Board of Directors
El Dorado Irrigation District

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. 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.

Richardson & Company

June 7, 2007

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, 2006. This information is presented in conjunction with the audited financial statements and their accompanying notes.

FINANCIAL HIGHLIGHTS

The District's total net assets increased \$20.6 million in 2006. In the prior year, the comparable increase was \$15.2 million. Operating revenues increased by \$1.3 million to \$35.5 million and operating expenses increased by \$2.5 million to \$42.2 million, excluding depreciation. In 2005 these increases were \$5.5 million for operating revenues and \$3.6 million for operating expenses over 2004. Non-operating revenues were \$12.2 million more than non-operating expenses in 2006 and \$9.2 million more than non-operating expenses in 2005. Non-operating expenses exceeded non-operating revenues by \$.8 million in 2004. 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. Increasing interest rates on the variable rate debt caused interest expense to increase by \$1.4 million in 2006 and \$1.1 million in 2005. Facility capacity charges for 2006 were \$4.4 million less than 2005 but developer contributions were \$8.7 million higher than 2005. For the prior year, facility capacity charges were \$6.0 million greater than 2004 but developer contributions were lower than 2004 by \$9.8 million.

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. The District's hydroelectric Project 184 came online in late 2003 generating revenues of \$2.2 million in 2004, \$5.6 million in 2005, and \$3.8 million in 2006.

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.

Long-term assets increased by \$25.7 million as a result of additional deferred costs of \$32.4 million incurred in connection with the FERC re-license costs and a decline in investments of \$6.6 million. Deferred credits of \$33.1 million related to the FERC license are included in long-term liabilities of \$298.6 million.

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, 2006 and 2005, the Statements of Revenues, Expenses and Changes in Net Assets for the years ended December 31, 2006 and 2005, and the Statements of Cash Flows for the years ended December 31, 2006 and 2005.

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 \$20.6 million in 2006 and \$15.2 million in 2005. The increase in net assets of \$20.6 million and the increase of \$16.1 million in unrestricted net assets are good indications that the District's financial condition improved during the year. Net assets invested in capital assets, net of related debt, increased by \$.4 million to \$279.6 million resulting from expenditures net of debt for capital assets. The related increase in the prior year was \$10.6 million. Restricted net assets increased by \$4.1 million to \$45.7 million primarily due to unspent facility capacity charges restricted for new facilities. In the prior year, restricted net assets declined by \$.4 million. Net assets restricted for debt service increased by \$.6 million resulting from a release of debt-related restrictions due to the pay down of debt. Unrestricted net assets increased by \$16.1 million. In the prior year, unrestricted net assets had decreased \$5.0 million to \$55.4 million. The increase in unrestricted net assets of \$16.1 million indicates that the District's financial condition has improved.

Capital assets increased by \$58.9 million to \$536.4 million as a result of the capital improvement program. In the prior year, the increase in capital assets was \$44.7 million to \$477.5 million. Long-term assets increased by \$25.7 million as a result of additional deferred costs of \$32.4 million incurred in connection with the FERC re-license costs and a decline in investments of \$6.6 million. Deferred credits of \$33.1 million related to the FERC license are included in long-term liabilities of \$298.6. Current assets declined by \$ 23.4 million as a result of the draws made on the unspent portion of the bond proceeds. In the prior year, current assets declined by \$26.5 million as a results of bond draws. A summary of the District's Balance Sheets is presented in Table A-1.

Table A-1
Condensed Balance Sheets
(in millions of dollars)

	December 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Current Assets	\$94.2	\$117.6	\$144.1
Long-Term Assets	89.0	63.3	63.8
Capital assets	536.4	477.5	432.8
Total Assets	719.6	658.4	640.7
Current Liabilities	24.2	22.7	18.7
Long-Term Liabilities	298.6	259.5	261.0
Total Liabilities	322.8	282.2	279.7
Invested in Capital Assets, Net of Related Debt	279.6	279.2	268.6
Restricted Net Assets	45.7	41.6	42.0
Unrestricted Net Assets	71.5	55.4	50.4
Total Net Assets	\$396.8	\$376.2	\$361.0

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The Balance Sheet shows assets, liabilities and net assets at a specific point in time; whereas, the Statements of Revenues, Expenses and Changes in Net Assets show the results of operations for the year. Total revenues increased by \$5.6 million to \$59.4 million in 2006 primarily due to the restoration of property taxes. In 2005, total revenues increased \$16.6 million to \$53.8 million due to the revenue from flood damage reimbursements of \$8.8 million and increases of \$5.5 in operating revenues. Total expenses increased by \$4.4 million to \$65.8 million in 2006 and by \$5.6 million to \$61.4 in 2005 due to higher personnel and interest costs. The net loss before capital contributions declined by \$1.2 million to \$6.4 million in 2006 and by \$11.0 million to \$7.6 million in 2005. Operating expenses increased in both 2006 and 2005 due to increased salaries from added positions as well as increased pay scales and employee benefits. Capital contributions increased by \$4.2 million in 2006 as a result of an increase in developer contributions of \$8.7 million and a decrease in facility capacity charges of \$4.4 million. In 2005, capital contributions declined by \$3.8 million as a net result of increases in facility capacity charges of \$6.0 million offset by a decline of \$9.8 million in developer contributions. Ending net assets total \$396.8 million, an increase of \$20.6 million over the prior year. The increase in the prior year was \$15.2 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)

	December 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Revenues	\$35.5	\$34.2	\$28.7
Non-operating Revenues	23.9	19.6	8.5
Total Revenues	59.4	53.8	37.2
Operating Expenses	42.2	39.7	36.1
Depreciation	11.9	11.3	10.4
Non-operating Expenses	11.7	10.4	9.3
Total Expenses	65.8	61.4	55.8
Net Loss Before Capital Contributions	(6.4)	(7.6)	(18.6)
Capital Contributions	27.0	22.8	26.6
Change in Net Assets	20.6	15.2	8.0
Beginning Net Assets	376.2	361.0	353.0
Total Net Assets	\$396.8	\$376.2	\$361.0

Significant items of operating revenues and expenses are as follows:

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

	December 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Water Sales & Service	\$17.1	\$15.6	\$14.9
Wastewater Sales & Service	13.9	12.3	10.9
Recreational Revenues	0.7	0.7	0.7
Hydroelectric Revenues	3.8	5.6	2.2
Total Revenues	\$35.5	\$34.2	\$28.7

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

	<u>December 31,</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Expenses			
Office of the General Manager	\$4.6	\$3.7	\$3.4
Strategic Management and Communication	3.6	6.1	5.2
Environmental compliance and resource management	2.3	1.4	0.8
Finance and Management Services	6.3	4.6	3.1
Facilities Management	22.9	21.7	21.5
Recreation	1.5	1.1	1.1
Other Operating Expenses			
Developer reimbursed expenses	1.0	1.1	1.0
Total Operating Expenses Excluding Depreciation	<u>\$42.2</u>	<u>\$39.7</u>	<u>\$36.1</u>

Operating expenses, excluding depreciation, increased by \$2.5 million to \$42.2 million in 2006 and \$3.6 million to \$39.7 million in 2005, 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 the prior year of \$3.6 million and \$4.8 million in 2004 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)

	<u>December 31,</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Revenues	\$35.5	\$34.2	\$28.7
Operating Expenses	42.2	39.7	36.1
Net Operating Loss Excluding Depreciation	<u>(\$6.7)</u>	<u>(\$5.5)</u>	<u>(\$7.4)</u>

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

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

	December 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Surcharges	\$2.4	\$2.6	\$1.6
Voter-approved Taxes	0.5	0.4	0.1
Property Taxes	10.1	3.7	2.1
Interest Income	5.7	3.4	3.8
Other Income	1.6	0.7	0.9
Flood Damage Reimbursements	3.6	8.8	0.0
Total Non-operating Revenues	<u>\$23.9</u>	<u>\$19.6</u>	<u>\$8.5</u>

Total 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. Non-operating revenues increased in 2005 by \$11.1 million over 2004 primarily due to large flood damage reimbursements in 2005.

Interest income declined slightly in 2005 and then rose significantly in 2006 as draw downs on the bond proceeds were invested at higher rates than that earned on the collateralized investment agreements. Interest expense rose by \$1.4 million in 2006 and by \$1.1 million in 2005 as a result of rising interest rates paid on the variable rate debt. The District issued Revenue Certificates of Participation in 2003 totaling \$165.8 million, causing an increase in interest expense in 2004 of \$3.4 million.

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

	December 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Flood Damage Expenses	\$0.2	\$0.4	\$0.1
Other Expenses	0.3	0.2	0.5
Interest Expense	11.2	9.8	8.7
Total Non-operating Expenses	<u>\$11.7</u>	<u>\$10.4</u>	<u>\$9.3</u>

In 2006, non-operating revenues exceeded non-operating expenses by \$12.2 million due to the restoration of property taxes and the receipt of over \$3.0 million of flood damage reimbursements for cost overruns on prior year flood events. In 2005, non-operating revenues exceeded non-operating expenses by \$9.2 million due to the large flood damage reimbursement. In 2004, non-operating expenses exceeded non-operating revenues by \$.8 million.

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

	December 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Non-operating Revenues	\$23.9	\$19.6	\$8.5
Non-operating Expenses	(11.7)	(10.4)	(9.3)
Net Non-operating Revenues	\$12.2	\$9.2	(\$0.8)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation, increased by \$58.9 million to \$536.4 million. In the prior year, capital assets increased \$44.7 million to \$477.5 million. These increases encompass 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 \$44.8 million in 2004. Detail of the District's capital assets follows:

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

	<u>December 31,</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Capital assets not being depreciated			
Land	\$5.3	\$5.3	\$5.3
Construction in progress	147.3	107.3	69.7
Total Capital Assets Not Being Depreciated	152.6	112.6	75.0
Capital Assets Being Depreciated			
Water plant in service	\$288.5	\$280.4	\$272.5
Wastewater plant in service	174.8	159.1	156.0
Future use facilities	21.7	21.7	21.7
General plant	32.3	32.4	28.1
Reclaimed water facility	18.4	16.2	13.4
Electric power plant	0.1	0.1	0.1
Total capital assets being depreciated	535.8	509.9	491.8
Less Accumulated Depreciation	152.0	145.0	134.0
Net Capital Assets	<u>\$536.4</u>	<u>\$477.5</u>	<u>\$432.8</u>

The District has capital project commitments outstanding of \$18.1 million at December 31, 2006 and \$26.5 million at December 31, 2005. Additional information about the capital assets can be found in Note C to the financial statements.

LONG-TERM DEBT

At the end of 2006, the District had \$263.7 million in long-term debt. 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. 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, 2006
(in millions)

	<u>Balance</u> <u>1/1/2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2006</u>
State of California loans	\$5.9	\$10.9	\$0.2	\$16.6
County of El Dorado note	1.5			1.5
Revenue Certificates of Participation 2003A	74.0			74.0
Revenue Certificates of Participation 2003B	91.8			91.8
Revenue Certificates of Participation 2004A	73.9		3.8	70.1
Revenue Certificates of Participation 2004B	8.3			8.3
2003 General Obligation bonds	5.3		0.3	5.0
Unamortized deferred amount on refunding	(6.7)		(0.4)	(6.3)
Amortization of premiums and discounts	8.0		0.5	7.5
Arbitrage liability	0.1		.1	0.0
Total Debt	<u>262.1</u>	<u>\$10.9</u>	<u>\$4.5</u>	<u>268.5</u>
Less Current Portion	<u>4.4</u>			<u>4.8</u>
Long-term Debt	<u>\$257.7</u>			<u>\$263.7</u>

The District maintains a Standard & Poors rating of A- for its revenue certificates of participation. Additional information on the District's long-term debt can be found in Note D of the financial statements.

Table A-11
Cost of Capital
(in millions)

	<u>Debt balance</u>	<u>Average coupon rate</u>
State of California loans	\$16.6	2.32% to 2.60%
2003A Revenue COPs	74.0	3% to 5.25%
2003B Revenue COPs	91.8	Varies *
2004A Revenue COPs	70.1	2.5% to 5.0%
2004B Revenue COPs	8.3	Varies *

* The effective interest rate on the 2003B Revenue COPs was 3.38% at December 31, 2006, 2.43% at December 31, 2005, and 1.50% at December 31, 2004. 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.

ECONOMIC FACTORS AND RATES

In 2006 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. In 2004 the District created a 4.3% surcharge on water customers to offset the loss of property tax revenues. This surcharge was applied late in 2004 and was in full effect for 2005 and 2006. Interest rates have been rising and this will produce additional expense on the variable rate debt; conversely, our interest revenues will also rise. Rates and facility capacity charges are being reviewed in 2007.

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, 2006 and 2005

ASSETS	<u>2006</u>	<u>2005</u>
Current Assets		
Cash and Cash Equivalents	\$ 8,359,623	\$ (8,364,533)
Accounts Receivable, Net	4,493,041	4,956,012
Due from Other Governmental Agencies	12,149,616	9,488,971
Interest Receivable	928,573	886,479
Taxes Receivable	9,830,579	3,385,784
Inventory	354,076	371,129
Prepaid Expenses and Other Current Assets	409,436	215,487
Restricted Cash and Cash Equivalents	57,625,051	106,677,049
Total Current Assets	<u>94,149,995</u>	<u>117,616,378</u>
Long-Term Assets		
Investments	44,083,023	50,678,484
Intangible Asset - FERC License, Net	41,199,259	8,774,776
Deferred Bond Costs	3,670,502	3,783,676
Notes Receivable	82,046	86,661
Capital Assets		
Water Plant In Service	288,930,483	280,702,792
Wastewater Plant In Service	175,202,491	159,544,072
Future Use Facilities	25,717,862	25,719,559
General Plant	32,770,909	32,912,059
Reclaimed Water Facility	18,386,399	16,229,548
Electric Power Plant	121,893	121,893
Construction In Progress	147,284,947	107,319,209
Accumulated Depreciation	<u>(152,037,098)</u>	<u>(145,060,512)</u>
Capital Assets, Net	<u>536,377,886</u>	<u>477,488,620</u>
Total Assets	<u><u>\$ 719,562,711</u></u>	<u><u>\$ 658,428,595</u></u>

EL DORADO IRRIGATION DISTRICT

BALANCE SHEETS (Continued)

December 31, 2006 and 2005

LIABILITIES AND NET ASSETS	<u>2006</u>	<u>2005</u>
Current Liabilities		
Accounts Payable	\$ 9,820,683	\$ 9,092,644
Deposits	336,891	224,984
Accrued Compensated Absences	1,053,360	981,573
Accrued Payroll and Benefits Payable	978,497	975,334
Deferred Revenue	4,803,439	4,457,936
Current Contracts, Bonds and Leases Payable	4,732,812	4,399,584
Accrued Interest Payable	2,477,087	2,563,161
Total Current Liabilities	<u>24,202,769</u>	<u>22,695,216</u>
Long-Term Liabilities		
Contracts, Bonds and Leases Payable	263,703,212	257,755,778
Reserve for Claims and Claims Expenses	833,000	833,000
Other Deferred Credit - FERC Relicensing Expenses	33,099,195	
Other Liabilities	930,000	930,000
Total Long-Term Liabilities	<u>298,565,407</u>	<u>259,518,778</u>
Total Liabilities	<u>322,768,176</u>	<u>282,213,994</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	279,591,914	279,217,991
Restricted for New Facilities	37,826,485	34,237,485
Restricted for Debt Service	7,913,234	7,318,204
Unrestricted	71,462,902	55,440,921
Total Net Assets	<u>396,794,535</u>	<u>376,214,601</u>
Total Liabilities and Net Assets	<u><u>\$ 719,562,711</u></u>	<u><u>\$ 658,428,595</u></u>

The notes to the basic financial statements are an integral part of this statement.

EL DORADO IRRIGATION DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the years ended December 31, 2006 and 2005

	2006	2005
Operating Revenues		
Water Sales	\$ 15,438,014	\$ 14,018,378
Water Services	1,700,902	1,599,500
Reclaimed Water Reimbursements/Sales	723,331	533,134
Wastewater Sales	12,943,653	11,561,546
Wastewater Services	118,847	171,468
Recreation Fees	725,922	733,783
Hydroelectric Sales	3,828,653	5,603,959
Total Operating Revenues	35,479,322	34,221,768
Operating Expenses		
Office of the General Manager	4,653,518	3,696,379
Strategic Management and Communications	3,556,546	6,081,888
Environmental Compliance and Resource Management	2,275,340	1,397,145
Finance and Management Services	6,312,366	4,580,149
Facilities Management	22,863,652	21,632,197
Recreation	1,523,563	1,149,460
Developer Reimbursed Expenses	1,021,352	1,213,046
Depreciation and Amortization	11,914,105	11,258,749
Total Operating Expenses	54,120,442	51,009,013
Net Loss From Operations	(18,641,120)	(16,787,245)
Nonoperating Revenues (Expenses)		
Surcharges	2,413,569	2,635,002
Voter - Approved Taxes	533,316	418,532
Property Taxes	10,069,016	3,671,212
Interest Income	5,747,457	3,360,286
Flood Damage Expenses	(253,637)	(431,493)
Other Income	1,612,498	699,704
Other Expenses	(332,915)	(361,678)
Interest Expense	(11,161,005)	(9,658,559)
Flood Damage Reimbursements	3,562,759	8,840,966
Total Nonoperating Revenues (Expenses)	12,191,058	9,173,972
Net Loss Before Capital Contributions	(6,450,062)	(7,613,273)
Capital Contributions		
Facility Capacity Charges	11,469,961	15,884,252
Developer Contributions	15,560,035	6,938,834
Total Capital Contributions	27,029,996	22,823,086
Change in Net Assets	20,579,934	15,209,813
Net Assets, Beginning of Year	376,214,601	361,004,788
Net Assets, End of Year	\$ 396,794,535	\$ 376,214,601

The notes to the basic financial statements are an integral part of this statement.

EL DORADO IRRIGATION DISTRICT

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Customers	\$ 36,391,887	\$ 33,247,708
Cash Paid to Suppliers for Goods and Services	(21,594,381)	(21,103,564)
Cash Paid to Employees for Services	(19,650,952)	(18,608,270)
Cash Paid for Claims and Judgments	(495,321)	(427,472)
Other Operating Revenue	<u>13,384,272</u>	<u>767,121</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	8,035,505	(6,124,477)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Surcharges Received	2,421,385	2,654,248
Property Taxes Received	<u>4,157,537</u>	<u>2,550,152</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	6,578,922	5,204,400
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Property and Equipment	(55,211,012)	(48,797,460)
Principal Payments on Long-Term Debt	(4,399,583)	(1,965,889)
Proceeds from Issuance of Long-Term Debt		2,887,832
Interest Payments on Long-Term Debt	(11,244,302)	(9,531,517)
Facility Capacity Charges Received	11,469,961	15,884,252
Proceeds from Disposal of Capital Assets	<u>216,246</u>	
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(59,168,690)	(41,522,782)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturities and Calls of Investments	14,000,000	2,000,000
Purchases of Investments	(7,000,000)	(2,000,000)
Interest Received on Investments	5,221,806	4,277,991
Payments on Notes Receivable	<u>4,615</u>	<u>4,357</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	12,226,421	4,282,348
DECREASE IN CASH AND CASH EQUIVALENTS	(32,327,842)	(38,160,511)
Cash and Cash Equivalents at Beginning of Year	<u>98,312,516</u>	<u>136,473,027</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 65,984,674</u>	<u>\$ 98,312,516</u>

EL DORADO IRRIGATION DISTRICT

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended December 31, 2005 and 2004

	<u>2006</u>	<u>2005</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net Loss From Operations	\$ (18,641,120)	\$ (16,787,245)
Adjustments to Reconcile Net Loss From Operations to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	11,914,105	11,258,749
Flood Damage Revenue	3,309,122	8,409,473
Other Income/Expenses	1,286,985	338,026
Changes in Operating Assets and Liabilities:		
Accounts Receivable	455,155	(1,256,536)
Due from Other Governmental Agencies	8,209,015	(8,773,549)
Inventory	17,053	(43,966)
Prepaid Expenses and Other Current Assets	(193,949)	(16,019)
Deferred Relicence Costs	418,740	(657,887)
Accounts Payable	728,039	873,298
Deposits	111,907	(298,807)
Accrued Compensated Absences	71,787	60,755
Accrued Payroll and Benefits Payable	3,163	187,948
Deferred Revenue	345,503	581,283
	<u>\$ 8,035,505</u>	<u>\$ (6,124,477)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Receipt of Contributed Assets	\$ 15,560,035	\$ 6,938,834
Change in Fair Value of Investments	483,557	959,000
Loan Proceeds Receivable	10,869,660	

The notes to the basic financial statements are an integral part of this statement.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE A—REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the El Dorado Irrigation District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As allowed by the GASB, the District has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989. The more significant of the District's accounting policies are described below.

Reporting Entity: The District was organized on October 5, 1925 under the Irrigation District Act and authorizing statutes. The District is governed by a five member Board of Directors elected by the voters within the District for staggered, four year terms, every two years. The District provides 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. As required by GAAP, the accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

The District has created the El Dorado Public Agency Financing Authority 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 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.

Basis of Presentation: The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is 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, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net assets represent the amounts available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the District are included on the balance sheet. Net assets are segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as deferred revenues until earned. Earned but unbilled sewer and water services are accrued as revenue. Water and sewer lines are constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. These lines are recorded as capital contributions when they pass inspection and are accepted by the District and the estimated costs are capitalized as improvements other than buildings.

EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE A—REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Principles: 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 approve 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 the year as well.

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.

Restricted Assets: The District’s restricted assets consist of unspent facility capacity charge and surcharge revenue restricted for new facilities and debt proceeds restricted for future debt service payments by the related debt covenants.

Accounts Receivable: 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.

Due from Other Agencies: Due from other agencies at December 31, 2006 consisted mainly of \$10,869,660 due from the State of California Department of Water Resources under approved State Revolving Fund loans to finance the lining and covering of reservoirs 7, 8, 2/2A, \$408,053 in reimbursements due from the Federal Emergency Management Agency (FEMA) and the State of California Office of Emergency Services (OES) for flood damage repairs and a \$338,552 grant from the State of California Department of Water Resources for a water management program. Due from other agencies at December 31, 2005 consisted of \$9,488,971 in reimbursements from FEMA and the State of California OES for flood damage repairs.

Capital Assets: Capital assets are recorded at historical cost if purchased or constructed. Donated assets are valued at estimated fair value on the date received. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Description	Estimated Life
Facilities and improvements	30-50 years
Buildings and structures	40 years
Equipment and furniture	5-10 years

Maintenance and repairs are charged to operations when incurred. It is the District’s policy to capitalize all capital assets with a cost of more than \$5,000. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement.

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

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE A—REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 council 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 \$33,599,086, was accrued as a deferred credit and was capitalized as part of the intangible asset. The intangible asset will be amortized over the 40 year license term. Amortization for 2006 was \$255,972.

Bond Discounts and Issuance Costs: Bond discounts, as well as 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.

Property Taxes: The District receives property taxes from El Dorado County. Property taxes receivable are recorded in the fiscal year for which the tax is levied 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.

The District experienced a reduction in its property tax revenue due to the State of California's Education Revenue Augmentation Fund (ERAF) during the years ended December 31, 2005 in the amount of \$5,225,079. The State could reduce the District's property taxes in the future.

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.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including restricted assets, and all pooled deposits, including investments in the California Local Agency Investment Fund, California Asset Management Program, collateralized investment agreement and guaranteed investment contract which are available upon demand.

Reserve for Claims and Claims Expenses: 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.

Reclassification: Unspent facility capacity charges and surcharges at December 31, 2005 were reclassified from unrestricted to restricted cash and investments to conform with the current presentation. This reclassification had no effect on previously reported assets, net assets or change in net assets.

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 be effective for the year ending December 31, 2008. The District is currently analyzing the impact of the required implementation of this new statement.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE B—CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows at December 31, 2006:

Cash and cash equivalents		\$ 8,359,623
Restricted cash and cash equivalents		57,625,051
	Total cash and cash equivalents	65,984,674
Investments		44,083,023
	Total cash and investments	\$ 110,067,697

Cash and investments consisted of the following at December 31, 2006:

Cash on hand		\$ 3,670
Deposits with financial institutions		98,065
	Total cash	101,735
U.S. Agency securities		44,083,023
Collateralized investment agreement		6,859,302
Money market mutual funds		1,180,930
Guaranteed investment contract		6,732,303
Investments in Local Agency Investment Fund (LAIF)		32,976,224
JPA pool (CAMP)		18,134,180
	Total investments	109,965,962
	Total cash and investments	\$ 110,067,697

Investment policy: Investments are reported at fair value. California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy. During the year ended December 31, 2006, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio *	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	75%	None
U.S. Agency securities	5 years	80%	30%
Banker's acceptances	180 days	40%	30%
Commercial paper	180 days	15%	10%
Negotiable certificates of deposit	5 years	25%	None
Repurchase agreements	90 days	20% of base value	None
Medium term corporate notes	5 years	30%	10%
Mutual funds	N/A	10%	10%
Money market mutual funds	N/A	20%	10%
Collateralized negotiable investments	5 years	None	None

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE B—CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio *	Maximum Investment in One Issuer
LAIF	N/A	75%	None
JPA pools, including CAMP	N/A	75%	None

*Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

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.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District's investment policy does not contain any provisions related to interest rate risk other than adopting maximum maturities contained in the California Government Code.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Type of Investment	Total	Remaining Maturity (in months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Agency securities	\$ 44,083,023	\$ 10,907,323	\$ 22,427,440	\$ 10,748,260	
LAIF	28,185,474	28,185,474			
CAMP	18,134,180	18,134,180			
Held by bond trustee:					
Collateralized investment Agreement	6,859,302	6,859,302			
Money market mutual Funds	1,180,930	1,180,930			
Guaranteed investment Contract	6,732,303				\$ 6,732,303
LAIF	4,790,750	4,790,750			
Total	<u>\$ 109,965,962</u>	<u>\$ 70,057,959</u>	<u>\$ 22,427,440</u>	<u>\$ 10,748,260</u>	<u>\$ 6,732,303</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE B—CASH AND INVESTMENTS (Continued)

Credit Risk: Generally, 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 minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Total	Ratings as of Year End			
			AAA/Aaa	AA/Aa1	AA-/Aa2	Unrated
U.S. Agency securities	N/A	\$ 44,083,023	\$ 44,083,023			
LAIF	N/A	28,185,474				\$ 28,185,474
CAMP	N/A	18,134,180				18,134,180
Held by bond trustee:						
Collateralized investment agreement	AA-/Aa3	6,859,302		\$ 6,859,302		
Money market mutual funds	AAA-/Aaa	1,180,930	1,180,930			
Guaranteed investment contract	AA-/Aa3	6,732,303			\$ 6,732,303	
LAIF	N/A	4,790,750				4,790,750
Total		\$ 109,965,962	\$ 45,263,953	\$ 6,859,302	\$ 6,732,303	\$ 51,110,404

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the amount stipulated in the table at page 33. As of December 31, 2006, the District invested in the following investments which each represent more than 5% of its total investment in any one issuer (other than U.S. Treasury obligations, mutual funds and external investment pools):

Issuer	Type of Investment	Amount
Citigroup Global Markets, Inc.	Collateralized investment agreement	\$ 6,859,302
Federal Home Loan Bank	U.S. Agency securities	23,530,000
Federal Home Loan Mortgage Corporation	U.S. Agency securities	8,793,023
Federal Farm Credit Bank	U.S. Agency securities	6,831,562
Royal Bank of Canada	Guaranteed investment contract	6,732,303

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.

At December 31, 2006, the carrying amount of the District's deposits was \$98,065 and the balance in financial institutions was \$1,077,527. Of the balance in financial institutions, \$210,242 was covered by federal depository insurance and supplemental insurance held by the investment broker and \$867,285 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE B—CASH AND INVESTMENTS (Continued)

pool for the District and other governmental agencies, but not in the name of the District. As of December 31, 2006, the U.S. Agency securities were held by the District's agent in the District's name and District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Investment Type	Total
Collateralized investment agreement	\$ 6,859,302
Guaranteed investment contract	6,732,303
Money market mutual fund	1,180,930

Investment in LAIF: LAIF is stated at fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$57,120,735,065 managed by the State Treasurer. Of that amount, 96.82 percent is invested in non-derivative financial products and 3.18 percent in derivative financial products and structured financial instruments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 183 days at December 31, 2006.

Investment in JPA Pool: The only investment in a JPA pool held by the District is the investment in the California Asset Management Trust (CAMP). CAMP was created under the provisions of the California Joint Exercise of Powers Act to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. CAMP is governed by a board of seven trustees, all of whom are officials or employees of public agencies. The money market portfolio offers daily liquidity and is rated Aam by Standard and Poors. To maintain the Aam rating, the portfolio's weighted average maturity may not exceed 90 days. The fair value of the District's position in CAMP is the same as the value of the pool shares.

NOTE C—CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2006 and 2005 are as follows:

	Balance January 1, 2006	Additions	Disposals	Transfers	Balance December 31, 2006
Capital assets not being depreciated:					
Land	\$ 5,306,862		\$ (52,460)	\$ 6,252	\$ 5,260,654
Construction in progress	107,319,209	\$ 54,691,762	(66,660)	(14,659,364)	147,284,947
Total capital assets not being depreciated:	112,626,071	54,691,762	(119,120)	(14,653,112)	152,545,601
Capital assets being depreciated					
Water plant in service	280,298,740	6,951,897	(42,918)	1,318,712	288,526,431
Wastewater plant in service	159,146,997	6,505,175	(41,360)	9,188,354	174,799,166
Future use facilities	21,738,421		(1,697)		21,736,724
General plant	32,387,462	465,362	(4,700,100)	4,146,046	32,298,770
Reclaimed water facility	16,229,548	2,156,851			18,386,399
Electric power plant	121,893				121,893
Total capital assets being depreciated	509,923,061	16,079,285	(4,786,075)	14,653,112	535,869,383

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE C—CAPITAL ASSETS (Continued)

	Balance January 1, 2006	Additions	Disposals	Transfers	Balance December 31, 2006
Less accumulated depreciation for:					
Water plant in service	\$ (73,378,784)	\$ (4,607,872)	\$ 42,917		\$ (77,943,739)
Wastewater plant in service	(42,376,258)	(4,176,655)	39,501		(46,513,412)
Future use facilities	(18,627,000)				(18,627,000)
General plant	(8,043,659)	(2,406,963)	4,599,129		(5,851,493)
Reclaimed water facility	(2,575,622)	(463,596)			(3,039,218)
Electric power plant	(59,189)	(3,047)			(62,236)
Total accumulated depreciation	<u>(145,060,512)</u>	<u>(11,658,133)</u>	<u>4,681,547</u>		<u>(152,037,098)</u>
Total capital assets being depreciated, net	<u>364,862,549</u>	<u>4,421,152</u>	<u>(104,528)</u>	<u>\$ 14,653,112</u>	<u>383,832,285</u>
Capital assets, net	<u>\$ 477,488,620</u>	<u>\$ 59,112,914</u>	<u>\$ (223,648)</u>	<u>\$ -</u>	<u>\$ 536,377,886</u>
	Balance January 1, 2005	Additions	Transfers	Balance December 31, 2005	
Capital assets not being depreciated:					
Land	\$ 5,306,862			\$ 5,306,862	
Construction in progress	69,696,927	\$ 48,053,390	\$ (10,431,108)	107,319,209	
Total capital assets not being depreciated:	<u>75,003,789</u>	<u>48,053,390</u>	<u>(10,431,108)</u>	<u>112,626,071</u>	
Capital assets being depreciated					
Water plant in service	272,457,475	2,866,629	4,974,636	280,298,740	
Wastewater plant in service	155,960,505	1,356,625	1,829,867	159,146,997	
Future use facilities	21,738,421			21,738,421	
General plant	28,138,170	734,328	3,514,964	32,387,462	
Reclaimed water facility	13,392,585	2,725,322	111,641	16,229,548	
Electric power plant	121,893			121,893	
Total capital assets being depreciated	<u>491,809,049</u>	<u>7,682,904</u>	<u>10,431,108</u>	<u>509,923,061</u>	
Less accumulated depreciation for:					
Water plant in service	(69,004,374)	(4,374,410)		(73,378,784)	
Wastewater plant in service	(38,415,060)	(3,961,198)		(42,376,258)	
Future use facilities	(18,627,000)			(18,627,000)	
General plant	(5,728,344)	(2,315,315)		(8,043,659)	
Reclaimed water facility	(2,156,459)	(419,163)		(2,575,622)	
Electric power plant	(56,142)	(3,047)		(59,189)	
Total accumulated depreciation	<u>(133,987,379)</u>	<u>(11,073,133)</u>		<u>(145,060,512)</u>	
Total capital assets being depreciated, net	<u>357,821,670</u>	<u>(3,390,229)</u>	<u>10,431,108</u>	<u>364,862,549</u>	
Capital assets, net	<u>\$ 432,825,459</u>	<u>\$ 44,663,161</u>	<u>\$ -</u>	<u>\$ 477,488,620</u>	

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE D—CONTRACTS, BONDS AND LEASES PAYABLE

Contracts, bonds and leases payable consisted of the following at December 31, 2006 and 2005:

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. By the end of 2006, 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. The loans bear interest rates that range from 2.32% to 2.60%. The District implemented a water rate surcharge that is collected for debt service payments on these loans. Semi-annual principal and interest payments ranging from \$345,565 to \$539,582 are due January 1 and July 1, through January 1, 2027. Each loan has a maximum term of 20 years.

County of El Dorado Note: 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. An additional payment of \$3,378,360, including an unamortized discount of \$1,845,360, is due based on an imputed interest rate of 5% when and if the District obtains construction financing for and commences construction on the Texas Hill Reservoir. 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 waste water capacity for the benefit of customers or potential customers of the District, but no additional payment is due the County.

Revenue Certificates of Participation, Series 2003A: On December 11, 2003, the District issued the Revenue Certificates of Participation, Series 2003A in the amount of \$74,025,000. Proceeds from these certificates were used to prepay the District's Economic Development Administration (EDA) loan, advance refund a portion of the District's 1999 Revenue bonds, acquire facilities for the District's water and wastewater system and 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. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 3% to 5.25%. Principal payments, ranging from \$2,920,000 to \$7,205,000, are payable annually on March 1, beginning March 1, 2008, and interest payments, ranging from \$180,125 to \$1,744,431, are payable semi-annually on March 1 and September 1, through March 2021.

Adjustable Rate Revenue Certificates of Participation, Series 2003B: On December 11, 2003, the District issued the Adjustable Rate Revenue Certificates of Participation, Series 2003B in the amount of \$91,800,000. Proceeds from these certificates were used to acquire certain facilities for the District's water and wastewater systems and reimburse the cost of certain facilities within the District's water and wastewater systems. The certificates are payable from the District's net revenues. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates are variable and based on weekly auction rates established by Citigroup Global Markets Inc. The interest rates at December 31, 2006 and 2005 were 3.55% and 3.00%, respectively. Principal payments ranging from \$9,125,000 to \$17,725,000 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 the Refunding Revenue Certificates of Participation, Series 2004A in the amount of \$75,445,000. Proceeds from these certificates were used to advance refund the District's 1996 Revenue Bonds, 1999 Revenue Bonds and the LaSalle Bank Bridge Loan. The Certificates are payable from the net wastewater and water system revenues.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE D—CONTRACTS, BONDS AND LEASES PAYABLE (Continued)

The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 3% to 5%. Interest payments of \$31,469 to \$1,699,410 are payable annually on March 1 and September 1, through March 1, 2025. Principal payments ranging from \$855,000 to \$5,250,000 are payable annually on March 1, through March 1, 2025.

Adjustable Rate Revenue Certificates of Participation, Series 2004B: On July 29, 2004, the District issued the Adjustable Rate Revenue Certificates of Participation, Series 2004B in the amount of \$8,275,000. Proceeds from these certificates were used to refund a portion of the District's 1996 Revenue Bonds. The Certificates are payable from the net wastewater and water system revenues. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest is variable based on weekly auction by Deutsche Bank Trust Company Americas. The interest rate at December 31, 2006 was 3.45%. Principal payments ranging from \$1,575,000 to \$1,750,000 are payable annually on March 1, from March 1, 2030 to 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. Proceeds from these certificates were used to prepay 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. Interest rates range from 2.5% to 4.5%. Principal payments, ranging from \$240,000 to \$455,000 are payable annually on October 1 and interest payments, ranging from \$95,319 to \$11,025 are payable semi-annually on April 1 and October 1, through April 1, 2019.

The activity of the District's contracts, bonds and leases payable during the years ended December 31, 2006 and 2005 are as follows:

	Balance as of January 1, 2006	Additions	Repayments	Balance as of December 31, 2006	Due Within One Year
State of California loans	\$ 5,918,178	\$ 10,869,660	\$ (244,583)	\$ 16,543,255	\$ 462,812
County of El Dorado note	1,533,000			1,533,000	
Revenue Certificates Of Participation					
2003A Series	74,025,000			74,025,000	
2003B Series	91,800,000			91,800,000	
2004A Series	73,900,000		(3,835,000)	70,065,000	3,945,000
2004B Series	8,275,000			8,275,000	
2003 General Obligation Bonds	5,330,000		(320,000)	5,010,000	325,000
Total	<u>260,781,178</u>	<u>\$ 10,869,660</u>	<u>\$(4,399,583)</u>	267,251,255	<u>\$ 4,732,812</u>
Deferred amount on Refunding	(6,698,772)			(6,326,617)	
Bond premiums	7,993,938			7,511,386	
Add: Revenue bond arbitrage liability	79,018				
Less: Current portion of long-term debt	<u>(4,399,584)</u>			<u>(4,732,812)</u>	
	<u>\$ 257,755,778</u>			<u>\$ 263,703,212</u>	

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE D—CONTRACTS, BONDS AND LEASES PAYABLE (Continued)

	Balance as of January 1, 2005	Additions	Repayments	Balance as of December 31, 2005	Due Within One Year
State of California loans	\$ 3,095,635	\$ 2,887,832	\$ (65,289)	\$ 5,918,178	\$ 244,584
County of El Dorado note	1,533,000			1,533,000	
Revenue Certificates Of Participation					
2003A Series	74,025,000			74,025,000	
2003B Series	91,800,000			91,800,000	
2004A Series	75,445,000		(1,545,000)	73,900,000	3,835,000
2004B Series	8,275,000			8,275,000	
2003 General Obligation Bonds	5,585,000		(255,000)	5,330,000	320,000
	<u>259,758,635</u>	<u>2,887,832</u>	<u>(1,865,289)</u>	<u>260,781,178</u>	<u>4,399,584</u>
Motor vehicle capital leases	100,601		(100,601)		
Total	<u>259,859,236</u>	<u>\$ 2,887,832</u>	<u>\$ (1,965,890)</u>	<u>260,781,178</u>	<u>\$ 4,399,584</u>
Deferred amount on refunding	(7,070,926)			(6,698,772)	
Bond premiums	8,476,490			7,993,938	
Add: Revenue bond arbitrage liability	45,751			79,018	
Less: Current portion of long-term debt	<u>(2,031,935)</u>			<u>(4,399,584)</u>	
	<u>\$ 259,278,616</u>			<u>\$ 257,755,778</u>	

The following is a schedule of maturities for contracts and bonds payable as of December 31, 2006:

Year Ended December 31,	Principal	Interest	Total
2007	\$ 4,732,812	\$ 11,123,673	\$ 15,856,485
2008	8,134,020	11,014,623	19,148,643
2009	9,316,000	10,631,418	19,947,418
2010	9,988,399	10,227,669	20,216,068
2011	10,376,227	9,822,453	20,198,680
2012-2016	54,079,345	41,637,096	95,716,441
2017-2021	60,285,869	28,186,879	88,472,748
2022-2026	9,922,199	21,781,995	31,704,194
2027-2031	12,641,384	18,359,872	31,001,256
2032-2036	<u>87,775,000</u>	<u>6,571,676</u>	<u>94,346,676</u>
Total	<u>\$ 267,251,255</u>	<u>\$ 169,357,354</u>	<u>\$ 436,608,609</u>

Refunding Revenue Certificates of Participation, Series 2004A bond covenants require water and wastewater rates and charges collected in each year to be at least equal to 125% of the debt service expenses. The District was in compliance with this debt coverage ratio for the years ended December 31, 2006 and 2005.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE D—CONTRACTS, BONDS AND LEASES PAYABLE (Continued)

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, 2006 and 2005 were as follows:

	<u>2006</u>	<u>2005</u>
Defeased Debt:		
1996 Revenue Bonds		\$ 54,330,000
1999 Revenue Bonds	\$ 11,895,000	<u>12,230,000</u>
	<u>\$ 11,895,000</u>	<u>\$ 66,560,000</u>

The 1996 and 1999 Revenue Bonds were called on February 15, 2006 and 2007, respectively.

Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The District performed calculations of excess investment earnings on various bonds and financings and at December 31, 2005 accrued a liability of \$79,018. There was no outstanding liability as of December 31, 2006. The District has also been notified by the Internal Revenue Service that the arbitrage payment made for the 1996 Revenue Bonds of \$326,223 will be refunded in 2007.

NOTE E—NET ASSETS

Restrictions: Restricted net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Restrictions include a reserve for debt service, which represents the portion of net assets legally restricted for debt service payments as required by the related debt covenants. Net assets restricted for new facilities represents unspent facility capacity charges, which are restricted to capital expenses by Section 66013 of the Water Code of the State of California.

Designations: Designations of unrestricted net assets are imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. At December 31, 2006 and 2005, designations included:

	<u>2006</u>	<u>2005</u>
Self-insurance	\$ 1,048,768	\$ 1,033,518
Construction and capital replacement	59,775,800	49,313,685
Rate stabilization	5,018,579	4,938,718
USBR emergency	<u>155,000</u>	<u>155,000</u>
Total	<u>\$ 65,988,147</u>	<u>\$ 55,440,921</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE E—NET ASSETS (Continued)

The designations are for the following:

Designated for self-insurance represents a portion of the retained risk, or deductible amount under the District's liability insurance policy.

Designated for construction and capital replacement represents the amount set aside for the funding of planned capital expenditures.

Designated for rate stabilization represents the amount set aside to protect the District's ratepayers from the vagaries of high cost/low revenues; it enables emergency cost-impacts to be absorbed on a one-time basis and it smoothes out high and low revenue demand years.

Designated for USBR emergency represents the amount set aside for emergency maintenance of the District's U.S. Bureau of Reclamation facilities.

NOTE F—EMPLOYEES' RETIREMENT PLAN

Plan Description: The District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public employers within the State of California. All permanent full and part time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor, based on years of service, times their highest average monthly salary over thirty-six consecutive months of employment. Copies of the PERS annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy: Active plan members are required to contribute 7% of their annual covered salary. The District makes 50% of the contributions required of District employees on their behalf and for their account. The District pays 100% of the employee contribution for those employees designated as Executive Management. The District is required to contribute at an actuarially determined rate; the rate for January 1, 2006 to June 30, 2006 was 18.705% and the rate from July 1, 2006 to December 31, 2006 was 16.646%. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Cost: For the years ending December 31, 2006 and 2005, the District incurred annual pension cost of \$ 3,965,014 and \$3,550,853, respectively. The required contribution was determined as part of the June 30, 2004 and 2003 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary in duration of service ranging from 3.25% to 14.45% for miscellaneous members and (c) 3.25% cost of living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a 15 year and three year period (smoothed market value) for the June 30, 2004 and 2003 valuations, respectively. The plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2004 was 25 years.

Three-Year Trend Information for the District		
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed
December 31, 2004	\$ 1,262,439	100%
December 31, 2005	3,550,853	100%
December 31, 2006	3,965,014	100%

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE F—EMPLOYEES' RETIREMENT PLAN (Continued)

Required Supplementary Information - Funded Status of Plan

Actuarial Valuation Date	Actuarial Assets Value	Entry Age Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability As a % of Covered Payroll
June 30, 2003	\$ 32,279,918	\$ 44,498,076	\$ (12,218,168)	72.5%	\$ 13,526,987	(90.3%)
June 30, 2004	34,589,449	50,058,828	(15,469,379)	69.1%	15,743,625	(98.3%)
June 30, 2005	39,820,550	58,133,258	(18,312,708)	68.5%	17,026,527	(107.6%)

NOTE G—POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits, the District provides certain healthcare benefits for retired employees through PERS. Substantially all of the District's full-time employees may become eligible for those benefits if they reach normal retirement age while working for the District. At December 31, 2006, 102 retired employees and their dependents meet those eligibility requirements. The District's contributions are financed on a pay-as-you-go basis and thus the District recognizes the cost of providing those benefits by expensing the annual insurance premiums, which amounted to \$280,390 and \$207,649 for the years ended December 31, 2006 and 2005, respectively.

NOTE H—INSURANCE

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

<u>Type of Claim</u>	<u>Self-Insured Portion (Per Occurrence)</u>
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, infrastructure and pollutant clean-up and removal)	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. The District is also self-insured for employee dental and vision claims and for damages to vehicles. 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, 2006 and 2005 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, 2006 and 2005, the entire claims liability is reported as a long-term liability on the balance sheet. These claim estimates are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the District's claims liability amount in 2006 and 2005 were as follows:

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE H—INSURANCE (Continued)

	<u>General Liability and Other</u>	<u>Dental and Vision</u>	<u>Total</u>
Reserve for claims and expenses at January 1, 2005	\$ 805,321	\$ 27,679	\$ 833,000
Current year incurred claims and changes in estimates	126,337	301,135	427,472
Net (payments) recoveries	<u>(126,337)</u>	<u>(301,135)</u>	<u>(427,472)</u>
Reserve for claims and claims expenses at December 31, 2005	805,321	27,679	833,000
Current year incurred claims and changes in estimates	137,272	358,049	495,321
Net (payments) recoveries	<u>(137,272)</u>	<u>(358,049)</u>	<u>(495,321)</u>
Reserve for claims and claims expenses at December 31, 2006	<u>\$ 805,321</u>	<u>\$ 27,679</u>	<u>\$ 833,000</u>

NOTE I—COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in a construction dispute and subsequent legal action with a contractor involving the FERC Project 184 Mill to Bull Tunnel project. The case was litigated in a jury trial during 2006. In November 2006, the trial court decided against the District and awarded the contractor monetary damages, including legal fees and costs of \$9.6 million. District management has appealed this decision and believes it will be overturned on appeal and will not result in a probable loss to the District. No loss amount has been accrued by the District in the accompanying financial statements at December 31, 2006 for this judgment.

The District is a defendant in several lawsuits arising in the normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the District, such loss has been accrued in the accompanying financial statements, which totaled \$930,000 at December 31, 2006 and 2005. The outcome of the remaining claims cannot be determined at this time.

The District is also the plaintiff in two lawsuits for breach of contract on capital projects. The outcome of the lawsuits cannot be determined at this time.

Other Contingencies

The District receives funding for flood damage reimbursements that are subject to review and audit by the granting agencies. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. Management is under the opinion that no material liabilities will result from such potential audits.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2006 and 2005

NOTE J—CAPITAL PROJECT COMMITMENTS

The District has the following capital project commitments outstanding as of December 31, 2006:

Emergency landslides	\$ 3,117,334
Pleasant Oak main	2,293,486
Mill/Bull Creek tunnel	1,769,263
Forebay dredging and upgrades	1,641,530
El Dorado Hills expansion	1,358,933
Deer Creek waste water treatment plant improvements	1,340,276
New York Creek force main	1,334,666
Various other projects	1,148,441
Silva Valley transmission main to Oakridge	1,114,930
Computer system upgrade	760,118
Hazel Creek down stream channel	620,870
Headquarters building improvements and expansion	425,654
Motherload force main repairs	341,576
Vehicle replacement	336,949
FERC – diversion structure and other upgrades	186,377
Rancho Ponderosa lift station	182,715
Promontory tank and waterlines	<u>170,068</u>
 Total	 <u>\$ 18,143,186</u>



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the basic financial statements of the El Dorado Irrigation District (the District), as of and for the year ended December 31, 2006, and have issued our report thereon dated June 7, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

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 District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

To the Board of Directors
El Dorado Irrigation District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated June 7, 2007.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the District's response and, accordingly, we express no opinion on it.

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

Richardson & Company

June 7, 2007

EL DORADO IRRIGATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES

December 31, 2006

Internal Control Over Financial Reporting

Criteria: Internal controls over financial reporting should be in place to ensure management has the ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Condition: The District did not adequately reconcile a number of balance sheet account balances to detail records as part of the District's year end closing procedures, including grant receivables, capital assets and construction in progress, deferred revenue related to Weber Dam, various accounts related to long-term debt and net asset restrictions. In addition, the District did not properly identify qualifying expenses under federal awards needed to determine whether a single audit would be required by the start date of the audit.

Effect: A number of adjustments were needed to agree the general ledger account balances listed above to detail records and significant work was required after the audit began to determine whether qualifying expenses incurred under federal awards exceeded the \$500,000 minimum amount for which a single audit would be required.

Cause: It appears inadvertent oversight was the main cause of the reconciliations not being performed. Project managers of federally funded projects and Finance Department personnel responsible for coordinating the single audit did not meet to identify expenses under federal awards. In addition, the limitations of the HTE capital asset system and the practice of keeping construction projects open after projects were placed into service appeared to complicate the reconciliation of capital asset and construction in progress detail records to the general ledger. It also appeared staff performing grant accounting functions needed further training to understand how to identify and account for qualifying grant expenses. Finally, the workload caused by the change in accounting systems appeared to result in a lack of a thorough management review of these account reconciliations.

Recommendation: We recommend the District put in place procedures to reconcile balance sheet accounts to supporting documentation on a regular basis and require management to review the reconciliations on a timely basis. We also recommend the District provide additional training for staff responsible for grant accounting, especially federal awards.

Management Response:

Management concurs with the recommendations of Richardson & Company concerning the reconciliation of the balance sheet accounts to their detailed accounting records referenced above. Management, just prior to the beginning of the FY 2006 audit and during the performance of the on-site audit work by Richardson & Company, made personnel adjustments to improve the functions of the accounting division. Management is also currently searching for an accounting manager with a strong accounting background to help guide staff in the implementation of new procedures designed to improve the reconciliation of the accounting records on a regular basis and to improve the District's reporting capabilities.

Management anticipates the condition outlined by Richardson & Company above will not exist for the FY 2007 audit through the implementation of new reconciliation practices, the new accounting system currently being implemented, and the abilities of both new and reassigned staff within the accounting division.



EL DORADO IRRIGATION DISTRICT

COMBINING BALANCE SHEET

December 31, 2006

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
Current Assets							
Cash and Cash Equivalents	\$ (30,025,107)	\$ 20,509,868	\$ 8,936,057	\$ (21,080)	\$ (260,888)	\$ 9,220,773	\$ 8,359,623
Accounts Receivable, Net	4,378,959		34,538			79,544	4,493,041
Due from Other Governmental Agencies	545,680		10,869,660	326,223		408,053	12,149,616
Interest Receivable	650,160		278,413				928,573
Taxes Receivable	9,104,935		493,271		232,373		9,830,579
Inventory	354,076						354,076
Prepaid Expenses and Other Current Assets	272,199		8,659	2,008		126,570	409,436
Intrafund Receivable/Payable	23,651,030	(16,373,321)			(462,709)	(6,815,000)	
Restricted Cash and Cash Equivalents	33,595,005	4,793,413	17,696,862			1,539,771	57,625,051
Total Current Assets	<u>42,526,937</u>	<u>8,929,960</u>	<u>38,317,460</u>	<u>307,151</u>	<u>(491,224)</u>	<u>4,559,711</u>	<u>94,149,995</u>
Long-Term Assets							
Investments	44,083,023						44,083,023
Intangible Asset - FERC License, Net						41,199,259	41,199,259
Deferred Bond Costs			3,670,502				3,670,502
Notes Receivable	82,046						82,046
Capital Assets							
Water Plant In service	251,290,079				422,855	37,217,549	288,930,483
Wastewater Plant In Service	175,202,491						175,202,491
Future Use Facilities	5,655,471					20,062,391	25,717,862
General Plant	24,628,250				3,472,025	4,670,634	32,770,909
Reclaimed Water Facility	18,386,399						18,386,399
Electric Power Plant	121,893						121,893
Construction In Progress		126,360,133			1,760,315	19,164,499	147,284,947
Accumulated Depreciation	(130,322,571)				(1,342,303)	(20,372,224)	(152,037,098)
Capital Assets, Net	<u>344,962,012</u>	<u>126,360,133</u>			<u>4,312,892</u>	<u>60,742,849</u>	<u>536,377,886</u>
Total Assets	<u>\$ 431,654,018</u>	<u>\$ 135,290,093</u>	<u>\$ 41,987,962</u>	<u>\$ 307,151</u>	<u>\$ 3,821,668</u>	<u>\$ 106,501,819</u>	<u>\$ 719,562,711</u>

EL DORADO IRRIGATION DISTRICT
COMBINING BALANCE SHEET (Continued)

December 31, 2006

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
LIABILITIES AND NET ASSETS							
Current Liabilities							
Accounts Payable	\$ 1,253,051	\$ 4,122,257	\$ 2,684		\$ 56,206	\$ 4,386,485	\$ 9,820,683
Deposits	334,045				696	2,150	336,891
Accrued Compensated Absences	918,923				36,887	97,550	1,053,360
Accrued Payroll and Benefits Payable	806,884	29,724			25,847	116,042	978,497
Deferred Revenue	4,803,439						4,803,439
Current Contracts, Bonds and Leases Payable			4,732,812				4,732,812
Accrued Interest Payable			2,477,087				2,477,087
Total Current Liabilities	<u>8,116,342</u>	<u>4,151,981</u>	<u>7,212,583</u>		<u>119,636</u>	<u>4,602,227</u>	<u>24,202,769</u>
Long-Term Liabilities							
Contracts, Bonds and Leases Payable			263,703,212				263,703,212
Reserve for Claims and Claims Expenses	833,000						833,000
Other Deferred Credit - FERC						33,099,195	33,099,195
Other Liabilities	930,000						930,000
Total Long-Term Liabilities	<u>1,763,000</u>		<u>263,703,212</u>			<u>33,099,195</u>	<u>298,565,407</u>
Total Liabilities	<u>9,879,342</u>	<u>4,151,981</u>	<u>270,915,795</u>		<u>119,636</u>	<u>37,701,422</u>	<u>322,768,176</u>
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	299,808,090	118,619,561	(202,862,514)		4,115,194	59,911,583	279,591,914
Restricted for New Facilities	33,359,725		2,926,989			1,539,771	37,826,485
Restricted for Debt Service			7,913,234				7,913,234
Unrestricted	88,606,861	12,518,551	(36,905,542)	\$ 307,151	(413,162)	7,349,043	71,462,902
Total Net Assets	<u>421,774,676</u>	<u>131,138,112</u>	<u>(228,927,833)</u>	<u>307,151</u>	<u>3,702,032</u>	<u>68,800,397</u>	<u>396,794,535</u>
Total Liabilities and Net Assets	<u>\$ 431,654,018</u>	<u>\$ 135,290,093</u>	<u>\$ 41,987,962</u>	<u>\$ 307,151</u>	<u>\$ 3,821,668</u>	<u>\$ 106,501,819</u>	<u>\$ 719,562,711</u>

EL DORADO IRRIGATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2006

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
Operating Revenues							
Water Sales	\$ 15,438,014						\$ 15,438,014
Water Services	1,700,902						1,700,902
Reclaimed Water Reimbursements/Sales	723,331						723,331
Wastewater Sales	12,943,653						12,943,653
Wastewater Services	118,847						118,847
Recreation Fees					\$ 682,425	\$ 43,497	725,922
Hydroelectric Sales						3,828,653	3,828,653
Total Operating Revenues	<u>30,924,747</u>				<u>682,425</u>	<u>3,872,150</u>	<u>35,479,322</u>
Operating Expenses							
Office of the General Manager	4,647,351					6,167	4,653,518
Strategic Management and Communications	3,553,180				2,050	1,316	3,556,546
Environmental Compliance and Resource	2,202,710				127	72,503	2,275,340
Finance and Management Services	6,129,573				23,777	159,016	6,312,366
Facilities Management	18,863,982					3,999,670	22,863,652
Recreation					1,364,548	159,015	1,523,563
Developer Reimbursed Expenses	1,021,352						1,021,352
Depreciation and Amortization	10,984,985				119,858	809,262	11,914,105
Total Operating Expenses	<u>47,403,133</u>				<u>1,510,360</u>	<u>5,206,949</u>	<u>54,120,442</u>
Net Loss From Operations	(16,478,386)				(827,935)	(1,334,799)	(18,641,120)
Nonoperating Revenues (Expenses)							
Surcharges	1,737,480		\$ 676,089				2,413,569
Voter - Approved Taxes			533,316				533,316
Property Taxes	9,888,487				252,358	(71,829)	10,069,016
Interest Income	3,407,071		1,652,929	\$ 326,223	13,487	347,747	5,747,457
Flood Damage Expenses						(253,637)	(253,637)
Other Income	715,009	\$ 41,618	366,131		5,178	484,562	1,612,498
Other Expenses	(159,388)			(5,061)	(168,466)		(332,915)
Interest Expense			(11,153,800)	(5,150)		(2,055)	(11,161,005)
Flood Damage Reimbursements						3,562,759	3,562,759
Total Nonoperating Revenues (Expenses)	<u>15,588,659</u>	<u>41,618</u>	<u>(7,925,335)</u>	<u>316,012</u>	<u>102,557</u>	<u>4,067,547</u>	<u>12,191,058</u>
Net Loss Before Contributions and Transfers	(889,727)	41,618	(7,925,335)	316,012	(725,378)	2,732,748	(6,450,062)
Capital Contributions and Transfers							
Facility Capacity Charges	9,505,092		6,159			1,958,710	11,469,961
Developer Contributions	15,560,035						15,560,035
Transfers In	72,612,015	30,647,131	15,818,948		1,133,975	19,832,524	140,044,593
Transfers Out	(50,832,361)	(22,096,747)	(54,496,966)		(833,174)	(11,785,345)	(140,044,593)
Total Capital Contributions and Transfers	<u>46,844,781</u>	<u>8,550,384</u>	<u>(38,671,859)</u>		<u>300,801</u>	<u>10,005,889</u>	<u>27,029,996</u>
Change in Net Assets	45,955,054	8,592,002	(46,597,194)	316,012	(424,577)	12,738,637	20,579,934
Net Assets, Beginning of Year	<u>375,819,622</u>	<u>122,546,110</u>	<u>(182,330,639)</u>	<u>(8,861)</u>	<u>4,126,609</u>	<u>56,061,760</u>	<u>376,214,601</u>
Net Assets, End of Year	<u>\$ 421,774,676</u>	<u>\$ 131,138,112</u>	<u>\$ (228,927,833)</u>	<u>\$ 307,151</u>	<u>\$ 3,702,032</u>	<u>\$ 68,800,397</u>	<u>\$ 396,794,535</u>

EL DORADO IRRIGATION DISTRICT

**COMBINED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL**

For the year ended December 31, 2006

	<u>2006</u>	<u>Budget</u>	Variance Positive (Negative)
Operating Revenues			
Water Sales	\$ 15,438,014	\$ 15,082,473	\$ 355,541
Water Services	1,700,902	2,700,635	(999,733)
Reclaimed Water Reimbursements/Sales	723,331	534,484	188,847
Wastewater Sales	12,943,653	11,421,043	1,522,610
Wastewater Services	118,847	403,127	(284,280)
Recreation Fees	725,922	743,829	(17,907)
Hydroelectric Sales	3,828,653	3,000,000	828,653
Total Operating Revenues	<u>35,479,322</u>	<u>33,885,591</u>	<u>1,593,731</u>
Operating Expenses			
Office of the General Manager	4,653,518	4,552,752	(100,766)
Strategic Management and Communications	3,556,546	4,232,269	675,723
Environmental Compliance and Resource Management	2,275,340	2,692,241	416,901
Finance and Management Services	6,312,366	6,552,917	240,551
Facilities Management	22,863,652	21,271,721	(1,591,931)
Recreation	1,523,563	1,500,960	(22,603)
Developer Reimbursed Expenses	1,021,352		(1,021,352)
Total Operating Expenses	<u>42,206,337</u>	<u>40,802,860</u>	<u>(1,403,477)</u>
Net Loss from Operations	(6,727,015)	(6,917,269)	190,254
Nonoperating Revenues (Expenses)			
Facility Capacity Charges	11,469,961	12,362,591	(892,630)
Surcharges	2,413,569		2,413,569
Voter - Approved Taxes	533,316		533,316
Property Taxes	10,069,016	8,500,000	1,569,016
Interest Income	5,747,457	3,096,870	2,650,587
Flood Damage Expenses	(253,637)		(253,637)
Other Income	1,612,498	1,458,101	154,397
Other Expenses	(332,915)		(332,915)
Interest Expense	(11,161,005)		(11,161,005)
Flood Damage Reimbursements	3,562,759	9,817,329	(6,254,570)
Total Nonoperating Revenues (Expenses)	<u>23,661,019</u>	<u>35,234,891</u>	<u>(11,573,872)</u>
Excess of Budgeted Revenues over Budgeted Expenses	16,934,004	<u>\$ 28,317,622</u>	<u>\$ (11,383,618)</u>
Non-Budgeted Items			
Developer Contributions	15,560,035		
Depreciation and Amortization	11,914,105		
Change in Net Assets	<u>\$ 20,579,934</u>		

STATISTICAL SECTION TABLE OF CONTENTS

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.

<u>CONTENTS</u>	<u>PAGE</u>
FINANCIAL TRENDS These schedules contain financial trend information for assessing the District’s financial performance and well-being over time.....	56-61
REVENUE CAPACITY Theses schedules present revenue capacity information to assess the District’s ability to generate revenues. Water, wastewater and hydroelectric sales along with property taxes are the District’s most significant revenue sources.....	62-79
DEBT CAPACITY These schedules present information to assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt.	80-81
DEMOGRAPHIC AND ECONOMIC INFORMATION These schedules provide information on the demographic and economic environment in which the District conducts business	82-84
OPERATING INFORMATION Theses schedules provide information on the District’s service infrastructure to assist the reader in understanding how the information in the District’s financial report relates to the services the District provides and the activities it performs	85-91

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 Six Years
 (in dollars)

Year	Invested in Capital Assets Net of Related Debt	Restricted	Unrestricted	Total Net Assets
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

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 Six Years
 (in dollars)

	Year					
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Operating Revenues	\$35,479,322	\$34,221,768	\$28,708,369	\$24,307,550	\$23,673,261	\$23,211,226
Operating Expenses	<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	(\$18,641,120)	(\$16,787,245)	(\$17,840,701)	(\$16,198,102)	(\$14,371,142)	(\$11,302,258)
Non-operating revenues less expenses	<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	(\$6,450,062)	(\$7,613,273)	(\$18,603,898)	(\$11,737,405)	(\$9,134,918)	(\$911,610)
Capital Contributions	<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>\$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)

Year	Water sales & service	Wastewater sales & service	Reclaimed water sales	Recreation	Hydroelectric sales	Total
1997	\$11,089,042	\$5,084,984	\$0	\$502,170	\$36,451	\$16,712,647
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

Source: El Dorado Irrigation District

Chart #1
Operating Revenues
 Last Ten Years

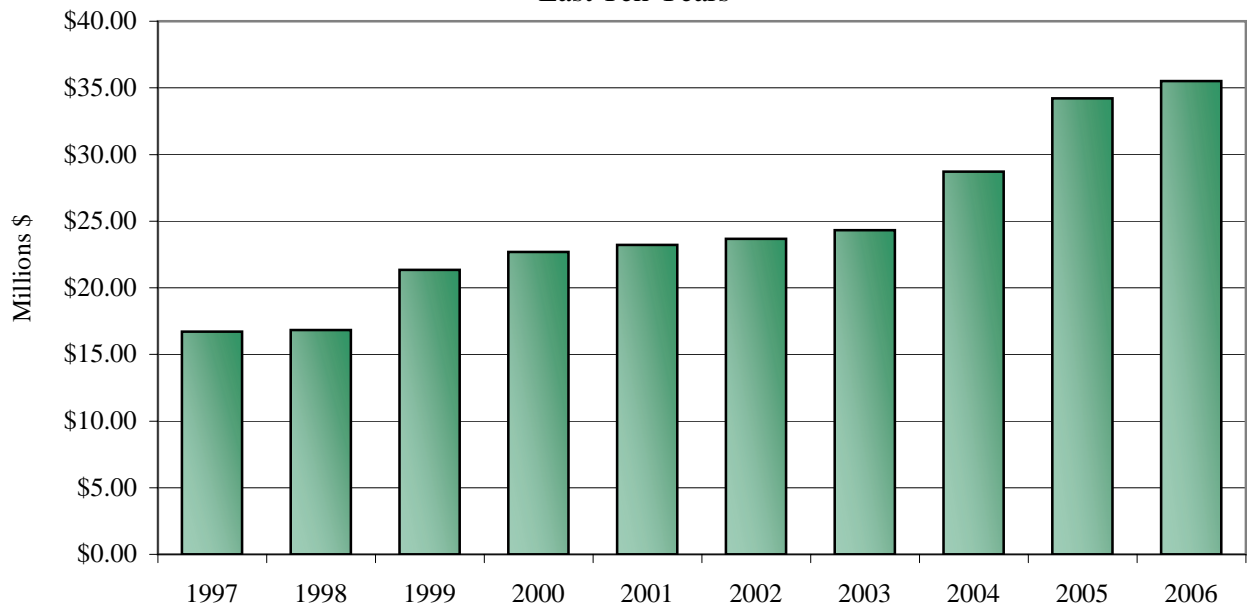


Table #4
Non-Operating Revenues by Source
 Last Ten Years
 (in dollars)

Year	Surcharges	Voter-approved taxes	Property taxes	Interest income	Other income	Flood damage reimbursements	Total
1997	\$2,471,779	\$592,834	\$3,774,466	\$4,492,656	\$3,528,658		\$14,860,393
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

Source: El Dorado Irrigation District

Chart # 2
Non-Operating Revenues
 Last Ten Years

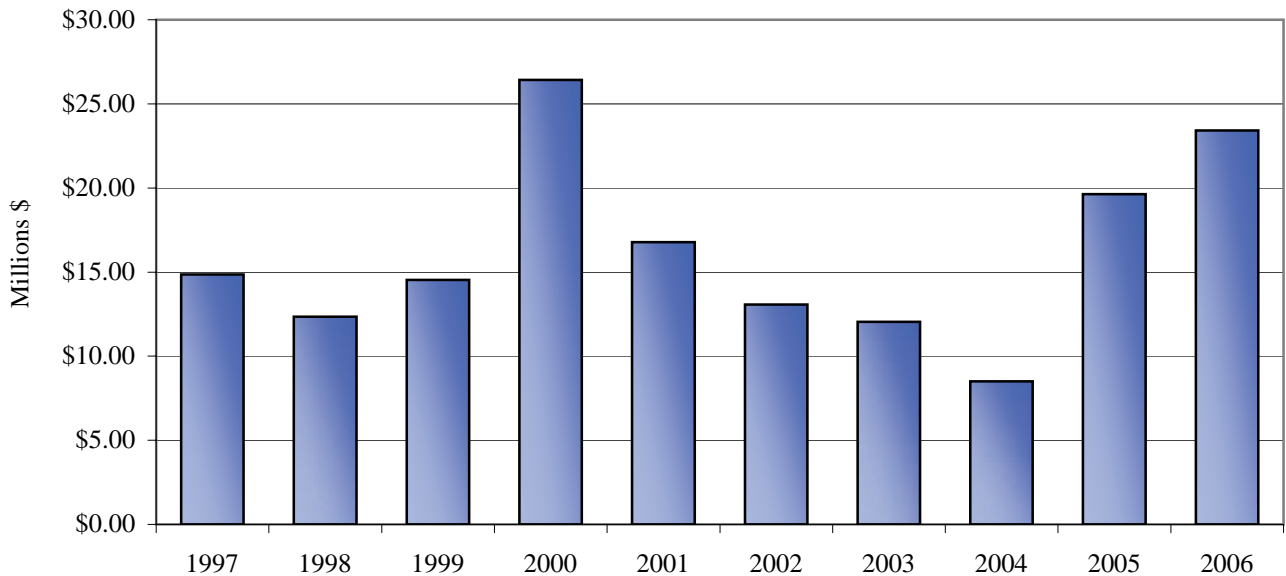


Table #5
Operating Expenses by Function
 Last Six Years
 (in dollars)

	Year					
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001^[1]</u>
<u>Operating Expenses</u>						
Office of the General Manager ^[2]	\$4,653,518	\$3,696,379	\$3,401,143	\$2,588,725	\$2,434,859	\$1,997,313
Strategic Management & Comm.	3,556,546	6,081,888	5,179,964	4,085,197	2,389,819	1,771,204
Environmental Compliance & Water Policy	2,275,340	1,397,145	766,842	688,377	307,385	-
Finance and Management Services	6,312,366	4,580,149	3,138,514	2,126,694	2,353,964	2,418,608
Facilities Management ^[3]	22,863,652	21,632,197	21,505,326	19,300,982	19,199,302	17,155,381
Recreation	1,523,563	1,149,460	1,116,661	807,683	719,911	648,716
Developer Reimbursed Expenses	1,021,352	1,213,046	1,026,606	1,681,625	2,012,016	1,392,805
Depreciation and Amortization	11,914,105	11,258,749	10,414,014	9,226,369	8,627,147	9,129,458
Total Operating Expenses	<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>\$34,513,485</u>

^[1] District operating expenses were restated for reorganization and GASB 34 beginning 2001

^[2] Office of the General Manager includes Human Resources

^[3] Facilities Management includes Hydroelectric

Source: El Dorado Irrigation District Accounting Department

Chart #3
Total Operating Expenses
 Last Six Years

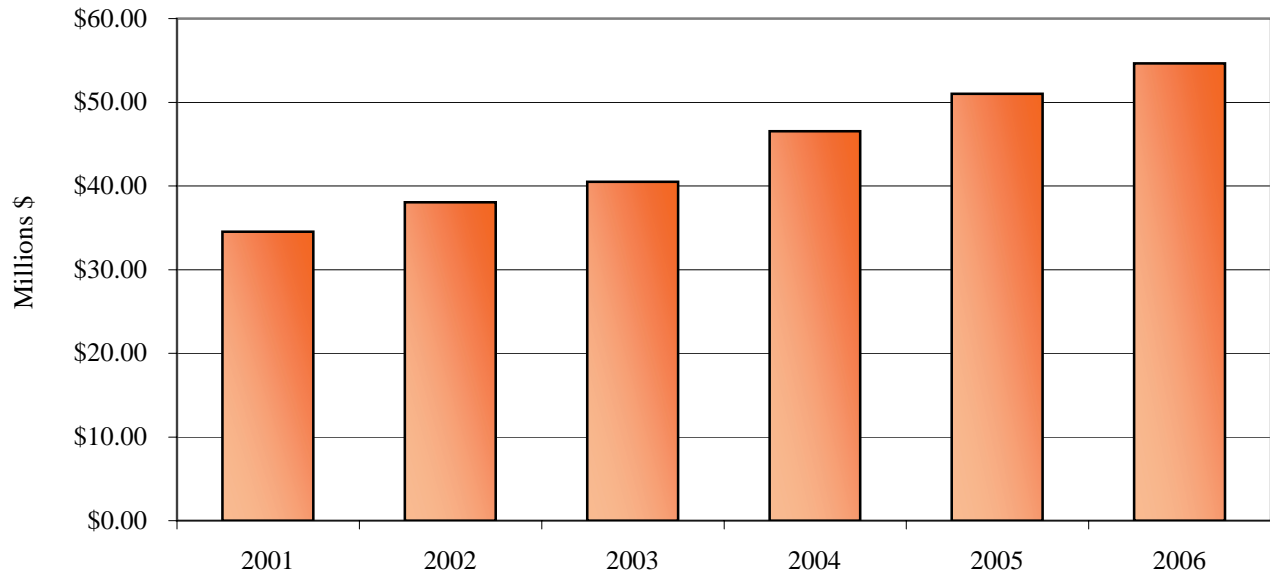


Table #6
Non-Operating Expenses by Function
 Last Ten Years
 (in dollars)

Year	Flood Damage Expenses	Other expenses	Interest Expense	Amortization^[1]	Total
1997	-	\$461,215	\$4,667,000	\$197,098	\$5,325,313
1998	-	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

^[1] Beginning in 2001, amortization is included in operating expenses
 Source: El Dorado Irrigation District

Chart #4
Total Non-Operating Expense
 Last Ten Years

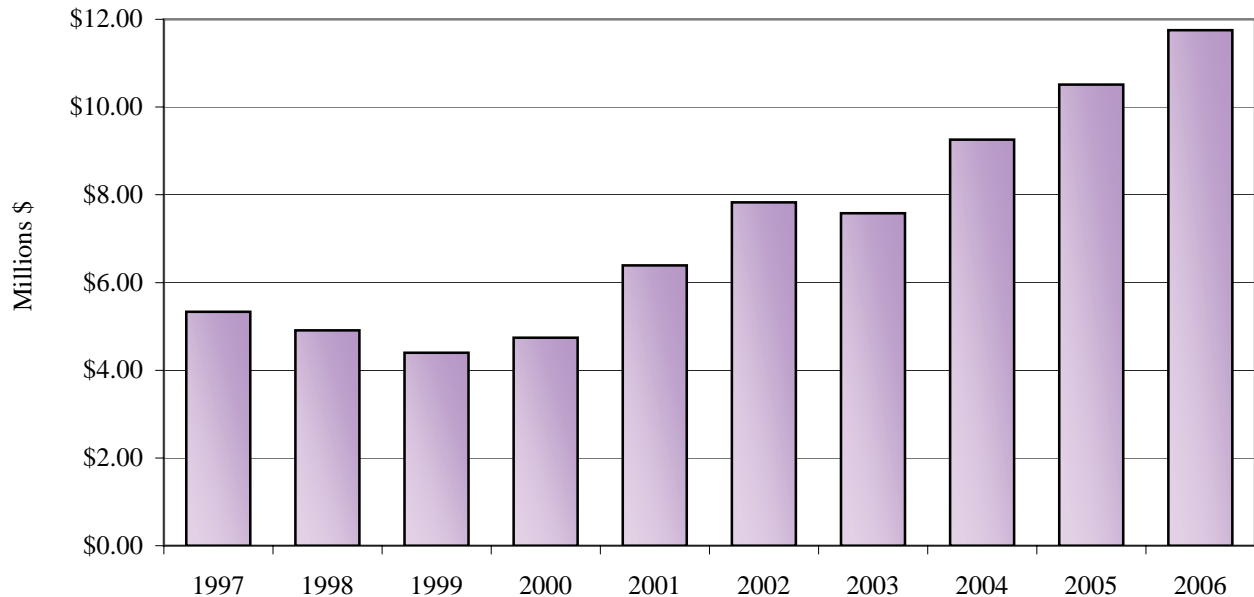


Table # 7
Assessed Value and Actual Value of Taxable Property
Last Ten County Fiscal Years
(in dollars)

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 ^{[2][3]}
1997-98	\$10,452,226,844	\$121,608,340	1.1635	\$1,961,706,510	\$672,865	0.0343
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

^[1] 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

^[2] 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.

^[3] 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

<u>Fiscal Year</u>	<u>General Property Tax Levy</u>	<u>State Assessed Unitary Value Properties</u>	<u>School Districts</u>	<u>Special Districts</u>	<u>EID Voter Approved Tax</u> ^[2]	<u>Total</u>
1997-98	1.000%	0.0473%	0.0147%	0.0243%	0.0343%	1.1206%
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%

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.

^[1] Total tax burden on taxpayers within EID's geographic jurisdiction

^[2] 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^[1]
Current Year and Four Years Ago

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2006</u>			<u>2003^[2]</u>		
		<u>2006-2007</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>
MW Housing Partners	Residential Develop.	\$50,694,000	1	1.03%			
Toll Brothers Development Co.	Residential Develop.	50,090,000	2	1.02%			
Western Pacific Housing Inc.	Residential Develop.	35,354,040	3	0.72%			
Serrano Associates LLC	Residential Develop.	33,657,158	4	0.68%	\$49,934,672	2	1.53%
Pulte Home Corp.	Residential Develop.	21,848,311	5	0.44%			
GHC Company 5 LLC	Residential Develop.	15,401,249	6	0.31%			
Richmond American Homes	Residential Develop.	14,639,040	7	0.30%			
West Valley LLC	Residential Develop.	13,048,696	8	0.26%			
Centex Homes	Residential Develop.	12,284,777	9	0.25%			
Shea Homes	Residential Develop.	11,910,519	10	0.24%			
Valley View Investors LLC	Residential Develop.	11,768,189	11	0.24%			
CH Blackstone LP	Residential Develop.	7,777,500	12	0.16%			
Safeway Inc.	Commercial	6,722,382	13	0.14%			
Promontory Investors LP	Undeveloped	6,718,863	14	0.14%			
Min Nan Tseng	Residential Develop.	6,317,843	15	0.13%	6,317,843	15	0.19%
AKT Promontory LLC	Residential Develop.	6,223,403	16	0.13%			
RPA Inc.	Undeveloped	6,122,828	17	0.12%	7,000,786	11	0.21%
K. Hovnanian Forecast Homes	Residential Develop.	5,917,662	18	0.12%			
WRI Golden State LLC	Commercial	5,721,790	19	0.12%	4,522,468	17	0.14%
Shankar La Borgata	Commercial	5,681,636	20	0.12%			
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%
Russell-Promontory LLC	Residential Develop.				4,397,443	19	0.14%
Len-Serrano II LLC	Residential Develop.				3,780,000	20	0.12%
		<u>\$327,899,886</u>		<u>6.67%</u>	<u>\$250,244,443</u>		<u>5.61%</u>

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

^[2] The District did not begin tracking principal property tax payers until 2003

Source: California Municipal Statistics, Inc.

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

Fiscal Year	Levy	Collections					% of County Levy
	County Secured Property Tax Levy	District's Share of 1% Property Tax ^[1]	Assessment District #3 & #4 Collections ^[2]	Maintenance District Collections ^[3]	Miscellaneous Collections ^[4]	Total District Collections	
1997-98	\$121,608,340	\$3,772,380	\$1,310,604	\$2,086	\$63,190	\$5,148,260	4.23%
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%

^[1] 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.

^[2] Assessments District #3’s outstanding bonds were paid in full in 1998. Assessment District #4’s bonds matured in 1998.

^[3] Maintenance Districts: Singleton Ranch Reservoir – 34M, Clear Creek – 97M and Knolls Reservoir – 30M. Only the latter two districts remain active currently.

^[4] 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

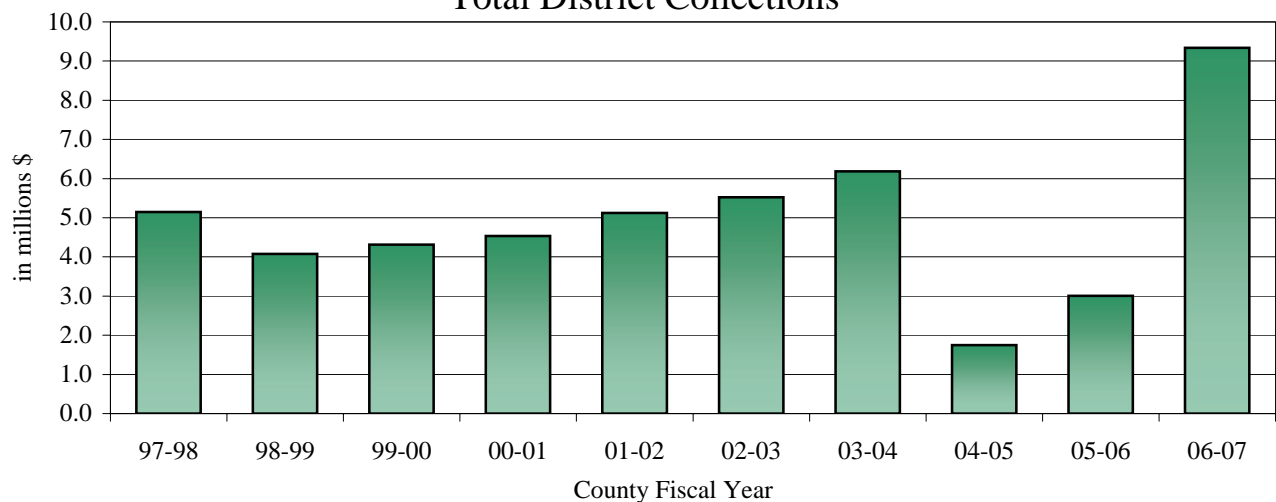


Table #11
 Equivalent Dwelling Unit (EDU)^[1] Sales
 Last Ten Years

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>	<u>Recycled Water</u>
1997	771	658	
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

^[1] An Equivalent Dwelling Unit represents the water usage equivalent to a typical single-family dwelling.
 Source: EID Customer and Development Services Division

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

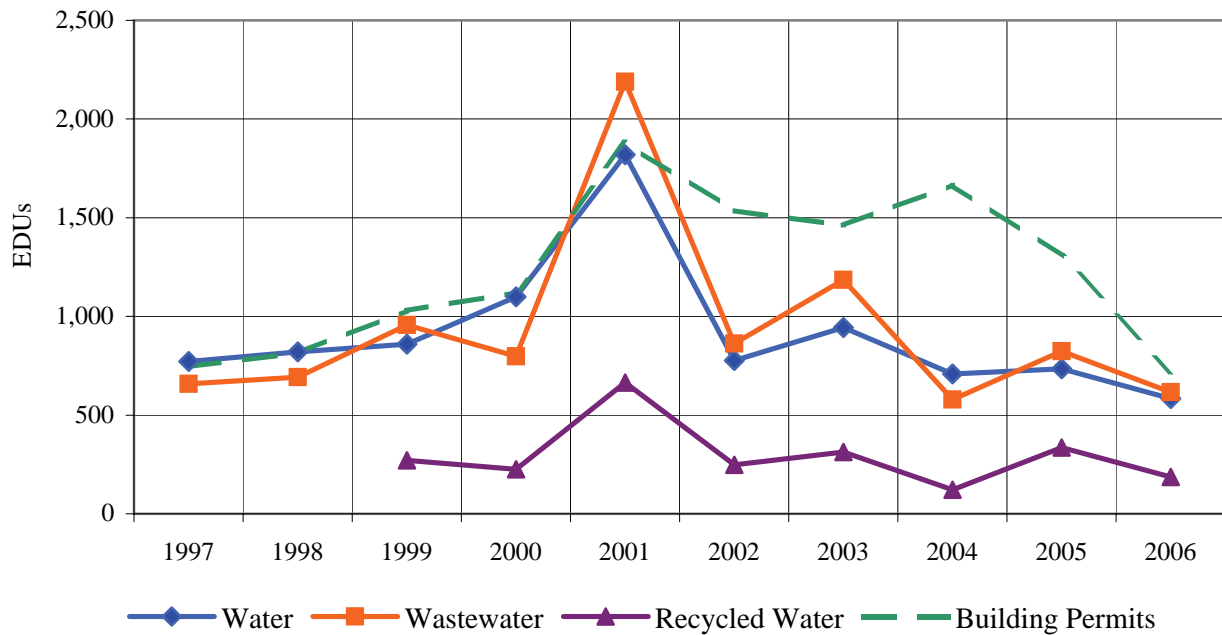


Table #12
Water and Recycled Water Sales by Type of Customer
Last Ten Years

<u>Type of Customer</u>	<u>Year</u>									
	<u>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>	<u>1997</u>
Potable Water Sold (acre feet)										
Residential ^[1]	22,190	20,319	22,559	20,169	20,090	19,469	18,068	18,106	14,714	17,821
Commercial & Industrial	2,850	2,805	2,806	2,778	2,613	2,613	2,361	2,482	2,002	2,414
Agriculture	4,963	4,712	6,433	6,074	5,242	5,742	5,950	6,153	5,255	6,595
Recreational Turf	1,387	1,235	1,605	1,112	1,357	1,383	2,044	2,028	1,270	1,884
Municipal	1,672	1,666	1,811	1,709	1,696	1,669	1,637	1,575	1,464	1,548
Total	33,062	30,737	35,214	31,842	30,998	30,876	30,060	30,344	24,705	30,262
Sales Revenue (in millions)										
	\$15.438	\$14.018	\$13.480	\$11.438	\$11.125	\$11.985	\$12.048	\$11.055	\$9.527	\$10.764

Recycled Water Sold (acre feet)										
Residential ^[2]	1,331	1,008	713	493	274	155	46	1		
Commercial & Industrial ^[3]	726	669	547	441	751	560	586	636		
Recreational Turf	726	455	721	755	811	886	561	864		
Total	2,782	2,133	1,981	1,690	1,836	1,601	1,194	1,500	n/a^[4]	n/a^[4]
Sales Revenue (in millions)										
	\$0.723	\$0.533	\$0.492	\$0.382	\$0.323	\$0.359	\$0.106	\$0.234	\$0.106	-

^[1] Residential includes domestic irrigation and multi-family accounts

^[2] 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.

^[3] Commercial & Industrial includes construction meters

^[4] Data was not collected in the same format for 1998 and 1997

Source: EID Sewer Capacity Report and Facilities Management Dept.

Chart #7
Water and Recycled Water Sales

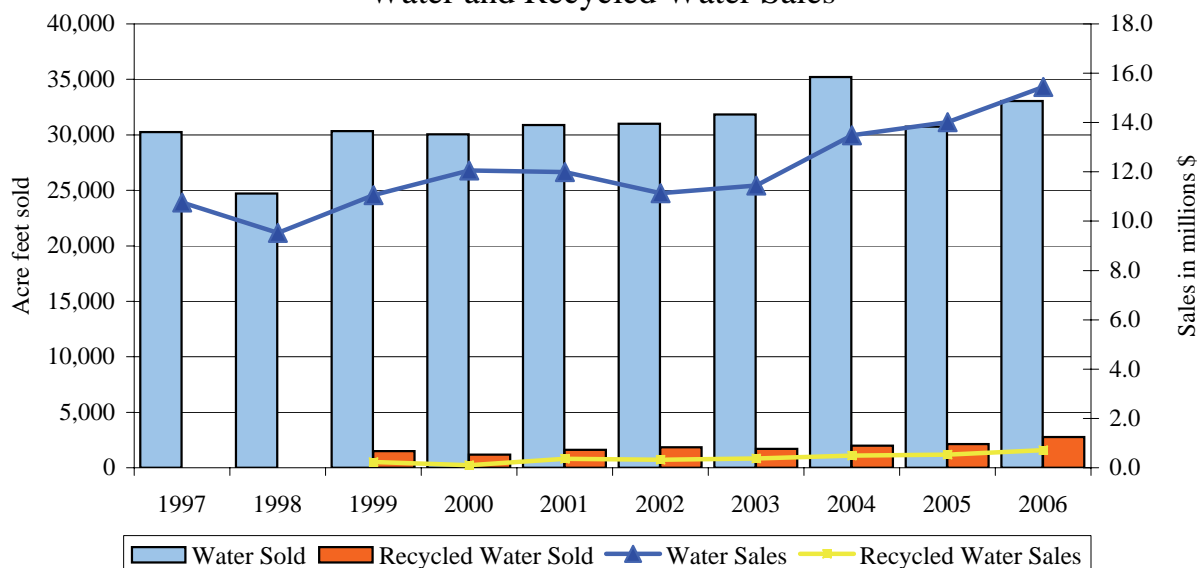


Table #13
Largest Water Customers
 Current Year and Five Years Ago

<u>Water Customers</u>	2006			2001^[1]		
	<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	\$308,991	1	1.91%	-	1	1.85%
Serrano Associates LLC ^[2]	132,412	2	0.82%	-	2	1.52%
Sierra Pacific Industries	94,598	3	0.59%	-	3	0.35%
Cameron Park Golf Course	46,154	4	0.29%	-	7	0.22%
Lake Oaks Mobile Homes Park	42,606	5	0.26%	-	4	0.33%
Cameron Park Mobile Homes Park	29,396	6	0.18%	-	6	0.23%
Cameron Oaks Investment Co.	27,580	7	0.17%	-	9	0.21%
Gliksman, George	26,577	8	0.16%	-	-	
Diamond Springs Mobile Home Park	25,982	9	0.16%	-	-	
Oak Ridge High School	24,698	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%
Total	<u>\$758,994</u>		<u>4.69%</u>	<u>0</u>		<u>0.72%</u>

^[1] 2001 was the first year the District reported this item

^[2] Includes recycled water revenue

Source: El Dorado Irrigation District Accounting Department

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

<u>Wastewater Customers</u>	2006			2001^[1]		
	<u>Annual Revenue</u>	<u>Rank</u>	<u>% of Wastewater Sales</u>	<u>Annual Revenue</u>	<u>Rank</u>	<u>% of Wastewater Sales</u>
PW Eagle Inc.	\$61,194	1	0.47%			
Best/SCV Cameron Park PTSP	45,094	2	0.35%			
Raleys #424	31,185	3	0.24%			
IBJTC Leasing Corp.	29,230	4	0.23%			
Yamasaki, Doris	27,247	5	0.21%			
Chiou, Frank	26,975	6	0.21%			
Point Loma Center	26,779	7	0.21%			
ITW Rippey Corp.	26,476	8	0.20%			
Bel Air Store #515	24,889	9	0.19%			
DST/RPA-Output Tech Solutions	22,822	10	0.18%			
Lake Oaks Mobile Home Park	-	-		\$92,984	1	1.10%
Cameron Park Mobile Home Park	-	-		76,077	2	0.90%
Cameron Oaks Investment Company	-	-		71,851	3	0.85%
Crestview Mobile Home Park	-	-		48,182	4	0.57%
PW Pipe	-	-		41,420	5	0.49%
Diamond Springs Mobile Home Park	-	-		33,812	6	0.40%
Cameron Park Village	-	-		32,122	7	0.38%
Westwood Mobile Home Park	-	-		31,276	8	0.37%
Bridge-Cameron Park LP	-	-		30,431	9	0.36%
Fuller-Sunset Mobile Home Park	-	-		29,586	10	0.35%
Total	<u>\$321,891</u>		<u>2.49%</u>	<u>487,741</u>		<u>5.77%</u>

^[1] 2001 was the first year the District reported this item

Source: El Dorado Irrigation District Accounting Department

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									
	<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>	<u>1997</u>
<u>Retail^[1]</u>										
Basic Charge 3/4" - 5/8" meter	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$20.06	\$20.06	\$20.06	\$20.06
0 - 1,500 cf	\$.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	\$0.790 per ccf
1,501 - 20,000 cf	\$.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	n/a
over 20,000 cf	\$.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	n/a
Basic Charge 1" meter	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$31.36	\$31.36	\$31.36	n/a
Basic Charge 1 1/2" meter	\$29.88	\$27.41	\$25.62	\$23.71	\$23.71	\$23.71	\$31.36	\$31.36	\$31.36	n/a
0 - 7,800 cf	\$.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	n/a
7,801 - 100,000 cf	\$.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	n/a
over 100,000 cf	\$.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	n/a
Basic Charge 2" meter	\$31.31	\$28.72	\$26.84	\$24.83	\$24.83	\$24.83	\$31.36	\$31.36	\$31.36	n/a
Basic Charge 3" meter	\$34.43	\$31.59	\$29.52	\$27.32	\$27.32	\$27.32	\$31.36	\$31.36	\$31.36	n/a
Basic Charge 4" meter	\$37.87	\$34.74	\$32.47	\$30.03	\$30.03	\$30.03	\$31.36	\$31.36	\$31.36	n/a
Basic Charge 6" meter	\$41.66	\$38.22	\$35.72	\$33.06	\$33.06	\$33.06	\$31.36	\$31.36	\$31.36	n/a
Basic Charge 8" meter	\$50.42	\$46.26	\$43.23	\$40.00	\$40.00	\$40.00	n/a	n/a	n/a	n/a
Basic Charge 10" meter	\$61.01	\$55.97	\$52.31	\$48.40	\$48.40	\$48.40	n/a	n/a	n/a	n/a
Basic Charge 12" meter	\$73.82	\$67.72	\$63.29	\$58.56	\$58.56	\$58.56	n/a	n/a	n/a	n/a
0 - 25,000 cf	\$.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	n/a
25,001 - 133,300 cf	\$.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	n/a
over 133,333 cf	\$.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	n/a
<u>Multi-Family</u>										
Basic Charge Per Unit	\$14.15	\$12.98	\$12.13	\$11.22	\$11.22	\$11.22	\$11.22	\$11.22	\$11.22	\$11.22
0 - 1,500 cf	\$.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	\$0.692 per ccf
1,501 - 20,000 cf	\$.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	n/a
over 20,000 cf	\$.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	n/a
<u>Small Farms</u>										
Basic Charge	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	n/a	n/a	n/a	n/a
0 - 1,760 cf	\$.743 per ccf	\$.682 per ccf	\$.637 per ccf	\$.590 per ccf	\$.590 per ccf	\$.590 per ccf	n/a	n/a	n/a	n/a
1,761 - 6,500 cf	\$.076 per ccf	\$.070 per ccf	\$.065 per ccf	\$.060 per ccf	\$.060 per ccf	\$.060 per ccf	n/a	n/a	n/a	n/a
6,501 - 100,000 cf	\$.089 per ccf	\$.081 per ccf	\$.076 per ccf	\$.070 per ccf	\$.070 per ccf	\$.070 per ccf	n/a	n/a	n/a	n/a
over 100,000 cf	\$.101 per ccf	\$.093 per ccf	\$.087 per ccf	\$.080 per ccf	\$.080 per ccf	\$.080 per ccf	n/a	n/a	n/a	n/a

[1] For years 1997 through 2000, the retail water rate category represents the single family residential and the 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)

Category	Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<u>Agriculture Metered Irrigation</u>										
<u>with residence</u>										
Basic Charge	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	\$38.24	\$38.24	\$38.24	\$38.24
0 - 1,760 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	\$0.064 per ccf
1,761 ccf - 16 inches per acre	\$.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	n/a
16.01 - 47 inches per acre	\$.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	n/a
over 47 inches per acre	\$.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	n/a
<u>without residence</u>										
Basic Charge	\$50.61	\$46.43	\$43.39	\$40.15	\$40.15	\$40.15	\$38.24	\$38.24	\$38.24	\$38.24
0 - 16 inches per acre	\$.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	\$0.064 per ccf
16.01 - 47 inches per acre	\$.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	n/a
over 47 inches per acre	\$.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	n/a
<u>Domestic Irrigation</u>										
Basic Charge	\$48.15	\$44.17	\$41.28	\$38.20	\$38.20	\$32.99	\$38.20	\$38.20	\$38.20	\$38.20
0 - 6,500 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	\$0.093 per ccf
6,501 - 100,000 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	n/a
over 100,000 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	n/a
<u>Recreational Turf</u>										
Basic Charge 3/4" - 1 1/2" meter	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$58.53	\$76.50	\$76.50	\$76.50	\$76.50
0 - 13,300 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	\$0.157 per ccf
13,301 - 75,000 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	n/a
over 75,000 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	n/a
Basic Charge 2" - 3" meter	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$60.11	\$76.50	\$76.50	\$76.50	n/a
0 - 37,500 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	n/a
37,501 - 166,700 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	n/a
over 166,700 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	n/a
Basic Charge 4" - 8", other meter	\$96.44	\$88.47	\$82.68	\$76.50	\$76.50	\$64.34	\$76.50	\$76.50	\$76.50	n/a
0 - 500,000 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	n/a
500,001 - 1,666,700 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	n/a
over 1,666,700 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	n/a

Source: El Dorado Irrigation District Utility Billing Division

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

Category	Year									
	<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>	<u>1997</u>
<u>Retail^[1]</u>										
Basic Charge 3/4" meter	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$22.58	\$22.58	\$22.58	\$22.58
0 - 1,500 ccf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$.830 per ccf	\$0.830 per ccf	\$0.830 per ccf	\$0.874 per ccf
1,501 - 20,000 cf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$0.890 per ccf	\$0.890 per ccf	\$0.890 per ccf	n/a
over 20,000 cf	\$.995 per ccf	\$.913 per ccf	\$.853 per ccf	\$.790 per ccf	\$.790 per ccf	\$.790 per ccf	\$1.060 per ccf	\$1.060 per ccf	\$1.060 per ccf	n/a
Basic Charge 1" meter	\$28.46	\$26.11	\$24.40	\$22.58	\$22.58	\$22.58	\$35.12	\$35.12	\$35.12	n/a
Basic Charge 1 1/2" meter	\$29.88	\$27.41	\$25.62	\$23.71	\$23.71	\$23.71	\$35.12	\$35.12	\$35.12	n/a
0 - 7,800 cf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$0.880 per ccf	\$0.880 per ccf	\$0.880 per ccf	n/a
7,801 - 100,000 cf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$0.920 per ccf	\$0.920 per ccf	\$0.920 per ccf	n/a
over 100,000 cf	\$.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	n/a
Basic Charge 2" meter	\$31.31	\$28.72	\$26.84	\$24.83	\$24.83	\$24.83	\$35.12	\$35.12	\$35.12	n/a
Basic Charge 3" meter	\$34.43	\$31.59	\$29.52	\$27.32	\$27.32	\$27.32	\$35.12	\$35.12	\$35.12	n/a
Basic Charge 4" meter	\$37.87	\$34.74	\$32.47	\$30.03	\$30.03	\$30.03	\$35.12	\$35.12	\$35.12	n/a
Basic Charge 6" meter	\$41.66	\$38.22	\$35.72	\$33.06	\$33.06	\$33.06	\$35.12	\$35.12	\$35.12	n/a
Basic Charge 8" meter	\$50.42	\$46.26	\$43.23	\$40.00	\$40.00	\$40.00	n/a	n/a	n/a	n/a
Basic Charge 10" meter	\$61.01	\$55.97	\$52.31	\$48.40	\$48.40	\$48.40	n/a	n/a	n/a	n/a
Basic Charge 12" meter	\$73.82	\$67.72	\$63.29	\$58.56	\$58.56	\$58.56	n/a	n/a	n/a	n/a
0 - 25,000 cf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$0.880 per ccf	\$0.880 per ccf	\$0.880 per ccf	n/a
25,001 - 133,300 cf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$0.920 per ccf	\$0.920 per ccf	\$0.920 per ccf	n/a
over 133,333 cf	\$.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	n/a
<u>Multi-Family</u>										
Basic Charge Per Unit	\$15.48	\$14.20	\$13.27	\$12.28	\$12.28	\$22.58	\$12.28	\$12.28	\$12.28	\$12.28
0 - 1,500 cf	\$.781 per ccf	\$.717 per ccf	\$.670 per ccf	\$.620 per ccf	\$.620 per ccf	\$.620 per ccf	\$0.850 per ccf	\$0.850 per ccf	\$0.850 per ccf	\$0.890 per ccf
1,501 - 20,000 cf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	\$0.890 per ccf	\$0.890 per ccf	\$0.890 per ccf	n/a
over 20,000 cf	\$.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	n/a
Strawberry Basic Charge	\$34.23	\$31.40	\$29.35	\$27.16	\$27.16	\$27.16	\$27.16	\$27.16	\$27.16	\$27.16
<u>Small Farms</u>										
Basic Charge	\$57.23	\$52.53	\$49.09	\$45.42	\$45.42	\$45.42	n/a	n/a	n/a	n/a
0 - 1,760 cf	\$.844 per ccf	\$.775 per ccf	\$.724 per ccf	\$.670 per ccf	\$.670 per ccf	\$.670 per ccf	n/a	n/a	n/a	n/a
1,761 - 6,500 cf	\$.076 per ccf	\$.070 per ccf	\$.065 per ccf	\$.060 per ccf	\$.060 per ccf	\$.060 per ccf	n/a	n/a	n/a	n/a
6,501 - 100,000 cf	\$.089 per ccf	\$.081 per ccf	\$.076 per ccf	\$.070 per ccf	\$.070 per ccf	\$.070 per ccf	n/a	n/a	n/a	n/a
over 100,000 cf	\$.101 per ccf	\$.093 per ccf	\$.087 per ccf	\$.080 per ccf	\$.080 per ccf	\$.080 per ccf	n/a	n/a	n/a	n/a

^[1] For years 1997 through 2000, the retail water rate category represents the single family residential and the 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)

Category	Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<u>Agriculture Metered Irrigation</u>										
<u>with residence</u>										
Basic Charge	\$57.26	\$52.53	\$49.09	\$45.42	\$45.42	\$45.42	\$43.26	\$43.26	\$43.26	\$43.26
0 - 1,760 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	n/a
1,761 ccf - 16 inches per acre	\$.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	\$.066 per ccf
16.01 - 47 inches per acre	\$.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	n/a
over 47 inches per acre	\$.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	n/a
<u>without residence</u>										
Basic Charge	\$57.26	\$52.53	\$49.09	\$45.42	\$45.42	\$45.42	\$43.26	\$43.26	\$43.26	\$43.26
0 - 16 inches per acre	\$.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	\$.066 per ccf
16.01 - 47 inches per acre	\$.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	n/a
over 47 inches per acre	\$.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	n/a
<u>Domestic Irrigation</u>										
Basic Charge	\$53.75	\$49.31	\$46.08	\$42.64	\$42.64	\$35.95	\$42.64	\$42.64	\$42.64	\$42.64
0 - 4,500 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	\$.209 per ccf
4,501 - 46,500 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	n/a
over 46,500 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	n/a
<u>Recreational Turf</u>										
Basic Charge 3/4" - 1" meter	\$28.46	\$26.11	\$24.40	\$43.90	\$65.21	\$65.21	\$86.52	\$86.52	\$86.52	\$86.52
Basic Charge 1 1/2" meter	\$29.88	\$27.41	\$25.62	\$44.64	\$65.58	\$65.58	\$86.52	\$86.52	\$86.52	n/a
0 - 25,000 cf	\$.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	\$.184 per ccf
25,001 - 62,500 cf	\$.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	n/a
over 62,500 cf	\$.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	n/a
Basic Charge 2" meter	\$31.31	\$28.72	\$26.84	\$45.40	\$65.96	\$65.96	\$86.52	\$86.52	\$86.52	n/a
Basic Charge 3" meter	\$34.43	\$31.59	\$29.52	\$47.06	\$66.76	\$66.76	\$86.52	\$86.52	\$86.52	n/a
Basic Charge 4" meter	\$37.87	\$34.74	\$32.47	\$48.88	\$67.70	\$67.70	\$86.52	\$86.52	\$86.52	n/a
Basic Charge 6" meter	\$41.66	\$38.22	\$35.72	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Basic Charge 8" meter	\$50.42	\$46.26	\$43.23	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0 - 50,000 cf	\$.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	n/a
50,001 - 333,300 cf	\$.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	n/a
over 333,300 cf	\$.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	n/a

Source: El Dorado Irrigation District Utility Billing Division

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

Category	Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<u>Wholesale (City of Placerville)</u>										
<u>Wholesale</u>										
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	\$.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	n/a
295,501 - 12,160,000 cf	\$.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	\$0.351 per ccf
over 12,160,000 cf	\$.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	n/a
<u>Fire Hydrant/Construction</u>										
Basic Charge	\$63.23	\$58.00	\$54.21	\$50.16	\$50.16	\$50.16	\$50.16	\$50.16	\$50.16	\$50.16
Commodity charge	\$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	\$1.00 per ccf
<u>Fire Hydrant/Reclaimed Lines</u>										
Basic Charge	\$98.14	\$90.03	\$84.14	\$77.86	\$77.86	\$77.86	n/a	n/a	n/a	\$13.97
Commodity charge	\$.568 per ccf	\$.521 per ccf	\$.487 per ccf	\$.450 per ccf	\$.450 per ccf	\$.450 per ccf	n/a	n/a	n/a	\$0.080 per ccf
<u>Ditches (Raw Water)</u> ^[1]										
Basic Charge - metered										
landscape irrigation	\$55.16	\$50.60	\$47.29	\$43.76	\$43.76	\$43.76	\$39.78	\$39.78	\$39.78	\$38.20
Commodity charge	\$.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	\$0.093 per ccf
Basic Charge 1/2" flow	\$50.84	\$46.64	\$43.59	\$40.33	\$40.33	\$40.33	\$36.66	\$36.66	\$36.66	\$18.33
Basic Charge 1" flow	\$112.92	\$103.59	\$96.81	\$89.58	\$89.58	\$89.58	\$81.44	\$81.44	\$81.44	\$40.72
Basic Charge 2" flow	\$225.84	\$207.17	\$193.62	\$179.16	\$179.16	\$179.16	n/a	n/a	n/a	n/a
Basic Charge 4" flow	\$451.67	\$414.34	\$387.23	\$358.32	\$358.32	\$358.32	n/a	n/a	n/a	n/a
Basic Charge - continuous flow	\$87.33	\$80.09	\$74.87	\$69.28	\$69.28	\$69.28	\$62.98	\$62.98	\$62.98	\$31.49
Commodity charge	\$.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	\$1.016 MID

^[1] 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									
	<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>	<u>1997</u>
<u>Sewer Only for:</u>										
<u>Small Farm/Rec Turf/Domestic Irrigation</u>										
Basic Charge	\$104.72	\$96.93	\$93.20	\$90.49	\$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
<u>Single Family Residential</u>										
Basic Charge	\$49.70	\$46.00	\$44.23	\$42.94	\$42.94	\$42.94	\$45.25	\$90.49	\$90.49	\$90.49
Commodity Charge	\$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	n/a
<u>Commercial Industrial</u>										
Basic Charge	\$44.84	\$41.51	\$39.91	\$38.75	\$38.75	\$38.75	\$38.75	\$38.75	\$38.75	\$38.75
Laundromat	\$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	\$1.100 per ccf
Market	\$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	\$1.950 per ccf
Repair Shop/Service Station	\$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	\$1.950 per ccf
Light Industrial	\$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	\$2.290 per ccf
Restaurant	\$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	\$3.330 per ccf
Other	\$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	\$1.640 per ccf
<u>Commercial w/o water service</u>										
Basic Charge	\$52.47	\$48.57	\$46.70	\$45.34	\$45.34	\$45.34	\$45.34	\$45.34	\$45.34	\$45.34
Each additional unit	\$59.88	\$55.42	\$53.29	\$51.74	\$51.74	\$51.74	\$51.74	\$51.74	\$51.74	\$51.74
<u>School Wastewater (yearly)</u>										
Basic Charge, <i>per student</i>	\$3.55	\$3.29	\$3.16	\$3.07	\$3.07	\$3.07	\$6.06	\$6.06	\$6.06	\$6.06
<u>Septage Transfer</u>										
Basic Charge, <i>per 1,000 gal</i>	\$126.72	\$117.29	\$112.78	\$109.59	\$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)

Category	Gravity and Pumped									
	Year									
	<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>	<u>1997</u>
<u>Commercial / Industrial</u>										
Basic Charge	\$98.14	\$90.03	\$84.14	\$77.86	\$77.86	\$77.86	\$77.86	\$77.86	\$77.86	\$77.86
Commodity Charge	\$.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	\$.450 per ccf
<u>Dual Plumbed - Residential</u>										
Basic Charge	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge	\$.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	\$.450 per ccf

Source: El Dorado Irrigation District Utility Billing Division

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

<u>Meter Size</u>	<u>Meter Type</u>	<u>EDUs</u>	<u>Water Line and Cover Surcharge^[1]</u>		<u>Wastewater Surcharge^[2]</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

^[1] Water rate surcharges remained the same for years 2001 to 2006, data was not reported prior to 2001.

Water multi-family rate 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 revised and Phase II adopted on November 1, 2001.

^[2] 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, 1999.

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.

Table #19
Facility Capacity Charges
 Last Two Years^[1]
 (in dollars)

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

^[1] Information for years 2006 and 2005 only. Information not reported with the same methodology previous to 2005.

Note: All figures stated based on water flow

Source: EID Customer & Development Services Division

Table #19 continued
 Facility Capacity Charges continued
 Last Two Years^[1]
 (in dollars)

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

^[1] Information for years 2006 and 2005 only. Information not reported with the same methodology previous to 2005.

Note: All figures stated based on water flow

Source: EID Customer & Development Services Division

Table #20
 Installation and Inspection Fees
 Last Two Years^[1]
 (in dollars)

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

PR - Pressure Regulator

^[1] Information for years 2006 and 2005 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>
1997	\$8,689	\$18,514	\$2,682	-	-	\$66,700	-	-	\$2,643	\$99,228	2.32%	\$669
1998	8,444	17,851	2,318	-	-	65,313	-	-	-	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	1.90%	679
2002	2,934	14,652	1,533	-	-	72,190	15,000	459	-	106,768	1.78%	653
2003	3,224	-	1,533	165,825	6,000	68,885	15,000	254	-	260,721	4.18%	1,572
2004	3,096	-	1,533	249,545	5,585	-	-	101	-	259,860	3.92%	1,524
2005	5,918	-	1,533	248,000	5,330	-	-	-	-	260,781	n/a ^[1]	1,503
2006	16,543	-	1,533	244,165	5,010	-	-	-	-	267,251	n/a ^[1]	1,517

^[1] Personal income for years 2005 and 2006 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^[1]
Last Four Years^[2]
(in dollars)

<u>Category</u>	<u>Revenues</u> ^[3]	<u>Expenses</u> ^[4]	<u>Net Revenues</u>	<u>Debt service</u>			<u>Coverage</u> ^[5]
				<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
<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
<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

^[1] Information provided in compliance with District's continuing disclosures agreement.

^[2] Data pursuant to debt service covenants issued beginning in 2003

^[3] 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.

^[4] Total expenses include both operating and non-operating expenses, except depreciation and interest expense.

^[5] 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

Year	Issued Permit Valuations (in thousands)		New Dwelling Units Issued Permits		New Construction Finals Issued		
	Residential	Non- Residential	Single Family	Multi- Family	Single Family	Multi- Family	Commercial
1997	\$138,377	\$20,193	745	0	727	169	61
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

Source: El Dorado County Land Management Information System

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

<u>Employer</u>	<u>2006</u>			<u>1998^[1]</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
El Dorado County	1,973	1	2.11%	1,525	1	1.98%
Blue Shield of California	1,385	2	1.48%	-	-	-
DST Output	1,200	3	1.28%	-	-	-
Marshall Medical Center	1,017	4	1.09%	810	3	1.05%
Raley's Inc.	712	5	0.76%	-	-	-
State of California	650	6	0.69%	-	-	-
Sierra-at-Tahoe	635	7	0.68%	-	-	-
El Dorado County Office of Education	515	8	0.55%	600	5	0.78%
Roebbelen	375	9	0.40%	-	-	-
El Dorado Irrigation District	325	10	0.35%	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%
Total	<u>8,787</u>		<u>9.39%</u>	<u>5,905</u>		<u>7.68%</u>

^[1] Information for 1997 was not available at the time of this report
Source 2006: Sacramento Business Journal, April 13, 2007
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>
1997	148,373	1.7%	75,700	71,500	5.5%	\$4,277,644	\$28,830	29,084
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%	82,500	79,300	3.9%	\$5,595,834	\$35,624	28,906
2001	161,600	2.9%	84,100	80,900	3.8%	\$5,762,650	\$35,660	28,795
2002	163,600	1.2%	82,300	78,200	5.0%	\$5,993,822	\$36,637	29,104
2003	165,900	1.4%	82,600	78,200	5.4%	\$6,244,026	\$37,637	29,147
2004	170,456	2.7%	88,900	84,600	4.8%	\$6,636,228	\$38,932	29,072
2005	173,511	1.8%	90,900	86,700	4.6%	n/a ^[1]	n/a ^[1]	29,368
2006	176,204	1.6%	93,600	89,300	4.6%	n/a ^[1]	n/a ^[1]	29,332

^[1] Information for 2005 and 2006 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

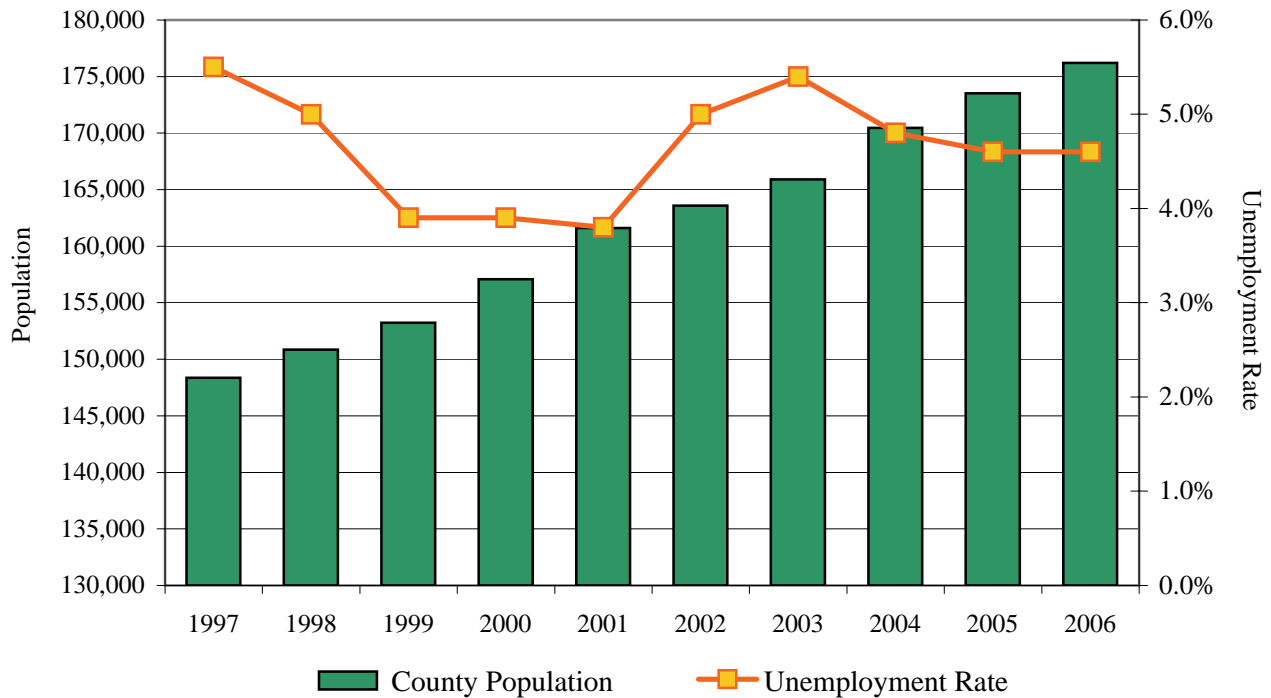


Table #26
Water System Demographics and Statistical Summary
Last Ten Years

<u>Water System</u>	<u>Year</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>	<u>1997</u>
Facilities:										
Miles of Main Line (estimated)	1,289	1,245	1,229	1,220	1,200	1,150	1,150	1,111	1,111	1,100
Miles of Ditches (estimated)	27	27	37	40	40	40	40	50	50	70
Number of Treatment Plants	6	6	6	6	6	6	6	6	6	7
Total Plant Capacity (cfs)	184	177	177	164	161	190	147	123	123	123
# of Pumping Stations	38	38	38	36	34	21	21	21	21	21
# of Storage Tanks/Reservoirs	36	35	35	32	28	33	33	26	26	26
Supply Allocated (acre feet):										
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 ^[1]	24,500	7,550	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 ^[2]	=	=	=	=	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>
Total Water Allocations	62,580	45,630	45,630	45,630	46,330	46,330	46,330	46,330	46,330	46,330
Supply Delivered (acre feet):										
Sly Park Reservoir ^[3]	21,694	20,144	22,919	23,312	25,738	23,280	17,492	19,163	18,420	29,247
USBR-Folsom Lake	8,189	7,555	8,424	7,528	7,728	7,136	6,436	6,138	4,960	4,579
Forebay - Project 184 ^[3]	11,451	9,957	12,016	6,298	4,719	7,730	10,253	9,495	5,947	1,222
Crawford Ditch ^[2]	=	=	=	=	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>
Total Water Deliveries	41,334	37,656	43,359	37,138	38,885	38,846	34,881	35,496	30,027	35,748
Consumption (acre feet)^[4]:										
Residential ^[5]	22,190	20,319	22,559	20,169	20,090	19,469	18,068	18,106	14,714	17,821
Commercial and Industrial	2,850	2,805	2,806	2,778	2,613	2,613	2,361	2,482	2,002	2,414
Agricultural ^[6]	4,963	4,712	6,433	6,074	5,242	5,742	5,950	6,153	5,255	6,595
Recreational Turf	1,387	1,235	1,605	1,112	1,357	1,383	2,044	2,028	1,270	1,884
Municipal	<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>	<u>1,548</u>
Total Water Consumption	33,062	30,737	35,214	31,842	30,998	30,876	30,060	30,344	24,705	30,262
Customer Accounts^[4]:										
Residential ^[5]	35,825	35,221	34,180	33,184	31,578	30,458	29,250	28,243	27,665	26,969
Commercial and Industrial	1,344	1,303	1,254	1,217	1,181	1,130	1,104	1,072	1,040	1,008
Agricultural ^[6]	389	391	380	397	349	342	372	356	331	337
Recreational Turf	108	104	101	97	99	99	97	93	92	88
Municipal	<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>	<u>9</u>
Total Water Accounts	37,677	37,030	35,926	34,906	33,218	32,040	30,833	29,773	29,137	28,411

^[1] Folsom now includes USBR water service contract for 7,550 AF *and* Water Right permit No. 21112 for 17,000 AF

^[2] 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.

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

^[4] Includes data for both the contiguous and satellite zones

^[5] Includes single residential, multi-family residential, single-family dual potable, multi-family dual potable and domestic irrigation

^[6] Includes agricultural metered irrigation, small farm irrigation, and ditch deliveries

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

Table #27
Water Supply and Demand Data
 Last Ten Years
 (in acre feet)

Year	System Firm Yield^[1]	Total Raw Water Diversions^[2]	Metered Consumption^[3]	Other Authorized Uses^[4]	Supplement to Recycled System	Real and Apparent Losses^[5]
1997	41,700	37,438	30,263		n/a	5,485
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

^[1] 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.

^[2] Includes diversions from Jenkinson Lake, Folsom Reservoir, and Project 184 at Forebay

^[3] Authorized uses of potable water that are metered and billed to EID customers.

^[4] 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.

^[5] 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: 2006 EID Water Resource Report

Chart #9
Water Supply and Demand Trends

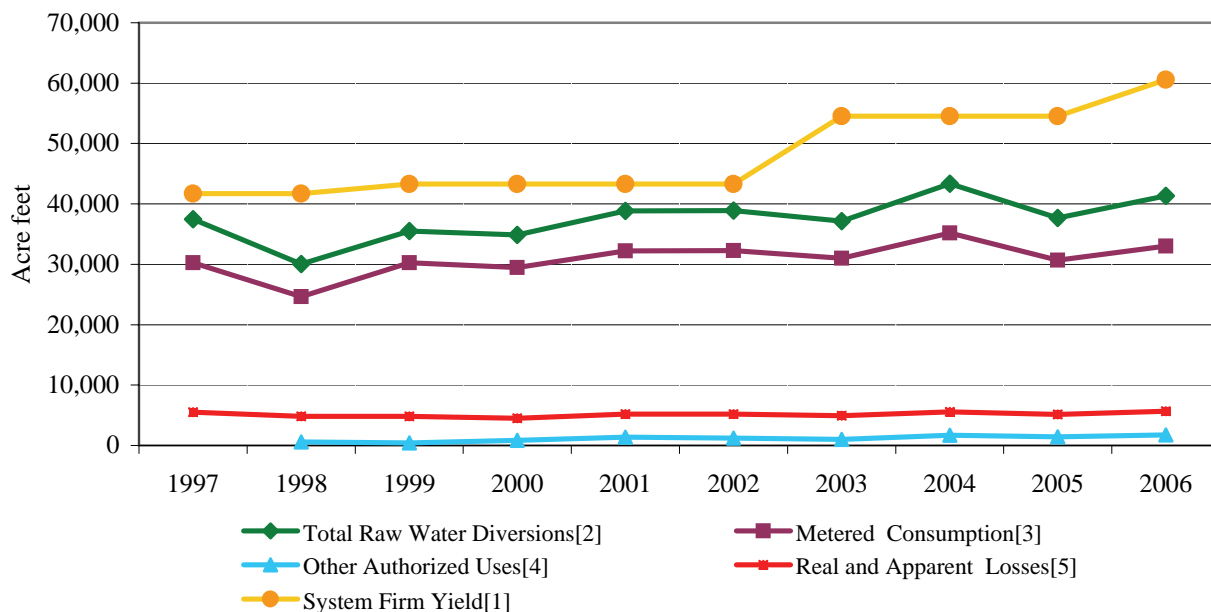


Table #28
Recycled Water System
Demographics and Statistical Summary
Last Ten Years

Recycled Water System	Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Facilities:										
Miles of Recycled Pipe	49	46	44	37	28	11	n/a	n/a	n/a	n/a
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2
Total Plant Capacity (mgd)	7.40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Reservoirs /Tanks	6	5	5	4	4	4	4	4	4	4
Number of Pump Stations	5	5	5	4	4	4	4	4	4	4
Consumption (acre feet):										
Residential ^{[1][2]}	1,331	1,008	713	493	274	155	46	1	-	-
Commercial & Industrial ^[3]	726	669	547	441	751	560	586	636	628	279
Recreational Turf	726	455	721	755	811	886	561	864	184	679
Total Recycled Water Consumption	2,782	2,133	1,981	1,690	1,836	1,601	1,194	1,500	812	958
Customer Accounts:										
Residential ^{[1][2]}	3,277	3,010	2,420	1,978	1,247	811	392	21	-	-
Commercial & Industrial ^[3]	147	129	101	91	89	92	59	36	36	35
Recreational Turf	13	12	12	9	9	3	3	3	2	2
Total Recycled Water Accounts	3,437	3,151	2,533	2,078	1,345	906	454	60	38	37

n/a - information not available at time of report

mgd - millions of gallons per day

^[1] Residential includes multi-family accounts

^[2] 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.

^[3] Commercial & Industrial includes construction meters

Source: EID Water Resources Report and Facilities Management Department

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

<u>Wastewater System</u>	<u>Year</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>	<u>1997</u>
Facilities:										
Miles of Sewer Line	390	377	377	338	305	300	300	300	300	300
Number of Treatment Plants	5	5	5	5	5	5	5	5	5	5
Plant Capacity-Dry Weather (mgd)	6.60	6.60	6.60	6.60	6.60	6.60	6.60	4.20	4.20	4.20
Plant Capacity-Wet Weather (mgd)	22.40	22.40	22.40	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Avg. Dry Weather Daily Plant Flow (mgd)	5.40	4.55	4.65	4.47	4.05	3.92	4.74	3.50	3.50	3.70
El Dorado Hills Plant (mgd)	2.57	2.18	2.15	1.95	1.66	1.65	1.79	2.30	2.30	1.40
Deer Creek Plant (mgd)	2.83	2.37	2.50	2.52	2.39	2.27	2.95	2.30	2.30	2.30
Number of Lift Stations	63	60	60	60	58	58	57	50	50	50
Customer Accounts:										
Residential ^[1]	19,192	17,849	17,310	16,111	14,946	13,882	13,264	12,130	11,765	11,221
Commercial & Industrial	699	644	608	581	551	532	511	550	453	435
Schools	27	22	21	20	23	19	19	20	19	17
Total Wastewater Accounts	19,918	18,515	17,939	16,712	15,520	14,433	13,794	12,700	12,237	11,673

mgd - millions of gallons per day

^[1] Residential includes multi-family accounts

Source: EID Sewer Capacity Report and Facilities Management Department

Chart #10
Water, Wastewater and Recycled Water Account Growth Trend

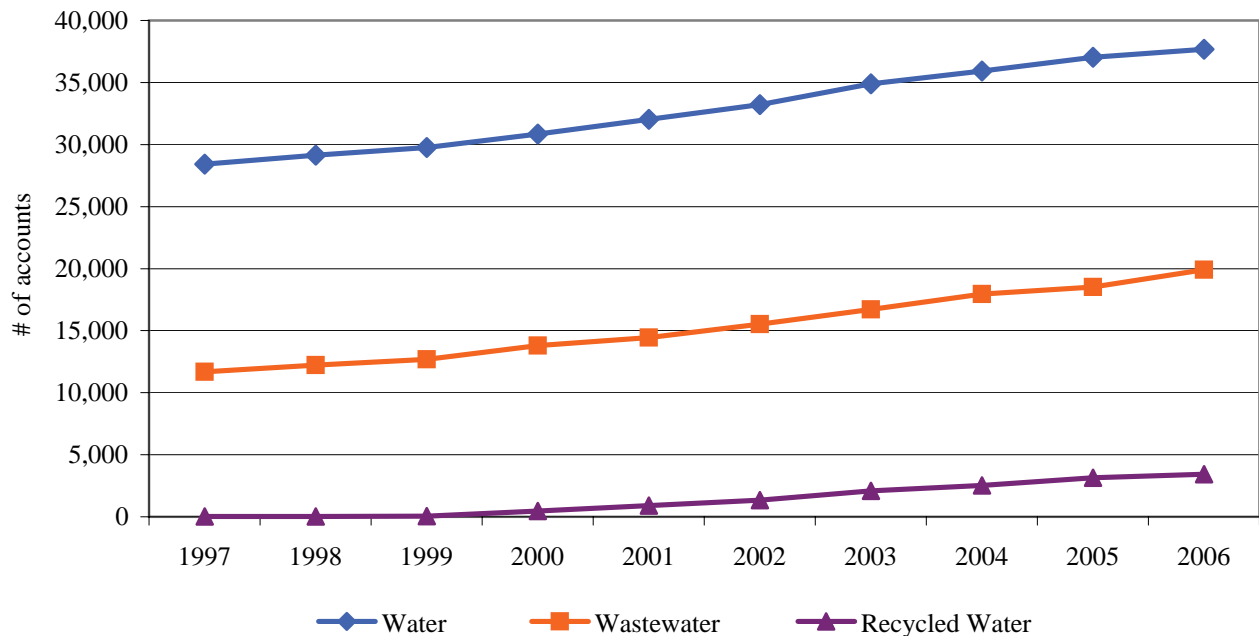


Table #30
 Recreation Demographics and Statistical Summary
 Last Ten Years

<u>Recreation</u>	<u>Year</u>									
	<u>2006</u> ^[1]	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Day Visitors	69,523	78,144	76,930	75,706	72,343	90,865	85,735	83,206	80,688	89,491
Overnight Campers	60,855	85,760	77,968	75,080	74,963	90,971	99,700	77,903	62,516	64,291
Boat Use	17,003	24,825	18,823	13,285	13,671	12,762	11,278	11,090	12,444	15,038
Museum Visitors	0	500	1,100	1,200	1,300	1,580	1,475	1,360	1,340	1,280
Guided Hikes	2	4	4	2	5	8	11	10	22	32
Fish Plants	5	7	9	9	9	6	6	6	8	7
Volunteer Hours	0	0	5,000	4,900	4,700	4,500	4,000	3,800	5,520	13,600
Museum Volunteer Hours	0	0	500	500	500	500	515	500	500	445

^[1]Decreased visitors due to waterline construction in 2006
 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

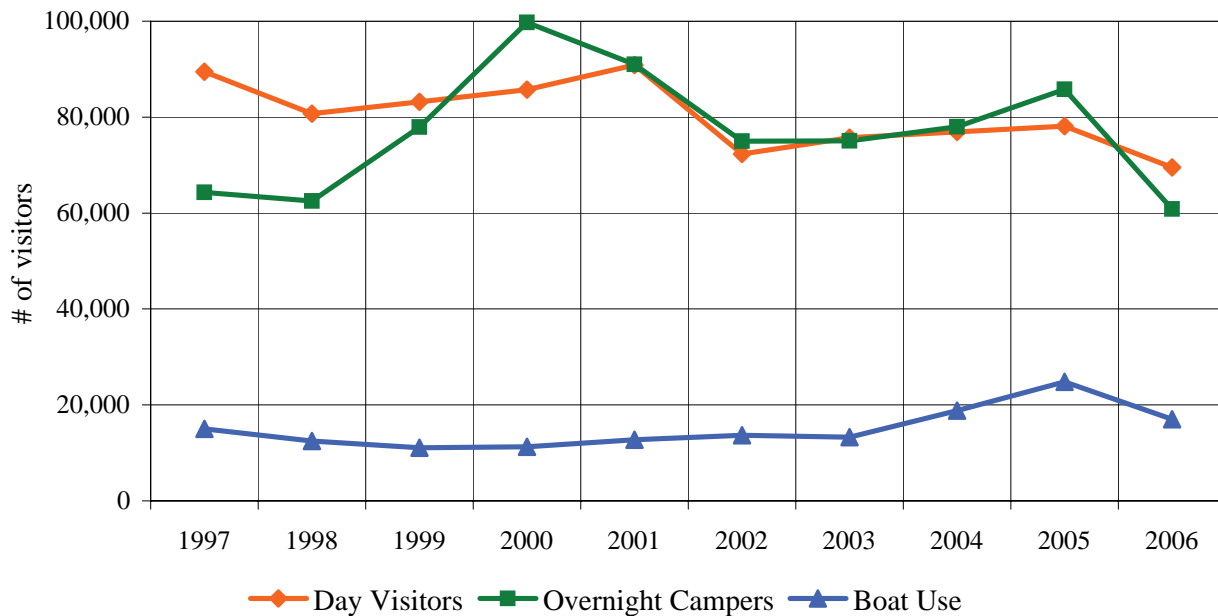


Table #31
 Full-time Equivalent Employees by Function/Program
 Last Three Years^[1]

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

^[1] Data not available in the same format for 1997 to 2003

Source: El Dorado Irrigation District Finance Department

Table #32

**Residential Rate Increases
Last Ten Years**

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>
1997	0.0%	0.0%
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% ^[1]	0.0% ^[3]
2005	7.0% ^{[1][2]}	4.0% ^[4]
2006	7.0% ^{[1][2]}	4.0% ^[4]

^[1] 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.

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

^[3] A separate 3% wastewater increase was established to help offset lost property tax revenues.

^[4] 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



EL DORADO IRRIGATION DISTRICT



SOLAR PHOTOVOLTAIC SYSTEM AT THE EL DORADO HILLS WASTEWATER TREATMENT PLANT

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