



2003 Comprehensive Annual Financial Report For the Year Ended December 31, 2003



Water



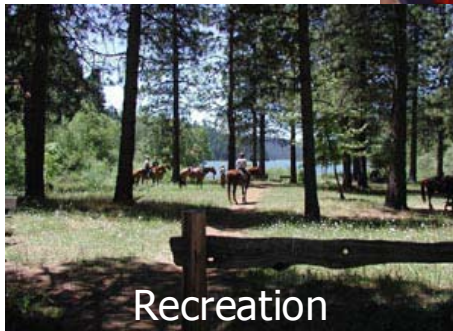
Recycled



Wastewater



Hydroelectric



Recreation

El Dorado Irrigation District
Placerville, California

2003 Comprehensive Annual Financial Report

For the Year Ended December 31, 2003



El Dorado Irrigation District
2890 Mosquito Road, Placerville, CA 95667
(530) 622-4513/www.eid.org

Prepared by the Finance
and Management Services Department



El Dorado Irrigation District

Table of Contents

2003 Comprehensive Annual Financial Report

INTRODUCTORY SECTION

Letter of Transmittal	1
Profile of the District	1
Factors Affecting Financial Condition	3
Major Initiatives.....	7
Independent Audit	8
Awards.....	8
Government Finance Officers Association Award.....	10
California Society of Municipal Finance Officers Award.....	11
Organization Chart.....	12
Directors and District Officials.....	13
Acknowledgments	14

FINANCIAL SECTION

Independent Auditor's Report	15
Management's Discussion and Analysis	17
Balance Sheets.....	26
Statements of Revenues, Expenses and Changes in Net Assets.....	28
Statements of Cash Flows.....	29
Notes to the Basic Financial Statements (The notes are considered an integral and essential part of adequate disclosure and fair presentation of this report)	31

SUPPLEMENTAL SCHEDULES

Combining Balance Sheets	48
Combining Schedule of Revenues, Expenses and Changes in Net Assets.....	50
Combined Schedule of Revenues, Expenses and Changes in Net Assets Budget and Actual	51

STATISTICAL SECTION

Adjusted Budget for the Fiscal Years ended December 31, 2000, 2001, 2002, and 2003	53
2003 5-Year Capital Improvement Program Budget.....	54
Total Actual Revenue by Source 1994 – 2003	56
Revenue Graphs: Years 1994 – 2003	57

Table of Contents

2003 Comprehensive Annual Financial Report

STATISTICAL SECTION *(Continued)*

Total Actual Expenses by Function 2001 – 2003	59
Total Actual Expenses by Function 1994 – 2000	60
Expense Graphs: Years 1994 – 2003	61
Water Customer Accounts For Fiscal Year Ended December 31, 2003	62
Wastewater Customer Accounts For Fiscal Year Ended December 31, 2003	63
Continuing Disclosure Requirements (SEC Rule 15c2-12)	65
Summary of Net Revenue and Debt Service Coverage – All Debt	66
Debt Capacity	67
Debt Service Coverage 1996 and 1999 Revenue Bonds and 2003 Series A and B Revenue Certificates of Participation	69
Debt Service Coverage 1996 and 1999 Revenue Bonds and 2003 Series A and B Revenue Certificates of Participation/Water and Wastewater	70
Projected Debt Service Coverage 1996 and 1999 Revenue Bonds and 2003A and 2003B Revenue Certificates of Participation	71
Status of 1996 Revenue Bond Financed Projects as of December 31, 2003	72
Status of 1999 Revenue Bond Financed Projects as of December 31, 2003	74
El Dorado County Secured Assessed Valuation and Tax Collection Record	75
El Dorado Irrigation District Major Taxpayers Fiscal Year 2003 - 2004	76
Voter Approved Debt Tax Levy Net of Overlapping Debt	77
Special Assessment District Collections	78
Total Tax Burden All Overlapping Governments Per \$100 of Assessed Valuation	79
Demographics and Statistical Summary	80
Average Daily Flow of District Wastewater Facilities	83
Annual District Water Allocations and Actual Deliveries	83
Water Supply and Demand Data	84
District Growth History of New Equivalent Dwelling Units (EDUs)	85
Building Permit Valuations for EID Service Area	86
New Construction Finals for EID Service Area	86

Table of Contents

2003 Comprehensive Annual Financial Report

STATISTICAL SECTION *(Continued)*

Population	87
El Dorado County Major Employers	88
Number of Employees by Industry in El Dorado County	88
Civilian Labor Force Employment and Unemployment	89
Top Ten Customers.....	90
Historic Rate Increases	91
Water Rates.....	92
Recycled and Wastewater Rates.....	98
Facility Capacity Charges, Surcharges, and Supplemental Charges for 2003	101



El Dorado Irrigation District is located in
Placerville, California



June 25, 2004

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the El Dorado Irrigation District (EID or District) for the fiscal year ended December 31, 2003. The District's financial statements have been independently audited by Richardson & Company, a firm of licensed Certified Public Accountants. While the independent auditors have expressed an opinion that the financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP), the responsibility for the accuracy, completeness and presentation of the information contained in this report rests with the District. To the best of our knowledge and belief, this report is accurate in all material respects. Based on the findings and results of the audit, the auditors have identified the District as fiscally sound and a low-risk auditee.

This is the second 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 letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The CAFR is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, a profile of the District, and factors affecting its financial condition. The Financial Section includes the Independent Auditor's Report, the MD&A, Basic Financial Statements and the required Supplemental Schedules. The Basic Financial Statements include District-wide financial statements containing all District funds. The Statistical Section includes selected financial and demographic information presented on a multi-year basis.

Profile of the District

EID is an irrigation special district organized in 1925 under the Irrigation District Act (Water Code §§20500, et seq.) and authorizing statutes (Water Code §§22975, et seq.). Its original purpose was to provide domestic water to the City of Placerville and

irrigation water to local farmers. Under existing law, this agency provides water, wastewater, recycled water, hydroelectric, and recreation services within its service area, located in the western slope of the Sierra Nevada Mountains in the County of El Dorado, and serves approximately 100,000 customers.

EID owns and operates a 21 megawatt hydroelectric electric generation project licensed by the Federal Energy Regulatory Commission (FERC Project 184) which consists of 4 reservoirs (Echo Lake, Lake Aloha, Caples Lake, and Silver Lake), dams, and approximately 23 miles of flumes, canals, siphons, and tunnels located through the Sierra Nevada Mountains east of Placerville in the Counties of El Dorado, Alpine, and Amador.

Location

The District lies midway between the cities of Sacramento and South Lake Tahoe along the Highway 50 corridor. It is bounded by Sacramento County on the west and the town of Strawberry on the east. The community of El Dorado Hills is the west-most community served by the contiguous water system and Pollock Pines is the east-most. The area north of Coloma and Lotus establishes the northern-most service area. The largely agrarian communities of Pleasant Valley and South Shingle Springs anchor the southern-most service area. The City of Placerville is located in the central part of the District and receives water from the District on a wholesale basis.

Historical Perspective and Source of Supply

Following many years of effort on the part of early Boards and committed staff to develop additional water supplies, the United States Bureau of Reclamation (USBR) authorized the Sly Park Unit under the American River Act of October 14, 1949 to augment the original water delivery system. The original system was 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 and canals used to convey, treat, and store water delivered from Sly Park's Jenkinson Lake. The project was completed in 1955, as a non-contiguous part of the Central Valley Project. The Sly Park Unit operated under contract by EID from 1955 until the District purchased the Sly Park Unit from the USBR on December 23, 2003.

The District's other main source of supply is at Folsom Reservoir. The District currently has two USBR water service contracts totaling 7,550 acre-feet and is working on a new 7,500 acre-feet USBR contract for use in 2004. Additionally, the District was awarded a new water right for 17,000 acre-feet for diversion at Folsom Reservoir by the State Water Resources Control Board.

Today, the District provides municipal and industrial water (both retail and wholesale), irrigation water, wastewater treatment and reclamation, recreation, and hydroelectric services. As such, EID is one of the few California districts that provide the full complement of water-related services in the historical California Gold Rush area. Included in the District are the communities of Cameron Park, Camino, Diamond

Springs, El Dorado, El Dorado Hills, Placerville, Pollock Pines, Shingle Springs, Rescue, and many smaller communities.

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 1,150 miles of pipe, 40 miles of ditches, 6 treatment plants, 33 storage reservoirs and 21 pumping stations. In addition, the wastewater system operates 58 lift stations, 300 miles of pipe, and 5 treatment facilities. The El Dorado Hills and the Deer Creek wastewater treatment facilities now produce Title 22 recycled water which is used at golf courses and on front and back yard landscapes in single family homes within selected communities within the District. EID's recycled water program is entering its third decade, and is considered a leader in the recycled water industry in California.

The District also owns and operates Sly Park Recreation Area at its main reservoir, Jenkinson Lake. Popular for both day visits and overnight camping, the park includes 600 surface acres for water activities, 10 picnic areas, 9 miles of shoreline, 2 boat ramps, and 191 individual campsites. Group camping areas include: 5 adult, 2 youth, 1 handicapped and 1 equestrian. There are also 9 miles of hiking and equestrian trails, and a Native American/historical museum that includes a self-guided, 1/2-mile trail for those who enjoy nature and wildlife viewing.

Governance

The District's governing body is the Board of Directors, composed of five members who are elected by geographical areas, called districts, and serve four-year staggered terms. Each Director must be a resident of the district served, and is elected by citizens within that district. The Board chooses a President and Vice-President from among their 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.

EID has broad 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.

Factors Affecting Financial Condition

Population

In the last two decades the Sacramento/San Joaquin Valley basin has seen overall population growth and prosperity. This has spilled over into the neighboring foothill communities, including the Western El Dorado County region served by EID. In the last

ten years, from 1994 to 2003, El Dorado County's population has increased by 16.3% to 168,100. During the same period, the population of the State of California increased by 13.1%.

Economic Growth

The long-run regional outlook shows a continued growing trend. The Sacramento Area Council of Governments (SACOG) projects that El Dorado County, excluding the Tahoe Basin, will add 41,075 housing units between January 1, 1997 and July 1, 2020, an increase of 86.8%. Almost half of this growth will occur in the El Dorado Hills area. Single-family building permits in EID's service area have averaged 1,049 per year from 1997 to 2003, with 2003 seeing an increase to 1,448.

Measure Y

Voters approved the Measure Y Traffic Control Initiative in November 1998, which has slowed the formation of new subdivisions. However, the County is slated to approve a new General Plan in 2004 which may include density changes. Depending on the outcome of the General Plan, the Measure Y initiative may affect the rate of development in the County.

El Dorado County General Plan

While the long-term regional forecast shows a continued demand for housing, the El Dorado County General Plan has been challenged by growth control advocates, environmental groups, and other entities, causing a delay in adoption of the Plan. In February 1999, the Superior Court of California voided the County's certification of the Environmental Impact Report (EIR) for the 1996 General Plan. The County was required to repeat portions of its environmental review and re-adopt a General Plan. A final General Plan is expected to be adopted in 2004. In the interim, most actions on discretionary permits have been suspended. This ruling will not affect existing development projects that were approved prior to the court action. However, the District's future meter or Equivalent Dwelling Unit (EDU) sales for new projects could be affected in the near term.

District master plans are based on a range of density levels that will accommodate modest changes in the density projections on the draft General Plan without changing existing infrastructure development plans for the District.

Property Tax Revenue

The District's service area encompasses approximately 220 square miles. The total secured assessed valuation of the properties within the District's service area increased 12% in 2003 to \$3.3 billion. Property taxes and miscellaneous tax collections allocated from El Dorado County increased 15% in 2003, totaling \$6.56 million. The District allocates 75% of annual property tax revenues received toward its Capital Improvement Program, and 25% toward operations. However, in exchange for support

of this tax shift, Governor Schwarzenegger has committed to supporting a constitutional amendment prohibiting the use of local tax revenues by the State beyond the two years of the tax shift.

Due to the State of California's record budget deficit, the District expects to lose approximately 40% of its property tax revenue estimated at \$2.6 million per year for at least two years, starting in 2004.

Employment

El Dorado County residents employed within the District's service area work in a variety of industries, including agriculture, construction, manufacturing, utilities, retail and wholesale trade, financial, public, and other services. Most residents are within commuting distance of the greater Sacramento metropolitan area. Traditionally dependent on the defense industry and State government for employment, the region has diversified into computer technology, financial services, healthcare, and biotechnology.

The County's largest employers are in the public service, data processing, healthcare, and trade industries. The 2003 average unemployment rate for El Dorado County was 5.4%. This compares to 6.8% for the State of California and 6.0% for the United States overall.

Long-term Financial Planning

In 2003, the District undertook the development and implementation of a multi-faceted comprehensive financing plan (CFP) that incorporated a water and wastewater rate analysis, a study of facility capacity charges (FCCs), and a financing plan for the funding of the District's five-year, \$276 million capital improvement program (CIP).

The water and wastewater rate analysis followed seven years without a water rate increase and four years without a wastewater rate increase. The District had become increasingly dependent upon its non-operating revenues to cover operations and the financing plan required a level of debt service coverage over time that was not achievable through existing revenues. Following many public workshops and a public hearing, the Board adopted a schedule of water and wastewater rate increases over six years on October 6, 2003. The first phase of the schedule became effective on January 1, 2004. The remainder of the adopted rate schedule will become effective on January 1st of each year through 2009.

The FCC study followed ten years without a formal review of the charges, although the wastewater FCCs were indexed annually. FCCs are a funding component of the CIP that is paid by the development community for new development. It was important to the CFP to update the FCCs before issuing debt to fund the CIP. After many public workshops and a public hearing, the Board also adopted the recommended changes to the FCCs on October 6, 2003 with an effective date of January 1, 2004.

There were many public workshops, after which the Board authorized the financing elements of the CFP which included the issuance of a balance of variable and fixed rate debt in the form of certificates of participation (COPs). These issues are identified throughout this document as 2003A Series and 2003B Series. The purchase of Sly Park was accomplished through the issuance of the 2003 General Obligation Refunding Bonds on December 23, 2003.

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, and two consenting departments can transfer appropriations between their departments when needed. The General Manager has the ability to approve CIP budget increases and overall appropriations and transfers up to \$50,000. Budget transfers and overall budget appropriation increases greater than \$50,000 require Board approval through the budget amendment process.

Internal Controls

The District is responsible for establishing and maintaining an internal control structure 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. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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. The District earned a Certification of Excellence for its investment policy from the Municipal Treasurers Association of the United States and Canada (MTA) in 1996, 1999 and 2003. The District submits its policy every three years for certification. The District's investment policy focuses on the goals of safety, liquidity, and yield, seeking to minimize credit and market risks while maintaining a competitive market yield on its portfolio. Although interest rates continued to decrease during the year and remain at historical lows, the District's overall portfolio yield was 2.74% for the year ended December 31, 2003.

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 to construct minor projects and to utilize debt service funds for major long-life 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 Public Agency Financing Authority 1996 and 1999 Revenue Bonds; the El Dorado Irrigation District Financing Corporation 2003A and 2003B Certificates of Participation; and the El Dorado Irrigation District 2003 General Obligation Bonds. The required continuing disclosure items and their locations within the CAFR can be found on Page 65.

Risk Management

As part of a continuing effort to reduce costs, the risk management of the District is a combination of self-insurance and commercial insurance in excess of the self-insurance amounts. The self-insurance level for general liability and personal injury are each \$50,000 per occurrence. The District is also self-insured for employee dental and vision claims. A major requirement of the District's competitive insurance program is for the insurer to cover the extensive flume and conveyance system of Project 184. The District is continually evaluating its insurance programs and competitively bids the program every three years.

Major Initiatives

- ◆ The District took possession of FERC Project 184 in 1999 following four years under an operating agreement with the previous owner, Pacific Gas and Electric Company (PG&E), although the project was unable to generate power since January 1997, due to damage sustained in the 1997 floods. Costly repairs continued throughout 2002. The rebuilding and restoration of the project was a significant undertaking for the District and included rebuilding the powerhouse and replacing a substantial part of the conveyance system. A setback occurred when an integral part of the conveyance system, the Mill to Bull Creek Tunnel, was determined to be misaligned at the initial hole-through in September of 2002, requiring additional work. Following additional design and repair of the tunnel, generation of power commenced in November, 2003.
- ◆ A 1998 compliance order issued by the State Department of Health Services initiated a multi-million dollar program of converting the District's open reservoir system, a part of the water distribution system, to a covered reservoir system. This includes replacing the open reservoirs with above or below ground tanks on some, constructing concrete covers on others, and abandoning some others. This project continued through 2003 and is slated to be complete in 2005.
- ◆ In 2003 the District achieved 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, and a plan of finance for the funding of the District's five-year, \$276 million capital improvement program. The plan included issuing a balance of variable and fixed rate debt in the form of certificates of

participation. In addition, a schedule of water and wastewater rate increases over five years and recommended FCC increases were adopted by the Board on October 6, 2003 and became effective on January 1, 2004.

- ◆ As the culmination of a decade-long effort to acquire Sly Park Reservoir from the U.S. Bureau of Reclamation (USBR), the District issued General Obligation Bonds and paid a negotiated sum for the facility on December 22, 2003. Jenkinson Lake and all infrastructure developed by the USBR for the facility, as well as the water rights associated with Sly Park, officially came under the ownership of the El Dorado Irrigation District in December 2003.
- ◆ In response to the new security requirements imposed by the Federal Government following the 9/11 attacks, EID completed the development of a district-wide vulnerability assessment in December 2003. This effort included an evaluation of the existing security systems, computer systems, threats to, and physical vulnerabilities of, critical District facilities. The effort also included use of this information to quantify the risk posed to each facility in order to meet the new Federal Vulnerability Assessment requirement and to develop an appropriate emergency response plan. Implementation of the recommendations from the vulnerability assessment is underway.

Independent Audit

The Government Code requires an annual audit of the District's financial records by a Certified Public Accountant. The District selected, through a competitive bid process, the firm of Richardson & Company to conduct the audit. In addition to meeting the District's Code requirements, the audit also complies with the Federal Single Audit Act, Office of Management and Budget Circular A-133 requirements. The auditor report on the financial statements and schedules are included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) once again recognized the District for the quality of its Comprehensive Annual Financial Report issued for the previous fiscal year. This is the seventh 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, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and accepted legal requirements.

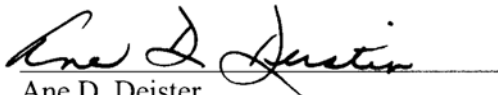
The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


In addition, the District was also awarded the “Outstanding” award for financial reporting from the California Society of Municipal Finance Officers. This award is valid for a period of one year, and the District will submit the current CAFR for review.

The preparation of this report required the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the District staff who assisted and contributed to the preparation of this report.

In closing, without the leadership and support of the Board of Directors the preparation of this report would not have been possible.

Respectfully submitted,


Ane D. Deister
General Manager


Martha R. Brookshire
Director of Finance & 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, 2002

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



President

Executive Director

The Government Finance Officers Association for the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to El Dorado Irrigation District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2002. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

*California Society of
Municipal Finance Officers*

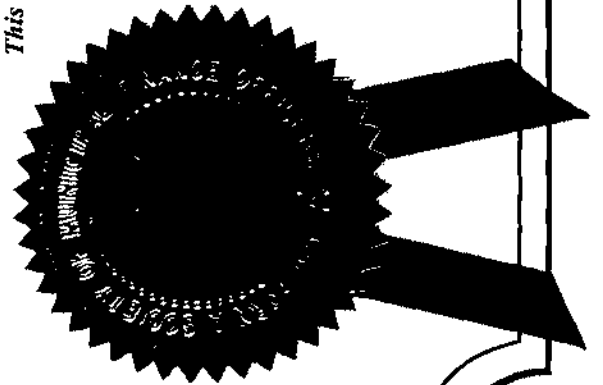
Certificate of Award
Outstanding Financial Reporting 2001-2002

Presented to the

El Dorado Irrigation District

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

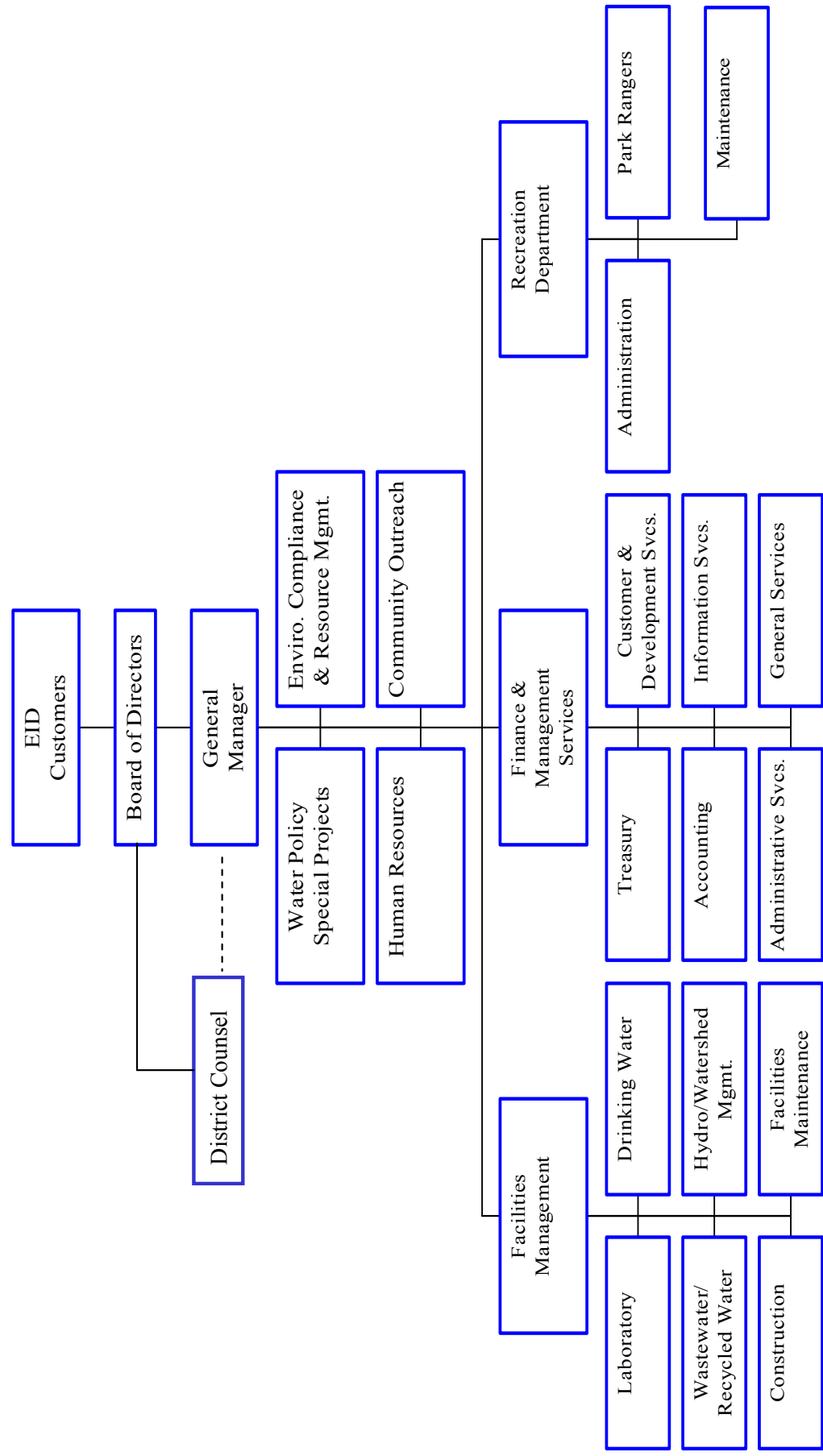
February 24, 2003



Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

El Dorado Irrigation District Organization Chart



EL DORADO IRRIGATION DISTRICT
Placerville, California

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
YEAR ENDED DECEMBER 31, 2003



BOARD OF DIRECTORS

District 1 – George Osborne
District 2 – John Fraser, Vice President
District 3 – Bill George
District 4 – George Wheeldon, President
District 5 – Harry Norris

DISTRICT OFFICIALS

Ane D. Deister, General Manager
Thomas D. Cumpston, General Counsel
Martha R. (Dee) Brookshire, Director of Finance and Management Services-Treasurer
David E. Powell, Director of Facilities Management
Don Pearson, Director of Recreation
David Witter, Director of Water Policy and Special Projects
Steve Setoodeh, Director of Environmental Compliance and Resource Management

EL DORADO IRRIGATION DISTRICT
Placerville, California

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
YEAR ENDED DECEMBER 31, 2003



ACKNOWLEDGMENTS

Prepared by the EID Finance and Management Services Department

Phil Knapik, Assistant Director of Finance and Management Services

Gary Buzby, Deputy Treasurer

Janet Pollard, Accounting Manager

Karen Tranter, Administrative Assistant – Finance

*Special thanks to the members of the Strategic Management and Communication
Department for technical assistance.*

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, 2003 and 2002 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, 2003 and 2002 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.

As described in Note K to the financial statements, an error resulting in the overstatement of previously reported assets and net assets as of December 31, 2001, was discovered during the current year. Accordingly, an adjustment has been made to assets and net assets as of December 31, 2001 to correct the error.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated April 6, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 17 through 25 is not a required part of the basic financial statements but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 Section listed in the table of contents are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Richardson & Company

April 6, 2004

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, 2003. This information is presented in conjunction with the audited financial statements and their accompanying notes.

FINANCIAL HIGHLIGHTS

The District's total net assets increased by \$36.4 million in 2003 compared to an increase of \$8.8 million in the prior year. Operating revenues increased by \$0.6 million to \$24.3 million, or 2.5 percent, while operating expenses increased by \$1.5 million to \$39.5 million, or 3.9 percent. Non-operating revenues, net of non-operating expenses, declined by \$.7 million in 2003 to \$4.5 million as a result of lower interest income of \$1.5 million, and higher interest expense of \$.5 million. Property tax revenues increased \$.9 million. Capital contributions were higher by \$29.2 million in 2003. Facility capacity charges and developer contributions were both higher in 2003 compared to the prior year by \$3.8 million and \$10.2 million respectively as a result of expanding growth of construction within the District. Also, the District recorded a capital contribution of \$15.2 million as a result of the cancellation of debt by the United States Government in connection with the District's acquisition of the Sly Park unit of the Central Valley Project.

Late in 2003, the District issued new debt in the form of fixed rate and adjustable rate Revenue Certificates of Participation totaling \$169.8 million to finance our capital improvement program. Most of the proceeds were unspent at the end of the year resulting in an increase in restricted assets at year end. In November 2003, the District's hydroelectric Project 184 came online, generating revenues of \$.3 million in 2003.

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, 2003 and 2002, the Statements of Revenues, Expenses and Changes in Net Assets for the years ended December 31, 2003 and 2002, and the Statements of Cash Flows for the years ended December 31, 2003 and 2002.

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 \$36.4 million to \$352.9 million in 2003 up from \$316.5 million in 2002 as a result of strongly increased developer contributions and the contribution resulting from the purchase of Sly Park. Net assets invested in capital assets, net of related debt, increased by \$28.0 million to \$261.3 million resulting from expenditures net of debt for capital assets. Net assets restricted for debt service decreased by \$6.1 million resulting from a release of debt related restrictions due to the pay down of debt. Unrestricted net assets increased \$13.2 million to \$47.4 million primarily due to the release of debt related restrictions.

Capital assets increased by \$56.1 million to \$396.2 million. Current assets and long-term liabilities both increased substantially in 2003 as a result of the District's issuance of debt in the form of both fixed rate and adjustable rate Certificates of Participation to fund our five-year capital improvement program. The unspent portion of the proceeds is reflected in Restricted Cash at the end of the year. A summary of the District's Balance Sheets is presented in Table A-1.

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

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Current Assets	\$205.8	\$73.3	\$132.5	180.8%
Long-Term Assets	33.4	26.9	6.5	24.2%
Capital assets	396.2	340.1	56.1	16.5%
Total Assets	<u>\$635.4</u>	<u>\$440.3</u>	<u>\$195.1</u>	<u>44.3%</u>
Current Liabilities	\$20.0	\$18.2	\$1.8	9.9%
Long-Term Liabilities	262.5	105.6	156.9	148.6%
Total Liabilities	<u>\$282.5</u>	<u>\$123.8</u>	<u>\$158.7</u>	<u>128.2%</u>
Invested in Capital Assets, Net of Related Debt	\$261.3	\$233.3	\$28.0	12.0%
Restricted Net Assets	44.2	49.0	(4.8)	(9.8%)
Unrestricted Net Assets	47.4	34.2	13.2	38.6%
Total Net Assets	<u>\$352.9</u>	<u>\$316.5</u>	<u>\$36.4</u>	<u>11.5%</u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The Balance Sheet shows assets, liabilities and net assets at a specific point in time; whereas, the Statements of Revenues, Expenses and Changes in Net Assets show the results of operations for the year. Total Revenues declined slightly by \$.4 million to \$36.3 million, or 1.1%. Total Expenses increased by \$1.2 million to \$47.0, or 2.6%. Net Loss before Capital Contributions increased by \$1.6 million to \$10.7 million, primarily due to an increase of \$1.0 million in operating expenses while revenues remained flat. Capital contributions increased by \$29.2 million as the result of an increase in facility capacity charges, developer contributions and the contribution of \$15.2 million resulting from the acquisition of Sly Park from the United States Bureau of Reclamation. Ending net assets total \$352.9, increasing by \$36.4 over the prior year.

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
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Operating Revenues	\$24.3	\$23.7	\$0.6	2.5%
Non-operating Revenues	12.0	13.0	(1.0)	(7.7%)
Total Revenues	<u>\$36.3</u>	<u>\$36.7</u>	<u>(\$0.4)</u>	<u>(1.1%)</u>
Operating Expenses	\$30.4	\$29.4	\$1.0	3.4%
Depreciation	9.1	8.6	0.5	5.8%
Non-operating Expenses	7.5	7.8	(0.3)	(3.8%)
Total Expenses	<u>\$47.0</u>	<u>\$45.8</u>	<u>\$1.2</u>	<u>2.6%</u>
Net Loss Before Capital Contributions	(\$10.7)	(\$9.1)	(\$1.6)	17.6%
Capital Contributions	47.1	17.9	29.2	163.1%
Change in Net Assets	\$36.4	\$8.8	\$27.6	313.6%
Beginning Net Assets	316.5	307.7	8.8	2.9%
Total Net Assets	<u>\$352.9</u>	<u>\$316.5</u>	<u>\$36.4</u>	<u>11.5%</u>

Significant items of operating revenues and expenses are as follows:

Table A-3
Operating Revenues
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Water Sales & Service	\$13.4	\$13.7	(\$0.3)	(2.2%)
Wastewater Sales & Service	10.0	9.4	0.6	6.4%
Recreational Revenues	0.6	0.6	0.0	0.0%
Hydroelectric Revenues	0.3	0.0	0.3	100%
Total Revenues	<u>\$24.3</u>	<u>\$23.7</u>	<u>\$0.6</u>	<u>2.5%</u>

Table A-4
Operating Expenses Excluding Depreciation
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Departmental Expenses				
Facilities Management	\$15.5	\$15.8	(\$0.3)	(1.9%)
Finance and Management Services	5.9	4.5	1.4	31.1%
Hydroelectric	2.9	3.4	(0.5)	(14.7%)
Office of the General Manager	3.6	3.0	0.6	20.0%
Recreation	0.8	0.7	0.1	14.3%
Other Operating Expenses				
Developer reimbursed expenses	1.7	2.0	(0.3)	(15.0%)
Total Operating Expenses Excluding Depreciation	<u>\$30.4</u>	<u>\$29.4</u>	<u>\$1.0</u>	<u>3.4%</u>

Other operating expenses, excluding depreciation, increased by \$1 million from \$29.4 million in 2002 to \$30.4 million in 2003. This increase is primarily due to increased electricity costs and hydroelectric/FEMA related legal costs.

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

Table A-5
Operating Revenues vs Operating Expenses Excluding Depreciation
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Operating Revenues	\$24.3	\$23.7	\$0.6	2.5%
Operating Expenses	30.4	29.4	1.0	3.4%
Net Operating Loss Excluding Depreciation	<u>(\$6.1)</u>	<u>(\$5.7)</u>	<u>(\$0.4)</u>	<u>7.0%</u>

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

Table A-6
Non-operating Revenues
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Surcharges	\$1.7	\$1.8	(\$0.1)	(5.6%)
Voter-approved taxes	0.9	0.7	0.2	28.6%
Property Taxes	6.6	5.7	0.9	15.8%
Interest Income	2.2	3.7	(1.5)	(40.5%)
Other Income	0.6	0.4	0.2	50.0%
Flood Damage Reimbursements	0.0	0.7	(0.7)	(100.0%)
Total Non-operating Revenues	<u>\$12.0</u>	<u>\$13.0</u>	<u>(\$1.0)</u>	<u>(7.7%)</u>

Interest income was lower than 2003 by \$1.5 million as a result of lower interest rates earned on the District's investments and flood damage reimbursements declined by \$.7 million due to slower review of claims by State and Federal agencies. Property taxes increased by \$.9 million due to increases in assessed values.

Table A-7
Non-operating Expenses
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Flood Damage Expenses	\$0.9	\$1.9	(\$1.0)	(52.6%)
Other Expenses	1.3	1.1	0.2	18.2%
Interest Expense	5.3	4.8	0.5	10.4%
Total Non-operating Expenses	<u>\$7.5</u>	<u>\$7.8</u>	<u>(\$0.3)</u>	<u>(3.8%)</u>

The District is relying on the excess of non-operating revenues over non-operating expenses to partially fund operations.

Table A-8
Non-operating Revenues vs Expenses
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Non-operating Revenues	\$12.0	\$13.0	(\$1.0)	(7.7%)
Non-operating Expenses	(7.5)	(7.8)	0.3	(3.8%)
Net Non-operating Revenues	<u>\$4.5</u>	<u>\$5.2</u>	<u>(\$0.7)</u>	<u>(13.5%)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation, increased by \$56.1 million to \$396.2 million. This encompasses a broad range of infrastructure, including water and wastewater plants in service, reclaimed water facility, construction in progress, and also other assets such as vehicles, equipment, office equipment and furniture. The increase in net capital assets is mainly due to improvements to the general plant, water and wastewater systems and to construction in progress associated with the 2003 expenditures in the District's five-year Capital Improvement Program to cover current and future growth. Detail of the District's capital assets follows:

Table A-9
Capital Assets, Net
For the years ended December 31, 2003 and 2002
(in millions of dollars)

	<u>12/31/2003</u>	<u>12/31/2002</u>	<u>Dollar change</u>	<u>% change</u>
Capital assets not being depreciated				
Land	\$5.3	\$5.3	\$0.0	0.0%
Construction in progress	91.1	60.9	30.2	49.6%
Total Capital Assets Not Being Depreciated	\$96.4	\$66.2	\$30.2	45.6%
Capital Assets Being Depreciated				
Water plant in service	\$222.8	\$201.7	\$21.1	10.5%
Wastewater plant in service	146.5	136.7	9.8	7.2%
Future use facilities	22.3	22.3	0.0	0.0%
General plant	24.2	20.7	3.5	16.9%
Reclaimed water facility	7.4	7.2	0.2	2.8%
Electric power plant	0.1	0.1	0.0	0.0%
Total capital assets being depreciated	\$423.3	\$388.7	\$34.6	8.9%
Less Accumulated Depreciation	123.5	114.8	8.7	7.6%
Net Capital Assets	\$396.2	\$340.1	\$56.1	16.5%

The District has capital project commitments outstanding at December 31, 2003 of \$20.2 million. Additional information about the capital assets can be found in Note C to the financial statements.

LONG-TERM DEBT

At the end of 2003, the District had \$260.6 million in long-term debt, which is \$157.2 million more than in the prior year. This increase is primarily due to the issuance of Revenue Certificates of Participation totaling \$169.8 million to fund the District's five-year capital improvement program. In connection with the issuance of the certificates of participation, the loan to the Economic Development Administration was paid in full during the year. Also, the District's debt to the United States Government was cancelled as part of the acquisition of Sly Park. 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, 2003
(in millions of dollars)

	<u>Balance</u> <u>1/1/2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2003</u>
Liability to the US Government	\$12.9		\$12.9	\$0.0
Economic Development Administration Loan	1.8		1.8	0.0
State of California loans	2.9	0.3		3.2
County of El Dorado note	1.5			1.5
Revenue bonds	72.2		4.5	67.7
LaSalle Bank bridge loan	15.0			15.0
Revenue Certificates of Participation 2003A		78.0	0.2	77.8
Revenue Certificates of Participation 2003B		91.8		91.8
2003 General Obligation bonds		6.1		6.1
Motor vehicle leases	0.5		0.2	0.3
Total Debt	<u>\$106.8</u>	<u>\$176.2</u>	<u>\$19.6</u>	<u>\$263.4</u>
Less Current Portion	<u>3.4</u>			<u>2.8</u>
Long-term Debt	<u>\$103.4</u>			<u>\$260.6</u>

The District maintains a Standard & Poors rating of A- for its revenue bonds and for the 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 of dollars)

	<u>Debt balance</u>	<u>Average coupon rate</u>
1996 Bonds	\$55.5	5.47%
1999 Bonds	12.2	5.92%
2003A Revenue COPs	77.8	3% to 5.25%
2003B Revenue COPs	91.8	Varies *
LaSalle Bank bridge loan	15.0	4.67%
State of California loans	3.2	2.32%

* The effective interest rate on the 2003B Revenue COPs at December 31, 2003 was .95%.

ECONOMIC FACTORS AND RATES

In 2003 the District completed the financing plan that will incorporate long-term financing to fund the 2003 – 2007 Capital Improvement Program (CIP) approved by the District's Board of Directors. The five-year Capital Improvement Program includes projects for water treatment plant upgrades and storage in El Dorado Hills, wastewater projects totaling \$89 million, 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. During the year the District completed both the study of rates and the study of Facility Capacity Charges. By Board action on October 6, 2003, water rates were raised by 7% for four years effective January 1, 2004 and wastewater rates were raised by 4% for five years effective January 1, 2005. Both water and wastewater Facility Capacity Charges were adjusted, effective January 1, 2004, at the same meeting to bring those charges in line with our current costs.

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, 2003 and 2002

ASSETS	2003	Restated 2002
Current Assets		
Cash and Cash Equivalents	\$ 47,445,497	\$ 37,575,491
Accounts Receivable, Net	3,457,626	2,878,472
Due from Other Governmental Agencies	769,253	781,605
Interest Receivable	834,386	906,914
Taxes Receivable	7,087,046	6,257,068
Inventory	339,198	300,943
Prepaid Expenses and Other Current Assets	261,482	499,225
Restricted Cash and Cash Equivalents	<u>145,594,307</u>	<u>24,100,905</u>
Total Current Assets	205,788,795	73,300,623
 Long-Term Assets		
Investments	29,475,945	25,848,454
Deferred Bond Costs	3,894,122	907,569
Notes Receivable	95,132	99,016
 Capital Assets		
Water Plant In Service	223,225,118	202,177,687
Wastewater Plant In Service	146,851,443	137,100,660
Future Use Facilities	26,255,991	26,255,992
General Plant	24,745,037	21,219,498
Reclaimed Water Facility	7,360,627	7,222,312
Electric Power Plant	121,893	121,893
Construction In Progress	91,073,796	60,882,107
Accumulated Depreciation	<u>(123,481,892)</u>	<u>(114,818,105)</u>
Capital Assets, Net	<u>396,152,013</u>	<u>340,162,044</u>
 Total Assets	 <u>\$635,406,007</u>	 <u>\$440,317,706</u>

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

EL DORADO IRRIGATION DISTRICT

Balance Sheets

December 31, 2003 and 2002

LIABILITIES AND NET ASSETS	<u>2003</u>	<u>Restated 2002</u>
Current Liabilities		
Accounts Payable	\$ 7,564,600	\$ 5,587,042
Deposits	528,395	478,481
Accrued Compensated Absences	745,331	573,185
Accrued Payroll and Benefits Payable	648,713	593,733
Deferred Revenue	5,787,672	5,707,173
Current Contracts, Bonds and Leases Payable	2,792,032	3,398,796
Accrued Interest Payable	1,939,821	1,840,060
Total Current Liabilities	<u>20,006,564</u>	<u>18,178,470</u>
Long-Term Liabilities		
Contracts, Bonds and Leases Payable	260,614,735	103,414,843
Reserve for Claims and Claims Expenses	833,000	833,000
Other Liabilities	1,023,000	1,400,000
Total Long-Term Liabilities	<u>262,470,735</u>	<u>105,647,843</u>
Total Liabilities	<u>282,477,299</u>	<u>123,826,313</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	261,340,004	233,348,406
Restricted Net Assets		
Restricted for New Facilities	32,893,487	31,532,777
Restricted for Debt Service	11,356,043	17,442,730
Unrestricted Net Assets	<u>47,339,174</u>	<u>34,167,480</u>
Total Net Assets	<u>352,928,708</u>	<u>316,491,393</u>
Total Liabilities and Net Assets	<u><u>\$635,406,007</u></u>	<u><u>\$440,317,706</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, 2003 and 2002

	2003	Restated 2002
Operating Revenues		
Water Sales	\$ 11,438,075	\$ 11,124,715
Water Services	1,945,136	2,577,979
Reclaimed Water Reimbursements/Sales	381,599	323,326
Wastewater Sales	9,511,727	8,920,382
Wastewater Services	150,555	110,958
Recreation Fees	607,144	615,901
Hydroelectric Sales	273,314	
Total Operating Revenues	24,307,550	23,673,261
Operating Expenses		
Office of the General Manager	3,592,291	3,015,486
Finance and Management Services	5,885,896	4,470,541
Facilities Management	15,470,529	15,794,064
Recreation	807,683	719,911
Hydroelectric	2,929,147	3,405,238
Developer Reimbursed Expenses	1,681,625	2,012,016
Depreciation and Amortization	9,086,235	8,627,147
Total Operating Expenses	39,453,406	38,044,403
Net Loss From Operations	(15,145,856)	(14,371,142)
Nonoperating Revenue (Expenses)		
Surcharges	1,713,431	1,826,112
Voter - Approved Taxes	948,940	736,073
Property Taxes	6,557,126	5,680,134
Interest Income	2,163,720	3,715,032
Flood Damage Expenses	(978,254)	(1,855,210)
Other Income	644,346	429,337
Other Expenses	(1,269,477)	(1,185,291)
Interest Expense	(5,333,118)	(4,789,688)
Flood Damage Reimbursements	13,983	679,725
Total Nonoperating Revenues (Expenses)	4,460,697	5,236,224
Net Loss Before Capital Contributions	(10,685,159)	(9,134,918)
Capital Contributions		
Facility Capacity Charges	12,774,680	8,956,472
Developer Contributions	19,174,599	8,933,386
Sly Park Capital Contribution	15,173,195	
Total Capital Contributions	47,122,474	17,889,858
Change in Net Assets	36,437,315	8,754,940
Net Assets, Beginning of Year, as Previously Reported	316,491,393	310,212,392
Prior Period Adjustment		(2,475,939)
Net Assets, Beginning of Year, as Restated	316,491,393	307,736,453
Net Assets, End of Year	\$ 352,928,708	\$ 316,491,393

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, 2003 and 2002

	2003	Restated 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts From Customers	\$ 23,880,971	\$ 23,243,430
Cash Paid to Suppliers for Goods and Services	(13,635,813)	(15,660,917)
Cash Paid to Employees for Services	(14,191,703)	(11,016,085)
Cash Paid for Claims and Judgments	(512,483)	(401,968)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(4,459,028)</u>	<u>(3,835,540)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Surcharges Received	1,705,252	1,826,112
Property Taxes Received	6,676,088	3,225,263
Flood Damage Reimbursement	12,352	2,018,214
Flood Damage Payments	(978,254)	(1,855,210)
Other Income/Expenses	(625,131)	(755,954)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>6,790,307</u>	<u>4,458,425</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Property and Equipment	(30,305,962)	(27,130,543)
Principal Payments on Long-Term Debt	(17,067,883)	(3,155,987)
Proceeds From Issuance of Debt	176,215,641	
Issuance Costs Paid	(3,409,001)	
Interest Payments on Long-Term Debt	(5,362,987)	(4,621,068)
Facility Capacity Charges received	12,774,680	8,956,472
Paid to Trustee to Defeas Debt	(2,425,000)	
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>130,419,488</u>	<u>(25,951,126)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds From Maturities and Calls of Investments	36,996,304	29,225,207
Purchases of Investments	(41,000,000)	(34,000,000)
Interest Received on Investments	2,612,453	4,011,850
Payments on Notes Receivable	3,884	3,667
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,387,359)</u>	<u>(759,276)</u>
INCREASE (DECREASE) IN CASH	131,363,408	(26,087,517)
Cash and Cash Equivalents at Beginning of Year	<u>61,676,396</u>	<u>87,763,913</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 193,039,804</u>	<u>\$ 61,676,396</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net Loss From Operations	\$ (15,145,856)	\$ (14,371,142)
Adjustments to Reconcile Net Loss From Operations to Net Cash Used for Operating Activities:		
Depreciation and Amortization	9,086,235	8,627,147
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(570,975)	216,925
Inventory	(38,255)	(20,935)
Prepaid Expenses and Other Current Assets	237,743	(10,603)
Accounts Payable	1,977,558	2,107,640
Deposits	49,914	17,921
Accrued Compensated Absences	172,146	74,283
Accrued Payroll and Benefits Payable	54,980	187,901
Deferred Revenue	94,482	(664,677)
Other Liabilities	(377,000)	
	<u>\$ (4,459,028)</u>	<u>\$ (3,835,540)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Receipt of Contributed Assets	\$ 34,347,794	\$ 8,933,386
Change in Fair Value of Investments	\$ 376,205	\$ (24,162)
Borrowing Under Capital Leases		\$ 57,280

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, 2003 and 2002

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, recreation and hydroelectric services in El Dorado County. 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. 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 represents 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 by the District and the estimated costs are capitalized as improvements other than buildings.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

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 expense 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 effect 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.

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 represents reimbursements due from the Federal Emergency Management Agency and State of California Office of Emergency Services for flood damage repairs.

Capital Assets: Capital assets are recorded at historical cost. 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:

<u>Description</u>	<u>Estimated Life</u>
Facilities and improvements	30-50 years
Buildings and structures	40 years
Equipment and furniture	5 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 \$1,000. 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, 2003 and 2002

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

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 levy 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 payment, with the County assuming responsibility for delinquencies.

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 accrued. 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 and investments in the Local Agency Investment Fund, 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.

Reclassifications: Certain reclassifications have been made to the 2002 financial statements to conform to the current presentation. These reclassifications had no effect on previously reported change in net assets.

NOTE B--CASH AND INVESTMENTS

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. During the year ended December 31, 2003, the District's permissible investments included the following instruments:

- Local Agency Investment Fund (LAIF)
- California Asset Management Trust (CAMP)
- U.S. Treasury Issues
- Government agency obligations
- Bankers acceptances
- High grade commercial paper
- Medium term corporate notes
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Mutual funds
- Collateralized negotiable investments
- Monies held by a trustee or fiscal agent

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE B--CASH AND INVESTMENTS (Continued)

The District complied with the provisions of State statutes 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.

The District's cash and cash equivalents consisted of the following as of December 31:

	2003	2002
Unrestricted cash and equivalents		
Investment in Local Agency Investment Fund (LAIF)	\$ 39,084,428	\$ 35,247,584
Investment in CAMP	9,767,337	2,367,995
Deposits in financial institutions	(1,409,938)	(43,708)
Cash on hand	3,670	3,620
	47,445,497	37,575,491
Restricted cash and equivalents		
Investment in LAIF	4,410,834	7,465,510
Money market mutual funds	5,131,575	4,820,275
Guaranteed investment agreements	6,221,859	6,221,859
Deposits in financial institutions	1,235,281	5,593,261
Collateralized investment agreements	128,594,758	
	145,594,307	24,100,905
Total cash and cash equivalents	\$193,039,804	\$ 61,676,396

At December 31, 2003, the carrying amount of the District's deposits was \$(174,657) and the balances in financial institutions was \$1,933,158. Of the balance in financial institutions, \$211,194 was covered by federal depository insurance and \$1,721,964 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies. State law requires that the market value of the common pool of collateral be equal to or greater than 110% of all public deposits with the pledging financial institution if governmental securities are used, or 150% if mortgages are used, as collateral. The collateral is not held by, or in the name of, the District. At December 31, 2002, the carrying amount of the District's deposits was \$5,549,553 and the balances in financial institutions was \$7,020,250. Of the balances in financial institutions, \$215,639 was covered by federal depository insurance and \$6,804,611 was collateralized, but the collateral was not held by, or in the name of, the District.

The collateralized investment agreements were covered by collateral held by the pledging bank's trust department in the District's name. These collateralized investment agreements are considered credit risk category 2, which are uninsured or unregistered, with securities held by counterparty's trust department or agent in the District's.

The District's investments in mutual funds, CAMP and LAIF are stated at fair value and are not subject to categorization under GASB Statement No. 3. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total amount invested by all public agencies in LAIF is \$53,666,146,689 managed by the State Treasurer. Of that amount, 97.9 percent is invested in non-derivative financial products and 2.1 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 value of pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

CAMP is a Joint Powers Authority formed to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. The money market portfolio offers daily liquidity and is rated Aam by Standard and Poors. To maintain the Aam rating, the portfolio weighted average maturity may not exceed 70 days.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE B--CASH AND INVESTMENTS (Continued)

Included in restricted cash are balances maintained for the repayment of debt service on the 1996 and 1999 revenue bonds and 2003 Revenue Certificates of Participation, balances maintained for capital projects as authorized by the revenue bonds and the Revenue Certificates of Participation, a certificate of deposit assigned to the U.S. Forest Service to guarantee performance under a Special Use Permit, and a certificate of deposit assigned to the City of Placerville for a guarantee of performance for certain offsite improvements. The following are the components of restricted cash:

	<u>2003</u>	<u>2002</u>
Restricted for repayment of debt service and capital projects	\$143,264,713	\$ 17,002,978
Restricted for the El Dorado Project 184		5,017,479
Restricted for Safe Drinking Water Projects	1,094,313	845,167
Assigned to U.S. Forest Service	1,000,000	1,000,000
Assigned to City of Placerville	<u>235,281</u>	<u>235,281</u>
	<u>\$145,594,307</u>	<u>\$ 24,100,905</u>

Carrying values of investment securities at December 31, 2003 and 2002, are summarized as follows:

	<u>2003</u>	<u>2002</u>
U.S. Government agency securities	\$ 28,407,135	\$ 21,781,174
Corporate bonds	<u>1,068,810</u>	<u>4,067,280</u>
Total investments	<u>\$ 29,475,945</u>	<u>\$ 25,848,454</u>

The District's investments are stated at fair value and are categorized to give an indication of the level of credit risk assumed by the District at December 31, 2003 and 2002. The U.S. Government agency securities and corporate bonds are insured or registered, or the related securities are held by the District or its agent in the District's name and thus are credit risk Category 1 as defined by the GASB.

NOTE C--CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2003 and 2002 are as follows:

	<u>Restated Balance, January 1, 2003</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance December 31, 2003</u>
Capital assets not being depreciated:				
Land	\$ 5,306,862			\$ 5,306,862
Construction in progress	<u>60,882,107</u>	<u>\$ 32,201,989</u>	<u>\$(2,010,300)</u>	<u>91,073,796</u>
Total capital assets not being depreciated	<u>66,188,969</u>	<u>32,201,989</u>	<u>(2,010,300)</u>	<u>96,380,658</u>
Capital assets being depreciated				
Water plant in service	201,773,636	20,451,924	595,506	222,821,066
Wastewater plant in service	136,703,587	9,834,781	(83,999)	146,454,369
Future use facilities	22,274,853			22,274,853
General plant	20,694,899	2,026,747	1,498,793	24,220,439
Reclaimed water facility	7,222,312	138,315		7,360,627
Electric power plant	<u>121,893</u>			<u>121,893</u>
Total capital assets being depreciated	<u>388,791,180</u>	<u>32,451,767</u>	<u>2,010,300</u>	<u>423,253,247</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE C--CAPITAL ASSETS (Continued)

	Restated Balance January 1, 2003	Additions	Transfers	Balance December 31, 2003
Less accumulated depreciation for:				
Water plant in service	\$ (61,050,999)	\$(3,794,174)		\$ (64,845,173)
Wastewater plant in service	(31,094,953)	(3,501,283)		(34,596,236)
Future use facilities	(18,627,000)			(18,627,000)
General plant	(2,410,276)	(1,123,761)		(3,534,037)
Reclaimed water facility	(1,586,485)	(239,866)		(1,826,351)
Electric power plant	(48,392)	(4,703)		(53,095)
Total accumulated depreciation	<u>(114,818,105)</u>	<u>(8,663,787)</u>		<u>(123,481,892)</u>
Total capital assets being depreciated, net	<u>273,973,075</u>	<u>23,787,980</u>	<u>\$ 2,010,300</u>	<u>299,771,355</u>
Capital assets, net	<u>\$ 340,162,044</u>	<u>\$ 55,989,969</u>		<u>\$ 396,152,013</u>
	Restated Balance January 1, 2002	Additions	Transfers	Restated Balance December 31, 2002
Capital assets not being depreciated:				
Land	\$ 5,306,862			\$ 5,306,862
Construction in progress	39,426,185	\$30,845,225	\$(9,389,303)	60,882,107
Total capital assets not being depreciated	<u>44,733,047</u>	<u>30,845,225</u>	<u>(9,389,303)</u>	<u>66,188,969</u>
Capital assets being depreciated:				
Water plant in service	198,511,863	939,157	2,322,616	201,773,636
Wastewater plant in service	133,006,038	3,468,655	228,894	136,703,587
Future use facilities	21,738,421		536,432	22,274,853
General plant	13,837,866	555,672	6,301,361	20,694,899
Reclaimed water facility	7,222,312			7,222,312
Electric power plant	121,893			121,893
Total capital assets being depreciated	<u>374,438,393</u>	<u>4,963,484</u>	<u>9,389,303</u>	<u>388,791,180</u>
Less accumulated depreciation for:				
Water plant	(56,154,846)	(4,896,153)		(61,050,999)
Wastewater plant	(27,869,114)	(3,225,839)		(31,094,953)
Future use facilities	(18,627,000)			(18,627,000)
General plant	(2,148,911)	(261,365)		(2,410,276)
Reclaimed water facility	(1,345,742)	(240,743)		(1,586,485)
Electric plant	(45,345)	(3,047)		(48,392)
Total accumulated depreciation	<u>(106,190,958)</u>	<u>(8,627,147)</u>		<u>(114,818,105)</u>
Total capital assets being depreciated, net	<u>268,247,435</u>	<u>(3,663,663)</u>	<u>9,389,303</u>	<u>273,973,075</u>
Capital assets, net	<u>\$ 312,980,482</u>	<u>\$ 27,181,562</u>		<u>\$ 340,162,044</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE D--CONTRACTS, BONDS AND LEASES PAYABLE

Contracts, bonds and leases payable consists of the following at December 31, 2003:

State of California Loans: In March 2000, the State of California Department of Water Resources issued to the District four Safe Water Drinking Loans in the aggregate amount of approximately \$4,843,500, of which \$3,223,974 was drawn down as of December 31, 2003. Interest rates range from 2.32% to 3.2205%. Annual interest payments are due through completion of construction and certification by the State. Upon completion of construction and the certification process, principal and interest payments are due over a twenty year repayment period.

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.

1996 Revenue Bonds: On April 1, 1996, the District issued the 1996 Revenue Bonds in the amount of \$69,415,000. Proceeds from these bonds were used to refund the District's outstanding certificates of participation and to finance the acquisition of a hydroelectric generating plant and related facilities and the costs of improvements to the District's water supply, wastewater treatment and hydroelectric facilities. The Bonds are secured by a lien on the net revenue of these facilities. The District is required to collect rates and charges from the related facilities which will be sufficient to yield net revenues equal to 115% of the debt service payments on this issuance and all pre-existing debt. Interest rates range from 4.85% to 5.6%. Principal payments, ranging from \$2,015,000 to \$4,925,000, are payable annually on February 15 and interest payments, ranging from \$67,719 to \$1,566,492, are payable semi-annually on February 15 and August 15 through February 15, 2021.

1999 Revenue Bonds: On December 3, 1999, the District issued the 1999 Revenue Bonds in the amount of \$13,685,000. Proceeds from these bonds were used to finance certain improvements to the District's sewer and water systems and other facilities, including the acquisition and construction of a new administrative headquarters. The Bonds are secured by a lien on the net revenue of these facilities. The District is required to collect rates and charges from the related facilities which will be sufficient to yield net revenues equal to 115% of the debt service payments on this issuance and all pre-existing debt. Interest rates range from 4.80% to 6.375%. Principal payments, ranging from \$335,000 to \$1,035,000, are payable annually on February 15 and interest payments, ranging from \$65,981 to \$382,493, are payable semi-annually on February 15 and August 15 through February 15, 2025.

LaSalle Bank Bridge Loan: On October 15, 2001, the District entered into a parity installment sale agreement with LaSalle Bank National Association in the amount of \$15,000,000. The loan will be used for the District's El Dorado Project 184, which consists of the El Dorado Diversion Dam, Fish Ladder and Fish Screen, Mill Creek to Bull Creek Tunnel, El Dorado Powerhouse and Flood Improvements and other capital improvements to the District's water, wastewater and hydroelectric facilities. This loan is secured by a lien on the net revenue of this project. Interest payments are due semi-annually on February 15 and August 15, at an interest rate of 4.67%. Semi-annual principal payments of \$1,030,242 are due February 15 and August 15, beginning February 15, 2005, through August 15, 2013.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

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

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 secured by a lien on the District's net revenues. The District is also 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 3.0% to 5.25%. Principal payments, ranging from \$2,920,000 to \$7,205,000, are payable annually on March 1 and interest payments, ranging from \$180,125 to \$1,113,719, 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 secured by a lien on the District's net revenues. The District is also 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 Citicorp Global Markets Inc. The current rate at December 31, 2003 was .95%. Principal payments ranging from \$9,125,000 to \$17,725,000 are payable annually beginning on March 1, 2031.

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 2.0% to 4.50%. Principal payments, ranging from \$255,000 to \$455,000 are payable annually on October 1 and interest payments, ranging from \$11,025 to \$97,869 are payable semi-annually on April 1 and October 1 through April 1, 2019.

Motor Vehicles Capital Leases: The District leases various motor vehicles under capital leases which have various monthly payments through August 2005. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of their inception. The interest rates, which are fixed or variable at the bond equivalent yield for U.S. Treasury obligations, currently range from 4.56% to 6.25%.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

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

The activity of the District's contracts, bonds and leases payable during the years ended December 31, 2003 and 2002 are as follows:

	Balance January 1, <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2003</u>	<u>Due Within One Year</u>
Liability to U.S. Government	\$ 12,893,834		\$(12,893,834)		
Economic Development					
Administration loan	1,758,549		(1,758,549)		
State of California loans	2,933,841	\$ 290,133		\$ 3,223,974	\$ 209,021
County of El Dorado note	1,533,000			1,533,000	
Revenue Bonds					
1996 Series	59,074,391		(3,619,577)	55,454,814	2,015,000
1999 Series	13,115,161		(913,638)	12,201,523	
LaSalle Bank bridge loan	15,000,000			15,000,000	
Revenue Certificates of Participation					
2003A Series		78,066,608	(227,734)	77,838,874	
2003B Series		91,800,000		91,800,000	
2003 General Obligation Bonds	<u>106,308,776</u>	<u>6,058,900</u>	<u>(3,681)</u>	<u>6,055,219</u>	<u>415,000</u>
Motor vehicle capital leases	<u>459,112</u>	<u>176,215,641</u>	<u>(19,417,013)</u>	<u>263,107,404</u>	<u>2,639,021</u>
		<u>(205,500)</u>		<u>253,612</u>	<u>153,011</u>
Total	106,767,888	<u>\$176,215,641</u>	<u>\$(19,622,513)</u>	263,361,016	<u>\$ 2,792,032</u>
Add: Revenue bond arbitrage liability	45,751			45,751	
Less: Current portion of long-term debt	<u>(3,398,796)</u>			<u>(2,792,032)</u>	
	<u>\$ 103,414,843</u>			<u>\$ 260,614,735</u>	

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

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

	Balance January 1, <u>2002</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2002</u>	Due Within <u>One Year</u>
Liability to U.S. Government Economic Development	\$ 13,657,993		\$ (764,159)	\$ 12,893,834	\$ 791,145
Administration loan	1,842,481		(83,932)	1,758,549	87,194
State of California loans	2,933,841			2,933,841	204,255
County of El Dorado note	1,533,000			1,533,000	
Revenue Bonds					
1996 Series	60,746,602		(1,672,211)	59,074,391	1,819,577
1999 Series	13,388,800		(273,639)	13,115,161	288,639
LaSalle Bank bridge loan	<u>15,000,000</u>			<u>15,000,000</u>	
	109,102,717		(2,793,941)	106,308,776	3,190,810
Motor vehicle capital leases	<u>599,727</u>	<u>\$ 57,280</u>	<u>(197,895)</u>	<u>459,112</u>	<u>207,986</u>
Total	109,702,444	<u>\$ 57,280</u>	<u>\$ (2,991,836)</u>	106,767,888	<u>\$ 3,398,796</u>
Add: Revenue bond arbitrage liability	13,084			45,751	
Less: Current portion of long-term debt	<u>(3,337,542)</u>			<u>(3,398,796)</u>	
	<u>\$ 106,377,986</u>			<u>\$ 103,414,843</u>	

The following is a schedule of maturities for contracts and bonds payable:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 2,639,021	\$ 8,242,912	\$ 10,881,933
2005	2,257,973	9,112,527	11,370,500
2006	4,632,967	8,911,658	13,544,625
2007	4,841,149	8,695,771	13,536,920
2008	8,077,666	8,408,319	16,485,985
2009-2013	51,734,069	35,589,553	87,323,622
2014-2018	53,980,189	22,649,724	76,629,913
2019-2023	39,507,613	8,457,168	47,964,781
2024-2028	3,536,743	6,399,660	9,936,403
2029-2033	40,475,000	3,720,398	44,195,398
2034-2036	<u>51,425,014</u>	<u>580,490</u>	<u>52,005,504</u>
Total	<u>\$ 263,107,404</u>	<u>\$120,768,180</u>	<u>\$ 383,875,584</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

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

The following is a schedule of the future minimum lease payments required under capital leases and the present value of the net minimum lease payments as of December 31, 2003:

Year Ended December 31,	
2004	\$ 163,297
2005	<u>104,605</u>
Total minimum lease payments	267,902
Less: Amount representing interest	<u>(14,290)</u>
Present value of minimum lease payments	\$ <u>253,612</u>

In December 2003, the District utilized proceeds from the Revenue Certificates of Participation Series 2003A, totaling \$2,425,000 with an average interest rate of 4.13% to advance refund \$1,800,000 of the 1996 Revenue Bonds with an average interest rate of 5.43% and \$625,000 of the 1999 Revenue Bonds with an average interest rate of 6.18%. Proceeds in the amount \$2,425,000 plus other District funds of \$131,300 were deposited in an irrevocable trust to provide for all future debt service payments on these refunded bond amounts. As a result, the aforementioned 1996 Revenue Bond and 1999 Revenue Bond amounts are considered to be defeased and the liabilities for the defeased amounts have been removed from the District's financial statements. At December 31, 2003, \$1,800,000 of the 1996 revenue bonds and \$625,000 of the 1999 Revenue Bonds were outstanding and were considered defeased.

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 retained earnings 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, 2003 and 2002, designations included:

	<u>2003</u>	<u>2002</u>
Insurance	\$ 561,719	\$ 974,573
Construction and capital replacement	38,760,274	24,096,873
Rate stabilization	3,205,286	3,798,780
USBR emergency	<u>155,000</u>	<u>155,000</u>
Total	<u>\$ 42,682,279</u>	<u>\$ 29,025,226</u>

The designations are for the following:

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

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE E--NET ASSETS (Continued)

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 Bureau 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, 2003 to June 30, 2003 was zero and the rate from July 1, 2003 to December 31, 2003 was .926%. The District was not required to make a contribution for the year ended December 31, 2002. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Cost: For the year ending December 31, 2003, the District incurred annual pension cost of \$520,682. The District incurred no annual pension cost for the year ended December 31, 2002. The required contribution was determined as part of the June 30, 2000 and 2001 actuarial valuation using entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary in duration of service ranging from 3.75% to 14.20% for miscellaneous members and (c) 3.75% cost of living adjustment. Both (a) and (b) include an inflation component of 3.5%. 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 three year period (smoothed market value). 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, 2002 was 22 years.

Three-Year Trend Information for the District

Fiscal Year	Annual Pension Cost(APC)	Percentage of APC Contributed
December 31, 2001	\$ 303,396	100%
December 31, 2002	344,174	100%
December 31, 2003	520,682	100%

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE F--EMPLOYEES' RETIREMENT PLAN (Continued)

Required Supplementary Information - Funded Status of Plan

Actuarial Valuation Date	Actuarial Assets Value	Entry Age Actuarial Accrued Liability	Excess Assets	Funded Ratio	Covered Payroll	Excess Assets As a % of Covered Payroll
June 30, 2000	\$32,006,680	\$25,203,347	\$6,803,333	127.0%	\$8,865,943	76.7%
June 30, 2001	33,207,102	27,800,215	5,406,887	119.4%	8,342,846	64.8%
June 30, 2002	31,837,208	31,419,024	418,184	101.3%	9,968,045	4.2%

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, 2003, fifty-three retired employees/survivor 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 \$135,064 and \$121,500 for the years ended December 31, 2003 and 2002, 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>
Personal injury	\$ 50,000
General liability	50,000
Property (including building, boiler, machinery, contractor equipment and inland marine)	100,000
Fire damage	100,000
Employee dishonesty, forgery or alteration	250
Theft, disappearance and destruction	250
Computer fraud	250

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. 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, 2003 and 2002 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, 2003 and 2002, the entire claims liability is reported as a long-term liability on the balance sheet. These claim estimates

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE H--INSURANCE (Continued)

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 2003 and 2002, were as follows:

	<u>General Liability and Other</u>	<u>Dental and Vision</u>	<u>Total</u>
Reserve for claims and claims expenses at January 1, 2002	\$ 2,219,238	\$ 13,762	\$ 2,233,000
Current year incurred claims and changes in estimates	(1,238,837)	240,805	(998,032)
Net (payments) recoveries	<u>(175,080)</u>	<u>(226,888)</u>	<u>(401,968)</u>
Reserve for claims and claims expenses at December 31, 2002	805,321	27,679	833,000
Current year incurred claims and changes in estimates	253,465	259,018	512,483
Net (payments) recoveries	<u>(253,465)</u>	<u>(259,018)</u>	<u>(512,483)</u>
Reserve for claims and claims expenses at December 31, 2003	<u>\$ 805,321</u>	<u>\$ 27,679</u>	<u>\$ 833,000</u>

NOTE I--COMMITMENTS AND CONTINGENCIES

Litigation

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 \$1,023,000 and \$1,400,000 at December 31, 2003 and 2002, respectively. 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.

Federal and State Regulatory Issues

The District has a conditional license with the Federal Energy Regulatory Commission to operate its hydroelectric plant that was extended to February 2005. The District is working to renew this license; however, nonrenewal would have a significant impact on future District hydroelectric revenues.

The District is a multi-county district currently exempt from the effects of the State of California Educational Revenue Augmentation Fund (ERAF), which requires a transfer of a portion of the property tax revenues from non-exempt districts over to school districts. Currently, the special districts that are subject to the ERAF rules must pay the lower of 10% of total revenue or 40% of property tax revenue into this fund. Because of budget difficulties, the State may decide to subject the currently exempt districts to the ERAF rules regardless of their multi-county status. This action would jeopardize an unknown portion of the District's future property tax revenue.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2003 and 2002

NOTE I--COMMITMENTS AND CONTINGENCIES (Continued)

Other Contingencies

The District receives funding for flood damage reimbursement 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.

NOTE J--CAPITAL PROJECT COMMITMENTS

The District has the following capital project commitments outstanding as of December 31, 2003:

Line and cover projects	\$ 10,097,951
Mill to Bull Creek tunnel	2,308,568
El Dorado Hills Wastewater Plant	3,329,726
Deer Creek Wastewater Plant improvements	2,026,714
Various other projects	2,066,163
Headquarters building	89,819
Federal Energy Regulatory Commission relicensing	193,903
Sly Park Purchase	121,492
Various flood damage repairs related contracts	<u>7,964</u>
Total	<u>\$ 20,242,300</u>

NOTE K--RESTATEMENT

Flood damage repair expenses incurred in 1998 and prior years were incorrectly recorded as construction in process rather than being properly expensed as incurred. The District corrected this error in 2003, resulting in a decrease to construction in process and net assets as of December 31, 2001 of \$2,475,939.





EL DORADO IRRIGATION DISTRICT
Combining Balance Sheet
December 31, 2003

	<u>Operating</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>El Dorado Public Agency Financing Authority</u>	<u>Recreation</u>	<u>Hydroelectric</u>	<u>Totals</u>
ASSETS							
Current Assets							
Cash and Cash Equivalents	\$ (16,499,224)	\$ 38,976,036	\$ 2,818,612	\$ 25,858,094	\$ 59,873	\$ (3,767,894)	\$ 47,445,497
Accounts Receivable, Net	2,934,384		83,812	167,783		271,647	3,457,626
Due from Other Governmental Agencies						769,253	769,253
Interest Receivable	396,235		96,652	341,499			834,386
Taxes Receivable	6,061,708		902,610		122,728		7,087,046
Inventory	339,198						339,198
Prepaid Expenses and Other Current Assets	238,353		2,266	4,274		16,589	261,482
Intrafund Receivable/Payable	24,828,083	(17,511,153)			(501,930)	(6,815,000)	
Restricted Cash and Cash Equivalents	1,235,281	4,408,226	129,689,069	10,261,731			145,594,307
Total Current Assets	<u>19,534,018</u>	<u>25,873,109</u>	<u>133,593,021</u>	<u>36,633,381</u>	<u>(319,329)</u>	<u>(9,525,405)</u>	<u>205,788,795</u>
Other Long-Term Assets							
Investments	29,475,945						29,475,945
Deferred Bond Costs			3,032,834	861,288			3,894,122
Notes Receivable	95,132						95,132
Capital Assets							
Water Plant In service	222,463,744				186,634	574,740	223,225,118
Wastewater Plant In Service	146,851,443						146,851,443
Future Use Facilities	5,655,471					20,600,520	26,255,991
General Plant	20,475,732				3,106,025	1,163,280	24,745,037
Reclaimed Water Facility	7,360,627						7,360,627
Electric Power Plant	121,893						121,893
Construction In Progress	228,753	46,584,145			870,074	43,390,824	91,073,796
Accumulated Depreciation	(103,430,216)				(1,174,481)	(18,877,195)	(123,481,892)
Capital Assets, Net	<u>299,727,447</u>	<u>46,584,145</u>			<u>2,988,252</u>	<u>46,852,169</u>	<u>396,152,013</u>
Total Assets	<u>\$ 348,832,542</u>	<u>\$ 72,457,254</u>	<u>\$ 136,625,855</u>	<u>\$ 37,494,669</u>	<u>\$ 2,668,923</u>	<u>\$ 37,326,764</u>	<u>\$ 635,406,007</u>

EL DORADO IRRIGATION DISTRICT
Combining Balance Sheet
December 31, 2003

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
LIABILITIES AND NET ASSETS							
Current Liabilities							
Accounts Payable	\$ 1,065,186	\$ 5,393,197	\$ 50,296		\$ 43,425	\$ 1,012,496	\$ 7,564,600
Deposits	528,395						528,395
Accrued Compensated Absences	655,443				29,163	60,725	745,331
Accrued Payroll and Benefits Payable	544,665	14,376			16,681	72,991	648,713
Deferred Revenue	5,722,319					65,353	5,787,672
Current Contracts, Bonds and Leases Payable	1		777,031	\$ 2,015,000			2,792,032
Accrued Interest Payable			488,910	1,450,911			1,939,821
Total Current Liabilities	<u>8,516,009</u>	<u>5,407,573</u>	<u>1,316,237</u>	<u>3,465,911</u>	<u>89,269</u>	<u>1,211,565</u>	<u>20,006,564</u>
Long-Term Liabilities							
Contracts, Bonds and Leases Payable			194,927,647	65,687,088			260,614,735
Reserve for Claims and Claims Expenses	833,000						833,000
Other Liabilities	1,023,000						1,023,000
Total Long-Term Liabilities	<u>1,856,000</u>		<u>194,927,647</u>	<u>65,687,088</u>			<u>262,470,735</u>
Total Liabilities	<u>10,372,009</u>	<u>5,407,573</u>	<u>196,243,884</u>	<u>69,152,999</u>	<u>89,269</u>	<u>1,211,565</u>	<u>282,477,299</u>
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	299,727,446	46,584,145	(67,109,920)	(67,702,088)	2,988,252	46,852,169	261,340,004
Restricted Net Assets							
Restricted for New Facilities	6,665,299		1,896,090	24,332,098			32,893,487
Restricted for Debt Service				11,356,043			11,356,043
Unrestricted Net Assets	<u>32,067,788</u>	<u>20,465,536</u>	<u>5,595,801</u>	<u>355,617</u>	<u>(408,598)</u>	<u>(10,736,970)</u>	<u>47,339,174</u>
Total Net Assets	<u>338,460,533</u>	<u>67,049,681</u>	<u>(59,618,029)</u>	<u>(31,658,330)</u>	<u>2,579,654</u>	<u>36,115,199</u>	<u>352,928,708</u>
Total Liabilities and Net Assets	<u>\$ 348,832,542</u>	<u>\$ 72,457,254</u>	<u>\$ 136,625,855</u>	<u>\$ 37,494,669</u>	<u>\$ 2,668,923</u>	<u>\$ 37,326,764</u>	<u>\$ 635,406,007</u>

EL DORADO IRRIGATION DISTRICT
Combining Schedule of Revenues, Expenses and Changes in Net Assets
For the Year Ended December 31, 2003

	El Dorado Public Agency						
	Operating	Capital Improvement	Debt Service	Financing Authority	Recreation	Hydroelectric	Totals
Operating Revenues							
Water Sales	\$ 11,438,075						\$ 11,438,075
Water Services	1,945,136						1,945,136
Reclaimed Water Reimbursements/Sales	381,599						381,599
Wastewater Sales	9,511,727						9,511,727
Wastewater Services	150,555						150,555
Recreation Fees					\$ 567,749	\$ 39,395	607,144
Hydroelectric Sales						273,314	273,314
Total Operating Revenue	<u>23,427,092</u>				<u>567,749</u>	<u>312,709</u>	<u>24,307,550</u>
Operating Expenses							
Office of the General Manager	3,581,501				85	10,705	3,592,291
Finance and Management Services	5,872,615				1,928	11,353	5,885,896
Facilities Management	15,466,626				3,903		15,470,529
Recreation					742,880	64,803	807,683
Hydroelectric						2,929,147	2,929,147
Developer Reimbursed Expenses	1,681,625						1,681,625
Depreciation and Amortization	8,937,947				91,725	56,563	9,086,235
Total Operating Expenses	<u>35,540,314</u>				<u>840,521</u>	<u>3,072,571</u>	<u>39,453,406</u>
Net Loss From Operations	(12,113,222)				(272,772)	(2,759,862)	(15,145,856)
Nonoperating Revenue (Expenses)							
Surcharges			\$ 705,125	\$ 1,008,306			1,713,431
Voter-Approved Taxes			948,940				948,940
Property Taxes	6,427,065				130,061		6,557,126
Interest Income	545,260		497,355	1,223,914	9,798	(112,607)	2,163,720
Flood Damage Expenses						(978,254)	(978,254)
Other Income	509,839	\$ 44,219			11,742	78,546	644,346
Other Expenses	(514,929)		(28,618)	(125,542)	(1)	(600,387)	(1,269,477)
Interest Expense			(1,202,474)	(4,128,624)		(2,020)	(5,333,118)
Flood Damage Reimbursements						13,983	13,983
Total Nonoperating Revenue (Expenses)	<u>6,967,235</u>	<u>44,219</u>	<u>920,328</u>	<u>(2,021,946)</u>	<u>151,600</u>	<u>(1,600,739)</u>	<u>4,460,697</u>
Net (Loss) Income Before Contributions and Transfers	(5,145,987)	44,219	920,328	(2,021,946)	(121,172)	(4,360,601)	(10,685,159)
Capital Contributions and Operating Transfers							
Facility Capacity Charges	6,965,517			5,809,163			12,774,680
Developer Contributions	19,174,599						19,174,599
Sly Park Capital Contribution	15,173,195						15,173,195
Transfers In	44,433,124	19,086,266	14,871,069	5,018,245	268,931	24,822,601	108,500,236
Transfers Out	(43,742,816)	(6,406,783)	(49,265,279)	(217,065)	(344,209)	(8,524,084)	(108,500,236)
Change in Net Assets	<u>36,857,632</u>	<u>12,723,702</u>	<u>(33,473,882)</u>	<u>8,588,397</u>	<u>(196,450)</u>	<u>11,937,916</u>	<u>36,437,315</u>
Net Assets, Beginning of Year, as Previously Reported	303,406,979	54,325,979	(26,144,147)	(40,246,727)	2,872,036	24,753,212	318,967,332
Prior Period Adjustment	(1,804,078)				(95,932)	(575,929)	(2,475,939)
Net Assets, Beginning of Year, as Restated	<u>301,602,901</u>	<u>54,325,979</u>	<u>(26,144,147)</u>	<u>(40,246,727)</u>	<u>2,776,104</u>	<u>24,177,283</u>	<u>316,491,393</u>
Net Assets, End of Year	<u>\$ 338,460,533</u>	<u>\$ 67,049,681</u>	<u>\$ (59,618,029)</u>	<u>\$ (31,658,330)</u>	<u>\$ 2,579,654</u>	<u>\$ 36,115,199</u>	<u>\$ 352,928,708</u>

El Dorado Irrigation District
Combined Schedule of Revenues, Expenses and Changes in Net Assets
Budget and Actual
For the year ended December 31, 2003

	2003	Budget	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	\$ 11,438,075	\$ 11,569,704	\$ (131,629)
Water Services	1,945,136	2,681,098	(735,962)
Reclaimed Water Reimbursements/Sales	381,599	324,569	57,030
Wastewater Sales	9,511,727	9,983,205	(471,478)
Wastewater Services	150,555	119,835	30,720
Recreation Fees	607,144	557,500	49,644
Hydroelectric Sales	273,314	200,000	73,314
Total Operating Revenues	24,307,550	25,435,911	(1,128,361)
Operating Expenses			
Office of the General Manager	3,592,291	4,379,704	787,413
Finance and Management Services	5,885,896	6,050,015	164,119
Facilities Management	15,470,529	17,087,399	1,616,870
Recreation	807,683	847,678	39,995
Hydroelectric	2,929,147	3,749,886	820,739
Developer Reimbursed Expenses	1,681,625	65,179	(1,616,446)
Total Operating Expenses	30,367,171	32,179,861	1,812,690
Net Loss from Operations	(6,059,621)	(6,743,950)	684,329
Nonoperating Revenue (Expenses)			
Facility Capacity Charges	12,774,680	7,777,100	4,997,580
Surcharges	1,713,431	1,715,000	(1,569)
Voter-Approved Taxes	948,940	870,000	78,940
Property Taxes	6,557,126	5,467,988	1,089,138
Interest Income	2,163,720	2,300,000	(136,280)
Flood Damage Expenses	(978,254)		(978,254)
Other Income	644,346	379,120	265,226
Other Expenses	(1,269,477)		(1,269,477)
Interest Expense	(5,333,118)		(5,333,118)
Flood Damage Reimbursements	13,983	1,800,000	(1,786,017)
Total Nonoperating Revenues (Expenses)	17,235,377	20,309,208	(3,073,831)
Excess of Budgeted Revenues over Budgeted Expenses	11,175,756	\$ 13,565,258	\$ (2,389,502)
Non-Budgeted Items			
Developer Contributions	19,174,599		
Sly Park Capital Contributions	15,173,195		
Depreciation and Amortization	(9,086,235)		
Change in Net Assets	\$ 36,437,315		



**El Dorado Irrigation District
Adjusted Budget for the Fiscal Years ended
December 31, 2000, 2001, 2002, & 2003**

	2003	2002	2001	2000
OPERATING REVENUES:				
Water Sales	\$11,569,704	\$12,328,350	\$11,892,850	\$11,143,200
Water Services	2,681,098	653,770	581,700	611,800
Reclaimed Water Reimbursements/Sales	324,569	334,790	324,050	153,600
Wastewater Sales	9,983,205	8,900,000	8,800,000	9,476,300
Wastewater Services	119,835	152,190	149,450	45,500
Recreation Fees	557,500	681,000	627,000	505,500
Hydroelectric Sales	200,000	463,904	341,000	0
Total Operating Revenue	\$25,435,911	\$23,514,004	\$22,716,050	\$21,935,900
OPERATING EXPENSES^[1] :				
Office of the General Manager	\$4,429,704	\$3,434,140	\$2,647,720	\$2,435,200
Finance and Management Services	6,238,015	5,134,408	5,841,455	5,555,644
Facilities Management	17,497,899	15,170,952	14,555,126	14,469,829
Recreation	854,678	652,013	614,254	547,571
Hydroelectric	3,834,386	3,049,574	2,564,754	1,944,928
Developer Reimbursed Expenses	65,179	0	0	0
Total Operating Expenses	\$32,919,861	\$27,441,087	\$26,223,309	\$24,953,172
Net Loss from Operations	(\$7,483,950)	(\$3,927,083)	(\$3,507,259)	(\$3,017,272)
NON-OPERATING REVENUE-(EXPENSE)				
Facilities Capacity Charges	\$7,777,100	\$10,325,771	\$10,070,352	\$7,118,310
Surcharges [2]	1,715,000	1,547,545	1,535,700	1,467,000
Voter-Approved Taxes [3]	870,000	829,660	788,290	773,921
Property Taxes	5,467,988	4,849,500	4,575,060	4,261,500
Interest Income	2,300,000	3,000,000	3,200,000	3,276,150
Flood Damage Expenses	0	0	0	0
Other Income	379,120	188,690	174,340	147,850
Interest Expenses	0	(8,068,000)	0	0
Flood Damage Reimbursements	1,800,000	0	5,030,000	3,716,200
Total Non-Operating Revenue (Expenses)	\$20,309,208	\$12,673,166	\$25,373,742	\$20,760,931
Total Income	\$12,825,258	\$8,746,083	\$21,866,483	\$17,743,659
DEBT SERVICE (Principal Only)				
Federal Loans	\$859,645	\$791,145	\$764,160	\$779,027
State Loans	204,254	283,529	291,449	95,593
Revenue Bonds	2,210,000	2,210,000	2,110,000	1,685,000
Motor Vehicle Capital Leases	207,986	207,986	179,853	113,459
Texas Hill	0	0	0	402,039
Total Debt Service-Principal	\$3,481,885	\$3,492,660	\$3,345,462	\$3,075,118
Net Income after Debt Service	\$9,343,373	\$5,253,423	\$18,521,021	\$14,668,541

[1] Operating expenses exclude CIP offset.

[2] Represent surcharges assessed in connection with water and sewer debt.

[3] Represents voter-approved property taxes collected for payment of obligations to the U.S. Bureau of Reclamation for construction of the Sly Park Unit and EID's main distribution system.

2003 5-year CIP Budget

	2003	2004	2005	2006	2007	Total
WATER						
Reservoir Program	\$ 16,447,200	\$ 7,936,400	\$ 8,244,400	\$ 4,835,000	\$ 2,505,000	\$ 39,968,000
Reservoir A Water Treatment Plant Upg	550,000	15,450,000				16,000,000
Reservoir 1 Filter Media Replacement	200,000					200,000
Facilities Mgmt Improvement Program	627,300	400,000	400,000	400,000	400,000	2,227,300
Bass Lake Storage/Pipes/Pump Station	7,098,500	425,000				7,523,500
Outingdale WTP Compliance	200,000	600,000	5,500,000			6,300,000
Water Distribution System Improvements		124,900	183,600	183,600	183,600	675,700
EDH WTP Exp to 24 MGD	6,632,500	6,526,200				13,158,700
EDH WTP Exp to 16 MGD	681,200					681,200
Expand EDH WTP 30MGD	200,000	2,950,000	14,250,000	11,400,000		28,800,000
EDH WTP Raw Waterline	100,000	450,000	3,300,000			3,850,000
Water Master Plan	329,000	100,000				429,000
Water Treatment Evaluation	200,000	100,000				300,000
Hwy 50/Latrobe Rd Interchg Realignment		300,000				300,000
Latrobe Road Realignment	11,500	250,000	1,500,000			1,761,500
Oakridge Pump Station	50,000	750,000	560,000			1,360,000
Baumhoff Tank Replacement	300,000	500,000				800,000
Oakridge Water Storage Tank - 2 MG	55,100	750,000				805,100
Promontory Tank and Pipeline	25,500	1,800,000				1,825,500
Ranch Del Sol Tank Replacement		60,000	150,000	150,000		360,000
Parallel the Diamond Springs Main		200,000	3,800,000	4,000,000	4,000,000	12,000,000
SCADA Phase II		123,800	145,000	135,000	128,700	532,500
Silva Valley Parkway Transmission Line	3,002,400	2,500,000	2,550,000	2,250,000		10,302,400
Silva Valley Pkwy/White Rock Rd Wtrline	2,500,000	600,000				3,100,000
Sly Park Intertie Lining	150,000	1,500,000				1,650,000
Strawberry WTP Backwash System Upgrade	200,000					200,000
Vulnerability Assessments	100,000					100,000
Other Water Projects	290,000	175,000	100,000			565,000
Total Water	\$ 39,950,200	\$ 44,571,300	\$ 40,683,000	\$ 23,353,600	\$ 7,217,300	\$ 155,775,400
WASTEWATER						
DCWWTP Phase II Expansion/Compliance		\$ 8,900,000				\$ 8,900,000
DCWWTP Post Permit Appeal	\$ 512,800					512,800
DCWWTP Collection System CAP	114,700					114,700
DCWWTP Wtrline Replace/Rd Repave		600,600				600,600
DC Non-Routine Capital Improvements	102,000	50,000	\$ 50,000	\$ 50,000	\$ 50,000	302,000
EDHWWTP CAP	549,600	500,000	500,000			1,549,600
EDHWWTP Non-Routine Capital Imp	239,000	50,000	50,000	50,000	50,000	439,000
Camino Heights Disposal Upgrade	800,700					800,700
SCADA Phase II (includes 972714)	466,200	75,000	18,700			559,900
Mother Lode Force Main Repairs		200,000	200,000	200,000	200,000	800,000
Sewer Collection Sys & I/I Improvements		11,900	200,000	200,000		411,900
DCWWTP Regulatory Compliance	8,000,000	5,000,000	2,300,000			15,300,000
EDHWWTP Regulatory Compliance	6,368,400	1,336,800	60,700			7,765,900
EDHWWTP DAF, Filters, Clarifier, Headwk		500,000	2,500,000	1,300,000		4,300,000
Hwy 50/Latrobe Rd Interchg Realignment	650,000	250,000				900,000
EDHWWTP Exp/Upgrade Phase II B	844,200	498,400				1,342,600
St. Andrews Lift Station Expansion	440,000				100,000	540,000
New York Creek L.S. Expansion		1,000,000				1,000,000
South Uplands Trunk Sewer	452,000					452,000
Lift Station "C" Gravity Force Mair	400,000					400,000
Parallel Silva Valley Trunk Phase I	1,300,000					1,300,000
Parallel Silva Valley Trunk Phase II		3,500,000				3,500,000
Other Wastewater Projects	421,600	350,000	50,000	50,000	50,000	921,600
Total Wastewater	\$ 21,661,200	\$ 22,822,700	\$ 5,929,400	\$ 1,850,000	\$ 450,000	\$ 52,713,300
RECYCLED WATER						
Latrobe Road Realignment	\$ 50,000	\$ 500,000				\$ 550,000
DC Seasonal Recycled Wtr Storage Res	100,000	1,000,000	\$ 12,000,000			13,100,000
EDH Seasonal Recycled Wtr Storage Res		8,500,000	7,000,000			15,500,000
Other Recycled Water Projects	105,000		500,000			605,000
Total Recycled Water	\$ 255,000	\$ 10,000,000	\$ 19,500,000	\$ -	\$ -	\$ 29,755,000

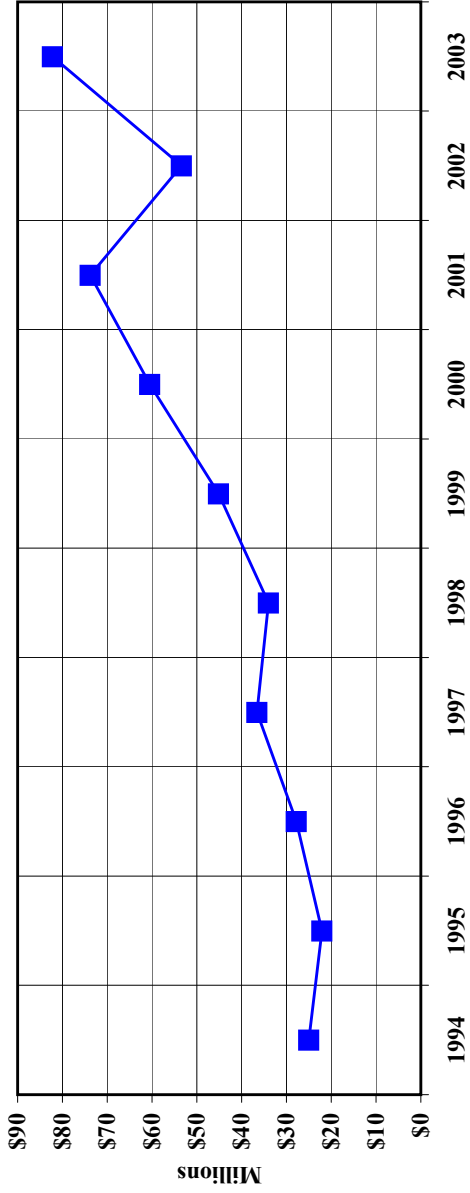
2003 5-year CIP Budget

	2003	2004	2005	2006	2007	Total
GENERAL DISTRICT						
Hansen System Expansion				\$ 39,100	\$ 50,000	\$ 89,100
Sly Park Purchase	\$ 5,000,000	\$ 203,400				5,203,400
New Headquarters Facility		804,500	\$ 951,700			1,756,200
Automated Meter Reading System	157,300	214,500	292,500	370,500	468,000	1,502,800
Equipment Replacement	244,000	127,000				371,000
Headquarters Network Upgrade	238,500	89,600				328,100
Road Maintenance Improvement				40,000	50,000	90,000
Vehicle Replacement	1,085,000	489,000	450,000	450,000	300,000	2,774,000
Wide Area Network	94,500	95,000	95,000			284,500
Habitat Conservation Plan	50,000	250,000	100,000			400,000
Integrated Doc Program/ Electronic	55,000	120,000	85,000			260,000
Water Rights for 17,000 Acre Feet	219,100	200,000				419,100
Other General District Projects	349,200	255,000	60,300	84,300	34,300	783,100
Total General District	\$ 7,492,600	\$ 2,848,000	\$ 2,034,500	\$ 983,900	\$ 902,300	\$ 14,261,300
RECREATION						
Sly Park Road Improvements		\$ 88,800	\$ 29,300			\$ 118,100
Water System Upgrade		80,000	80,000	\$ 80,000	\$ 80,000	320,000
Park Management System	\$ 28,400	6,300				34,700
Park Facility Enhancements	46,400					46,400
Dock Facilities	67,500	17,200				84,700
Family Group Campsite Improvements	10,000					10,000
Retreat House Improvements	56,000					56,000
Trail Improvements & Bridge Addition			60,100			60,100
Forebay Recreational Master Plan	50,000					50,000
Sly Park Recreational Master Plan		60,000				60,000
Total Recreation	\$ 258,300	\$ 312,400	\$ 109,300	\$ 80,000	\$ 80,000	\$ 840,000
HYDROELECTRIC						
ISO Interconnect	\$ 68,500	\$ 68,500				\$ 137,000
Automate Spill Gates at Silver Lake	131,700					131,700
Replace Flumes 39 & 40	522,000					522,000
Replace Flume 41	1,384,000					1,384,000
Caples and Silver Lake Repairs	100,000					100,000
Echo Conduit Replacement	100,000	300,000				400,000
FERC Relicensing	4,237,500					4,237,500
Re-licensing Diversion Structure Upgrades	250,000	500,000	\$ 500,000	\$ 500,000	\$ 250,000	2,000,000
Re-licensing Recreation Upgrades	200,000	1,000,000	2,000,000	500,000	300,000	4,000,000
Re-licensing Related Upgrades	250,000	500,000	500,000	500,000	750,000	2,500,000
Forebay Dredging and Upgrades	100,000	500,000				600,000
Penstock Coating	70,000					70,000
Mill to Bull Tunnel	2,065,000					2,065,000
Replace Canals and Flumes	1,000,000	1,000,000				2,000,000
Alder Reservoir Feasibility Assessment	100,000	100,000	100,000			300,000
Hazel Creek Tunnel	200,000	650,000				850,000
Echo Tunnel Upgrades	50,000	350,000				400,000
Other Hydroelectric Projects	90,000					90,000
Total Hydroelectric	\$ 10,918,700	\$ 4,968,500	\$ 3,100,000	\$ 1,500,000	\$ 1,300,000	\$ 21,787,200
HYDRO WATERSHED						
Crawford Ditch Improvements	\$ 115,600	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 235,600
Main Ditch Erosion Remediation	500,000	500,000				1,000,000
Ditch System Master Plan	50,000	50,000				100,000
Total Hydro Watershed	\$ 665,600	\$ 580,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 1,335,600
TOTAL 2003 5-YR CIP	\$81,201,600	\$86,102,900	\$71,386,200	\$27,797,500	\$9,979,600	\$276,467,800

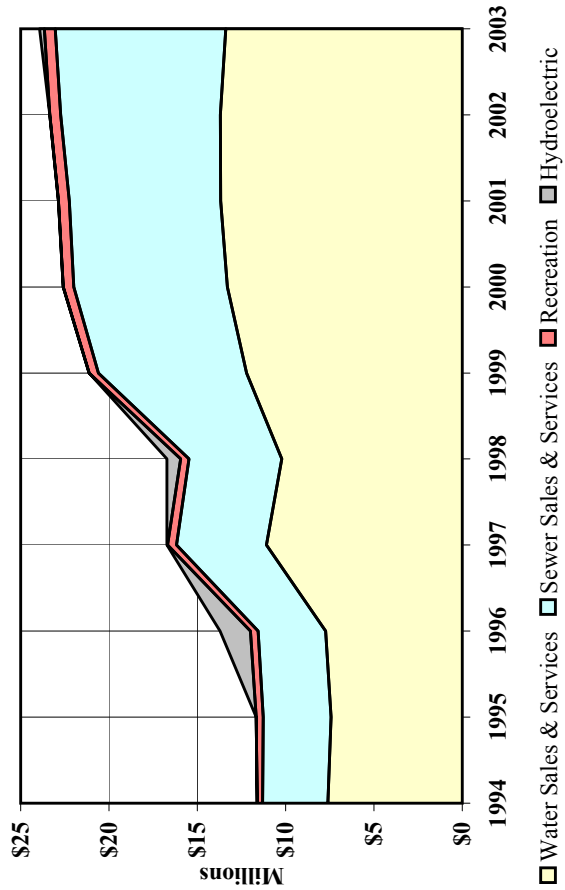
Total Actual Revenue by Source 1994-2003

Revenue Source	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Water Sales & Services	\$13,383,211	\$13,702,694	\$13,668,356	\$13,297,855	\$12,202,225	\$10,209,773	\$11,089,042	\$7,726,939	\$7,427,931	\$7,600,236
Wastewater Sales & Services	\$9,662,282	\$9,031,340	\$8,568,367	\$8,700,880	\$8,396,107	\$5,268,633	\$5,084,984	\$3,829,133	\$3,837,561	\$3,697,672
Reclaimed Water Reimbursement & Sales	\$381,599	\$323,326	\$359,300	\$106,435	\$234,304	\$106,045	-	-	-	-
Recreation	\$607,144	\$615,901	\$615,203	\$590,795	\$516,429	\$460,905	\$502,170	\$441,223	\$405,774	\$315,726
Hydroelectric	\$273,314	-	-	-	-	\$789,542	\$36,451	\$1,717,509	-	-
Facility Capacity Charges	\$12,774,680	\$8,956,472	\$24,271,660	\$11,651,265	\$9,582,702	\$5,404,752	\$5,691,123	\$2,954,937	\$2,054,747	\$5,927,901
Surcharges	\$1,713,431	\$1,826,112	\$2,168,455	\$3,028,138	\$3,848,999	\$3,503,528	\$2,471,779	\$2,357,220	\$1,477,168	\$1,833,862
Voter Approved Taxes	\$948,940	\$736,073	\$857,653	\$872,161	\$798,645	\$714,551	\$592,834	\$530,160	\$512,160	\$476,160
Property Taxes	\$6,557,126	\$5,680,134	\$5,306,972	\$4,549,483	\$4,364,904	\$4,116,097	\$3,774,466	\$3,577,668	\$3,599,549	\$3,233,334
Interest Income	\$2,163,720	\$3,715,032	\$4,870,981	\$5,157,355	\$2,786,610	\$3,796,313	\$4,492,656	\$4,613,297	\$2,811,719	\$2,035,855
Other Income (Expense)	(\$611,148)	(\$76,229)	\$2,910,343	\$12,542,167	\$2,435,997	(\$375,486)	\$2,870,345	\$37,299	(\$58,042)	(\$152,702)
Developer Contributions	\$19,174,599	\$8,933,386	\$10,204,092							
Sly Park Capital Contributions	\$15,173,195									
TOTAL REVENUE	\$82,202,093	\$53,444,241	\$73,801,382	\$60,496,534	\$45,166,922	\$33,994,653	\$36,605,850	\$27,785,385	\$22,068,567	\$24,968,044
* Other Income (Expense) consists of the following: Other income, flood damage reimbursement, less other expenses.										

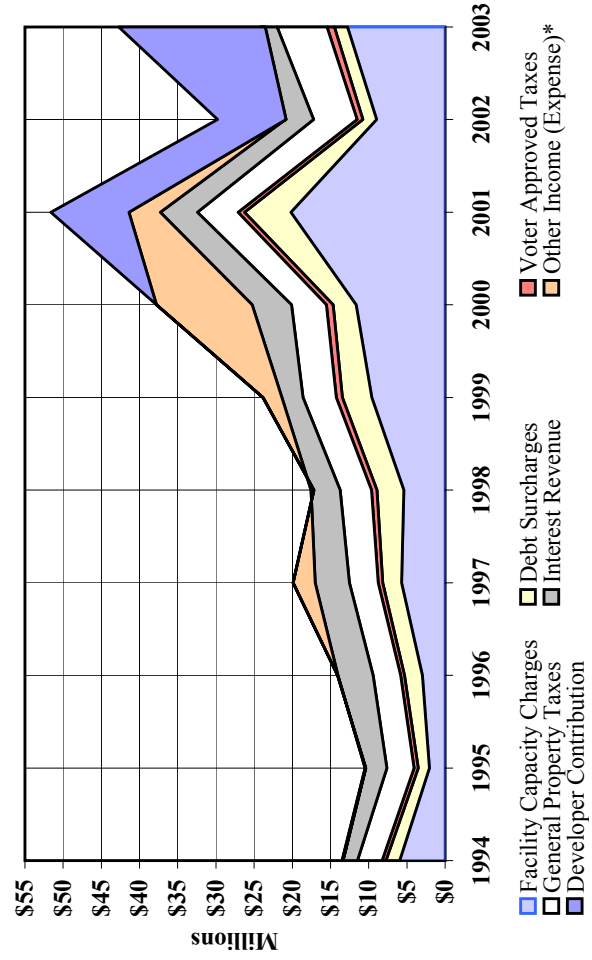
Total Revenues 1994 - 2003



Operating Revenues 1994 - 2003



Nonoperating Revenues 1994 - 2003





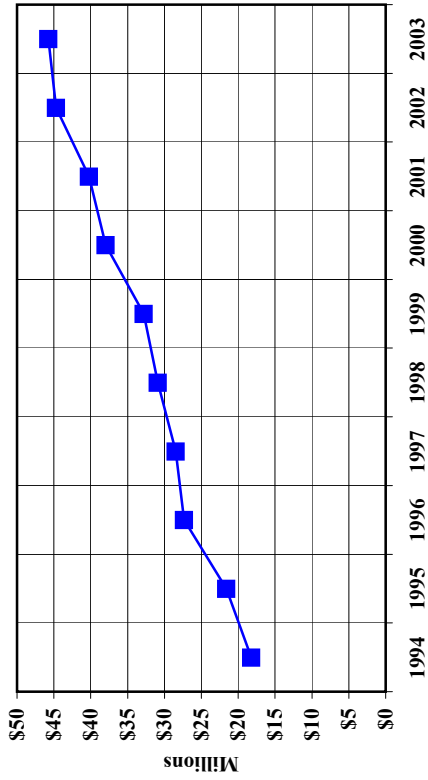
Total Actual Expenses by Function 2001-2003

Expense Source	2003	2002	2001 Restated for Reorg/GASB 34
Office of the General Manager	\$3,592,291	\$3,015,486	\$2,100,827
Finance and Management Services	\$5,885,896	\$4,470,541	\$4,086,298
Facilities Management	\$15,470,529	\$15,794,064	\$14,443,772
Recreation	\$807,683	\$719,911	\$648,716
Hydroelectric	\$2,929,147	\$3,405,238	\$2,711,609
Reimbursement to Developers	\$1,681,625	\$2,012,016	\$1,392,805
Depreciation and Amortization	\$9,086,235	\$8,627,147	\$9,129,458
Interest Expense	\$5,333,118	\$4,789,688	\$4,572,793
Flood Damage Expenses	\$978,254	\$1,855,210	\$1,150,963
TOTAL EXPENSE	\$45,764,778	\$44,689,301	\$40,237,241

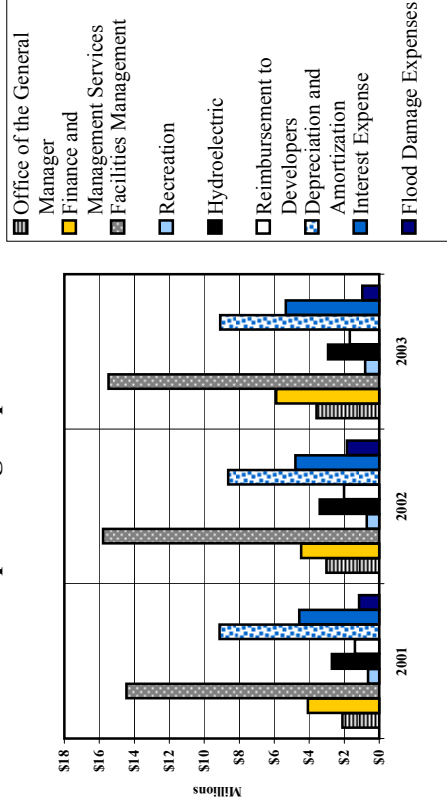
Total Actual Expenses by Function 1994-2000

Expense Source	2000	1999	1998	1997	1996	1995	1994
Administration & General	\$3,460,506	\$1,303,927	\$1,227,012	\$2,802,000	\$3,130,000	\$1,728,000	\$1,160,000
Finance	\$2,796,773	\$2,864,360	\$2,940,271	\$2,735,000	\$2,399,000	\$2,302,000	\$1,829,000
Engineering	\$1,593,153	\$1,519,994	\$1,509,079	\$1,637,000	\$1,560,000	\$1,541,000	\$571,000
Operations & Maintenance (includes electricity)	\$11,709,093	\$11,753,461	\$10,653,760	\$9,066,000	\$8,741,000	\$7,649,000	\$7,012,000
Purchased Water	\$1,422,119	\$653,534	\$585,393	\$499,000	\$560,000	\$492,000	\$377,000
Recreation	\$503,962	\$492,498	\$484,448	\$521,000	\$469,000	\$467,000	\$418,000
Legal	\$419,724	\$1,053,871	\$1,331,507	-	-	-	-
Hydroelectric	\$2,102,195	\$1,414,954	\$735,171	\$483,000	\$1,213,000	\$286,000	-
Depreciation	\$9,515,538	\$7,646,949	\$7,101,032	\$6,075,000	\$5,410,000	\$5,130,000	\$4,837,000
Interest Expense	\$4,471,684	\$4,094,840	\$4,324,879	\$4,667,000	\$3,866,000	\$2,008,000	\$2,035,000
TOTAL EXPENSE	\$37,994,747	\$32,798,388	\$30,892,552	\$28,486,000	\$27,348,000	\$21,603,000	\$18,239,000

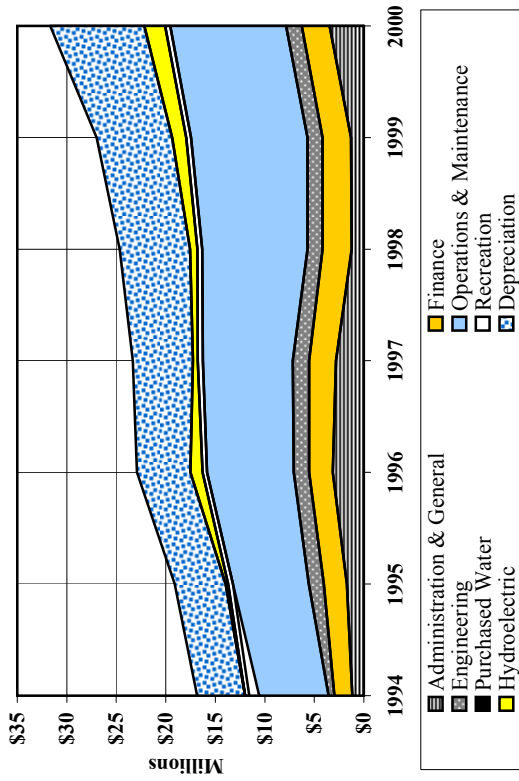
Total Expenses 1994 - 2003



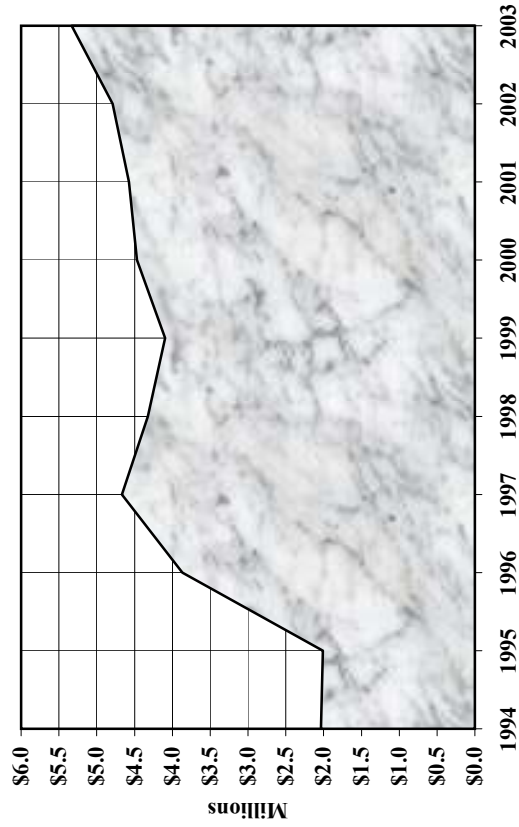
Operating Expenses 2001 - 2003



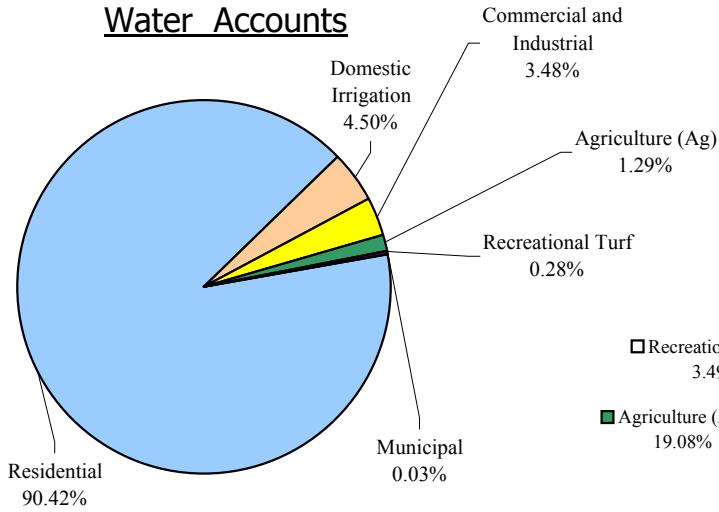
Operating Expenses 1994 - 2000



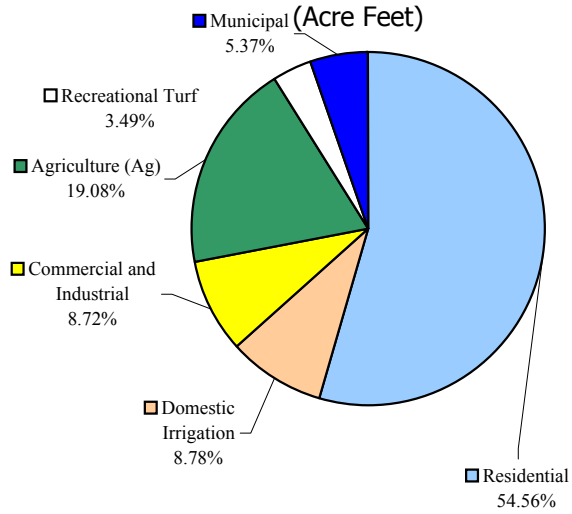
Interest Expense 1994 - 2003



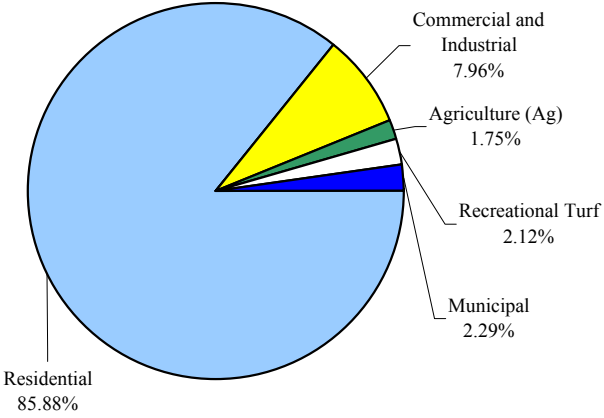
Water Accounts



Water Consumption



Sales Revenues

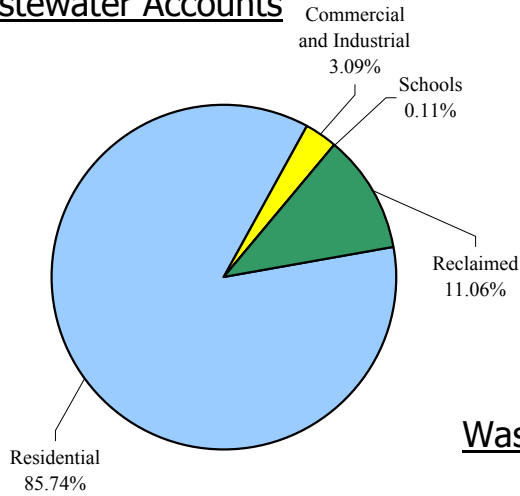


Water Customer Accounts For Fiscal Year Ended December 31, 2003

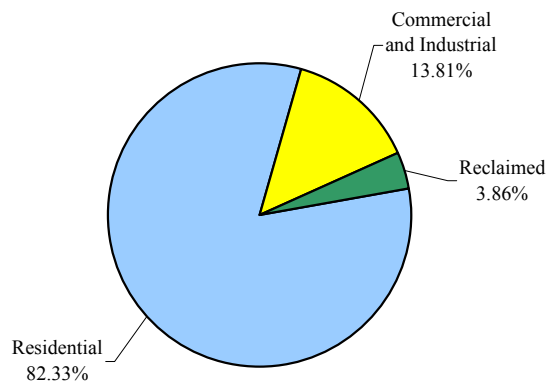
	Water Accounts	% of Total Water Accounts	Water Consumption (Acre Feet)	% of Total Consumption	Sales Revenues	% of Total Revenues
Residential	31,612	90.42%	17,373	54.56%	\$9,824,047 ^[1]	85.88%
Domestic Irrigation	1,572	4.50%	2,796	8.78%	0	-
Commercial and Industrial	1,217	3.48%	2,778	8.72%	910,789	7.96%
Agriculture (Ag)	452	1.29%	6,074	19.08%	199,691	1.75%
Recreational Turf	97	0.28%	1,112	3.49%	241,917	2.12%
Municipal	11	0.03%	1,709	5.37%	261,631	2.29%
TOTAL	34,961	100.00%	31,842	100.00%	\$11,438,075	100.00%

^[1] Sales Revenues for Residential include Domestic Irrigation
Sources: EID Consumption Report by Zone and Category and Year-end Revenue Report (Unaudited)

Wastewater Accounts



Wastewater Revenues



Wastewater Customer Accounts For Fiscal Year Ended December 31, 2003				
Category	Wastewater Accounts	% of Total Wastewater Accounts	Wastewater Revenues	% of Total Revenues
Residential	16,111	85.74%	\$8,145,577	82.33%
Commercial and Industrial	581	3.09%	1,366,150 ^[1]	13.81%
Schools	20	0.11%	-	-
Sub Total	16,712	88.94%	\$9,511,727	96.14%
Reclaimed	2,079	11.06%	381,599	3.86%
TOTAL	18,791	100.00%	\$9,893,326	100.00%

^[1]Schools and Recreation Turf included in Commercial and Industrial category

Source: EID Year End Revenue Report (unaudited), EID Sewer Capacity Report



CONTINUING DISCLOSURE REQUIREMENTS (SEC Rule 15c2-12)

The following summary provides the District's specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the El Dorado Public Agency Financing Authority 1996 and 1999 Revenue Bonds; the El Dorado Irrigation District Financing Corporation 2003A and 2003B Certificates of Participation; and the El Dorado Irrigation District 2003 General Obligation Bonds.

		<u>Page No.</u>
1.	Audited Financial Statements, Management Discussion and Analysis and Supplemental Schedules	15-51
2.	Tabular or numerical information of the types contained in the Official Statement relating to the Bonds under the following subscriptions:	
	District Operations – Water Supply	84
	District Operations – Average Daily Dry Weather Flows	83
	District Operations – Customers: Water	62
	District Operations – Customers: Wastewater	63
	District Operations – Rates and Charges	92-100
	District Operations – Property Tax Revenues	75-76
	District Finances – Budgetary and Financial Procedures	32, 53-55
	District Finances – Outstanding Indebtedness of the District	37-41
	District Finances – Projected Operating Results and Debt Service Coverage	69-71
3.	Legal Proceedings	44-45
4.	Status of Construction of the Projects	72-74

Summary of Net Revenue and Debt Service Coverage – All Debt

Fiscal Year	Gross Revenue ^[1]	Operating Costs ^[2]	Net Revenue Available for Debt Service	Annual Debt Service ^[3]	Coverage
1994	\$24,968,044	\$16,208,282	\$ 8,759,762	\$ 8,212,075 ^[4]	1.07
1995	\$22,068,567	\$19,598,055	\$ 2,470,512	\$ 3,851,258	0.64
1996	\$27,785,385	\$23,486,330	\$ 4,299,055	\$ 3,660,032	1.17
1997	\$36,605,850	\$23,819,502	\$12,786,348	\$ 6,067,473	2.11
1998	\$33,888,608	\$26,567,673	\$ 7,320,935	\$ 7,186,396	1.02
1999	\$45,166,922	\$28,703,548	\$16,463,374	\$15,167,148 ^[5]	1.09
2000	\$47,314,756	\$30,319,675	\$16,995,081	\$ 7,458,650	2.28
2001	\$62,446,328	\$34,513,484	\$27,932,844	\$ 7,549,490	3.70
2002	\$42,655,645	\$38,044,403	\$ 4,611,242	\$ 7,781,524	.593
2003	\$46,876,045	\$39,453,406	\$ 7,422,639	\$ 8,737,894	.85

Source: Summary of Net Revenue and Debt Service Coverage, El Dorado Irrigation District

[1] Gross Revenues include Operating Revenues, Facility Capacity Charges, Debt Surcharges, Taxes, Interest Income, and other non-operating income but does not include non-cash Developer Contribution or Flood Damage Reimbursements.

[2] Operating costs include Operations and Maintenance, General/Administrative, Finance, Engineering, Hydroelectric, Purchased water, Recreation and depreciation and amortization costs.

[3] Annual debt service includes principal and interest on United States Bureau of Reclamation, State of California, U.S. Dept. of Commerce, El Dorado County Water Agency, El Dorado Irrigation District Certificates of Participation and 1996 and 1999 Revenue Bonds (of which a portion were issued to refund the COP's) and payments made to El Dorado County for Texas Hill properties.

[4] This amount includes a \$4.6 million of early payoff of State Safe Drinking Water Bond Law loans. Excluding the early paid debt, the ratio of total debt service to total operating expenses would be 2.43%.

[5] This amount includes an \$8.3 million early pay-off of State Safe Drinking Water Bond Law loans. Excluding the early paid debt, the ratio of total debt service to total operating expenses would be 2.19%.

Debt Capacity

While the District is not subject to any legal debt limitations, it does observe a series of prudent debt issuance practices and evaluates its debt capacity relative to new financing needs. However, no single measure exists to gauge the amount of debt an agency can support. Individual characteristics such as size, nature of service area (mature, stable or growing), the age of existing facilities and capital project needs all contribute to the appropriate level of debt. The District observes Moody's published median water and wastewater industry ratios as a general guideline by which to evaluate overall debt capacity and debt service coverage performance.

The table below presents Moody's 1995 median debt service ratios for the water and wastewater industry along with EID's corresponding ratios for 2000, 2001, 2002, 2003 and 2004 budgeted. The medians serve as broad indicators of debt servicing capacity. Variations from the medians do not necessarily indicate credit quality, but rather highlight an enterprise's particular characteristics.

Ratio Water and Sewer Utility	Moody's Median Water & Sewer 1995	EID Actual 2000	EID Actual 2001	EID Actual 2002	EID Actual 2003	EID Budgeted 2004
Interest Coverage	4.8	7.4	8.8	3.9	3.3	1.2
Debt Service Coverage	2.3	3.1	5.2	2.2	2.1	1.0
Debt Service Safety Margin (%)	20.5%	34.5%	50.5%	21.0%	20.5%	(.9%)
Debt Ratio (%)	24.1%	26.1%	26.6%	26.6%	44.1%	58.7%

The ratios are calculated on a total debt basis exclusive of Recreation and Hydroelectric related assets, revenues and expenses, and any extraordinary events. Property tax revenues are included at 25% of total and the other 75% is allocated for Capital Improvement Projects. Debt service coverage on the 1996 and 1999 Revenue Bonds is calculated separately per the 1.15 times coverage covenant required on these debt issues and is presented in the Debt Service Coverage 1996 and 1999 Revenue Bonds pages. Debt Service Coverage for all debt (including Hydroelectric) is presented in the table titled Summary of Net Revenue and Debt Service Coverage – All Debt.

The Interest Coverage and Debt Service Coverage ratios demonstrate current and future debt repayment ability. Both the Interest Coverage Ratio and the Debt Service Coverage increased significantly in 2000 due to flood damage reimbursements received and in 2001 due to increased facility capacity charges and surcharges received. The interest coverage ratios are below median for 2002 and 2003 due to increasing expenses and a decline in FCC revenues in 2002. For 2004, FCC revenues are expected to be about \$3,000,000 lower than they were in 2003.

The Debt Service Safety Margin indicates an additional level of debt service payment ability. It is the ratio of revenues less operating expenses and annual debt service to gross revenue and income. The Debt Service Safety Margin was 50.5 in 2001 but fell to 21.0% in 2002 due to the decreased FCC revenues in 2002. The ratio for 2003 is about the same as 2002 but the budgeted

ratio for 2004 is less due to a budgeted decline in FCCs in 2004 as compared to 2003 as well as lower expected interest earnings in 2004.

The Debt Ratio represents the District's current reliance on debt financing and its capacity to support additional debt. It is the ratio of the District's funded debt (net of reserves) to its fixed assets and net working capital. EID has been above the Moody's median from 2000 through 2003. However, this is not a major concern because the District is expanding and meeting its needs to finance new and upgraded infrastructure. In 1996 EID began a major financing program with the issuance of \$69.4 million in revenue bonds for wastewater treatment plant improvements and other significant capital projects. In 2003, the District issued additional debt in the form of fixed rate and variable rate Certificates of Participation to finance capital improvement projects for 2003 – 2007.

Debt Service Coverage 1996 and 1999 Revenue Bonds and 2003 Series A and B Revenue Certificates of Participation

	Budget 2002	Actual 2002	Budget 2003	Actual 2003
Revenues [1]	\$37,742,820	\$37,984,313	\$37,049,631	\$40,996,583
Operating Expenses [2]	\$24,800,946	\$27,125,374	\$29,883,247	\$27,952,992
Pre-existing Indebtedness [3]	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Operating Expenses & Pre-existing Debt	<u>\$24,800,946</u>	<u>\$27,125,374</u>	<u>\$29,883,247</u>	<u>\$27,952,992</u>
Net Revenues Before Depreciation and 1996, 1999 Bonds & 2003A and B Revenue COPs Debt Service	\$12,941,874	\$10,858,939	\$7,166,384	\$13,043,591
1996 Bond Debt Service	\$5,150,711	\$5,150,711	\$5,147,448	\$5,147,448
1999 Bond Debt Service	\$1,066,979	\$1,066,979	\$1,069,049	\$1,069,049
2003A Revenue COPs	0	0	0	0
2003B Revenue COPs	0	0	0	0
LaSalle Bridge Loan	\$554,563	\$554,563	700,500	700,500
SRF Loans	334,475	\$334,475	\$334,475	\$334,475
EDA Loan	<u>\$161,102</u>	<u>\$161,102</u>	<u>\$161,102</u>	<u>\$161,102</u>
Total Revenue Bond and Parity Debt	\$7,267,830	\$7,267,830	\$7,412,574	\$7,412,574
Net Revenues After 1996 & 1999 Bonds Debt Service	\$5,674,044	\$3,591,109	(\$246,190)	\$5,631,017
Debt Service Coverage [4]	1.78	1.49	.97	1.76

Source: EID 1996 Revenue Bonds Coverage Requirement Analysis

- [1] Revenues include District operating revenues and other income net of property tax and recreation revenue.
- [2] Operating expenses include all maintenance and operations costs less the portion of property taxes applied to offset O & M costs in accordance with the bonds' Installment Purchase Contract. Capitalized costs in connection with Capital Improvement Plan projects are also credited against operating expenses.
- [3] Pre-existing indebtedness included State of California Safe Drinking Water Bond Law loans and U.S. Economic Development Department EDA loan prior to 1999. Except for the Strawberry Loan, the existing State Loans were paid off 10/1/99. The EDA loan is now also on parity with the Revenue Bonds.
- [4] Debt service coverage of 115%, or 1.15 times, is the required per covenant for the 1996 and 1999 Revenue Bonds. Coverage of 1.25% is required for the 2003 Revenue COPs. Coverage represents the ratio of net revenues before depreciation and debt service to total debt service.

**Debt Service Coverage
1996 and 1999 Revenue Bonds and
2003 Series A and B Revenue Certificates of Participation
Water and Wastewater**

	Water	Wastewater	Total Actual 2003
Revenues [1]	\$21,149,731	\$19,846,852	\$40,996,583
Operating Expenses [2]	\$15,653,676	\$12,299,316	\$27,952,992
Pre-existing Indebtedness [3]	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Operating Expenses & Pre-existing Debt	<u>\$15,653,676</u>	<u>\$12,299,316</u>	<u>\$27,952,992</u>
Net Revenues Before Depreciation and 1996, 1999 Bonds & 2003A and B Revenue COPs Debt Service	\$5,496,055	\$7,547,536	\$13,043,591
1996 Bond Debt Service	\$1,080,964	\$4,066,484	\$5,147,448
1999 Bond Debt Service	\$470,382	\$598,667	\$1,069,049
2003A Revenue COPs	0	0	0
2003B Revenue COPs	0	0	0
LaSalle Bridge Loan	\$700,500	0	700,500
SRF Loans	\$334,475	0	\$334,475
EDA Loan	<u>\$161,102</u>	<u>0</u>	<u>\$161,102</u>
Total Revenue Bond and Parity Debt	\$2,747,423	\$4,665,151	\$7,412,574
Net Revenues After 1996 & 1999 Bonds Debt Service	\$2,748,632	\$2,882,385	\$5,631,017
Debt Service Coverage [4]	2.00	1.62	1.76

Source: EID 1996 Revenue Bonds Coverage Requirement Analysis

- [1] Revenues include District operating revenues and other income net of property tax and recreation revenue.
- [2] Operating expenses include all maintenance and operations costs less the portion of property taxes applied to offset O & M costs in accordance with the bonds' Installment Purchase Contract. Capitalized costs in connection with Capital Improvement Plan projects are also credited against operating expenses.
- [3] Pre-existing indebtedness included State of California Safe Drinking Water Bond Law loans and U.S. Economic Development Department EDA loan prior to 1999. Except for the Strawberry Loan, the existing State Loans were paid off 10/1/99. The EDA loan is now also on parity with the Revenue Bonds.
- [4] Debt service coverage of 115%, or 1.15 times, is the required per covenant for the 1996 and 1999 Revenue Bonds. Coverage of 1.25% is required for the 2003 Revenue COPs. Coverage represents the ratio of net revenues before depreciation and debt service to total debt service.

**Projected Debt Service Coverage
1996 and 1999 Revenue Bonds and
2003A and 2003B Revenue Certificates of Participation**

	<i>Budgeted</i> 2003	<i>Escalating</i> Factor	2004	2005	2006	2007
Revenues						
Water Sales	\$11,569,704	2.30%	11,835,807	\$12,108,031	\$12,386,515	\$12,671,405
Water Service	2,681,098	2.30%	2,742,763	2,805,847	2,870,381	2,936,400
Wastewater Sales and Service	10,103,040	4.91%	10,599,099	11,119,515	11,665,483	12,238,258
Recycled Water Sales	324,569	4.91%	340,505	357,224	374,764	393,165
Hydroelectric	200,000	varies	1,045,250	3,045,250	2,894,000	3,003,972
Water FCCs	4,003,000	2.30%	4,095,069	4,189,256	4,285,608	4,384,177
Sewer FCCs	3,774,100	4.91%	3,959,408	4,153,815	4,357,768	4,571,734
Sewer Surcharges	970,000	4.91%	1,017,627	1,067,592	1,120,011	1,175,004
Water Surcharges	745,000	2.30%	762,135	779,664	797,596	815,941
Interest Income	2,300,000	varies	3,000,000	3,200,000	3,300,000	3,500,000
Other Income	379,120	0.00%	170,800	140,000	140,000	125,100
Total Revenues	\$37,049,631		\$39,568,464	\$42,966,194	\$44,192,128	\$45,815,157
Maintenance and Operation Costs						
Office of the General Manager	\$4,379,704	3.00%	\$4,511,095	\$4,646,428	\$4,785,821	\$4,929,395
Finance and management services	6,050,015	3.00%	6,231,515	6,418,461	6,611,015	6,809,345
Facilities management	17,087,399	3.00%	17,600,021	18,128,022	18,671,862	19,232,018
Hydroelectric	3,749,886	3.00%	3,862,383	3,978,254	4,097,602	4,220,530
Property Taxes	(1,383,757)	4.00%	(1,439,107)	(1,496,672)	(1,556,539)	(1,618,800)
Total Maintenance and Operation Costs	\$29,883,247		\$30,765,907	\$31,674,493	\$32,609,761	\$33,572,488
NET REVENUES BEFORE DEPRECIATION AND DEBT SERVICE	\$7,166,384		\$8,802,558	\$11,291,701	\$11,582,367	\$12,242,669
Debt Service						
1996 Bond Debt Service	\$5,147,448		\$5,147,448	\$3,341,370	\$5,137,138	\$5,135,075
1999 Bond Debt Service	1,069,049		764,986	749,666	1,068,124	1,065,481
EDA Loan	161,102		0	0	0	0
State Loan Principal and Interest	334,475		334,475	334,475	334,475	334,475
LaSalle Bridge Loan	700,500		700,500	2,060,484	2,060,484	2,060,484
2003A COPs	0		2,519,734	3,488,863	3,488,863	3,488,863
2003B COPs	0		872,100	872,100	872,100	872,100
Total Debt Service	\$7,412,574		\$10,339,243	\$10,846,957	\$12,961,182	\$12,956,477
Funds Available after Debt Service	(\$246,190)		(\$1,536,685)	\$444,744	(\$1,378,816)	(\$713,809)
DEBT SERVICE COVERAGE	0.97		0.85	1.04	0.89	0.94
Subordinate Debt Service						
Texas Hill Land Purchase ⁽⁴⁾	\$0					
Funds Available for Capital Improvements Rate Stabilization and Other Lawful Purposes	(\$246,190)		(\$1,536,685)	\$444,744	(\$1,378,816)	(\$713,809)

⁽¹⁾ Percent escalation is based on 2000 Annual Financial Plan.

⁽²⁾ Per Board policy, 2% of the property tax revenues go to the Recreation Fund; of the remaining, 25% is allocated to offset operatio

⁽⁴⁾ Debt service of \$3,378,360 due on FY 2025 is subject to commencement of construction and District obtaining financir for the Texas Hill Reservoir.

Status of 1996 Revenue Bond Financed Projects as of December 31, 2003

Project Description and Status	96' Bonds Proceeds Funding [1]	Capital Expenditures	% of Bond Funding
<p>Project 184 – The El Dorado Project</p> <p>The El Dorado Project consists of the acquisition of FERC Project 184, the El Dorado Project, from PG&E pursuant to an asset sales agreement and the renovation performed in 1995/1996 on the basic facilities of the project used to convey water and produce power. The project is comprised of five lakes, 22 miles of canal, and a 21-megawatt hydroelectric power plant. Renovations include repair and upgrading of the hydroelectric generation facility, 810 lineal feet of wood stave pipe replacement with steel and lining, and corrosion removal and polyurethane lining of the high pressure section of pipe between the surge tank and power house. Construction on this project was completed in June 1996.</p> <p>Note: This project also received \$1 million in capitalization interest from the 1996 Revenue Bonds</p>	\$5,800,000	\$5,800,000	100.0%
<p>Deer Creek Wastewater Treatment Plant</p> <p><i>1996 Upgrade:</i> The 1996 upgrade includes renovation and upgrading of the wastewater treatment plant at its existing rated capacity. This project is designed to bring the plant into reliable compliance with the National Pollution Discharge Elimination System requirements. Construction on the project began in July 1996 and was completed in January of 1998.</p> <p><i>Corrective Action Plan:</i> The East Street lift station was constructed as a component of the Corrective Action Plan for the Deer Creek/Mother Lode Collection System at a cost of \$220,884. The Corrective Action Plan project included the upgrade of a total of eight lift stations and the replacement of approximately 12,000 feet of line. The balance of \$879,116 was spent on this project along with an additional \$900,000 of prior bond proceed funding for a total project cost of \$2,000,000.</p>	\$20,832,600	\$20,771,745	99.7%
<p>El Dorado Hills Wastewater Treatment Plant Expansion</p> <p>This renovation and expansion project replaced the existing treatment plant with an activated sludge, aeration process similar to that of the upgraded Deer Creek Wastewater Treatment Plant. Tertiary-level filtration systems, disinfection systems, and back-up power to enable reliable operation have been added. The plant's capacity is being expanded from its existing 1.6 mgd rated capacity to 3.0 mgd. Detailed design of this project was completed in January 1996.</p> <p>Construction of the plant was completed in December 1998. Construction of the new tertiary treatment system was completed in December 1996 and is fully operational to a capacity of 1.6 mgd. The expansion of the plant to 3.0 mgd was completed in June 1998. A third tertiary filter was constructed at the plant and was completed in April 2000.</p>	\$20,000,000	\$20,167,940	100.0%

Status of 1996 Revenue Bond Financed Projects as of December 31, 2003

Project Description and Status	'96 Bonds Proceeds Funding [1]	Capital Expenditures	% of Bond Funding
<p>Sly Park Reservoir Project</p> <p>This project consists of the acquisition by the District from the U.S. Bureau of Reclamation (USBR) of the Sly Park dam and reservoir and its related facilities, including associated water rights. The acquisition required legislative action by the Congress and President. Legislation sponsored by our Congressman, John Doolittle, was signed into law on October 25, 2000. Title to Sly Park was transferred to the District on December 23, 2003 financed by both the issuance of 2003 General Obligation Bonds and the 1996 revenue bonds.</p>	\$4,000,000 [2]	\$2,944,889	9.7%
<p>Cameron Park Airport Interceptor Project</p> <p>This project consists of the construction of a sewer interceptor parallel to an existing interceptor that is nearing capacity. The project will allow for further development of lands to the east and northeast of Cameron Park Country Club. Construction began in September 1997, and was completed in November 1998. Remaining funds will be allocated to the other projects per Board direction.</p>	\$948,000	\$703,255	74.2%
<p>East Street – Phase II Project</p> <p>\$1,100,000 of the 1996 Revenue Bond proceeds were originally allocated for this project. However, the original project changed in scope. Please see discussion under Deer Creek Wastewater Treatment Plant on the previous page.</p>			
<p>Administration Facilities Project</p> <p>This project consists of the expansion and upgrading of administrative facilities at the Deer Creek and El Dorado Hills Wastewater Treatment Plants and at the District's headquarters site. Design and construction of a water quality lab and administrative facility at the El Dorado Hills Wastewater Treatment Plant was completed in March 1999. The Deer Creek Administrative facilities were also completed in March 1999. A master plan for the headquarters facilities was completed in October 1998 and the headquarters building was occupied in October 2002.</p>	\$6,717,030 [3]	\$6,199,879	92.30%

[1] In addition to projects listed above, the 1996 bond revenue issuance also included \$9,260,504 in advanced refunding of COP's, \$1,015,000 in capitalized interest, \$2,529,808 in issuance costs and \$3,669,178 in reserves. The total proceeds for the 1996-1 revenue bonds were \$69,415,000.

[2] Original funding for this project totaled \$2,659,9410 in bond proceeds. The project subsequently received \$1,340,090 in interest earnings for a total project funding of \$4,000,000.

[3] Original funding for this project totaled \$2,700,000 in bond proceeds. The project subsequently received \$4,017,030 in interest earnings for a total funding of \$6,717,030.

Status of 1999 Revenue Bond Financed Projects as of December 31, 2003

Project Description and Status	'99 Bonds Proceeds Funding [1]	Capital Expenditures	% of Bond Funding
Weber Dam Reconstruction			
The Federal Regulatory Commission (FERC) and the Division of Safety of Dams (DSOD) has directed the District to correct certain safety deficiencies at Weber Dam, which is the source of 1,200 acre-feet of District water supplies. Subsequently, developers in El Dorado Hills financed this reconstruction project under an advance funding agreement to secure the availability of water for El Dorado Hills and hence, as noted below, the funds were loaned to the Hydro division for project 184.	\$4,000,000 ^[1]	\$0	0%
Deer Creek Wastewater Treatment Plant – Expansion/Compliance			
This project consists of expanding the existing Deer Creek Wastewater Treatment Plant to accommodate increased flows from anticipated growth in the District's service area. The existing plant, which has a design capacity of 2.5 million gallons per day (mgd) average dry weather flow (ADWF), will be expanded by this construction to a capacity of 3.6 mgd ADWF. The construction work to be performed generally includes construction and renovation of sewage treatment plant facilities to include a grit washer, a secondary clarifier, gravity sludge thickeners, sludge storage facility improvements, sludge de-watering belt press installation, installation of lime sludge stabilization equipment, a metal building, related pumps and equipment, instrumentation and controls, and electrical power installations. The work also includes excavation, fill concrete, piping, electrical, instrumentation, building construction, paving, fencing and site restoration. Detailed design of the Deer Creek Wastewater Treatment Plant expansion was completed in August 1999. Bids for construction for the project were opened on September 22, 1999 and a construction contract was awarded in November 1999. Construction began in November 1999 and was completed in 2002.	\$5,800,000	\$4,845,948	83.55%
Administrative Facilities Project			
The Administrative Facilities project consists of the expansion and upgrading of office facilities at the Deer Creek and El Dorado Hills Wastewater Treatment Plants and at the District's headquarters site. The Deer Creek and El Dorado Hills Wastewater Treatment Plant projects were completed in 1998. In addition, the Administrative Facilities project will provide improved communications and coordination between the plants and the District's headquarters. The total estimated cost of the headquarters phase of the Administrative Facilities project (including engineering, architectural, legal and administrative costs and contingencies) is \$7.2 million, \$5.6 million of which will be funded with proceeds of the 1996 Bonds. The balance will be funded from proceeds of the 1999 Bonds. A Master Plan of the Headquarters Facilities was completed in May 1999 and final design commenced in October 1999. Phase I, the headquarters facility building, was occupied in October 2002. The remaining phases of the administrative facilities project are expected to be completed in 2004 – 2007..	\$4,113,850 ^[2]	\$1,449,196	35.23%

[1] Per Board action on May 25, 2001, these bond proceeds of \$4,000,000 were loaned to the Hydro division for Project 184.

[2] Original funding for the administrative facilities project was \$2,500,000 in bond proceeds. This project subsequently received \$1,613,850 in interest earnings for a total funding of \$4,113,850.

[3] The 1999 revenue bond issuance also included \$1,025,012 in reserves and \$359,988 in issuance costs.

El Dorado County
Secured Assessed Valuation and Tax Collection Record
County Fiscal Years Ending June 30, 1995 – 2004

Fiscal Year	Total Secured Assessed Valuation	Secured Property Tax Levy	Taxes Collected	Rate of Tax Collections	District Allocations in Corresponding Calendar Year [1]
1994-95	\$9,664,511,963	\$107,871,117	\$103,478,008	95.93%	\$3,233,334
1995-96	\$10,157,754,128	\$113,010,913	\$107,227,524	94.88%	\$3,599,549
1996-97	\$11,994,630,489 [2]	\$117,283,071	\$112,502,657	95.92%	\$3,569,577
1997-98	\$12,399,937,664	\$121,608,340	\$117,694,334	96.78%	\$3,772,380
1998-99	\$13,046,611,112	\$125,970,813	\$123,055,507	97.69%	\$3,993,168
1999-00	\$13,778,393,947	\$133,633,826	\$129,697,830	97.05%	\$4,261,469
2000-01	\$14,657,565,287	\$143,148,392	\$139,573,576	97.50%	\$4,434,471
2001-02	\$16,097,686,565	\$157,042,977	\$153,630,525	97.83%	\$5,069,169
2002-03	\$17,813,317,184	\$175,046,199	\$170,827,441	97.59%	\$5,467,988
2003-04	\$19,955,127,636	\$193,059,128			

Source: El Dorado County Auditor-Controller, Sec. Collection Ledger report and Tax Extension (TRJ636/TRB140).
Except District Allocations (provided by El Dorado Irrigation District)

- [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 in this column represents El Dorado County’s “Annual Final Estimate” of property taxes allocated to EID net of the estimated County Property Tax Administration Reimbursement Fee. Other assessments and charges collected by the County for EID are not included here.
- [2] 1996-97 Total Secured Assessed Valuation dollar amount was adjusted in 1998 per El Dorado County Auditor-Controller.

Note: Per Board policy the District allocates 75% of General Property Taxes received to Capital Improvement projects, and the remaining 25% to operations. Property taxes are also allocated among funds. For tax year 1999-2000 this allocation was 56% to the Water Fund, 42% to the Sewer Fund and 2% to the Recreation Fund.

**El Dorado Irrigation District
Major Taxpayers
Fiscal Year 2003 - 2004**

Property Owner	Primary Land Use	2003 – 04 Assessed Valuation	% of Total
1 JTS Communities	Residential Development	\$53,383,759	1.64%
2 Serrano Associates LLC	Residential Development	\$49,934,672	1.53%
3 Angelo K Tsakopoulos	Vacant Land	\$20,298,523	0.62%
4 LMD SP 257 LLC	Vacant Land	\$14,887,500	0.46%
5 Pleasant Valley Investment	Vacant Land	\$13,340,000	0.41%
6 U S Home Corp	Residential Development	\$9,572,583	0.29%
7 El Dorado Hills Investors	Vacant Land	\$9,309,609	0.29%
8 AKT Development	Vacant Land	\$7,961,280	0.24%
9 James W Cameron, Jr	Vacant Land	\$7,454,362	0.23%
10 D R Horton, Inc, Sacramento	Residential Development	\$7,315,640	0.22%
11 RPA Inc	Industrial	\$7,000,786	0.21%
12 Apple Mountain LP	Recreational	\$6,877,044	0.21%
13 WL Homes	Residential Development	\$6,839,880	0.21%
14 Suncrest Homes LLC	Residential Development	\$6,460,051	0.20%
15 Min Nan Tseng	Vacant Land	\$6,317,843	0.19%
16 PMP at El Dorado Hills LLC	Vacant Land	\$6,160,000	0.19%
17 WRI Golden State LLC	Commercial	\$4,522,468	0.14%
18 Regency Centers LP	Commercial	\$4,431,000	0.14%
19 Russell-Promontory LLC	Residential Development	\$4,397,443	0.14%
20 Len-Serrano II LLC	Residential Development	<u>\$3,780,000</u>	0.12%
		<u>\$250,244,443</u>	

Source: California Municipal Statistics, Inc

Voter Approved Debt Tax Levy Net of Overlapping Debt ^[1]

Tax Year	Secured Land Assessed Value District Boundaries	Tax Rate per \$100 Assessed Value ^[2]	Collections/ Debt Payments ^[4]
1994-95	\$1,749,892,198	.0324	\$566,246
1995-96	\$1,834,187,711	.0327	\$599,115
1996-97	\$1,918,745,953	.0320	\$613,486
1997-98	\$1,961,706,510	.0343	\$673,181
1998-99	\$2,064,162,072	.0346	\$714,551
1999-00	\$2,182,158,839	.0366	\$798,646
2000-01	\$2,359,446,490	.0345	\$813,558
2001-02	\$2,621,523,360	.0327	\$858,369
2002-03	\$2,900,034,618	.0255	\$739,412
2003-04	\$3,256,580,233	.0277	\$901,729

Source: El Dorado Irrigation District; Deputy Treasurer

- [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 therefor. 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.
- [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..
- [4] Collections/Debt Payments include debt service principal and interest, less the cash balance already available in the fund.

Special Assessment District Collections ^[1]

Fiscal Year	Assessment District #3 ^[5]	Assessment District #4 ^[6]	Improvement Districts ^[2]	Maintenance Collections ^[3]	Miscellaneous Collections ^[4]
1994-95	\$1,303,962	\$69,750	-	\$8,771	\$26,545
1995-96	\$1,281,270	\$64,870	-	\$7,448	\$17,789
1996-97	\$1,263,518	\$73,038	-	\$8,091	\$13,072
1997-98	\$1,238,147	\$72,457	-	\$2,086	\$63,190
1998-99	-	-	-	\$3,208	\$81,128
1999-00	-	-	-	\$2,909	\$50,188
2000-01	-	-	-	\$9,486	\$93,031
2001-02				\$12,813	\$42,406
2002-03				\$14,382	\$39,640
2003-04				\$14,274	\$35,085

Source: El Dorado Irrigation District; Deputy Treasurer

- [1] The District generally received 100% of special assessments as a result of its diligent collection process. The District has the legal authority to place a lien on the property to assure collection.
- [2] Improvement Districts: 017, 023, 120, 131, 133, 141, 148, 151, 156, 165, 166, 169, 171, 173, 175, 184, 198, 102, 206, 207. By 1990, only Improvement District 207 remained. The District currently has no Improvement Districts.
- [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.
- [5] Assessments District #3's outstanding bonds were paid in full in 1998.
- [6] Assessment District #4's bonds matured in 1998.

**Total Tax Burden ^[1]
All Overlapping Governments Per \$100
of Assessed Valuation**

County Fiscal Years Ending June 30, 1995 – 2004

Fiscal Year	General Property Tax Levy	State Assessed Unitary Value Properties	School Districts	Special Districts	EID Voter Approved Tax [2]	EID Sanitation Districts [3]	Total
1994-95	1.000%	.0484%	.0101%	.0313%	.0324%	.0207%	1.1429%
1995-96	1.000%	.0478%	.0022%	.0288%	.0327%	-	1.1115%
1996-97	1.000%	.0462%	.0003%	.0283%	.0320%	-	1.1068%
1997-98	1.000%	.0473%	.0147%	.0243%	.0343%	-	1.1206%
1998-99	1.000%	.0648%	.0397%	.0213%	.0346%	-	1.1604%
1999-00	1.000%	.0751%	.0349%	.0252%	.0366%	-	1.1718%
2000-01	1.000%	.0842%	.0348%	.0081%	.0345%	-	1.1616%
2001-02	1.000%	.0763%	.0332	.0130%	.0327%	-	1.1552%
2002-03	1.000%	.0792%	.0296%	.0109%	.0255%	-	1.1452%
2003-04	1.000%	.0704%	.0274%	.0090%	.0277%	-	1.1345%

Source: El Dorado County Auditor – Controller
Tax Rate Area Listing (TRX620/TRB110)

[1] This table represents the 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 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.

[3] Sanitation Districts – Includes Sanitation Districts #1 and #2. Ownership of these Sanitation Districts was transferred to EID in fiscal year 1988-89. The County continued to collect taxes for repayment of the debt used to construct the treatment plants until its maturity in fiscal year 1994-95.

Demographics and Statistical Summary

Water	2003	2002	2001	2000	1999
Facilities:					
Miles of Main Line (estimated)	1,220	1,200	1,150	1,150	1,111
Miles of Ditches (estimated)	40	40	40	40	50
Number of Treatment Plants	6	6	6	6	6
Total Plant Capacity (cfs)	164	161	190	147	123
Number of Pumping Stations	36	34	21	21	21
Number of Storage Reservoirs	32	28	33	33	26
Supply (Acre Feet Delivered):					
Sly Park Reservoir	23,312	25,738	23,280	17,492	19,163
USBR-Folsom Lake	7,528	7,728	7,136	6,436	6,138
Forebay	3,175	4,719	7,730	10,253	9,495
Crawford Ditch [3]		700	700	700	700
Total Supply	34,015	38,885	38,846	34,881	35,496
Water Customer Accounts:					
<i>Contiguous Zones</i>					
Residential [2]	32,864	31,262	30,142	28,934	27,928
Commercial and Industrial	1,212	1,176	1,125	1,099	1,067
Agricultural	452	349	342	372	356
Recreational Turf	97	99	99	97	93
Municipal	11	11	11	10	9
Total Contiguous	34,636	32,897	31,719	30,512	29,453
<i>Satellite Zones</i>					
Residential [1]	320	316	182	316	312
Commercial	5	5	5	5	5
Agricultural	0	0	0	0	3
Total Satellites	325	321	187	321	320
Total Accounts	34,961	33,218	31,906	30,833	29,773
Consumption (acre feet):					
<i>Contiguous Zones</i>					
Residential [2]	20,125	20,046	19,424	18,031	18,059
Commercial and Industrial	2,768	2,596	2,599	2,353	2,447
Agriculture	6,074	5,242	5,742	5,950	6,153
Recreational Turf	1,112	1,357	1,383	2,044	2,028
Municipal	1,709	1,696	1,669	1,637	1,575
Total Contiguous	31,788	30,937	30,817	28,378	30,262
<i>Satellite Zones</i>					
Residential	44	44	45	37	43
Agricultural	0	0	14	8	35
Commercial	10	17	0	0	4
Total Satellites	54	61	59	45	82
Total Consumption	31,842	30,998	30,876	28,423	30,344

Source: 2003 Consumption Report and Facilities Management Dept.

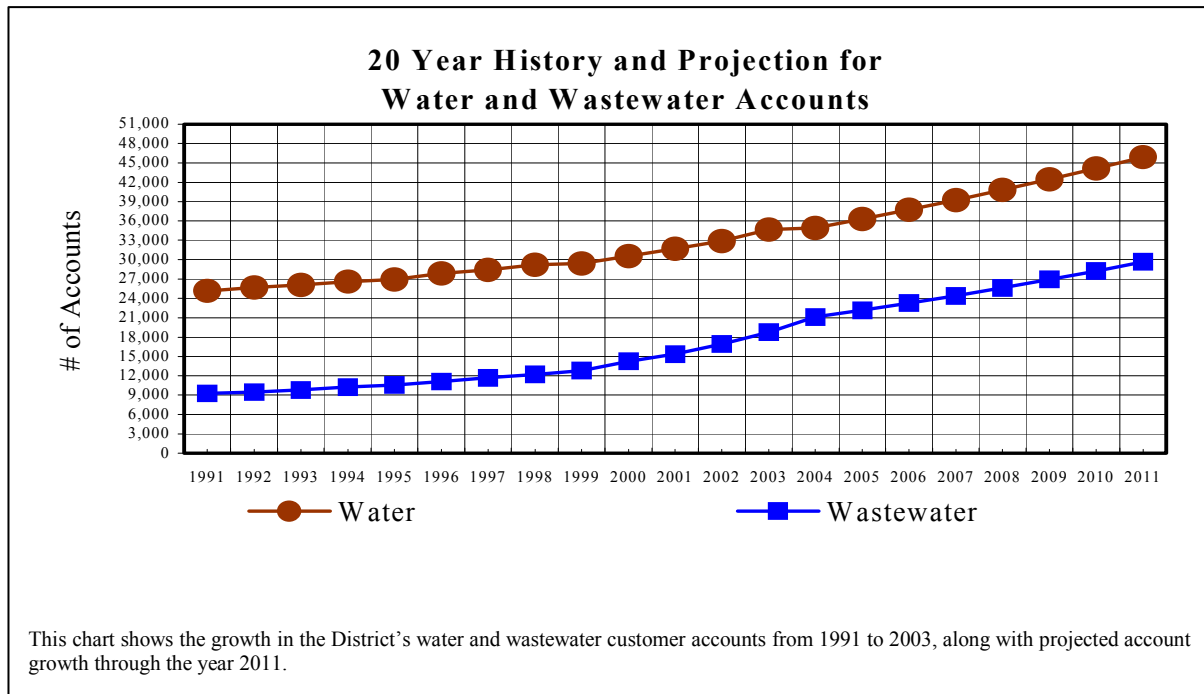
[1] In 1998, the area of Swansboro was put on EID's contiguous system.

[2] Includes Domestic Irrigation customers.

[3] No longer included in total.

Demographics and Statistical Summary

Wastewater	2003	2002	2001	2000	1999
Facilities:					
Miles of Sewer Line	338	305	300	300	300
Number of Treatment Plants	5	5	5	5	5
Plant Capacity-Dry Weather (mgd)	6.60	6.60	6.60	6.60	4.20
Plant Capacity-Wet Weather (mgd)	7.50	7.50	7.50	7.50	7.50
Avg. Dry Weather Daily Plant Flow (mgd)	4.47	4.05	3.92	4.74	3.64
El Dorado Hills Plant (mgd)	1.95	1.66	1.65	1.79	1.45
Deer Creek Plant (mgd)	2.52	2.39	2.27	2.95	2.19
Number of Lift Stations	60	58	58	57	50
Customer Accounts (Active):					
Residential	16,111	14,946	13,882	13,264	12,130
Commercial & Industrial	581	551	532	511	550
Schools	20	23	19	19	20
Total Wastewater Accounts	16,712	15,520	14,433	13,794	12,700
Total Recycled Water Accounts	2,079	1,345	906	454	106
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.					
Source: EID Sewer Capacity Report and Facilities Management Dept.					



Demographics and Statistical Summary

Recreation	2003	2002	2001	2000	1999
Number of Day Visits	75,706	72,343	90,865	85,735	83,206
Number of Overnight Campers	75,080	74,963	90,971	99,700	77,903
Boat Use	13,285	13,671	12,762	11,278	11,090
Museum Visitors	1,200	1,300	1,580	1,475	1,360
Guided Hikes	2	5	8	11	10
Fish Plants	9	9	6	6	6
Volunteer Hours	4,900	4,700	4,500	4,000	3,800
Museum Volunteer Hours	500	500	500	515	500
 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		
Hiking Trails			9 Miles		
Equestrian Trails			9 Miles		
Nature Trail			1/2 Mile		
Native American/Historical Museum			1		
Source: Sly Park					

Average Daily Flow of District Wastewater Facilities

Year	Average Daily Dry Weather Flow (mgd) [1]		
	Total	3.6 Permit Rating Deer Creek	3.0 Permit Rating El Dorado Hills
1994	3.40	2.35	1.05
1995	3.71	2.51	1.20
1996	3.73	2.20	1.53
1997	3.72	2.30	1.42
1998	3.85	2.46	1.39
1999	3.64	2.19	1.45
2000	4.74	2.95	1.79
2001	3.92	2.27	1.65
2002	4.05	2.39	1.66
2003	4.47	2.52	1.95

Source: EID Sewer Capacity Report

[1] Flows adjusted based upon updated meter calibration; (mgd) – millions of gallons per day.

Annual District Water Allocations and Actual Deliveries

Year Ended Dec. 31	Acre-Feet Allocated					Acre-Feet Delivered				
	Sly Park	Folsom	Crawford	Forebay	Total	Sly Park	Folsom	Crawford	Forebay	Total
1994	23,000	2,266 ^[1]	700	15,080	41,046	14,924	2,695	700	15,651	33,970
1995	23,000	7,550	700	15,080	46,330	19,602	4,357	700	5,402	30,061
1996	23,000	7,550	700	15,080	46,330	17,657	4,185	700	11,957	34,199
1997	23,000	7,550	700	15,080	46,330	29,247 ^[2]	4,579	700	1,222 ^[2]	35,748
1998	23,000	7,550	700	15,080	46,330	18,420	4,960	700	5,947	30,027
1999	23,000	7,550	700	15,080	46,330	19,163	6,138	700	9,495	35,496
2000	23,000	7,550	700	15,080	46,330	17,492	6,436	700	10,253	34,881
2001	23,000	7,550	700	15,080	46,330	23,280	7,136	700	7,730	38,846
2002	23,000	7,550	700	15,080	46,330	25,738	7,728	700	4,719	38,885
2003	23,000	7,550	^[3]	15,080	45,630	23,313	7,528	^[3]	3,175	34,016

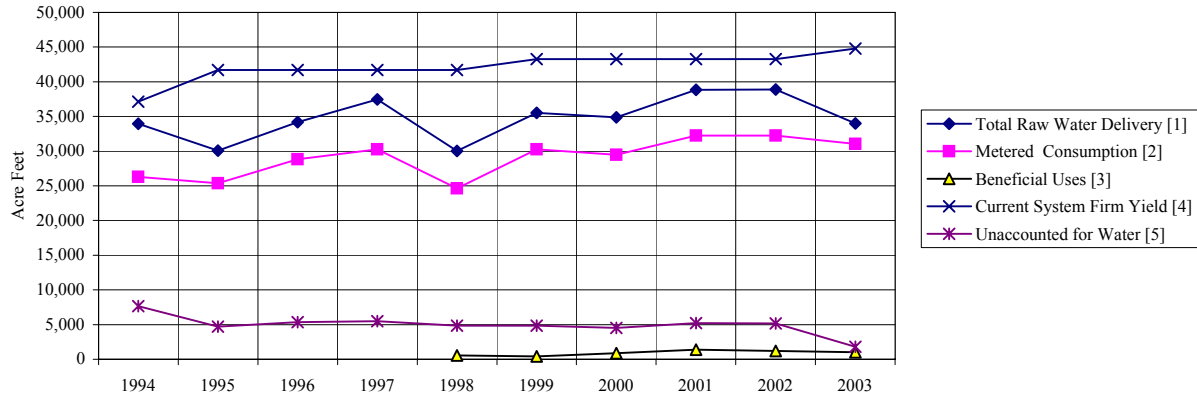
Source: EID 2003 Water Diversion Report

[1] Allocated amounts were less than normal due to water shortage in those years.

[2] Due to January 1997 floods, water delivery was different than in past years.

[3] Beginning with 2003, the estimated Crawford Ditch diversions will no longer be included in the total. At this time, the Crawford Ditch meets the irrigation needs of ditch customers as a separate delivery system not connected to the piped system.

Water Supply and Demand Trends 1994-2003



Water Supply and Demand Data in Acre Feet

Year	Total Raw Water Delivery [1]	Metered Consumption [2]	Beneficial Uses [3]	Supplement to Recycled System	Current System Firm Yield [4]	Unaccounted for Water [5]
1994	33,970	26,307		N/A	37,150	7,663
1995	30,062	25,373		N/A	41,700	4,689
1996	34,199	28,846		N/A	41,700	5,353
1997	37,438	30,263		N/A	41,700	5,485
1998	30,027	24,638	560	N/A	41,700	4,829
1999	35,496	30,262	405	N/A	43,280	4,829
2000	34,882	29,488	870	N/A	43,280	4,524
2001	38,846	32,231	1,398	N/A	43,280	5,217
2002	38,885	32,252	1,201	(255)	43,280	5,177
2003	34,016	31,021	1,017	(190)	44,800	1,788

Source: EID Facilities Management Dept.

[1] Raw water diverted from all District water sources, including metered consumption, beneficial uses, and unaccounted-for water.

[2] Potable or raw water metered or measured and billed to District customers in the contiguous service area.

[3] Water utilized for operational flushing, sewage lift station and collection system flushing, private fire services, construction meters, and aesthetics maintenance.

[4] The System Firm Yield is calculated using the Abraham Model (a custom computer model). The model determines the annual quantity of water the integrated water supply system can theoretically make available 95% of the time, per District Regulation No. 2.

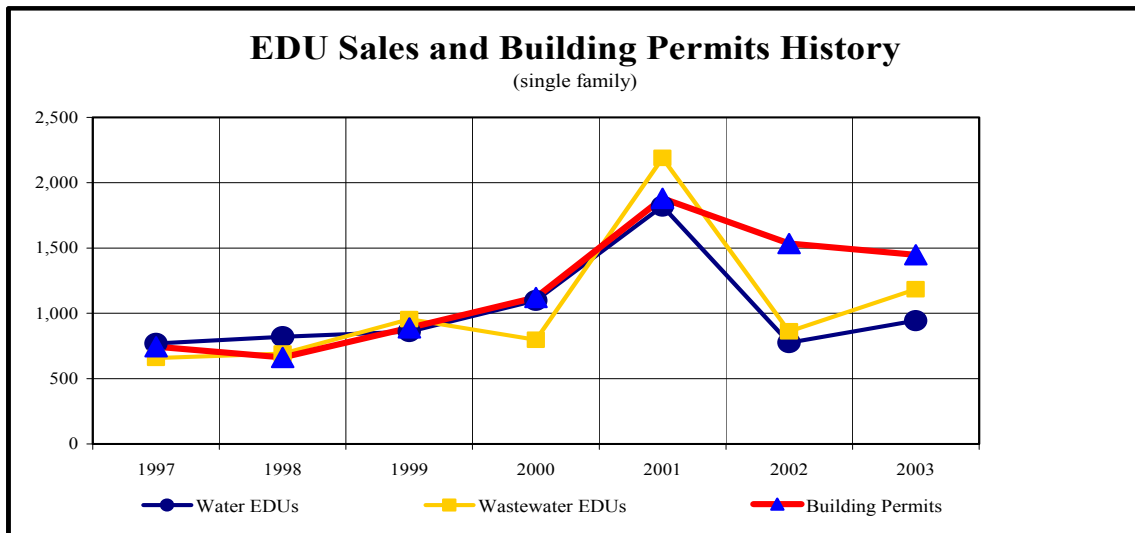
[5] Any water diverted into the piped or ditch systems that was not measured and billed to customers or otherwise accounted for.

District Growth History of New Equivalent Dwelling Units (EDUs) ^[1]

Year	Water	Wastewater
1994	811	711
1995	341	265
1996	461	274
1997	771	658
1998	821	692
1999	860	956
2000	1,099	798
2001	1,819	2,189
2002	776	862
2003	944	1,185

Source: EID Customer & Development Svcs. Div.

[1] An Equivalent Dwelling Unit represents the water usage equivalent to a typical single-family dwelling.



Building Permit Valuations for EID Service Area

	2003	2002	2001	2000	1999	1998	1997
Valuations (in thousands):							
Residential	\$ 441,499	\$ 399,147	\$ 364,150	\$ 303,566	\$ 239,861	\$ 169,862	\$ 138,377
Non-Residential	<u>37,912</u>	<u>39,242</u>	<u>38,013</u>	<u>34,408</u>	<u>36,517</u>	<u>19,739</u>	<u>20,193</u>
Total	\$ 479,411	\$ 438,389	\$ 402,163	\$ 337,974	\$ 276,378	\$ 189,601	\$ 158,570
New Dwelling Units (Issued):							
Single Family	1,448	1,349	1,135	1,117	890	662	745
Multi-Family	<u>12</u>	<u>186</u>	<u>745</u>	<u>4</u>	<u>140</u>	<u>152</u>	<u>-</u>
Total	1,460	1,535	1,880	1,121	1,030	814	745

Source: El Dorado County Land Mgmt. Information System

New Construction Finals for EID Service Area

	2003	2002	2001	2000	1999	1998	1997
Single Family	1,413	1,235	1,170	748	690	659	727
Multi-Family	183	2	-	72	136	141	169
Commercial	<u>66</u>	<u>45</u>	<u>64</u>	<u>61</u>	<u>59</u>	<u>63</u>	<u>61</u>
Total	1,662	1,282	1,234	881	885	863	957

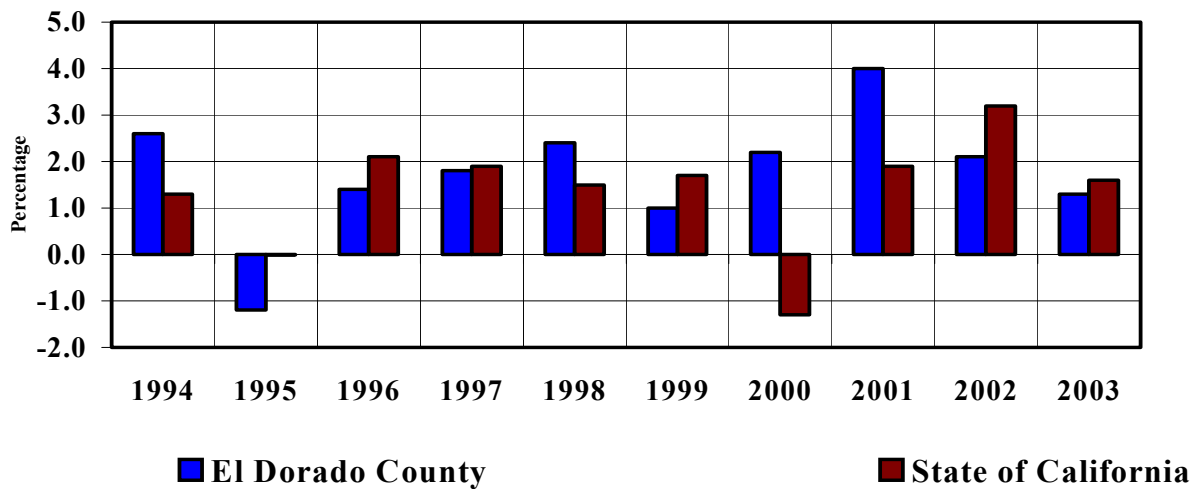
Source: El Dorado County Land Mgmt. Information System

Population

Year	El Dorado County	Annual % Change	Decennial % Change	State of California	Annual % Change	Decennial % Change
1960	29,300		-	15,717,204		-
1970	43,833		49.6%	19,971,069		27.1%
1980	85,812		95.8%	23,668,145		18.5%
1990	125,995		46.8%	29,760,021		25.7%
1994	144,600	2.6%		31,952,000	1.3%	
1995	142,900	-1.2%		31,910,000	-1.3%	
1996	144,905	1.4%		32,609,000	2.1%	
1997	147,600	1.8%		33,252,000	1.9%	
1998	151,300	2.4%		33,765,000	1.5%	
1999	152,900	1.0%		34,336,000	1.7%	
2000	156,299	2.2%	24.1%	33,871,648	-1.3%	13.8%
2001	162,586	4.0%		34,501,130	1.9%	
2002	166,000	2.1%		35,591,000	3.2%	
2003	168,100	1.3%		36,144,000	1.6%	

Source: U.S. Census for 1960, 1970, 1980, 1990 and 2000, State of California, Census County Rankers (estimates) for years 1994 through 2002; 2003 – State of California, Department of Finance, *E-1 City/County Population Estimates, with Annual Percent Change, January 1, 2003 and 2004*

**El Dorado County vs. State of California
Annual Percent Change in Population 1994 - 2003**



El Dorado County Major Employers

Company Name	Location	Type of Business	# of Employees
El Dorado County	El Dorado County	Government	1,898
DST Output	El Dorado Hills	Billing Services	1,400
Blue Shield of California	El Dorado Hills	Health Care	1,307
Marshall Medical Center	Placerville	Healthcare	806
Raley's Inc.	Various	Retail Grocery	724
El Dorado Co. Office of Education	Placerville	Education	515
Sierra-at-Tahoe Inc.	Twin Bridges	Ski Resort	523
DST Innovis	El Dorado Hills	Billing/Customer Mgmt. Software	456
Roebbelen Contracting Inc.	El Dorado Hills	General Contractor	420
Doug Veerkamp Gen. Engineering	Placerville	General Engineering	270
<i>El Dorado Irrigation District</i>	<i>Placerville</i>	<i>Special District</i>	<i>262</i>
Embassy Suites Lake Tahoe Resort	South Lake Tahoe	Hospitality	225
Wal-Mart Stores Inc.	Various	Retail Merchandise	200

Source: Sacramento Business Journal 5/7/04

Number of Employees by Industry in El Dorado County

Industry	# of Employees
Services	14,800
Trade	10,500
Retail	9,600
Government	9,200
Construction and Mining	4,600
Manufacturing	2,500
Finance, Insurance, and Real Estate	2,000
Transportation and Public Utilities	1,300
Wholesale	1,000
Agriculture	300

Source: EDD, Labor Market Information Division
March 2003 Benchmark

Civilian Labor Force Employment and Unemployment

Year and Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
1994:				
County of El Dorado	69,400	64,200	5,200	7.5
California	15,471,000	14,141,000	1,330,000	8.6
United States	131,056,000	123,060,000	7,996,000	6.1
1995:				
County of El Dorado	72,000	67,000	5,000	7.0
California	15,415,500	14,205,900	1,209,600	7.8
United States	132,304,000	124,900,000	7,405,000	5.6
1996:				
County of El Dorado	73,400	68,700	4,700	6.4
California	15,508,146	14,382,777	1,132,095	7.3
United States	133,943,000	126,708,000	7,236,000	5.4
1997:				
County of El Dorado	76,000	72,100	3,900	5.1
California	16,098,400	15,173,700	924,700	5.7
United States	137,169,000	130,778,000	6,392,000	4.7
1998:				
County of El Dorado	79,100	75,700	3,400	4.3
California	16,421,300	15,452,900	968,400	5.9
United States	137,673,000	131,463,000	6,210,000	4.5
1999:				
County of El Dorado	82,100	78,800	3,300	4.1
California	16,703,100	15,802,200	900,900	5.4
United States	139,368,000	133,488,000	5,880,000	4.2
2000				
County of El Dorado	82,500	79,300	3,200	3.9
California	17,090,800	16,245,600	845,200	4.9
United States	140,863,000	135,208,000	5,655,000	4.0
2001				
County of El Dorado	84,100	80,900	3,200	3.8
California	17,362,200	16,435,200	927,100	5.3
United States	141,700,000	134,839,000	6,860,000	5.8
2002				
County of El Dorado	82,300	78,200	4,100	5.0
California	17,405,000	16,242,000	1,163,000	6.7
United States	144,875,000	136,486,000	8,389,000	5.8
2003				
County of El Dorado	82,600	78,200	4,400	5.4
California	17,460,042	16,282,650	1,177,392	6.8
United States	146,516,000	137,739,000	8,777,000	6.0

Source: Bureau of Labor Statistics; State of California, Employment Development Department, Labor Market Information Division

Top Ten Customers

Top Ten Water Customers		
	Customer Name	% of Total Revenue
1	City of Placerville	2.02%
2	Sierra Pacific Industries	0.71%
3	Cameron Park Golf Course	0.28%
4	Lake Oaks Mobile Home Park	0.26%
5	Doug Veerkamp	0.19%
6	Cameron Park Mobile Home Park	0.19%
7	Cameron Oaks Investment Company	0.15%
8	Diamond Springs Mobile Home Park	0.15%
9	Fuller Sunset Mobile Home Park	0.13%
10	DST/RPA Inc.	0.13%
Top Ten Wastewater Customers		
	Customer Name	% of Total Revenue
1	Lake Oaks Mobile Home Park	0.99%
2	Cameron Park Mobile Home Park	0.80%
3	Cameron Oaks Investment Company	0.67%
4	Crestview Mobile Home Park	0.48%
5	PW Eagle Inc.	0.34%
6	Fuller-Sunset Mobile Home Park	0.33%
7	Westwood Mobile Home Park	0.32%
8	Diamond Springs Mobile Home Park	0.31%
9	Cameron Park Village	0.31%
10	Point Loma Center	0.31%
Source: El Dorado Irrigation District Data Base		

Historic Rate Increases ^[1]

Year	Water	Wastewater
1994	0.0%	25.0%
1995	0.0%	0.0%
1996	25.4%	19.3%
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%

Source: El Dorado Irrigation District

[1] Percentage increases shown are for Residential Accounts

Water Rates

Retail:

Water rate category serves: Single Family Residential, Recreational Turf Services (when eliminated), Domestic Irrigation (when eliminated), and Commercial/Industrial classifications into one category.

	Gravity	Pumped
Bi-monthly Basic Charge (5/8, 3/4-inch)	\$22.58	\$22.58
0 – 1,500 cf	\$0.55 per ccf	\$0.62 per ccf
1,501 – 20,000 cf	\$0.59 per ccf	\$0.67 per ccf
20,001 – excess	\$0.69 per ccf	\$0.79 per ccf
	Gravity	Pumped
Bi-monthly Basic Charge (1-inch)	\$22.58	\$22.58
Bi-monthly Basic Charge (1-1/2-inch)	\$23.71	\$23.71
0 – 7,800 cf	\$0.55 per ccf	\$0.62 per ccf
7,801 – 100,000 cf	\$0.59 per ccf	\$0.67 per ccf
100,001 – excess	\$0.69 per ccf	\$0.79 per ccf
	Gravity	Pumped
Bi-monthly Basic Charge (2-inch)	\$24.83	\$24.83
Bi-monthly Basic Charge (3-inch)	\$27.32	\$27.32
Bi-monthly Basic Charge (4-inch)	\$30.05	\$30.05
Bi-monthly Basic Charge (6-inch)	\$33.06	\$33.06
Bi-monthly Basic Charge (8-inch)	\$40.00	\$40.00
Bi-monthly Basic Charge (10-inch)	\$48.40	\$48.40
Bi-monthly Basic Charge (12-inch)	\$58.56	\$58.56
0 – 25,000 cf	\$0.55 per ccf	\$0.62 per ccf
25,001 – 133,300 cf	\$0.59 per ccf	\$0.67 per ccf
133,301 – excess	\$0.69 per ccf	\$0.79 per ccf

Multi-Family:

	Gravity	Pumped
Bi-monthly Basic Charge Per Unit	\$11.22	\$12.28
0 – 1,500 cf	\$0.55 per ccf	\$0.62 per ccf
1,501 – 20,000 cf	\$0.59 per ccf	\$0.67 per ccf
20,001 – excess	\$0.69 per ccf	\$0.79 per ccf
Strawberry-Pumped (29)	Bi-Monthly Basic Charge	\$27.16 Minimum

Water Rates

Small Farms:

	Gravity	Pumped
Bi-monthly Basic Charge	\$40.15	\$45.42
0 – 1,760 cf (residential tier)	\$0.59 per ccf	\$0.67 per ccf
1,761 – 6,500 cf	\$0.06 per ccf	\$0.06 per ccf
6,501 – 100,000 cf	\$0.07 per ccf	\$0.07 per ccf
100,001 – excess	\$0.08 per ccf	\$0.08 per ccf

Ditches:

	Bi-Monthly Basic Charge	Commodity Charge
Metered Landscape Irrigation	\$43.76	\$0.08 per ccf
Metered Landscape Irrigation (Outside District)	\$65.71	\$1.13 per ccf
Raw Water-1/2-inch Flow (37)	\$40.33	N/A
Raw Water-1-inch Flow (39)	\$89.58	N/A
Raw Water-2-inch Flow (40)	\$179.16	N/A
Raw Water-4-inch Flow (44)	\$358.32	N/A
Raw Water-Continuous Flow	\$69.28	\$0.05 per ccf
Raw Water-Continuous Flow (Outside District)	\$103.91	\$0.08 per ccf
Raw Water-Metered Garden Irrigation	\$42.02	\$0.10 per ccf

Agricultural Metered Irrigation:

The structure with the residential tier would be applicable only to those AMI meters serving a residence. Meters without a residence would remain on a structure without the residential consumption tier as shown. Each AMI account has been surveyed to determine which rate structure is applicable.

AMI (with residence)	Gravity	Pumped
Bi-monthly Basic Charge	\$40.15	\$45.42
0 – 1,760 cf (residential tier)	\$0.59 per ccf	\$0.67 per ccf
1,761 cf – 16 inches per acre	\$0.06 per ccf	\$0.06 per ccf
16.01 – 47 inches per acre	\$0.07 per ccf	\$0.07 per ccf
47.01 – excess inches per acre	\$0.08 per ccf	\$0.08 per ccf

Water Rates

Agricultural Metered Irrigation (con't.):

AMI (without residence)	Gravity	Pumped
Bi-monthly Basic Charge	\$40.15	\$45.42
0 – 16 inches per acre	\$0.06 per ccf	\$0.06 per ccf
16.01 – 47 inches per acre	\$0.07 per ccf	\$0.07 per ccf
47.01 – excess inches per acre	\$0.08 per ccf	\$0.08 per ccf

Domestic Irrigation:

GRAVITY	
Basic Charge	\$38.20 Minimum
0 – 6,500 cf	\$0.08 per 100 ccf
6,501 – 100,000 cf	\$0.09 per 100 ccf
100,001 – excess	\$0.12 per 100 ccf

PUMPED	
Basic Charge	\$42.64 Minimum
0 – 4,500 cf	\$0.19 per 100 ccf
4,501 – 46,500 cf	\$0.21 per 100 ccf
46,501 – excess	\$0.27 per 100 ccf

Recreational Turf Services:

GRAVITY (AVERAGE/BI-MONTHLY)	
(LS) Landscape Irrigation Service (RG) Gravity ³ / ₄ -inch, 1-inch, 1-1/2-inch meter	
Basic Charge	\$76.50 Minimum
0 – 13,300 cf	\$0.28 per 100 ccf
13,301 – 75,000 cf	\$0.29 per 100 ccf
75,001 – excess	\$0.34 per 100 ccf

Water Rates

Recreational Turf Services (con't.):

GRAVITY (ANNUAL/RANGES)	
(LS) Landscape Irrigation Service (RG) Gravity ³ / ₄ -inch, 1-inch, 1-1/2-inch meter	
Basic Charge	\$459.00 Minimum
0 – 80,000 cf	\$0.28 per 100 ccf
80,001 – 450,000 cf	\$0.29 per 100 ccf
450,001 – excess	\$0.34 per 100 ccf

GRAVITY (AVERAGE/BI-MONTHLY)	
(LS) Landscape Irrigation Service (RG) Gravity 2-inch, 3-inch meter	
Basic Charge	\$76.50 Minimum
0 – 37,500 cf	\$0.28 per 100 ccf
37,501 – 166,700 cf	\$0.29 per 100 ccf
166,701 – excess	\$0.34 per 100 ccf

GRAVITY (ANNUAL/RANGES)	
(LS) Landscape Irrigation Service (RG) Gravity 2-inch, 3-inch meter	
Basic Charge	\$459.00 Minimum
0 – 225,000 cf	\$0.28 per 100 ccf
225,001 – 1,000,000 cf	\$0.29 per 100 ccf
1,000,001 – excess	\$0.34 per 100 ccf

GRAVITY (AVERAGE/BI-MONTHLY)	
(LS) Landscape Irrigation Service (RG) Gravity 4-inch, 6-inch meter, 8-inch, “other” meter	
Basic Charge	\$76.50 Minimum
0 – 500,000 cf	\$0.28 per 100 ccf
500,001 – 1,666,700 cf	\$0.29 per 100 ccf
1,666,701 – excess	\$0.34 per 100 ccf

Water Rates

Recreational Turf Services (con't.):

GRAVITY (ANNUAL/RANGES)	
(LS) Landscape Irrigation Service	
(RG) Gravity	
4-inch, 6-inch meter, 8-inch, "other" meter	
Basic Charge	\$459.00 Minimum
0 – 3,000,000 cf	\$0.28 per 100 ccf
3,000,001 – 10,000,00 cf	\$0.29 per 100 ccf
10,000,001 – excess	\$0.34 per 100 ccf

At a Public Hearing on November 29, 2000, the Board of Directors voted to “phase out the Recreational Turf Services rate over a three year period, increasing the rate annually until it reaches the Retail rate.”

Pumped	2001 11/1/01	2003 1/1/03	2004 1/1/04
Basic Charge (5/8, 3/4")	\$65.21	\$43.90	\$22.58
Basic Charge (1")	\$65.21	\$43.90	\$22.58
Basic Charge (1-1/2")	\$65.58	\$44.64	\$23.71
0 – 25,000 cf	\$0.53 per ccf	\$0.57 per ccf	\$0.62 per ccf
25,001 – 62,500 cf	\$0.56 per ccf	\$0.62 per ccf	\$0.67 per ccf
62,501 – excess	\$0.65 per ccf	\$0.72 per ccf	\$0.79 per ccf

Pumped	2001 11/1/01	2003 1/1/03	2004 1/1/04
Basic Charge (2")	\$65.96	\$45.40	\$24.83
Basic Charge (3")	\$66.79	\$47.06	\$27.32
Basic Charge (4")	\$67.70	\$48.88	\$30.05
0 – 50,000 cf	\$0.53 per ccf	\$0.57 per ccf	\$0.62 per ccf
50,001 – 333,300 cf	\$0.56 per ccf	\$0.62 per ccf	\$0.67 per ccf
333,301 – excess	\$0.65 per ccf	\$0.72 per ccf	\$0.79 per ccf

Water Rates

Wholesale (City of Placerville):

At a Public Hearing on November 29, 2000, the Board of Directors voted to “defer any rate increase to the City of Placerville until such time that the District has the Reservoirs covered.”

WHOLESALE		
	Bi-Monthly Basic Charge	\$00.0 Minimum
(WA) Water Service		
(MU) City of Placerville	0 - 295,500 cf	\$0.31 per 100 cubic feet
	295,501 - 12,160,000 cf	\$0.35 per 100 cubic feet
	12,160,001 - excess	\$0.40 per 100 cubic feet

FIRE HYDRANT (FH) (effective 11/1/96; Resolution No. 96-73)		
	Bi-Monthly Basic Charge	\$50.16 Minimum
(FH) Fire Hydrant/Construction Service		\$1.00 per 100 cubic feet
(CM) Fire Hydrant/Reclaimed Lines		\$77.86 Minimum
		\$0.45 per 100 cubic feet

PRIVATE FIRE SERVICE		
	Bi-Monthly Basic Charge	Minimum
(PF) Private Fire Service	N/A	N/A

Recycled Water Rates

RECYCLED WATER (RC)	Bi-Monthly Basic Charge	Commodity Charge (*Per CCF)
(CG) Gravity <i>(see Comm/Ind [WC])</i>	\$77.86	\$0.45
(SC) Gravity – Dual <i>(see Residential [WA])</i>	N/A	\$0.45
(CP) Pumped <i>(see Comm/Ind [WC/LS])</i>	\$77.86	\$0.45
(SD) Pumped – Dual <i>(see Residential [WA])</i>	N/A	\$0.45

Wastewater Rates

Rate codes are listed in parentheses.

** Out of the ordinary circumstances.

SMALL FARM / RECREATIONAL TURF (SW) DOMESTIC IRRIGATION / SEWER ONLY	Bi-Monthly Basic Charge	Commodity Charge (*Per CCF)
	\$90.49	

SINGLE FAMILY RESIDENTIAL/ MULTI-FAMILY (SQ)	Bi-Monthly Basic Charge	Commodity Charge (*Per CCF)
	\$42.94	\$1.61
* If no water consumption during winter quarter, the rate is \$90.49 per billing period.		

COMMERCIAL / INDUSTRIAL (SW)		
Basic Charge	\$38.75	
Laundromat (SL)		\$2.14
Market (SM)		\$4.62
Repair Shop/Service Station (SV)		\$3.22
Light Industrial (SI)		\$4.31
Restaurant (SR)		\$5.96
Other (CG)		\$2.76

COMMERCIAL (Without Water Service)		
Basic Charge (CW)	\$45.34	
Each Additional Unit	\$51.74	

SCHOOL WASTEWATER (Yearly) (SW)	\$3.07	per student and staff
--	--------	-----------------------

SEPTAGE TRANSFER (SW)	\$109.59	per 1,000 gallon load
------------------------------	----------	-----------------------

** (SQ) or (SW) Sewer Service (SU) Service Unavailable = New account with no final sewer inspection.

** (UN) Unlivable Residence - example: burned /condemned dwelling – (no monthly charge).

Surcharges

Water Rate Surcharge:

	\$ AMOUNT
Outingdale Inside Subdivision (Improvement)	22.00
Outingdale Outside Subdivision (Improvement)	6.00
Strawberry (Improvement)	8.00

Wastewater Rate Surcharge:

Mother Lode, Deer Creek and El Dorado Hills Areas:

METER SIZE	METER TYPE	EDU'S	\$ AMOUNT
¾	D	1	5.00
1	D	2	10.00
1 ½	D,C,P,T	3	15.00
2	D,C,P,T	5	25.00
3	T	23	115.00
3	C,D,P	11	55.00
4	T	67	335.00
4	C,D,P	17	85.00
6	T	133	665.00
6	C,D,P	33	165.00
8	T	233	1,165.00
8	C,D,P	54	270.00
10	T	367	1,835.00

- Multi-Family rates (Multiple Dwellings) will be based on a per unit charge at \$3.75 each unit per month.
- Single Family Residential, Domestic Irrigation, Agricultural Meters Irrigation (if applicable) rates will be based on ¾-inch meter, regardless of meter size.

Adopted wastewater rate surcharge January 19, 1996, Resolution No. 96-16.
First effective billing period beginning March 7, 1996.

Surcharges

Water Rate Surcharge – Reservoir Line and Cover:

District Wide = \$0.49 per EDU monthly.

METER SIZE	METER TYPE	EDU'S	\$ AMOUNT PHASE I (LCS)	\$ AMOUNT PHASE II (LCS2)
5/8 & 3/4	D	1	.98	.98
1	D	2	1.96	1.96
1 ½	D,C,P,T	3	2.94	2.94
2	D,C,P,T	5	4.90	4.90
3	T	23	22.54	22.54
3	C,D,P	11	10.78	10.78
4	T	67	65.66	65.66
4	C,D,P	17	16.66	16.66
6	T	133	130.34	130.34
6	C,D,P	33	32.34	32.34
8	T	233	228.34	228.34
8	C,D,P	54	52.92	52.92
10	T	367	359.66	359.66

- The monthly surcharge amount is billed bi-monthly.
- Multi-Family rates (Multiple Dwellings) will be based on a per unit charge at \$0.37 per month, or \$0.74 bi-monthly per unit.
- Single Family Residential, Domestic Irrigation, Agricultural Meters Irrigation, Small Farms (if applicable) surcharge will be based on ¾-inch meter, regardless of meter size.

Adopted water rate surcharge February 1, 1999, Resolution No. 99-04.
 First effective billing period beginning February 7, 1999.
 Phase I revised and Phase II adopted by Board of Directors November 1, 2001.

Facility Capacity Charges, Surcharges and Supplemental Charges for 2003

Area	Water	Wastewater
El Dorado Hills		
FCC	\$ 4,101.00	\$ 6,143.00
Gabbro Soil	345.00	-
Reservoir Cover Project	219.00	-
AD#3 Supplemental Charge	<u>2,208.00</u>	-
TOTAL	\$ 6,873.00	\$ 6,143.00
Cameron Park		
FCC	\$ 4,646.00	\$ 7,551.00
Gabbro Soil	345.00	-
Reservoir Cover Project	219.00	-
Gold Hill Surcharge	<u>0.00</u>	-
TOTAL	\$ 5,210.00	\$ 7,551.00
Mother Lode		
FCC	\$ 4,646.00	\$ 9,030.00
Gabbro Soil	345.00	-
Reservoir Cover Project	<u>219.00</u>	-
TOTAL	\$ 5,210.00	\$ 9,030.00
Strawberry		
FCC	\$ 4,646.00	
Gabbro Soil	345.00	N/A
Reservoir Cover Project	219.00	
Strawberry Surcharge	<u>0.00</u>	
TOTAL	\$ 5,210.00	
Outingdale (Inside Subdivision)		
FCC	\$ 4,646.00	
Gabbro Soil	345.00	N/A
Reservoir Cover Project	219.00	
Outingdale Surcharge	<u>0.00</u>	
TOTAL	\$ 5,210.00	
Outingdale (Outside Subdivision)		
FCC	\$ 4,646.00	
Gabbro Soil	345.00	N/A
Reservoir Cover Project	219.00	
Outingdale Surcharge	<u>0.00</u>	
TOTAL	\$ 5,210.00	
Swansboro		
FCC	\$ 4,646.00	
Gabbro Soil	345.00	N/A
Reservoir Cover Project	168.00	
Swansboro Surcharge*	<u>975.00</u>	
TOTAL	\$ 6,134.00	
* Collected only if not on tax roll		
All Other Areas		
FCC	\$ 4,646.00	\$ 5,619.00
Gabbro Soil	345.00	N/A
Reservoir Cover Project	<u>219.00</u>	-
TOTAL	\$ 5,210.00	\$ 5,619.00

Source: EID Customer & Development Svcs. Div.



Sly Park Recreation Area