

2001
Comprehensive
Annual Financial Report
January 1, 2001 to December 31, 2001



El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667
530.622.4513

Cover photo: Caples Lake, California

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Prepared by the Finance
and Management Services Department

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El Dorado Irrigation District



June 12, 2002

Members of the Board
El Dorado Irrigation District

Directors and Customers:

We are pleased to transmit the 2001 Comprehensive Annual Financial Report of the El Dorado Irrigation District (EID). EID continues to be one of a handful of local districts publishing this report, and this is the eighth edition. It is structured to enable the District to meet the annual reporting requirements demanded by the U.S. Securities and Exchange Commission as well as meet Government Finance Officers Association (GFOA) guidelines.

The District annually commissions an independent review of its books, consistent with the EID Board's fiduciary duty to preserve and protect District assets. The audit, performed by the Accounting Corporation of Maze & Associates, Certified Public Accountants, was conducted in accordance with generally accepted auditing standards. The auditor has no material discrepancies to report and states that the financial statements fairly represent the financial position of the District at December 31, 2001.

As portrayed in this report, 2001 was a generally positive year with the District making financial gains in almost all endeavors. In part, this was the result of specific strategies put into place in the past couple of years, local market conditions favoring the sale of new connections and weather influencing the sale of additional water. While primarily fiscal in nature, this report is set in the context of several issues specifically affecting the District, many of which have been reported previously:

- ◆ The District has taken possession of FERC Project 184, although the project has been unable to generate power due to damage sustained in the 1997 floods. Costly repairs have been underway, with the generation of power expected in 2002.
- ◆ The 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 project is slated to be complete in 2004.
- ◆ Voters approved the Measure Y Traffic Control Initiative in November 1998, which has slowed the formation of new subdivisions and could eventually affect the development rate in El Dorado County. This may affect the collection of developer fees in the EID service area. However, the County is slated to approve a new General Plan within the next year.
- ◆ A 1998 court challenge to the El Dorado County General Plan has necessitated the preparation of a new general plan.

Plan completion and subsequent adoption is expected in late 2003. The delay in completion of the plan has slowed the approval of new subdivisions, although previously approved development has kept growth rates high.

This report is divided into three parts. The Introduction section includes an overview of the District's environment, background, highlights of the past year, introductory facts and figures and overall organizational and functional structures. The Financial section includes the District's most recent audited financial statements, including notes and supplemental information. These statements follow generally accepted accounting principles. Finally, the Statistical section summarizes selected, unaudited financial, operational and demographical information.

This report is assembled in the manner to best portray EID and its regional community to the reader. It is also intended to meet the Securities and Exchange Commission's continuing disclosure requirements (Rule 15c2-12) in connection with the El Dorado Public Agency Financing Authority 1996 and 1999 Revenue Bonds. The required continuing disclosure items and their locations within the report are as follows:

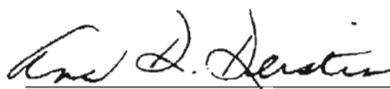
1. Audited Financial Statements Page 25-50

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 Page 75
 - District Operations – Avg. Daily Dry Weather Flows Page 74
 - District Operations – Customers: Water Page 58
 - District Operations – Customers: Wastewater Page 59
 - District Operations – Rates and Charges Page 82-89
 - District Operations – Property Tax Revenues Page 68
 - District Finances – Budgetary and Financial Procedures Page 51
 - District Finances – Outstanding Indebtness of the District Page 40-42
 - District Finances – Projected Operating Results
& Debt Services Coverage Page 63-64
 - Legal Proceedings Page 44-45

3. Status of Construction of the Projects Page 65-67

While the information presented herein is derived from many sources, the responsibility for the accuracy and completeness of the information presented rests with the District.

The assembly of this 2001 Comprehensive Annual Financial Report has been particularly intensive due to the training and development of new staff. Thanks go to those that accepted the challenge and participated in building this document, particularly Robin Souza, Mary Pat Frick, Gary Buzby and Phil Knapik.



Ane D. Deister
General Manager/Secretary



Martha R. (Dee) Brookshire
Director of Finance and Management
Services/Treasurer

Mission Statement

The El Dorado Irrigation District is a public agency primarily dedicated to serving customer needs for water and sewer service in a cost efficient and responsible manner.

Goals:

- ◆ Maintain continuous, dependable water service and a clean, healthy water supply.
- ◆ Provide quality wastewater collection, treatment, and disposal service.
- ◆ Protect the natural environment.
- ◆ Ensure opportunities for quality recreation.

Values:

As a public agency, its employees and the Board of Directors represent EID. In fulfilling its mission, the District acknowledges its responsibility to positively contribute to the community's vitality and stability. To effectively respond to public needs, the District encourages community involvement and participation in decision-making.

In serving the many needs of its customers, the District recognizes its primary responsibility of meeting the needs of existing ratepayers, its obligation to accommodate additional customers and its relationship to the many stakeholders who rely on the District in various ways. To perform in an efficient and responsible manner, employee participation, effective planning, and dedication to the process of continuous improvement are fundamental beliefs shared by the Board of Directors and employees alike.

District Profile

The El Dorado Irrigation District (EID) is an irrigation special district duly organized in 1925 and existing since under the Irrigation District Act (Water Code §§ 20500 et seq.) and authorizing statutes (Water Code §§ 22975 et seq.). Its purpose was to provide domestic water to the City of Placerville and irrigation water to local farmers. Under existing law EID provides water, wastewater and recycled water services within its service area located in the western slope of the Sierra Nevadas in the county of El Dorado and serves approximately 100,000 customers. EID also owns and operates a 22 WM 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) and dams, 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.

Even in the early days, the District had an immediate need to find sources of water to augment the water supply then available. After many years, this resulted in the U.S. Bureau of Reclamation's construction of the Sly Park Unit, in 1955, as a non-contiguous part of the Central Valley Project. The Sly Park Unit is operated under contract by EID. The District is currently funding the purchase of the Sly Park Unit. Federal legislation in October of 2000 provided the necessary legal framework to transfer ownership from the federal government to EID.

The District's other main source of supply is at Folsom Reservoir. The District currently has two United States Bureau of Reclamation (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 of Folsom by the State Water Resources Control Board.

Over the years, EID has changed from its original rural focus to one that not only supports agriculture, but also includes the growing residential, commercial, and industrial sectors. This has resulted in a change in the District's interim water supply contract with the USBR. The Sly Park contract is now based on consumptive use at a higher, un-subsidized cost for non-agricultural water.

Today, EID 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 to 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, and many smaller communities.

The District's contiguous service area spans 215 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 as they were upgraded and brought on-line.

The District has no financial or other interdependence with El Dorado County or any of the communities serviced by the District. Most of the District's revenues are derived from sales of its water and wastewater services. It has broad powers to finance, construct, and operate a system for the transportation, treatment, and distribution of raw and treated water and wastewater. It has full authority to set rates for services without review of any governmental unit and is accountable only to its electors.

In addition to providing water and wastewater services, the District also operates the 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.

District 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 north-most service area. The largely agrarian communities of Pleasant Valley and South Shingle Springs communities anchor the south-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.



El Dorado Irrigation District is located in Placerville, California

EID Operations

Board of Directors

George Osborne – District 1
John Fraser – District 2
Richard Akin – District 3
George Wheeldon – District 4
Al Vargas – District 5

An elected five-member Board governs the District. Each director is elected to a staggered four-year term. The Board is responsible for setting District policy. Each Director must be a resident of the district serviced and is elected by citizens within that district.

Office of the General Manager

Ane Deister, General Manager/ District Secretary

The General Manager provides oversight and direction for the District and is responsible for the coordination of departmental affairs and maintaining the District's inter-governmental and community liaisons in accordance with Board policy. In addition, the Office of the General Manager is responsible for water policy coordination, special projects, environmental compliance and legal issues.

Facilities Management

David Powell, Director of Facilities Management

This department is the largest in the District and is comprised of the former Engineering, Operations and Maintenance, and Hydroelectric Departments. This department utilizes more than half of the District's manpower resources. Facilities Management also administers the capital improvement programs of the District. It provides an array of services including engineering and technical services related to planning, designing, contracting and construction and project management to implement these programs. Through the Facilities Management divisions, it ensures that the appropriate water and wastewater quality standards are maintained and reported, and that the operations are conducted in an effective, cost-conscious, safe and consistent manner. Through the hydroelectric division, it oversees the continuing restoration and rehabilitation of the hydroelectric project for the District.

Finance and Management Services

Martha R. (Dee) Brookshire, Director of Finance and Management Services

This department manages the District's financial resources and oversees management services for the District. It provides financial control and administrative services for the District including accounting, treasury, customer services, purchasing, risk management, and financial services. In addition, services such as plan check, design, construction inspection, right-of-way, and water conservation services reside within this department.

Recreation Department

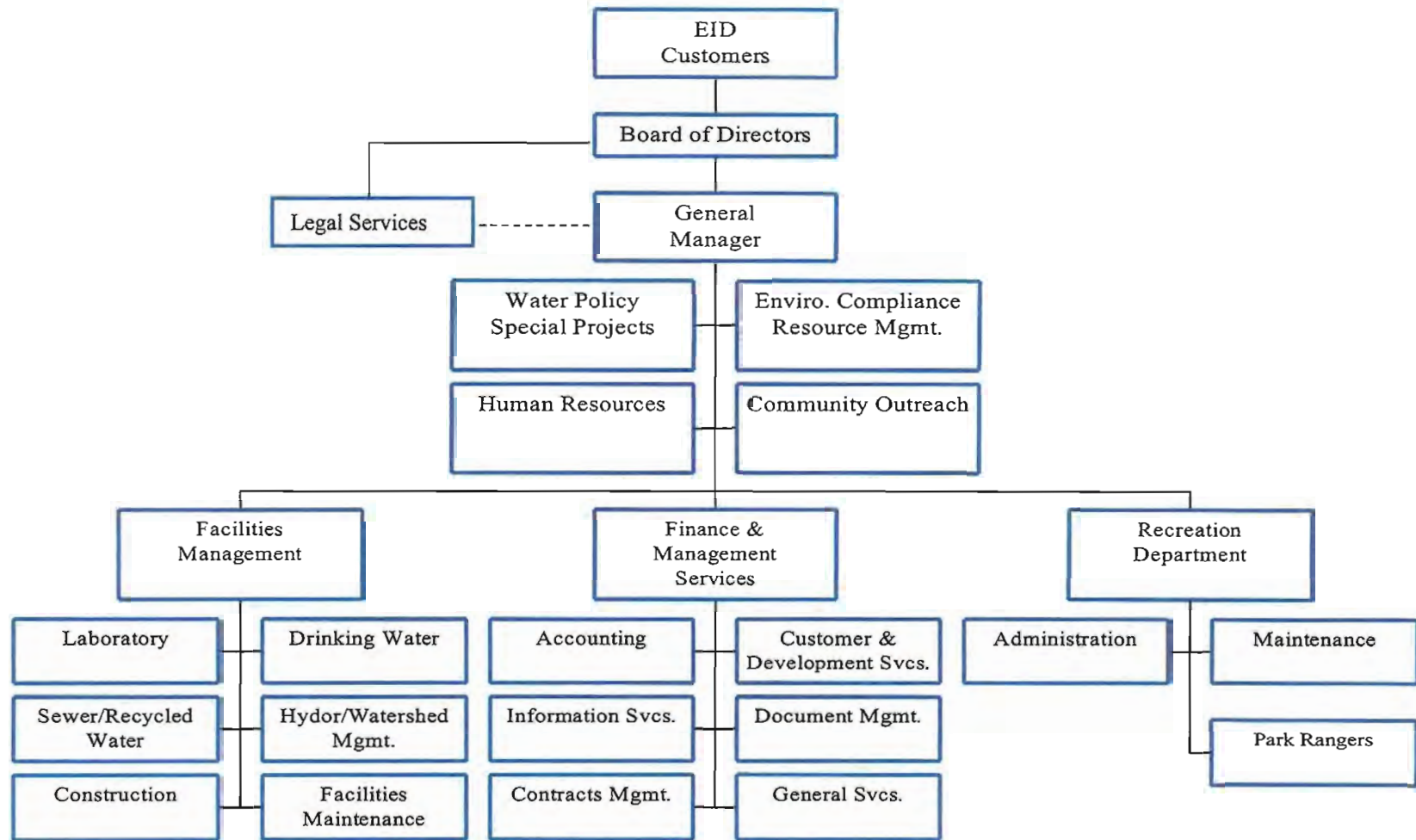
Don Pearson, Director of Recreation

This department operates and maintains the Sly Park Recreation Area facility. Its primary mission is custodial over the USBR facilities. It provides camping, picnicking, water-use, hiking, equestrian, and outdoor facilities for the public's use. The Department also operates the El Dorado Projects recreational facilities. It plans improvements to facilities and coordinates their funding and development.



Chimney Beach – Sly Park Recreation Area

El Dorado Irrigation District Organization Chart



Economic Condition and Outlook

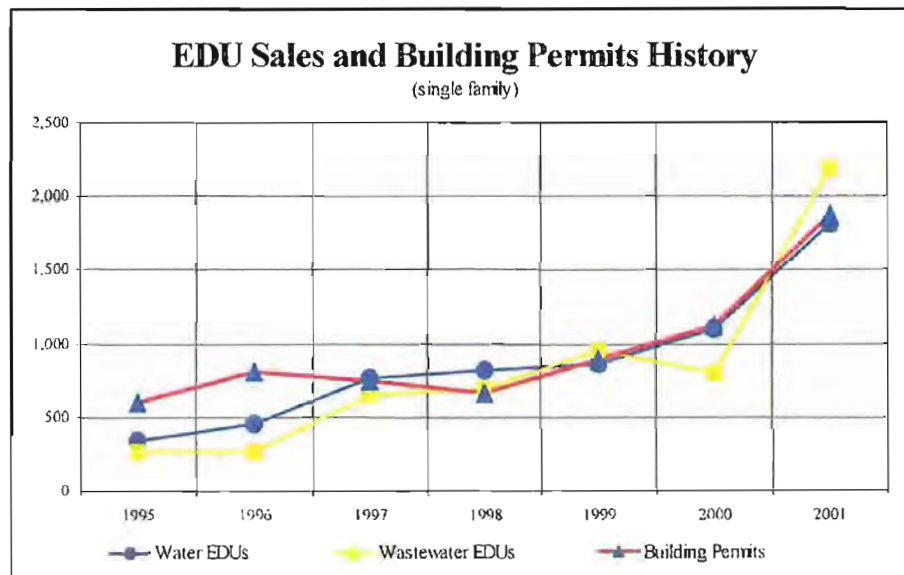
Population:

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 10 years, from 1992 to 2001, El Dorado County's population has increased by 19% to 162,586. During the same period, the population of the State of California increased by 11%. A more detailed account of population growth in El Dorado County and California can be found on page 78 of the Statistical Section of this report.

Economic Growth:

The 1990's were a period of mixed economic growth with the recession slowing regional growth in the early part of the decade. However, the region has recovered in recent years and 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, is projected to 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 El Dorado Hills area.¹

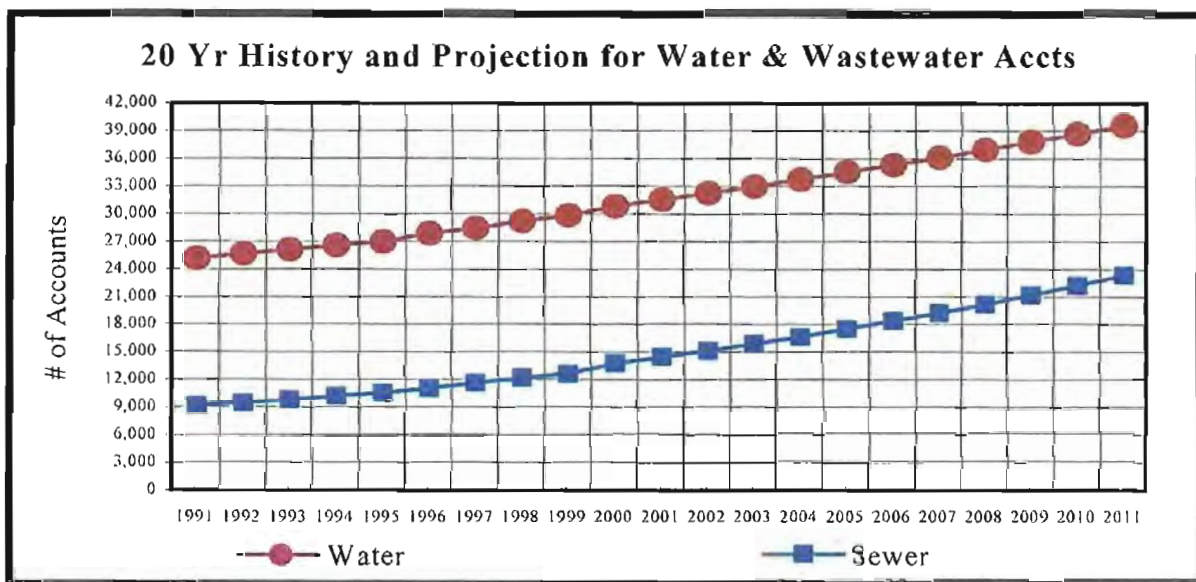
Single-family building permits in EID's service area have averaged 804 per year from 1995 to 2000, with 2001 seeing an increase to 1,135. The chart below shows the equivalent dwelling unit (EDU) sales and the building permits obtained from 1995 to 2001. Additional historical information on EDU and building permits can be found on pages 76 and 77 of the statistical section.



¹ Projections Summary for the Sacramento Region: Housing, Population & Employment - 1997-2022 *Sacramento Area Council of Governments*

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 for the 1996 General Plan. The County must now repeat portions of its environmental review and re-adopt a General Plan. A new General Plan is scheduled to be completed in mid 2003. 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 EDU sales for new projects could be affected in the near-term. EID is working with the consulting firm of Economic Planning Systems to generate land use capacities within District water and wastewater service boundaries based on a revised General Plan. The data will be incorporated in the District's master planning efforts.

Account Growth:



This chart shows the growth in the District's water and wastewater customer accounts from 1991 to 2001, along with projected account growth through the year 2011.

Service Area:

The District's service area encompasses approximately 215 square miles. The total secured assessed valuation of the properties within the District's service area increased 11% in 2001 to \$2.62 billion. Property taxes and miscellaneous tax collections allocated from El Dorado County increased 11% in 2001 totaling \$4.92 million. The District allocates 75% of annual property tax revenues received toward its Capital Improvement Program, and 25% toward operations.

Employment:

El Dorado County residents are employed in a variety of industries both inside and outside EID’s service area as 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 emerged from the recession of the early 1990’s to become much more diversified with the addition of computer technology, financial services, healthcare and biotechnology employers.

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. The County’s largest employers are in the public service, data processing, healthcare, and trade industries. For more detailed information on County employers and industries refer to pages 79 and 80 in the Statistical Section of this report.

The 2001 average unemployment rate for El Dorado County was 3.8%. This compares to 5.3% for the State of California and 5.8% for the United States overall.

Current Water Supply:

The District manages its water resources according to an established Water Supply and Demand model. This model is adjusted each April/May in the Annual Update to the Water Supply and Demand Report. This report projects the annual firm yield amount of water that will be available to the District in the following year. The 2001 report indicates that for 2002, the overall system firm yield is 43,280 AF (acre-feet). Using the firm yield of 43,280 AF and subtracting the total potential demand of 38,989 AF, the 2002 unallocated water supply, which is available for growth, for the overall district is calculated to be 4,291 AF. This equates to 9,707 EDU’s.

Water Supply	
	AF
System Firm Yield*	43,280
Total Potential Demand	38,989
Unallocated Supply	4,291
Available Current Supply EDU’s**	9,707
(at 0.70 AF for El Dorado Hills, 0.53 AF for Western region and 0.38 AF for Eastern region)	
* Current	
** Equivalent Dwelling Unit (EDU): The average water demand for a detached single family dwelling unit which is typically measured in gallons per day or AF per year, but which does not include unaccounted-for-water.	

Unaccounted-for Water:

The District has been able to more fully utilize its existing water resources by reducing the amount of unaccounted-for water. Unaccounted-for water represents water taken into the system from all of EID’s main sources, but is not billed to the consumer, or otherwise accounted for. The unaccounted-for water has decreased from 28% in 1991 to 13% in 2001. The industry goal for a rural/urban system like EID’s is 15%. This reduction is a significant achievement resulting from expanded efforts in leak detection, spill recovery, SCADA upgrades, meter calibration and repairs.

Total raw water delivered in 2001 for the contiguous service was 38,846 AF, which is an increase of 3,964 AF from 2000. Total consumption for the contiguous service area was 32,231 AF with an additional 1,398 AF of beneficial uses. The resulting unaccounted-for water was 5,217 AF or 13%, which is slightly higher than 2000. A graphical representation of the District's water supply and demand trends from 1992 to 2001 can be found on page 75 of the Statistical Section of this report.

Water Efficiency:

The District has long promoted the wise use of water resources. EID began implementing its water conservation programs during the 1977 drought. It was the first water conservation plan developed by an irrigation district in California. In the same year, the District initiated the first Irrigation Management Service (IMS) program in the State. The IMS program provides irrigation water scheduling for agricultural customers by combining weekly on-site moisture readings at local farms with weather data, resulting in a computer-generated crop-watering schedule. This program saves an estimated 2,000 AF of water per year.

In 1994, the District prepared a new water conservation plan to meet updated requirements from the U.S. Bureau of Reclamation (USBR) following the passage of the Central Valley Project Improvement Act of 1992. EID's plan was recognized by the USBR as an exemplary effort of outstanding planning and was selected as a model for combined urban and agricultural districts within the western United States.

A formal water conservation program implementing Best Management Practices (BMPs) is a prerequisite for receiving new USBR water contracts as well as consideration for new water rights from the State. Accordingly, the District has an expanded water conservation program to meet all federal and state requirements.

The major BMP's include water audits for residential (interior and exterior), commercial, industrial and large landscape customers; ultra low-flow toilet (ULF) cash rebates; plumbing retrofit for older homes and the agricultural IMS program. Customer incentives are used to help achieve program goals.

Other BMPs include metering of all water, education programs, water waste prohibitions, and leak detection. Full implementation of the BMPs is estimated to conserve 3,000 AF of water per year by the end of ten years.

Additional Water Supplies:

The District was also successful in acquiring additional water supplies from the following sources:

- ◆ 7,500 AF of USBR water delivered at Folsom Lake as authorized by public Law PL101-514. This water cannot be utilized before completion of the County General Plan, estimated to be completed in 2003.

- ◆ 17,000 AF of Consumptive Water Rights from EID's Project 184 was awarded in August 2001 by the State Water Resources Control Board. The first diversions are effected in 2003.

These supplies, together with ongoing water-use efficiency measures, are expected to supply all the water needed to serve the El Dorado County General Plan projected growth to the year 2030.

Financial Information

Debt Management:

The District's general philosophy 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's outstanding debt at year-end 2001 is shown in the table below.

2001 Outstanding Debt	
Debt Category	Millions
U.S. Bureau of Reclamation	\$13.7
Economic Development Admin (EDA)	\$1.8
State of California	\$2.9
1996 Revenue Bonds	\$60.8
1999 Revenue Bonds	\$13.4
County of El Dorado	\$1.5
Leases – Bank of America	\$0.6
LaSalle National Bank Bridge Loan	\$15.0
TOTAL	\$109.7

Internal Control

Over the years, EID has developed a system of accounting policies and procedures to assure that assets of the District are protected from loss, theft, or misuse. These are reviewed periodically to assure their continuing compliance with generally accepted accounting principles. The District's annual financial audit also makes recommendations regarding internal control procedures.

The internal control structure provides reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived.

Budgetary Controls

Budgetary controls are set at the department level. Department managers 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 limited ability to increase overall appropriations by moving funds from contingency funds to specific programs. Major contingency transfers and overall budget appropriation increases require Board approval.

The District is currently on a two-year budget schedule. The biannual budget is evaluated mid-cycle at the end of the first year. Changes in appropriation levels can be recommended at that time for Board approval. Operating and capital budgets are approved by resolution of the EID

2001 Comprehensive Annual Financial Report

Board annually. The District's Purchasing Manual provides specific limits for committing District resources.

EID earned the GFOA Distinguished Budget Presentation Award in 1995, 1996, 1997 1998, 1999 and again in 2000, along with the California Society of Municipal Finance Officer's Award for Excellence in Budgeting for its Annual Financial Plans.

Financial Reporting

EID received the GFOA Certificate of Achievement for Excellence in Financial Reporting in 1996, 1997, 1998 1999 and 2000 for its Comprehensive Annual Financial Report. See page 23 for the latest award received.

Cash and Investment Management

The District's cash is invested in certain eligible investments as defined by state law and the District's comprehensive Investment Policy (revised and adopted annually by the Board of Directors). The District earned a Certification of Excellence for its investment policy from the Municipal Treasurer's Association of the United States and Canada (MTA) in 1996 and 1999. The District submits its policy every 3 years for certification.

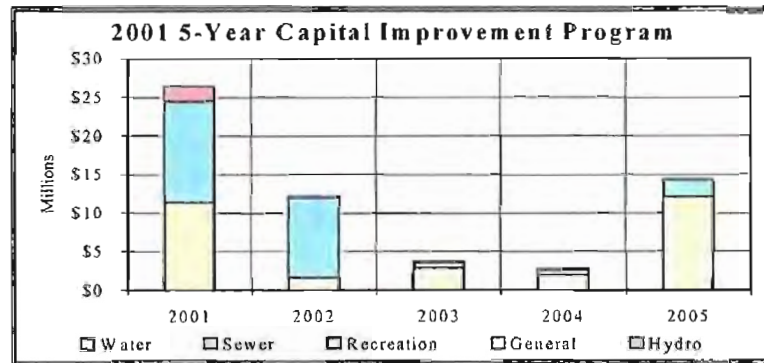
General Portfolio	
Type of Investment	Millions
General	
Government Agency Securities	\$12.2
Corporate Securities	\$8.5
Local Agency Investment Fund (LAIF)	\$44.2
Municipal Securities	\$1.9
TOTAL	\$66.8
1996 Revenue Bond Portfolio	
LAIF	\$8.5
Guaranteed Investment Contracts	\$5.2
Trustee Debt Accounts	\$3.3
TOTAL	\$17.0
1999 Revenue Bond Portfolio	
Guaranteed Investment Contracts	\$9.4
Trustee Debt Accounts	\$0.6
TOTAL	\$10.0
LaSalle Bridge Loan	
Local Agency Investment Fund (LAIF)	\$15.0
Total	\$108.8

The District's general portfolio is passively managed. Securities are purchased with maturities to match known monthly liabilities around a 5-year laddering process. Proceeds from the 1996 and 1999 revenue bonds are invested in separate portfolios. For the 1996 bonds, the remaining construction fund is invested in the State Treasurer's California Local Agency Investment fund. The reserve fund is invested in a guaranteed investment agreement that pays a stated rate of interest. The 1999 revenue bond portfolio consists of Guaranteed Investment Contracts for both the construction and reserve funds. Trustee debt service accounts are also included in these portfolios. Investment objectives are to provide liquidity and safety while maintaining a competitive yield. These objectives are benchmarked to maintain a yield at least equivalent to the one-year Treasury note. The Treasurer submits quarterly reports on investments to the Board of Directors who provide fiduciary oversight of this activity. As the table above shows, the District's cash and investments total to a market value of \$108.8 million as of December 31, 2001.

Major Initiatives for 2002 and Beyond

General Plan Issues:

The District's master planning process and capital improvement programs ideally reflect and are built upon the El Dorado County General Plan. Two significant issues, which emerged in 1998, have altered this process. The first was the adoption of Measure Y – Traffic Control Initiative, and the second was the successful legal challenge to the County General Plan Environmental Impact Report. El Dorado County has yet to resolve these issues.



The District currently bases its planning processes on its ability to provide service considering reliable water supplies and projected demands, facility capacities, regulatory and other requirements and constraints. The past policy, while not exactly a “build it and they will come” bias, was focused on meeting the County-controlled, General Planning process and the development schedules and direction prescribed by that plan. This anticipated the perfection of known water rights. The current approach plans and develops services based on existing, available water rights. Both approaches embody some risks. In the first case, the risk is that facilities are built that will not be fully utilized. In the second case, the facilities are not sized to meet future utilization and additional facilities may need to be constructed, at additional cost.

Without proper planning, timing and staging District ratepayers could be placed in the position of assuming the costs already committed for added capacity facilities, much like the “stranded costs” affecting the electrical utility deregulation process. However, if facilities are built without some additional capacity, District ratepayers may assume costs for accelerated construction activities as new demands come on line. As a result the District has almost completed a master planning process and is initiating an Integrated Resource Plan process to minimize and mitigate adverse impacts to rate payers.

The District is working with Economic Planning Systems to generate land use capacities within District water and wastewater service boundaries based on a revised general plan. The data will be incorporated in the District master planning efforts. As of December 31, 2001, this matter remained unresolved.

Water:

The District continues to build on the initiatives started in 1997. These concern developing a long-term water supply strategy, renovating the Weber Dam, and establishing ownership of the District's water supplies. This has been achieved in part with the California Public Utilities

Commission (CPUC) and Federal Energy Regulatory Commission (FERC) initial approval of the transfer of the El Dorado Canal Project to EID in 1996. Weber Dam was successfully renovated by December 2001. Additionally, the District has been pursuing acquisition from the U.S. Bureau of Reclamation (USBR) of the Sly Park Unit, including the Sly Park dam and reservoir and its related facilities, along with the associated water rights. The acquisition required legislative action. President Clinton signed legislation sponsored by our Congressman, John Doolittle, into law on October 25, 2000. The actual transfer from the USBR is expected to take place in 2003.

Ditch System Conversions

A strategy evolving from the District's Water Supply Master Plan is to identify and utilize all of the District's existing water supplies. One strategy is to change the point of diversion for pre-1914 existing ditch water rights and to move these water supplies from their former area of use for recapture into the District's potable water system at Folsom Reservoir. This will add between 600 and 4,300 acre-feet of "firm-yield" water.

Uncovered Reservoirs

The covering of EID's treated water storage facilities was a major water initiative started in 1999. This was the result of a 1998 compliance order issued by the State Department of Health Services. After years of working with the District staff to find an effective potable water supply storage alternative, the State changed to an enforcement mode requiring the District to initiate a program to cover its reservoirs in a three to four-year time period (1999 - 2002). The Federal/State revolving fund loan program will provide EID low-interest loans for the actual construction projects. These will be repaid from surcharges on existing customer accounts, which are potentially anticipated to increase to slightly over \$4.00 per month.

Weber Dam

This \$4.5 million project was undertaken and substantially completed in 2001. The dam was also renovated in lieu of demolition. Additionally, the 1,200 acre-feet of water from this source is important to the overall compliment of future District water supplies. This facility could fit into a major, Weber Creek basin water supply program for the future.

El Dorado Canal

The District secured ownership of PG&E's former El Dorado Canal water conveyance and hydroelectric system in September 1996. This facility was critically damaged in the 1997 New Year's Day Flood. Construction of the Mill Creek to Bull Creek Tunnel, is considered to be the permanent repair needed based on environmental, economic analyses and reliability assessments

for the District's existing 15,080 acre feet of water supply from the El Dorado Forebay Reservoir. The construction has been underway since 2001, anticipated to be completed in 2002.

Wastewater:

National Pollution Discharge Elimination Systems (NPDES) Compliance

The 1996 bond funded, \$40 million upgrade and expansion of the Deer Creek and El Dorado Hills wastewater treatment plant projects is all but completed. However, as the NPDES permit for the Deer Creek plant was being readied, the Regional Water Quality Control Board introduced new discharge criteria that were above and beyond the design standards built into the upgraded plants. The mid-range planning estimates indicate that the costs of meeting these new standards could be \$25.3 million for the Deer Creek facility including a \$5.8 million expansion phase now under construction. Similar scenarios are expected to be in the works for the El Dorado Hills plant. Staff efforts are focused to bring the discharge standards more in line with the technology governing the plants' design – based on science and commitment to public health assurances. The worst case cost estimates for both plants is \$118 million if all possible criteria are included. However, staff has demonstrated to the Board that meeting Title 22 Recycled Water standards with marketing of the product would result in increased storage and significant savings to the District. Initial estimates are that the recycled approach is \$100 million less than the discharge approach.

General District

Administrative Facilities

The District continues to make significant progress in response to the City of Placerville's zoning enforcement action concerning temporary facilities. An architect was engaged and an assessment of needs was made. In April 1998, the District adopted a strategy of upgrading facilities at its existing site and the City Planning Commission approval was given to the master plan in August 2001. The EID Board approved a financing plan in May 2001 and approved a contract in August 2001 for Phase I, the customer service building. Completion is expected in October 2002. Phase II, renovation of the existing buildings, is under design and construction is expected to start in October 2002.

Rate Studies

The District is involved in a series of actions designed to bring its rate structures into line with the costs of providing services, while simplifying the rate structures. For example, wastewater FCC's are updated annually to include recent debt and expanded facility costs. In light of the pending NPDES process and its potential impacts on District rates and FCC's, EID commissioned an absorption study to test whether these rates would be accepted in the market. This study found that four development areas were approaching the 15% maximum backbone infrastructure cost-test.

This "rule-of-thumb" indicates that the total cost of infrastructure should not exceed 15% of the total cost of a home. The principle is that costs exceeding this either drive the price of the home

too high or make it non-economic for the developer to absorb the cost. This issue will become even more germane as the County explores options for implementing Measure Y. As proposed, the traffic impact fees will be assessed to new parcels.

Results of Operations

Overview:

The District annually commissions an independent review of its books, consistent with the Board of Director's fiduciary duty to preserve and protect District assets. Government Code 26909 requires governmental agencies to have periodic external financial reviews.

The audit, performed by the Accounting Corporation of Maze & Associates, Certified Public Accountants, was conducted in accordance with generally accepted auditing standards. The auditor has no material discrepancies to report and states that the financial statements fairly represent the financial position of the District at December 31, 2001.

The financial section of this report contains the annual audit of the District. It includes the financial statements showing the assets, liabilities, fund equity, income, and cash flow of the District together with the Auditor's notes. These reports provide a "snap-shot" of how things stood at December 31, 2001.

Comparative Balance Sheets

- ◆ Assets – increased by \$41.4 million to \$420.1 million
- ◆ Liabilities – increased by \$17.1 million to \$130.6 million
- ◆ Fund Equity – increased by \$24.3 million to \$289.5 million

This statement discloses the net worth of the District in terms of what it owns and what it owes. In this equation, what the District owns (\$420.1 million) less what the District owes (\$130.6 million), results in a \$24.3 million increase in its net worth or fund equity to \$289.5 million.

Assets

This statement portrays an overall \$41.4 million increase in total assets – increasing from \$378.7 million to \$420.1 million. This is due in part to \$14 million in construction, after depreciation, being completed during the year. In addition, current assets increased by \$15 million for the Project 184 bridge loan and nearly \$10 million from the growth in FCC's over 2000. The majority of the current assets are restricted or designated for specific uses, such as debt service or capital projects.

Liabilities

The Comparative Balance Sheets includes categorization of the money the District owes for long-term debt indentures. This includes the 1996 and 1999 revenue bonds and State revolving fund loans. The result of debt incurred and debt paid-off is an increase in long-term debt payable of \$13.1 million to \$106.7 million in 2001.

The District's current liabilities increased \$4 million. This was the result of a "deferred revenue liability" related to the Weber Dam advanced funding agreement.

Fund equity

By definition, fund equity represents the net financial worth of the District (assets minus liabilities equals fund equity). The fund equity of the District increased \$24.3 million to \$289.5 million.

Comparative Statements of Revenues and Expenses

- ◆ Operating Revenues – increased \$.5 million to \$23.2 million
- ◆ Operating Expenses – increased \$2.2 million to \$35.7 million
- ◆ Operating Loss – increased \$1.7 million to \$12.5 million
- ◆ Non-operating Revenues – increased \$3.5 million to \$36.8 million
- ◆ Net Income – increased \$1.8 million to \$24.3 million

This financial statement illustrates whether the District operated at a "profit" or "loss." As noted, the bottom line shows a "net income" of \$24.3 million. This includes all District expenditures and earnings regardless of source. The major non-operating categories include \$5.3 million in property taxes, \$20.2 million in facility capacity charges, \$4.9 million in investment earnings and \$6 million in debt surcharges. These are posted in the "Non-operating Revenue/Expense" tally on page 28.

Operating Expenses			
In millions	2002	2000	Change
Administration	\$1.591	\$3.461	(\$1.870)
Legal	\$0.676	\$0.420	\$0.256
Finance	\$2.746	\$2.797	(\$0.051)
Engineering	\$2.963	\$1.593	\$1.370
O & M	\$10.785	\$10.004	\$0.781
Electricity	\$2.803	\$1.705	\$0.098
Water Purchases	\$0.688	\$1.422	(\$0.734)
Recreation	\$0.578	\$0.504	\$0.074
Hydroelectric	\$3.705	\$2.102	\$1.603
Depreciation	\$9.129	\$9.515	(\$0.386)
TOTAL	\$35.664	\$33.523	\$2.141

Considering the District's expanding Capital Improvement Program, it is prudent to continue to monitor this issue. The Capital Facilities Financing Plan will assist the District with funding projects as they are identified in the Water and Sewer Master Plans.

Operating Revenues

The District operating revenue projection was exceeded by \$836,176 with actual water sales at \$12.0 million and wastewater sales \$8.4 million. Total operating revenues increased 2.2% to \$23.2 million.

Operating Expenses

District operating expenditures increased \$2.2 million to \$35.7 million, \$2.9 million greater than budgeted. The primary reasons for costs exceeding the adopted budget were \$1.3 million paid for

silt release repairs and \$1.3 million paid for customer services that are recovered from customer deposits or billings.

Non-operating Revenue (Expenses)

These include those revenues and expenses that do not associate directly with operations. On the revenue side, this includes debt surcharges, facility capacity charges, property taxes, interest income and flood damage reimbursements. On the expenditure side, it includes debt interest expense and other debt related costs. District FCC sales increased 73.5% to \$20.2 million. Flood damage reimbursement decreased \$9.2 million while debt surcharges increased \$3 million.

Comparative Statement of Cash flows

- ◆ Cash Flows from Operating Activities – increased to \$8.9 million compared to a \$7.4 million gain in 2000
- ◆ Cash Flows from Investing Activities – were decreased to \$4.9 million versus \$5.2 million in 2000
- ◆ Cash Flows from Non-Capital Financing Activities – increased \$857,653 versus \$263,364 in 2000
- ◆ Cash Flows from Capital Financing Activities showed that cash flow of \$17 million was generated in 2001 compared to a \$12.9 million use of cash in 2000
- ◆ Net Cash Flows – increased by \$31.7 million

This report reflects changes in cash position between the previous year and the current year (shown as 2001) and the change in cash position between 1999 and 2000 (shown as 2000).

The 2001 audit shows that the District spent nearly as much on additions to capital plant in 2001 as in 2000. These additions are more than offset by the issuance of debt and increased collections of FCCs and surcharges.

Cash flows from Operating Activities

The first line of the statement shows a \$12.5 million loss from operating activities. By design, operating revenues are barely sufficient to pay for the costs of operations, when depreciation is excluded, leaving little to contribute towards facility replacement. The District's practice has been to utilize its property tax and interest earnings to meet this pay-as-you-go need, and borrowed funds for major projects. Future capital needs substantially overshadow the annual property tax collection and interest earnings. The District is pursuing grants for projects as well as certain operating programs to minimize impact on rates related to capital improvements.

Cash flows from Investing Activities

The results of investing activities varied little between 2001 and 2000.

Cash flows from Non-Capital Financing Activities

The District's property tax assessments and ad valorem debt collections are recorded here. The position remains relatively unchanged, except for inter-fund transfers in 2000.

Cash flows from Capital Financing Activities

The primary changes in this area were proceeds from this issuance of debt for the Project 184 bridge loan and the cash received related to the growth in facility capacity charges and surcharges.

The Future

Pending issues include the following:

- ◆ The acquisition of the Sly Park Unit and its related facilities, including associated water rights required legislation, which was signed into law in October 2000. The actual transfer from the USBR will take about 2 years.
- ◆ General direction has been made on acquiring and developing future water supplies:
- ◆ The Board has approved a general strategy of converting District-owned pre-1914 ditch water rights for potable use. This will provide additional water for consumptive use in the range of 600 to 4,300 acre-feet.
- ◆ A minimum of 7,500 acre feet of USBR water enabled by PL 101-514 (Fazio) is being negotiated on behalf of the District by the El Dorado County Water Agency (a total of 15,000 acre feet is available).
- ◆ An amount of 17,000 acre feet of new consumptive water rights from Project 184 water has been awarded by the State Water Resources Control Board and is scheduled for use in the year 2003 or later pending completion of environmental and court challenges.
- ◆ The design and location of a safe and adequate District headquarters facilities has been given the approval in a phased expansion of the current site focusing first on customer service needs:
- ◆ An \$8.4 million Phase I and II project providing for facilities for meeting customer services needs has been identified and construction of Phase I began in the fall of 2001 and will be completed in the fall of 2002. Phase II construction is scheduled to start in October 2002.
- ◆ Future phases for operations and fleet needs have been identified with the ultimate project totaling \$12.3 million.

Conclusions

Overview

In general, 2001 was an up-beat year from a financial standpoint. From a consumer standpoint, water was delivered reliably and healthfully, at a competitive cost; wastewater was removed and treated, at a competitive cost as well. The increasing costs associated with the new wastewater treatment processes leveled off, and with a more normalized operation, staff is reviewing all operational processes to make any reasonable savings consistent with discharge standards. Wastewater rate structures are designed to fully recover operating and debt expenditures with a nominal capital replacement contribution.

The District grew with a total of 1,819 water and 2,189 wastewater EDU's being sold. The District now serves more than 15,300 sewer and 31,700 water accounts.

Sales

Slightly higher than normal rainfall in 2001 built up the District's water supplies. Summer demand was above normal with nearly 38,846 acre-feet of water delivered to customers. Water sales revenue varied little from 2000 and the 2001 projections. Wastewater sales declined 2.5% from 2000 and 4.0% from projections. The decline in wastewater sales is offset by an increase in recycled water sales.

Compliance

The Department of Health Services uncovered reservoir compliance order resulted in added levels of water monitoring, water purchases, and water pumping to areas that otherwise would have flowed by gravity. Those operations are performed at higher than usual costs. This will continue through 2002 as the reservoirs are converted to steel tanks and covered concrete reservoirs.

CIP

The District continues with an aggressive CIP/Capital Replacement Program (CRP). While reduced substantially from the 5-year forecast provided last year, this program still exceeds current revenue projections. It will require debt or other financing programs to meet the time scheduled. District staffs are reviewing rate structures to present recommendations to the Board to ensure adequate funding is available.

Like many local entities, the District finds itself in a dynamic tension between growth and non-growth issues. This is manifested in initiatives, lawsuits, political conflicts, and general discord. El Dorado County's Measure Y – the Traffic Control Initiative, together with the successful challenge of the El Dorado County General Plan EIR typifies this dilemma. Until these issues are resolved and until the District affirms how it will specifically relate to and interact with the General Plan, District plans will continue to be closely monitored and updated carefully and prudently.

Planning

The District's 1998 business planning exercise explored a range of potential environmental strategies and issues arising out of the various compliance orders from regulators on the District. It found that the District was poised at a point where major administrative and policy action was necessary, and these were addressed. As a consequence, specific fund balances are less dire, as the District has taken the administrative and rate-based actions to yield a stronger financial condition. The rate-setting exercises balanced service cost of the District and the community's capacity to absorb rate changes.

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, 2000. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a 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.

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, 2000

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.



J. Martha Drew
President

Jeffrey L. Essler
Executive Director



El Dorado Irrigation District

INDEPENDENT AUDITORS' REPORT

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

We have audited the general purpose financial statements of the El Dorado Irrigation District as of and for the years ended December 31, 2001 and 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the general purpose financial statements referred to above present fairly in all material respects the financial position of the El Dorado Irrigation District at December 31, 2001 and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

The general purpose financial statements referred to above follow the requirements of the Government Accounting Standards Board's Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which was implemented during the year ended December 31, 2001 as discussed in Note 2A to the General Purpose Financial Statements.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information, which is also listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such supplemental information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Maze + Associates

May 3, 2002

EL DORADO IRRIGATION DISTRICT
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 AND 2000

ASSETS	<u>2001</u>	<u>2000</u>
Utility Plant		
Water and wastewater facilities and improvements	\$338,890,809	\$318,066,491
Hydroelectric plant facilities and improvements	21,738,421	21,738,421
Buildings and structures	5,073,999	5,074,000
Equipment and furniture	<u>9,223,511</u>	<u>8,265,226</u>
Total Facilities and Equipment	374,926,740	353,144,138
Less Accumulated depreciation	<u>(106,190,958)</u>	<u>(97,301,135)</u>
Utility Plant in Service, net	268,735,782	255,843,003
Land	5,306,862	5,306,862
Construction in progress	<u>30,299,750</u>	<u>29,158,331</u>
Total Utilities Plant	<u>304,342,394</u>	<u>290,308,196</u>
Other Long-Term Assets		
Deferred debt issuance costs	953,850	1,000,131
Notes receivable	102,683	106,145
Interfund loans	<u>308,676</u>	<u>317,169</u>
Total Long-Term Assets	<u>305,707,603</u>	<u>291,731,641</u>
Current Assets		
Cash and investments (Note 3)	108,813,412	77,148,715
Taxes receivable	3,066,124	5,308,719
Accounts receivable, net of allowance	915,893	2,528,955
Interest receivable	1,227,894	1,366,964
Prepaid expenses	133,922	326,777
Parts and supplies	<u>280,008</u>	<u>296,375</u>
Total Current Assets	<u>114,437,253</u>	<u>86,976,505</u>
Total Assets	<u><u>\$420,144,856</u></u>	<u><u>\$378,708,146</u></u>

See accompanying notes to general purpose financial statements.

EL DORADO IRRIGATION DISTRICT
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 AND 2000

LIABILITIES AND FUND EQUITY	<u>2001</u>	<u>2000</u>
Long-Term Liabilities		
Contracts and bonds payable (Note 6)	\$105,958,113	\$92,706,439
Capital leases payable (Note 6)	419,873	594,570
Interfund loans	<u>308,676</u>	<u>317,169</u>
Total Long-Term Liabilities	<u>106,686,662</u>	<u>93,618,178</u>
Current Liabilities		
Current portion of contracts, bonds payable and capital leases (Note 6)	3,337,542	3,241,829
Deposits	1,420,151	1,663,112
Accounts payable	3,479,402	3,538,940
Accrued salaries and benefits	405,832	421,388
Interest payable	1,914,539	1,818,119
Accrued vacation	498,902	503,230
Claims payable (Note 9)	2,233,000	2,233,000
Deferred revenue	<u>10,575,944</u>	<u>6,448,648</u>
Total Current Liabilities	<u>23,865,312</u>	<u>19,868,266</u>
Total Liabilities	<u>130,551,974</u>	<u>113,486,444</u>
Fund Equity		
Contributed capital (Note 2C)	<u>76,981,132</u>	<u>78,516,008</u>
Retained earnings (Note 7)		
Reserved for:		
Debt service	13,688,261	11,054,274
Designated for:		
Facilities capacity charges	33,280,632	15,554,779
Insurance	1,057,608	1,042,314
Construction and capital replacement	36,692,017	38,319,788
Operations	2,875,530	4,083,527
Rate stabilization	3,647,639	4,123,061
USBR emergency	155,000	155,000
Investment in capital assets	<u>121,215,063</u>	<u>112,372,951</u>
Total Retained Earnings	<u>212,611,750</u>	<u>186,705,694</u>
Total Fund Equity	<u>289,592,882</u>	<u>265,221,702</u>
Total Liabilities and Fund Equity	<u>\$420,144,856</u>	<u>\$378,708,146</u>

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT
COMPARATIVE STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES		
Water sales	\$11,985,485	\$12,047,626
Reclaimed water reimbursement/sales	359,300	106,435
Wastewater sales	8,453,052	8,660,319
Wastewater services	115,315	40,561
Recreation fees	615,203	590,795
Water service	<u>1,682,871</u>	<u>1,250,229</u>
Total Operating Revenues	<u>23,211,226</u>	<u>22,695,965</u>
OPERATING EXPENSES		
Operations and maintenance	10,784,586	10,004,084
Depreciation	9,129,458	9,515,538
General and administrative	1,590,712	3,460,506
Finance	2,746,338	2,796,773
Legal	676,037	419,724
Engineering	2,963,055	1,593,153
Electricity	2,803,161	1,705,009
Hydroelectric operations	3,704,471	2,102,195
Purchase of water	688,231	1,422,119
Recreation operations	<u>578,398</u>	<u>503,962</u>
Total Operating Expenses	<u>35,664,447</u>	<u>33,523,063</u>
OPERATING INCOME (LOSS)	<u>(12,453,221)</u>	<u>(10,827,098)</u>
NONOPERATING REVENUE (EXPENSE)		
Property taxes	5,306,972	4,549,483
Investment income	4,870,981	5,157,355
Facility capacity charges	20,216,038	11,651,265
Surcharges	6,058,135	3,028,138
USBR voter-approved taxes	857,653	872,161
Flood damage reimbursement	2,923,252	12,149,722
Other income (Note 2R)	1,830,714	661,414
Interest expense	(4,572,793)	(4,471,684)
Amortization of deferred debt issuance costs	(46,281)	(233,576)
Other expense (Note 2R)	<u>(620,270)</u>	<u>(35,393)</u>
Net Nonoperating Revenues (Expenses)	<u>36,824,401</u>	<u>33,328,885</u>
Income Before Operating Transfers	<u>24,371,180</u>	<u>22,501,787</u>
OPERATING TRANSFERS		
Operating transfers in	29,943,982	16,668,385
Operating transfers out	<u>(29,943,982)</u>	<u>(16,668,385)</u>
NET INCOME	24,371,180	22,501,787
Add depreciation expense on contributed assets	<u>1,534,876</u>	<u>1,534,876</u>
Increase in retained earnings	25,906,056	24,036,663
RETAINED EARNINGS, BEGINNING OF YEAR	<u>186,705,694</u>	<u>162,669,031</u>
RETAINED EARNINGS, END OF YEAR	<u>\$212,611,750</u>	<u>\$186,705,694</u>

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	(\$12,453,221)	(\$10,827,098)
Adjustments to reconcile operating income loss to cash flows from operating activities:		
Depreciation and amortization	9,129,458	9,505,201
Other income	4,753,966	12,811,136
Other expense	(624,801)	(35,393)
Decrease (increase) in:		
Taxes receivable	2,242,595	
Accounts receivable	1,613,062	3,117
Grants receivable		2,052,498
Interest receivable	139,070	(378,301)
Prepaid expenses	192,855	(196,439)
Parts and supplies	16,367	(3,977)
Increase (decrease) in:		
Deposit payable	(242,961)	573,193
Accounts payable	(59,538)	1,228,436
Accrued salaries and benefits	(15,556)	(20,200)
Interest payable	96,420	190,566
Accrued vacation	(4,328)	32,450
Accrued liabilities		1,875,000
Deferred revenue	4,127,296	(9,453,729)
	<u>8,910,684</u>	<u>7,356,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in notes receivable	3,462	3,269
Investment income	4,870,981	5,157,355
	<u>4,874,443</u>	<u>5,160,624</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advalorem taxes received	857,653	867,698
Interfund transfers		(604,334)
	<u>857,653</u>	<u>263,364</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Additions to utility plant	(23,163,657)	(24,315,114)
Deferred debt issuance costs		(203,481)
Principal payments on contracts and bonds payable	(3,286,230)	(2,886,673)
Proceeds from issuance of debt	16,463,454	2,112,250
Property and assessment taxes received	5,306,972	2,204,307
Facility capacity charges and surcharges	21,920,320	11,651,265
Water and wastewater surcharges	4,353,853	3,028,138
Interest paid	(4,572,793)	(4,471,684)
	<u>17,021,919</u>	<u>(12,880,992)</u>
NET CASH FLOWS	31,664,699	(100,544)
Cash and cash equivalents at beginning of year	<u>77,148,715</u>	<u>77,249,259</u>
Cash and cash equivalents at end of year	<u>\$108,813,414</u>	<u>\$77,148,715</u>
Noncash Investing, Capital and Financing Activities		
Borrowing under capital leases	<u>\$419,873</u>	<u>\$446,819</u>
Receipt of contributed assets		<u>\$10,120,761</u>
Change in fair value of investments	<u>\$311,389</u>	<u>\$57,224</u>

See accompanying notes to general purpose financial statements



El Dorado Irrigation District

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 1 - GENERAL

El Dorado Irrigation District (the District) is a political subdivision of the State of California, providing water, wastewater and water-related recreation services to residents of the District. The District is governed by a Board of Directors, which is elected by the residents of the District.

The accounting principles of the District conform with generally accepted accounting principles as applicable to governmental type organizations. These financial statements present the District and its one component unit, an entity for which the District is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement Number 14.

The District has created the Eldorado Public Agency Financing Authority to provide assistance to the District in the issuance of debt. Debt issued by the Authority is reflected as debt of the Irrigation District in these financial statements. The Authority has no other transactions and does not issue separate financial statements.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting*

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded on its balance sheet, and under the full accrual basis of accounting all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred. Enterprise fund equity includes retained earnings and contributed capital.

The District applies all applicable Government Accounting Standards Board (GASB) pronouncements as well as certain Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The District applies all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

During the year ended December 31, 2001 the District implemented the provisions of Government Accounting Standards Board's Statement 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Non-exchange Transactions occur when the District gives or receives value without directly receiving or giving equal value in exchange. Statement 33 requires that when assets are contributed to the District by Developers or other third parties, the District recognize revenue in the fiscal year in which they are received. This type of transaction was accounted for as additions to contributed capital prior to Statement 33.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Utility Plant

Utility Plant is stated at cost. Assets acquired through contributions are reported at estimated fair market value at the date of acquisition.

C. Depreciation

The purpose of depreciation is to spread the cost of fixed assets equitably among all customers over the life of the assets. The amount charged to depreciation expense each year represents that year's pro rata share of utility plant cost.

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

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

	<u>Useful Lives</u>
Facilities and improvements	30-50 years
Buildings and structures	40 years
Equipment and furniture	5 years

Depreciation on contributed assets is charged to contributed capital. Balance as of December 31, 2001 is as follows:

Balance, January 1, 2001	\$78,516,008
Depreciation expense on contributed assets	(1,534,876)
Balance, December 31, 2001	\$76,981,132

D. Cash and Cash Equivalents

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

E. Accounts Receivable

Accounts receivable arise from billings to customers for water used and certain improvements made to customer's property. Substantially all of the District's sales are to customers located within the District's boundaries. Uncollectible amounts from individual customers have not been significant.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. *Parts and Supplies*

Parts and supplies are used internally and are valued at cost, using the first-in, first-out method.

G. *Deferred Debt Issuance Costs*

The District amortizes these costs using the straight-line method over the term of the related debt issues.

H. *Restricted Cash and Investments*

The District is required by its debt agreements and its contract with the United States Bureau of Reclamation (USBR) to restrict certain amounts of cash and investments for construction projects and payment of debt service

I. *Compensated Absences*

The liability for vested vacation pay is recorded as an expense when the vacation is earned. At the end of the year, District employees can carry over up to 160 hours of unused vacation to the next fiscal year. Unused vacation leaves are paid at the time of termination from the District's employment. Unused sick leave is applied to California Public Employees' Retirement System service credits for retirement purposes.

J. *Self-Insurance*

The District is self-insured for vision and dental care benefits. Management is of the opinion that recorded liabilities for self-insured claims and incidents incurred but not reported at December 31, 2001 and 2000, are adequate. The District maintains general liability coverage from an insurance carrier in the amount of \$11,000,000 per occurrence, with a deductible of \$50,000.

K. *Revenue Recognition*

Revenues from sewer and water services furnished to customers are recorded in the financial statements when earned. All customers are billed bi-monthly. Earned but unbilled revenues are accrued as revenues.

L. *Facility Capacity Charges and Surcharges*

Facility capacity charges and surcharges (FCCs) represent amounts charged to new customers to establish service at a location not previously served by the District. These charges are expected to provide financing for system capacity improvements.

M. *USBR Voter-Approved Taxes*

USBR voter-approved taxes represent amounts charged to cover U.S. Bureau of Reclamation debt service on borrowings used to construct certain District infrastructure.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Property Taxes

El Dorado County assesses properties and it bills, collects, and distributes property taxes to the District. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on September 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. Property taxes become delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the District in the fiscal year they are levied provided they become available as defined above.

O. Budgets and Budgetary Accounting

The District adopts an annual budget in December each year. The budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The Department Heads can approve transfers within their own Departmental Operations budget. Budget transfers between two Departments requires 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. Board may approve additional appropriations throughout the year as well.

Budgeted amounts reported in the accompanying financial statements include budgeted amounts originally adopted, plus amendments. Amendments were not material in relation to the original appropriations, which were amended.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amount of 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.

Q. Other Post Employment Benefits

In addition to the retirement benefits described in Note 4, the District provides postretirement health care benefits, in accordance with District's policy. Employees who retire from the District must have attained age 50, completed at least 5 years of service, and be enrolled in a medical plan offered through the State of California Public Employees' Retirement System. Currently, 51 retirees meet those eligibility requirements. The District reimburses for the lesser of the actual premium or the retiree allowance. Expenditures for postretirement health care benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2001, \$83,341, in expenditures were made for postretirement health care.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Other Income and Expenses

The other income account includes funds collected by the District for rental activity, surplus sales, service fees charged, warehouse sales, and sales of plans, specs and copies. The other expense account represents amounts incurred by the District for bad debts and warehouse costs.

NOTE 3 - CASH AND INVESTMENTS

A. Categorization of Credit Risk

The District invests in individual investments and in an investment pool. Individual investments are evidenced by specific identifiable pieces of paper called securities instruments, or by electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to maximize security, the District employs the Trust Department of a bank as the custodian of its investments with the U.S. Government or its agencies, regardless of their form.

The District categorizes its individual securities instruments in ascending order to reflect the relative risk of loss of these instruments. This risk is called Credit Risk, the lower the number, the lower the risk. The three levels of risk prescribed by generally accepted accounting principles are described below:

Category 1 – Securities instruments in this category are in the District's name and are in the possession of the Trust Department of the bank employed by the District solely for this purpose. The District is the registered owner of securities held in book entry form by the bank's Trust Department.

Category 2 – At December 31, 2001 none of the District's investments are in this category, which would include securities instruments and book entry form securities in this category are in the bank's name but are held by its Trust Department in a separate account in the District's name.

Category 3 – Security investments in this category include only District-owned securities instruments or book entry form securities which were not in the District's name or which were not held by the bank's Trust Department.

Pooled Investments – Pooled investments are not categorized because of their pooled, rather than individual, nature.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments are carried at fair value, which approximates cost, and categorized as follows at December 31:

	2001		Total	2000
	Cash and investment	Restricted Cash		
<i>Individual Investments (Category 1):</i>				
US treasury bills and notes				\$6,501,406
Agency securities	\$12,328,839		\$12,328,839	11,873,114
Corporate notes and bonds	8,720,660		8,720,660	11,463,990
<i>Certificate of Deposit (Category 3):</i>	1,235,281		1,235,281	
<i>Pooled Investments (Non Categorized):</i>				
Mutual Funds (U.S. Securities)	535,456	\$3,917,816	4,453,272	4,747,595
Local Agency Investment Fund	29,486,386	23,471,050	52,957,436	28,210,123
California Asset Management Program	14,732,198		14,732,198	
Investment Agreement		14,659,685	14,659,685	14,857,427
Total Investments	67,038,820	42,048,551	109,087,371	77,653,655
<i>Cash held by District</i>	(273,959)		(273,959)	(504,940)
Total Cash and Investments	<u>\$66,764,861</u>	<u>\$42,048,551</u>	<u>\$108,813,412</u>	<u>\$77,148,715</u>

B. Cash Deposits

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for District deposits. This collateral remains with the institution but is held in the District's name and places the District ahead of general creditors of the institution. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

Cash in banks is entirely insured (Category 1) or collateralized by the institution holding the deposit (Category 2). Bank balances before reconciling items were \$133,618 at December 31, 2001, of which \$114,539 was insured (Category 1) and \$19,079 was collateralized (Category 2) as discussed above.

C. Authorized Investments

The District's investment policy and the California Government Code allow the District to invest in the following types of investments:

- Local Agency Investment Fund (LAIF)
- U.S. Treasury Issues
- California Asset Management Program (CAMP)
- Government Agency Obligations
- Banker's Acceptance
- Commercial Paper
- Medium Term Corporate Notes
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Mutual Funds
- Collateralized Negotiable Investments

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

Bond proceeds may also be investments in accordance with the statutory provisions governing the issuance of those bonds. The District's investments are carried at fair market value as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair market value on a monthly basis, and it includes the effects of these adjustments in income for that year.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which at December 31, 2001 was \$143,945 more than the District's cost. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

The California Asset Management Program (CAMP) is a Joint Powers Authority established in 1989 by the treasurers and finance directors of several California public agencies to provide professional investment services to public agencies at a reasonable cost. CAMP is designed specifically to assist public agencies with their investment needs through a professionally managed money market portfolio. Participants include special districts, JPAs, cities, counties and public schools.

NOTE 4 - DISTRICT EMPLOYEES RETIREMENT PLAN

A. CALPERS Miscellaneous Employees Plan

Substantially all District employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The District's employees participate in the Miscellaneous Employee Plan.

Benefit provisions under the Plan are established by State statute and District resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CALPERS; the District must contribute these amounts. The Plan's provisions and benefits in effect at December 31, 2001 are summarized below:

	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50
Monthly benefits, as a % of annual salary	1.426 – 2.418%
Required employee contribution rates	7%
Required employer contribution rates	0%

The District pays one half of the employee contributions as well as the employer contributions.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 4 - DISTRICT EMPLOYEES RETIREMENT PLAN (Continued)

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

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 8.25% is assumed, including inflation at 3.5%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

The Plans' actuarial value (which differs from market value) and funding progress over the past three years is set forth below at their actuarial valuation date of June 30:

Miscellaneous Plan:

Valuation Date	Actuarial		Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
	Entry Age Accrued Liability	Value of Assets				
1998	\$20,766,920	\$24,988,418	(\$4,221,498)	120.33%	\$8,125,576	(51.95%)
1999	22,545,226	28,354,548	(5,809,322)	125.80%	8,845,874	(65.67%)
2000	25,203,347	32,006,680	(6,803,333)	126.99%	8,865,943	(76.73%)

Audited annual financial statements and ten-year trend information for the fiscal year ended June 30, 2000, the most recent available, are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

PERS has reported that the net assets in the Plans held for pension benefits changed as follows during the year ended June 30, 2000:

	<u>Miscellaneous</u>
Actuarial value of assets as of June 30, 1999	\$28,354,548
Contributions received	1,055,593
Benefits and refunds	(942,841)
Transfers and miscellaneous adjustments	(8,127)
Expected investment earnings	<u>2,343,480</u>
Expected actuarial value of assets as of June 30, 2000	<u>\$30,802,653</u>
Market value of assets as of June 30, 2000	<u>\$34,414,733</u>
Actuarial values of assets as of June 30, 2000	<u>\$32,006,680</u>

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 4 - DISTRICT EMPLOYEES RETIREMENT PLAN (Continued)

Actuarially required contributions for fiscal years 2001, 2000 and 1999 were \$0, \$207,598 and \$237,755, respectively. The District made these contributions as required, together with certain immaterial amounts required as the result of the payment of overtime and other additional employee compensation.

Additional disclosures will be included when made available by PERS.

B. Social Security

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing system as of January 1, 1992 be covered by either Social Security or an alternative plan.

All employees are covered under Social Security, which requires these employees and the District to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended December 31, 2001 amounted to \$1,179,989 of which the District paid half.

NOTE 5 - DEFERRED COMPENSATION PLAN

District employees may defer a portion of their compensation under a District sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they have been excluded from these financial statements.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 6 - LONG TERM DEBT

A. Current Year Transactions and Balances

The District's debt issues and transactions are summarized below and discussed in detail thereafter.

	Original Issue Amount	Principal Balance Dec 31, 2000	Additions	Retirements	Bond Discount & Advance Funding Costs on Defeasance	Principal Balance Dec 31, 2001
<i>General Long Term Debt:</i>						
Liability to the United States Government						
0-3.5%, due through 2028	\$25,000,000	\$14,377,153		\$719,160		\$13,657,993
EDA Loan, 5%, due 7/1/2017	2,306,000	1,923,307		80,826		1,842,481
State of California Loans						
2.3200-3.2205%, due through 2018-2020	3,117,591	1,616,473	\$1,463,454	146,086		2,933,841
County of El Dorado Note, 5%, due when construction financing has been obtained and construction has commenced	5,878,360	1,533,000				1,533,000
Revenue Bonds						
1996 Series, 3.65-5.6%, due 2/15/21	69,415,000	62,338,814		1,755,000	\$162,788	60,746,602
1999 Series, 4.4%-6.375%, due 2/15/25	13,685,000	13,652,439		265,000	1,361	13,388,800
LaSalle Bridge Loan						
4.67%, due 8/15/13	15,000,000		15,000,000			15,000,000
Motor Vehicles Capital Leases,						
4.56%, due 8/1/05	938,573	774,501		174,774		599,727
	<u>\$135,340,524</u>	<u>96,215,687</u>	<u>\$16,463,454</u>	<u>\$3,140,846</u>	<u>\$164,149</u>	<u>109,702,444</u>
Add: Revenue bonds arbitrage liability		327,151				13,084
Less: Current portion of long-term debt		<u>3,241,829</u>				<u>3,337,542</u>
Total Long-Term Liability		<u>\$93,301,009</u>				<u>\$106,377,986</u>

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

Liability to the United States Government – Pursuant to the Sly Park Bureau Contract, the Bureau constructed the Sly Park Unit and the District's main water distribution system. That construction was financed with the issuance of United States Government debt. Under its agreement with the Bureau, the District is responsible for funding the repayment of this debt. Approximately 86% of the debt is related to construction for agricultural use, 12% of the debt issuance does not bear any interest, and the remaining debt bears interest at 3.5%.

EDA Loan – On August 22, 1977, the District borrowed \$2,306,000 from the Economic Development Administration, US Department of Commerce, under the Community Emergency Drought Relief Program.

State of California Loans – The State of California, Department of Water Resources issued several Safe Drinking Water loans to finance water filtration and other water quality projects. In 1999, the District repaid two of the three outstanding loans. Loan payments for the remaining loan are due semi-annually on April 1 and October 1. In March 2000, the State of California department of Water Resources issued the District four additional safe water drinking loans in the aggregate amount of approximately \$4,843,500, of which \$2,933,841 was drawn down as of December 31, 2001.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 6 - LONG TERM DEBT (Continued)

County of El Dorado Note – On February 6, 1996, the District purchased the Texas Hill property from the County under an installment purchase, which called for five annual payments of \$500,000 commencing September 1, 1996. An additional payment of \$3,378,360 is due 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 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 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. Principal payments are payable annually on February 15 and interest payments semi-annually on February 15 and August 15.

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 facilities. The Bonds are secured by a lien on the net revenue of these facilities. Commencing August 15, 2000, principal payments are payable annually on February 15 and interest payments semi-annually on February 15 and August 15.

LaSalle 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, which consists of the following, 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. Principal and interest payments are due semi-annually on February 15 and August 15, with an interest rate of 4.67%. Principal payments begin in 2005.

Motor Vehicles Capital Lease - In 1999 and 2000, the District leased motor vehicles under an agreement calling for payment of the cost of the vehicles plus interest at an adjustable rate over a sixty-month period from the acquisition date of the vehicles. Since the District becomes the owner of the vehicles at the end of the lease, it has recorded the lease liability as debt.

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 6 - LONG TERM DEBT (Continued)

C. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt except equipment leases:

For the Year Ending December 31	United States Government Bonds	EDA Loan	State of California Loans	County of El Dorado Note	Revenue Bonds	LaSalle Bridge Loan	Capital Leases	Totals
2002	\$829,660	\$161,102	\$304,066		\$6,217,690	\$554,563	\$207,052	\$8,274,133
2003	853,015	161,102	304,066		6,216,496	700,500	207,052	8,442,231
2004	891,476	161,102	304,066		6,217,970	700,500	151,153	8,426,267
2005	708,321	161,102	304,066		6,211,036	2,060,484	95,322	9,540,331
2006	795,240	161,102	305,066		6,205,261	2,060,484		9,527,153
Thereafter	10,332,998	1,771,901	2,046,406	\$3,378,360	96,774,905	14,423,385		128,727,955
	14,410,710	2,577,411	3,567,736	3,378,360	127,843,358	20,499,916	660,579	172,938,070
Less amount representing interest	752,717	734,930	633,895	1,845,360	52,213,355	5,499,916	60,852	61,741,025
Outstanding principal balance	<u>\$13,657,993</u>	<u>\$1,842,481</u>	<u>\$2,933,841</u>	<u>\$1,533,000</u>	<u>\$75,630,003</u>	<u>\$15,000,000</u>	<u>\$599,727</u>	111,197,045
							Less bond discount	(1,369,871)
							Less advance funding costs on insubstance defeasance	(124,730)
							Total outstanding debt balance	<u>\$109,702,444</u>

NOTE 7 - RETAINED EARNINGS

A. Reserves

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity which provided the funds. The District cannot remove these restrictions or reserves. At December 31, 2001, reservations included:

Reserve for **debt service** represents the portion of retained earnings legally restricted for the payment of principal and interest on long term liabilities.

B. Designations

Designations 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, 2001, designations included:

Designated for **facilities capacity charges** represents the amount set aside for system capacity improvements.

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

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

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 7 – RETAINED EARNINGS (Continued)

Designated for **operations** represents the amount to provide cash flow for the District's operations.

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 8 – HYDROELECTRIC OPERATIONS

Under a Conditional Asset Transfer Agreement dated April 6, 1998, with Pacific Gas & Electric Company, the District assumed responsibility for a hydroelectric facility known as Project 184. This Project comprises diversion dams, canals and hydroelectric generating equipment, which was damaged in 1997 and requires extensive work to become operable. On April 2, 1999, the Federal Energy Regulatory Commission issued its order transferring the Project power generation license to the District. On September 16, 1999, the California Public Utility Commission approved the transfer.

At December 31, 1999, the District had taken ownership of the Project and as part of this transaction had received \$15,000,000 from PG&E. The \$15,000,000 was paid to relieve Pacific Gas & Electric Company ratepayers of their obligation to pay for decommissioning the project and their obligation for consumptive water delivery under the 1919 contract. The \$15,000,000 was used to repair and return it to operating condition.

An additional \$1,540,000 was received as partial payment for flood specific damage and repairs.

NOTE 9 - RISK MANAGEMENT

A. Coverage

The District purchased commercial general liability insurance, which includes coverage against the following types of loss risks:

Type of Coverage	Coverage Limit	Deductible
Personal Injury	\$11,000,000	\$50,000 per occurrence
General Liability	22,000,000	50,000 per occurrence
Property (including building, boiler & machinery, contractor equipment and inland marine)	15,000,000	500 to 5,000 per occurrence
Fire damage	1,000,000	50,000 per occurrence
Employee Dishonesty, Forgery or Alteration	250,000	250 per occurrence
Theft, Disappearance and Destruction	25,000	250 per occurrence
Computer Fraud	100,000	250 per occurrence

EL DORADO IRRIGATION DISTRICT
Notes to General Purpose Financial Statements

NOTE 9 - RISK MANAGEMENT (Continued)

The District also purchases commercial insurance for its hydroelectric plant. The District carries insurance from the State Compensation Insurance Fund against workers' compensation claims. This insurance covers up to the statutory limit and the District does not have a deductible.

The District also provides group vision and dental coverage to employees through programs, which are administered by a service agent. The District is self-insured for both coverages.

B. Liability for Uninsured Claims

Municipalities are required to record their liability for uninsured claims and to reflect the current portion of this liability as expenditures or expenses in their financial statements. As discussed above, the District has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

The District's liability for uninsured claims, based on claims history, was computed as follows:

	2001			2000
	General	Dental and Vision	Total	Total
Beginning balance	\$2,219,238	\$13,762	\$2,233,000	\$358,000
Liability for current year claims	102,559	250,071	352,630	301,031
Increase (decrease) in estimated liability for prior year claims and claims incurred but not reported	(163,923)	(257,223)	(421,146)	1,250,370
Claims paid	61,364	7,152	68,516	323,599
Ending balance	\$2,219,238	\$13,762	\$2,233,000	\$2,233,000

The District has not exceeded its insurance coverage limits in any of the last three years.

NOTE 10 - COMMITMENTS AND CONTINGENT LIABILITIES

A. General

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

B. Educational Revenue Augmentation Fund

The District is a multi-county district currently exempt from the effects of the 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 General Purpose Financial Statements

NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

C. Potential Loss of Project 184 Property Insurance

The property insurance carrier for Project 184 has informed the District that they will not renew the policy on June 1, 2002. The District has asserted that the nonrenewal notice was not performed properly and therefore coverage must continue. In addition, the District is pursuing coverage with other carriers to avoid a lapse in property insurance for the Project. Potentially, the District may have to self insure the Project against property claims from June 1, 2002 to September 1, 2002.

D. Federal Energy Regulatory Commission Relicensing Process

The District has a conditional license to operate its hydroelectric plant through February 2003. The District is working to renew this license; however, nonrenewal would have a significant impact on future District hydroelectric revenues.

NOTE 11 – CAPITAL PROJECT COMMITMENTS

A summary of capital project commitments at December 31, 2001 follows:

Powerhouse generating equipment	\$1,202,375
Various FEMA related contracts	154,662
Various other contracts	580,228
Headquarters	3,469,555
Line and cover projects	5,671,062
Weber Dam final design	318,933
El Dorado Hills wastewater inflow analysis	193,078
Federal Energy Regulatory Commission relicensing	1,792,532
El Dorado Canal flume	126,602
Mill to Bull Creek tunnel	6,392,856
Deer Creek wastewater plant improvements	1,024,925
El Dorado Hills wastewater plant improvements	92,291
Total	\$21,019,099

EL DORADO IRRIGATION DISTRICT
Supplemental Schedule – Combining Balance Sheet by Subfunds
DECEMBER 31, 2001 AND 2000

ASSETS	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
Utility Plant							
Water and wastewater facilities and improvements	\$338,730,649				\$160,160		\$338,890,809
Hydroelectric plant facilities and improvements	1,674,333					\$20,064,088	21,738,421
Buildings and structures	1,926,289				2,888,537	259,173	5,073,999
Equipment and furniture	8,622,781				313,421	287,309	9,223,511
Total Facilities and Equipment	350,954,052				3,362,118	20,610,570	374,926,740
Less Accumulated depreciation	(86,353,373)				(1,066,411)	(18,771,174)	(106,190,958)
Utility Plant in Service, net	264,600,679				2,295,707	1,839,396	268,735,782
Land	5,280,389				26,473		5,306,862
Construction in progress	(9,573,439)	\$17,084,471			271,817	22,516,901	30,299,750
Total Utilities Plant	260,307,629	17,084,471			2,593,997	24,356,297	304,342,394
Other Long-Term Assets							
Deferred debt issuance costs				\$953,850			953,850
Notes receivable	102,683						102,683
Interfund loans	308,676						308,676
Total Long-Term Assets	260,718,988	17,084,471		953,850	2,593,997	24,356,297	305,707,603
Current Assets							
Cash and investments	36,922,688	23,248,807	\$17,380,737	29,319,246	477,162	1,464,772	108,813,412
Taxes receivable	2,582,864		431,062		52,198		3,066,124
Accounts receivable, net of allowance	688,932		64,570	162,391			915,893
Interest receivable	707,478		80,853	439,563			1,227,894
Prepaid expenses	111,267		2,120	4,303			133,922
Parts and supplies	280,008					16,232	280,008
Intrafund receivable/payable	5,496,943	1,318,057				(6,815,000)	
Total Current Assets	46,790,180	24,566,864	17,959,342	29,925,503	529,360	(5,333,996)	114,437,253
Total Assets	\$307,509,168	\$41,651,335	\$17,959,342	\$30,879,353	\$3,123,357	\$19,022,301	\$420,144,856

See accompanying notes to general purpose financial statements.

EL DORADO IRRIGATION DISTRICT
Supplemental Schedule – Combining Balance Sheet by Subfunds
DECEMBER 31, 2001 AND 2000

LIABILITIES AND FUND EQUITY	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
Long-Term Liabilities							
Contracts and bonds payable			\$33,938,391	\$72,019,722			\$105,958,113
Capital leases payable			419,873				419,873
Interfund loans					\$308,676		308,676
Total Long-Term Liabilities			34,358,264	72,019,722	308,676		106,686,662
Current Liabilities							
Current portion of contracts, bonds payable and capital leases			1,227,542	2,110,000			3,337,542
Deposits payable	\$1,418,566				1,585		1,420,151
Accounts payable	1,087,296	\$1,864,539	6,918	4,945	5,414	\$510,290	3,479,402
Accrued salaries and benefits	359,781	8,523			5,509	32,019	405,832
Interest payable			201,165	1,713,374			1,914,539
Accrued vacation	461,962				21,535	15,405	498,902
Accrued liabilities	2,233,000						2,233,000
Deferred revenue	4,280,159				16,178	6,279,607	10,575,944
Total Current Liabilities	9,840,764	1,873,062	1,435,625	3,828,319	50,221	6,837,321	23,865,312
Total Liabilities	9,840,764	1,873,062	35,793,889	75,848,041	358,897	6,837,321	130,551,974
Fund Equity							
Contributed capital	74,195,025	375,010			2,411,097		76,981,132
Retained earnings (Note 7)							
Reserved for:							
Debt service				13,688,261			13,688,261
Designated for:							
Facilities capacity charges	15,228,514			18,052,118			33,280,632
Insurance	1,057,608						1,057,608
Construction and capital replacement	3,346,886	15,186,958	14,946,142		214,146	2,997,885	36,692,017
Operations	6,699,881				141,056	(3,965,407)	2,875,530
Rate Stabilization	3,525,905				121,734		3,647,639
USBR Emergency	155,000						155,000
Investment in capital assets	193,459,585	24,216,305	(32,780,689)	(76,709,067)	(123,573)	13,152,502	121,215,063
Total Retained Earnings	223,473,379	39,403,263	(17,834,547)	(44,968,688)	353,363	12,184,980	212,611,750
Total Fund Equity	297,668,404	39,778,273	(17,834,547)	(44,968,688)	2,764,460	12,184,980	289,592,882
Total Liabilities and Fund Equity	\$307,509,168	\$41,651,335	\$17,959,342	\$30,879,353	\$3,123,357	\$19,022,301	\$420,144,856

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT
Supplemental Schedule - Combining Statements of
Revenues, Expenses and Changes in Retained Earnings by Subfunds
FOR THE YEAR ENDED DECEMBER 31, 2001

	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
OPERATING REVENUES							
Water sales	\$11,985,485						\$11,985,485
Reclaimed water reimbursement/sales	359,300						359,300
Wastewater sales	8,453,052						8,453,052
Wastewater services	115,315						115,315
Recreation fees					\$575,822	\$39,381	615,203
Water service	1,682,871						1,682,871
Total Operating Revenues	22,596,023				575,822	39,381	23,211,226
OPERATING EXPENSES							
Operations and maintenance	10,755,658				3,351	25,577	10,784,586
Depreciation	8,983,213				96,259	49,986	9,129,458
General and administrative	1,590,712						1,590,712
Finance	2,746,338						2,746,338
Legal	676,037						676,037
Engineering	2,992,867					(29,812)	2,963,055
Electricity	2,789,300				10,405	3,456	2,803,161
Hydroelectric operations						3,704,471	3,704,471
Purchase of water	688,231						688,231
Recreation operations					578,398		578,398
Total Operating Expenses	31,222,356				688,413	3,753,678	35,664,447
OPERATING INCOME (LOSS)	(8,626,333)				(112,591)	(3,714,297)	(12,453,221)
NONOPERATING REVENUE (EXPENSE)							
Property taxes	5,201,589				105,383		5,306,972
Investment income	3,107,784		\$163,211	\$2,137,264	45,548	(582,826)	4,870,981
Facility capacity charges	10,447,747		(1,022,253)	10,790,544			20,216,038
Surcharges	3,874,151		1,704,282	479,702			6,058,135
USBR voter-approved taxes			857,653				857,653
Flood damage reimbursement						2,923,252	2,923,252
Other income	1,624,713				34,276	171,725	1,830,714
Interest expense			(193,792)	(4,365,804)	(13,197)		(4,572,793)
Amortization of deferred debt issuance costs				(46,281)			(46,281)
Other expense		\$233,116	(494,466)	(426,918)	398	67,600	(620,270)
Net Nonoperating Revenues (Expenses)	24,255,984	233,116	1,014,635	8,568,507	172,408	2,579,751	36,824,401
Income (Loss) Before Operating Transfers	15,629,651	233,116	1,014,635	8,568,507	59,817	(1,134,546)	24,371,180
OPERATING TRANSFERS							
Operating transfers in	12,848,879	13,986,091	234,879	2,863,612	10,521		29,943,982
Operating transfers out	(16,292,213)	(11,172,315)	(1,202,346)		(99,672)	(1,177,436)	(29,943,982)
NET INCOME (LOSS)	12,186,317	3,046,892	47,168	11,432,119	(29,334)	(2,311,982)	24,371,180
Add depreciation expense on contributed assets	1,534,876						1,534,876
Increase in retained earnings	13,721,193	3,046,892	47,168	11,432,119	(29,334)	(2,311,982)	25,906,056
RETAINED EARNINGS, BEGINNING OF YEAR	209,752,186	36,356,371	(17,881,715)	(56,400,807)	382,697	14,496,962	186,705,694
RETAINED EARNINGS, END OF YEAR	\$223,473,379	\$39,403,263	(\$17,834,547)	(\$44,968,688)	\$353,363	\$12,184,980	\$212,611,750

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT
Supplemental Schedule - Combining Statements of
Cash Flows by Subfunds
FOR THE YEAR ENDED DECEMBER 31, 2001

	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Operating loss	(\$8,626,333)				(\$112,591)	(\$3,714,297)	(\$12,453,221)
Adjustments to reconcile operating income loss to cash flows from operating activities:							
Depreciation and amortization	8,983,213				96,259	49,986	9,129,458
Other income	1,624,713				34,276	3,094,977	4,753,966
Other expense		\$233,116	(\$498,997)	(\$426,918)	398	67,600	(624,801)
Decrease (increase) in:							
Taxes receivable	1,822,427		383,677		36,491		2,242,595
Accounts receivable	622,606		1,094,416	(103,960)			1,613,062
Interest receivable	113,682		(79,813)	105,201			139,070
Prepaid expenses	35,243		156,951	57		604	192,855
Parts and supplies	16,367						16,367
Interfund receivables	(4,163,106)	(2,651,894)				6,815,000	
Increase (decrease) in:							
Deposits payable	338,046	(582,592)			1,585		(242,961)
Accounts payable	571,769	1,199,006	6,918	(4,906)	(273)	(1,832,052)	(59,538)
Accrued salaries and benefits	(13,024)	(6,116)			1,463	2,121	(15,556)
Interest payable			116,710	(20,290)			96,420
Accrued vacation	1,976				(1,255)	(5,049)	(4,328)
Accrued liabilities							
Deferred revenue	4,147,446				(339)	(19,811)	4,127,296
Cash Flows from Operating Activities	5,475,025	(1,808,480)	1,179,862	(450,816)	56,014	4,459,079	8,910,684
CASH FLOWS FROM INVESTING ACTIVITIES							
Decrease in notes receivable	3,462						3,462
Investment income	3,107,784		163,211	2,137,264	45,548	(582,826)	4,370,981
Net Cash Used for Investing Activities	3,111,246		163,211	2,137,264	45,548	(582,826)	4,874,443
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Advalorem taxes received			857,653				857,653
Interfund transfers	(3,443,334)	2,813,776	(967,467)	2,863,612	(89,151)	(1,177,436)	
Cash Flows from Noncapital Financing Activities	(3,443,334)	2,813,776	(109,814)	2,863,612	(89,151)	(1,177,436)	857,653
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Additions to utility plant	(10,990,489)	(4,562,385)			(108,492)	(7,502,291)	(23,163,657)
Deferred debt issuance costs							
Principal payments on contracts and bonds payable			(1,097,548)	(2,188,682)			(3,286,230)
Proceeds from issuance of debt			16,463,454				16,463,454
Property and assessment taxes received	5,201,589				105,383		5,306,972
Facility capacity charges and surcharges	10,447,747		682,029	10,790,544			21,920,320
Water and wastewater surcharges	3,874,151			479,702			4,353,853
Interest paid			(193,792)	(4,365,804)	(13,197)		(4,572,793)
Cash Flows from Capital and Related Financing Activities	8,532,998	(4,562,385)	15,854,143	4,715,760	(16,306)	(7,502,291)	17,021,919
NET CASH FLOWS	13,675,935	(3,557,089)	17,087,402	9,265,820	(3,895)	(4,803,474)	31,664,699
Cash and cash equivalents at beginning of year	23,246,753	26,805,896	293,337	20,053,426	481,057	6,268,246	77,148,715
Cash and cash equivalents at end of year	<u>\$36,922,688</u>	<u>\$23,248,807</u>	<u>\$17,380,739</u>	<u>\$29,319,246</u>	<u>\$477,162</u>	<u>\$1,464,772</u>	<u>\$108,813,414</u>

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT
Supplemental Schedule - Combined Statements of
Revenues and Expenses - Budget and Actual
FOR THE YEAR ENDED DECEMBER 31, 2001

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Water sales	\$11,985,485	\$11,892,850	\$92,635
Reclaimed water reimbursement/sales	359,300	324,050	35,250
Wastewater sales	8,453,052	8,800,000	(346,948)
Wastewater services	115,315	106,075	9,240
Recreation fees	615,203	627,000	(11,797)
Water service	1,682,871	625,075	1,057,796
	<u>23,211,226</u>	<u>22,375,050</u>	<u>836,176</u>
OPERATING EXPENSES			
Operations and maintenance	10,784,586	13,580,597	2,796,011
General and administrative	1,590,712	1,621,799	31,087
Finance	2,746,338	2,947,676	201,338
Legal	676,037	830,560	154,523
Engineering	2,963,055	1,598,560	(1,364,495)
Electricity	2,803,161		(2,803,161)
Hydroelectric operations	3,704,471	2,421,412	(1,283,059)
Purchase of water	688,231		(688,231)
Recreation operations	578,398	668,845	90,447
	<u>26,534,989</u>	<u>23,669,449</u>	<u>(2,865,540)</u>
	<u>(3,323,763)</u>	<u>(1,294,399)</u>	<u>(2,029,364)</u>
NONOPERATING REVENUE (EXPENSE)			
Property taxes	5,306,972	4,575,060	731,912
Investment income	4,870,981	3,200,000	1,670,981
Facility capacity charges	20,216,038	10,070,352	10,145,686
Surcharges	6,058,135	1,535,700	4,522,435
USBR voter-approved taxes	857,653	788,290	69,363
Flood damage reimbursement	2,923,252	5,371,000	(2,447,748)
Other income	1,830,714	174,340	1,656,374
Interest expense	(4,572,793)		(4,572,793)
Amortization of bond costs and advance funding costs	(46,281)		(46,281)
	<u>37,444,671</u>	<u>25,714,742</u>	<u>11,729,929</u>
Excess of Budgeted Revenues Over Budgeted Expenses	<u>34,120,908</u>	<u>\$24,420,343</u>	<u>\$9,700,565</u>
Non-Budgeted Items			
Other expenses	(620,270)		
Depreciation	(9,129,458)		
NET INCOME (LOSS)	<u>\$24,371,180</u>		

See accompanying notes to general purpose financial statements

El Dorado Irrigation District
Adjusted Budget for the Fiscal Years ending
December 31, 1998, 1999, 2000 & 2001

	2001	2000	1999	1998
OPERATING REVENUES:				
Water sales	\$11,847,600	\$11,143,200	\$10,752,000	\$10,123,049
Reclaimed water reimbursement/sales	324,050	153,600	67,000	63,650
Wastewater sales	8,800,000	9,476,300	8,404,100	5,604,933
Wastewater services	149,450	45,500	105,700	38,250
Recreation fees	563,000	505,500	505,500	460,000
Water services	581,700	611,800	503,400	333,125
Hydroelectric power & water sales	450,250	0	0	0
Hydro - revenue loss reimbursement	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>971,878</u>
Total Operating Revenue	\$22,716,050	\$21,935,900	\$20,837,700	\$17,594,885
Total Operating Expenses (1):				
Operations and maintenance	\$11,232,717	\$11,425,496	\$11,648,980	\$10,808,386
General and administrative	1,992,785	1,613,119	1,561,306	1,532,002
Finance	3,056,949	3,030,539	3,066,748	3,232,059
Legal	953,763	1,060,606	947,349	683,465
Engineering	2,785,950	2,188,211	2,410,561	2,373,611
Electricity	2,240,300	1,615,000	1,864,150	1,773,141
Hydroelectric operations	2,520,213	1,909,843	2,003,182	995,371
Purchase of water	843,080	1,577,840	757,700	650,700
Recreation	<u>597,552</u>	<u>532,518</u>	<u>567,176</u>	<u>517,199</u>
Total Operating Expenses	\$26,223,309	\$24,953,172	\$24,827,152	\$22,565,934
OPERATING LOSS	(\$3,507,259)	(\$3,017,272)	(\$3,989,452)	(\$4,971,049)
OTHER INCOME (EXPENSE)				
FCC's	\$8,964,782	\$6,050,810	\$6,076,200	\$4,126,322
Water & Sewer Debt Surcharges [2]	2,641,270	2,534,500	3,480,400	3,185,091
USBR voter-approved taxes [3]	788,290	773,921	714,600	673,181
Property Taxes	4,575,060	4,261,500	3,999,300	3,772,380
Interest Revenue	3,200,000	3,276,150	3,086,600	3,935,984
Penalty / Interest on Assessments	0	0	0	409,000
Other Income	174,340	147,850	0	99,810
Flood Damage Reimbursement	5,030,000	3,716,200	2,508,100	0
Interest Expense	<u>0</u>	<u>0</u>	<u>(4,108,325)</u>	<u>(4,406,668)</u>
Total Other Income	\$25,373,742	\$20,760,931	\$15,756,875	\$11,795,100
NET INCOME	\$21,866,483	\$17,743,659	\$11,767,423	\$6,824,051

(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.

2001 5-year CIP Budget

	2001	2002	2003	2004	2005
WATER					
Weber Dam Reconstruction	\$4,000,000				
Reservoir Program	\$4,000,000				
Eng Water Facilities Improvements	\$528,000	500,000	500,000	500,000	500,000
Bass Lake Storage/Pipes/Pump Station	\$3,000,000				
Reservoir A Drying Beds	\$300,000				
Water Distribution System Improvements	\$270,144	500,000	500,000	500,000	500,000
EDH WTP Expansion	\$75,000	225,000	2,100,000		
EDH WTP 24" Raw Waterline				145,000	725,000
EDH WTP 30" Raw Waterline				135,000	687,500
Folsom Lake Intake & Booster PS Exp			100,000	360,000	1,800,000
Folsom Lake Intake PS - 4 MGD			75,000	225,000	1,500,000
Gold Hill Tank - 0.6 MG				45,000	225,000
Lassen 18" Waterline				250,000	1,250,000
Oakridge Pump Station	\$150,000	1,210,000			
Oakridge Pump Station Phase 2				240,000	1,200,000
Oakridge Water Storage Tank - 2 MG	\$97,000	880,000			
Promontory Tank and Pipeline	\$575,000	2,075,000			
Reservoir No. 10 Tank Conversion			187,500	937,500	
Replace Reservoirs Floating Covers			2,000,000	2,500,000	2,000,000
Silva Valley Parkway Transmission Line	\$70,000	326,000	2,397,000		
Silva Valley Rd Hwy 50 to Valley View			625,000	3,125,000	
Upper Valley View Tank - 2 MG				281,250	1,406,250
Other Water Projects	\$0	\$457,000	\$463,100	\$941,800	\$329,300
Total Water	\$13,065,144	\$6,173,000	\$8,947,600	\$10,185,550	\$12,123,050
WASTEWATER					
DCWWTP Phase II Expansion/Compliance	\$10,620,000	8,900,000			
DCWWTP Post Permit Appeal	\$300,000				
EDHWWTP CAP	\$0	300,000			
SCADA Phase II (includes 972714)	\$86,600	72,600	205,000	187,500	175,000
Mother Lode Force Main Repairs		200,000	200,000	200,000	
Sewer Collection Sys & I/I Improvements	\$308,000	200,000	200,000	200,000	
10" Recycled Line to Veneer Plant					500,000
DC Waterline Replacement/Road Repave	\$400,000				
DCWWTP Road Reconstruction	\$450,000				
El Dorado Pond Reconstruct, Phase II	\$350,000				
Green Valley Road Sewerline	\$150,000	125,000			
Lift Station "C", Gravity and Forcemain	\$360,000				
New York Creek 16" Forcemain	\$60,000	1,040,000			
New York Creek LS Exp to 2.14 MGD			700,000		
Rancho Ponderosa			150,000	150,000	
Reclaimed Water System Improvements			50,000	50,000	50,000
Silva Valley Parkway Trunk to EDHWWTP			100,000	600,000	1,500,000
St. Andrews Lift Station Expansion	\$950,000				
Other Wastewater Projects	\$0	\$20,000	\$20,000	\$20,000	\$20,000
Total Wastewater	\$14,034,600	\$10,857,600	\$1,625,000	\$1,407,500	\$2,245,000
GENERAL DISTRICT					
Hansen System Expansion	\$50,000	50,000	50,000	50,000	50,000
Sly Park Purchase	\$8,112,190				
New Headquarters Facility	\$510,891				
Other General District Projects	\$49,500	\$0	\$0	\$0	\$0
Total General District	\$8,722,581	\$50,000	\$50,000	\$50,000	\$50,000
RECREATION					
Sly Park Road Improvements	\$0	\$25,000			
Water System Upgrade	\$0	\$80,000	\$80,000	\$80,000	\$80,000
Park Management System	\$0	\$16,075			
Park Facility Enhancements	\$0	\$35,535			
Dock Facilities	\$0	\$60,495			
Total Recreation	\$0	\$217,105	\$80,000	\$80,000	\$80,000
Hydroelectric					
Project Renovation Tunnel	\$15,000,000	\$0			
ISO Interconnect		\$68,527			
Automate Spill Gates at Silver Lake		\$60,000			
Replace Flumes 39 & 40		\$522,000			
Replace Flume 41		\$1,384,000			
Total Hydroelectric	\$15,000,000	\$1,966,000	\$0	\$0	\$0
TOTAL 2001 5-YR CIP	\$50,822,325	\$19,263,705	\$10,702,600	\$11,723,050	\$14,498,050



El Dorado Irrigation District

Total Actual Revenue by Source 1992-2001

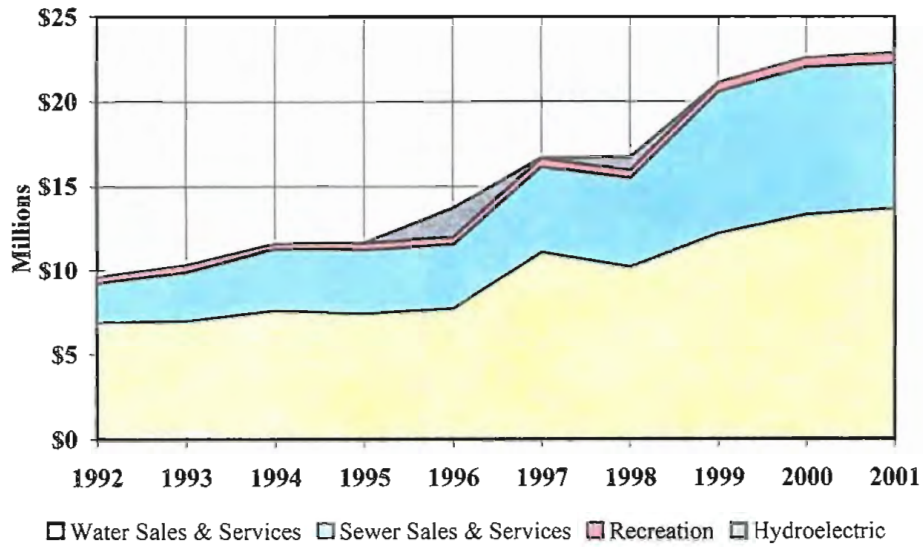
Revenue Source	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Water sales & services	\$13,668,356	\$13,297,855	\$12,202,225	\$10,209,773	\$11,089,042	\$7,726,939	\$7,427,931	\$7,600,236	\$6,991,262	\$6,914,903
Sewer sales & services	\$8,568,367	\$8,700,880	\$8,396,107	\$5,268,633	\$5,084,984	\$3,829,133	\$3,837,561	\$3,697,672	\$2,902,214	\$2,324,091
Reclaimed water reim-bursement & sales	\$359,300	\$106,435	\$234,304	\$106,045	-	-	-	-	-	-
Recreation	\$615,203	\$590,795	\$516,429	\$460,905	\$502,170	\$441,223	\$405,774	\$315,726	\$437,842	\$383,643
Hydroelectric	-	-	-	\$789,542	\$36,451	\$1,717,509	-	-	-	-
Facility capacity charges	\$20,216,038	\$11,651,265	\$9,582,702	\$5,404,752	\$5,691,123	\$2,954,937	\$2,054,747	\$5,927,901	\$443,815	\$4,502,616
Debt surcharges	\$6,058,135	\$3,028,138	\$3,848,999	\$3,503,528	\$2,471,779	\$2,357,220	\$1,477,168	\$1,833,862	\$917,436	\$1,653,941
Voter approved taxes	\$857,653	\$872,161	\$798,645	\$714,551	\$592,834	\$530,160	\$512,160	\$476,160	\$458,789	\$440,363
General property taxes	\$5,306,972	\$4,549,483	\$4,364,904	\$4,116,097	\$3,774,466	\$3,577,668	\$3,599,549	\$3,233,334	\$3,472,111	\$3,285,692
Investment income	\$4,870,981	\$5,157,355	\$2,786,610	\$3,796,313	\$4,492,656	\$4,613,297	\$2,811,719	\$2,035,855	\$2,318,402	\$2,718,890
Other income (Expense)*	\$4,087,415	\$12,542,167	\$2,435,997	(\$375,486)	\$2,870,345	\$37,299	(\$58,042)	(\$152,702)	\$330,975	\$1,301,049
TOTAL REVENUE	\$64,608,420	\$60,496,534	\$45,166,922	\$33,994,653	\$36,605,850	\$27,785,385	\$22,068,567	\$24,968,044	\$18,272,846	\$23,525,188

* Other Income (Expense) consists of the following: Other income, penalties & interest on assessments, Flood damage reimbursement, less: Amortization of bond costs and advance funding costs, less: other expense

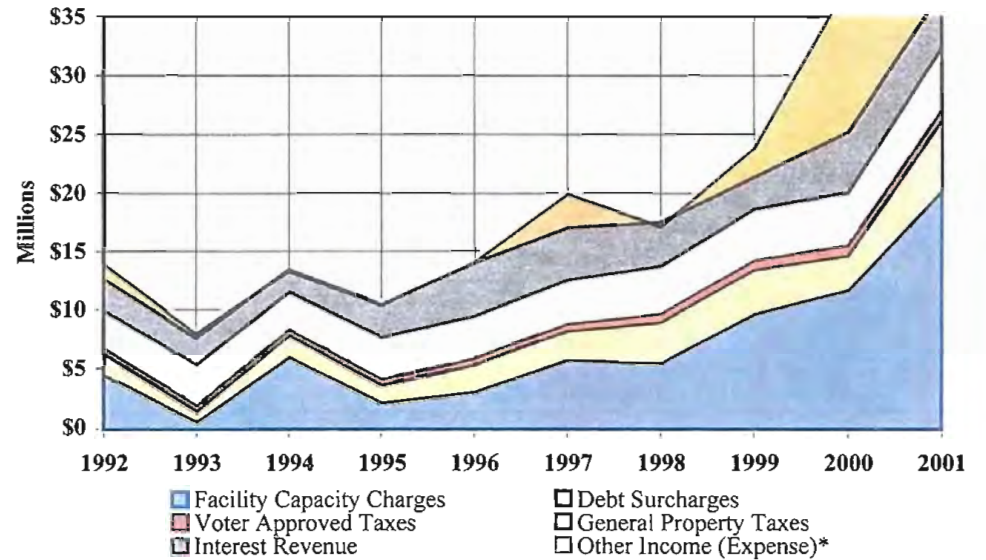
Total Revenues 1992 - 2001



Operating Revenues 1992 - 2001



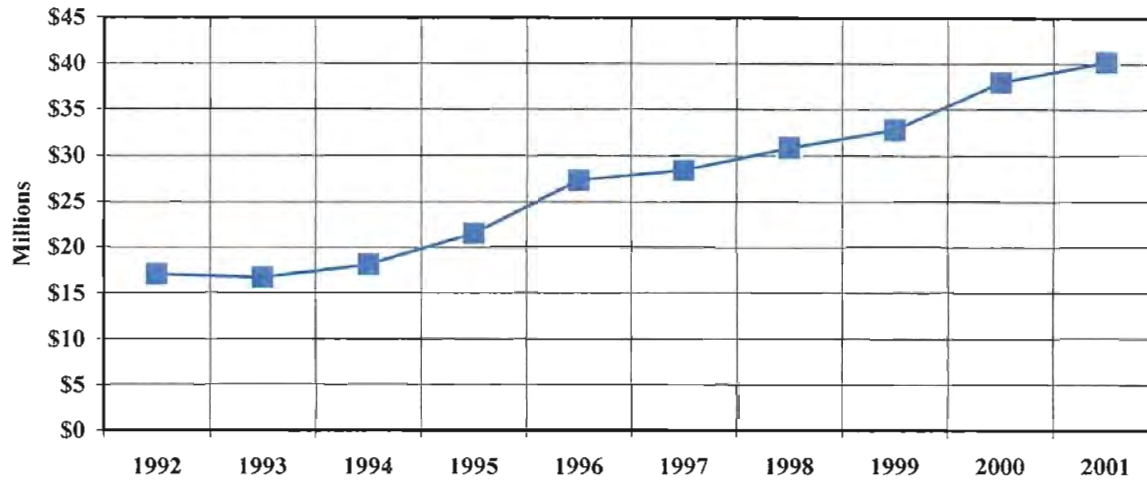
Other Revenues 1992 - 2001



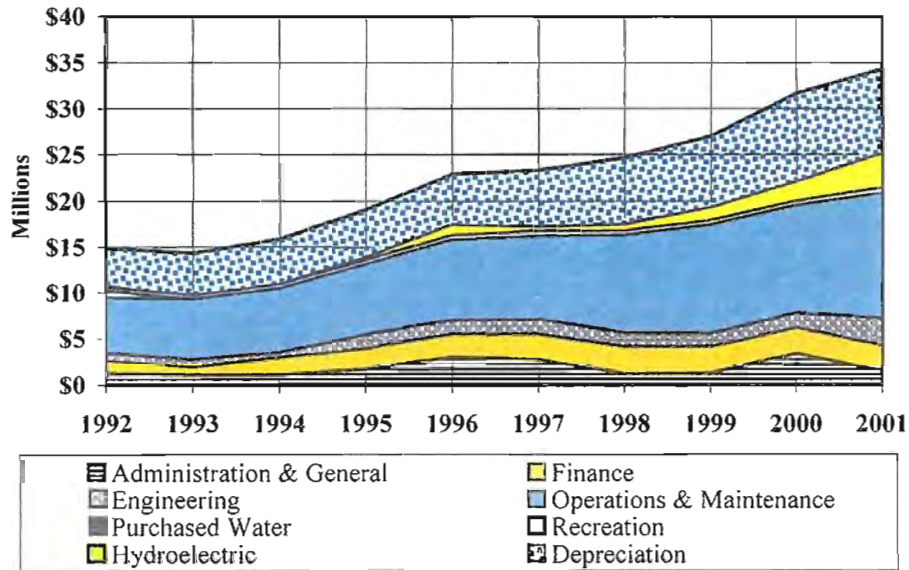
Total Actual Expenses by Function 1992-2001

Expense Source	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Administration & general	\$1,590,712	\$3,460,506	\$1,303,927	\$1,227,012	\$2,802,000	\$3,130,000	\$1,728,000	\$1,160,000	\$1,159,000	\$1,324,000
Finance	\$2,746,338	\$2,796,773	\$2,864,360	\$2,940,271	\$2,735,000	\$2,399,000	\$2,302,000	\$1,829,000	\$810,000	\$1,402,000
Engineering	\$2,963,055	\$1,593,153	\$1,519,994	\$1,509,079	\$1,637,000	\$1,560,000	\$1,541,000	\$571,000	\$836,000	\$844,000
Operations & maintenance (includes electricity)	\$13,587,747	\$11,709,093	\$11,753,461	\$10,653,760	\$9,066,000	\$8,741,000	\$7,649,000	\$7,012,000	\$6,533,000	\$5,947,000
Purchased water	\$688,231	\$1,422,119	\$653,534	\$585,393	\$499,000	\$560,000	\$492,000	\$377,000	\$215,000	\$157,000
Recreation	\$578,398	\$503,962	\$492,498	\$484,448	\$521,000	\$469,000	\$467,000	\$418,000	\$445,000	\$447,000
Legal	\$676,037	\$419,724	\$1,053,871	\$1,331,507	-	-	-	-	-	-
Hydroelectric	\$3,704,471	\$2,102,195	\$1,414,954	\$735,171	\$483,000	\$1,213,000	\$286,000	-	-	-
Depreciation	\$9,129,458	\$9,515,538	\$7,646,949	\$7,101,032	\$6,075,000	\$5,410,000	\$5,130,000	\$4,837,000	\$4,556,000	\$4,224,000
Interest Expense	\$4,572,793	\$4,471,684	\$4,094,840	\$4,324,879	\$4,667,000	\$3,866,000	\$2,008,000	\$2,035,000	\$2,281,000	\$2,851,000
TOTAL EXPENSE	\$40,237,240	\$37,994,747	\$32,798,388	\$30,892,552	\$28,486,000	\$27,348,000	\$21,603,000	\$18,239,000	\$16,835,000	\$17,196,000

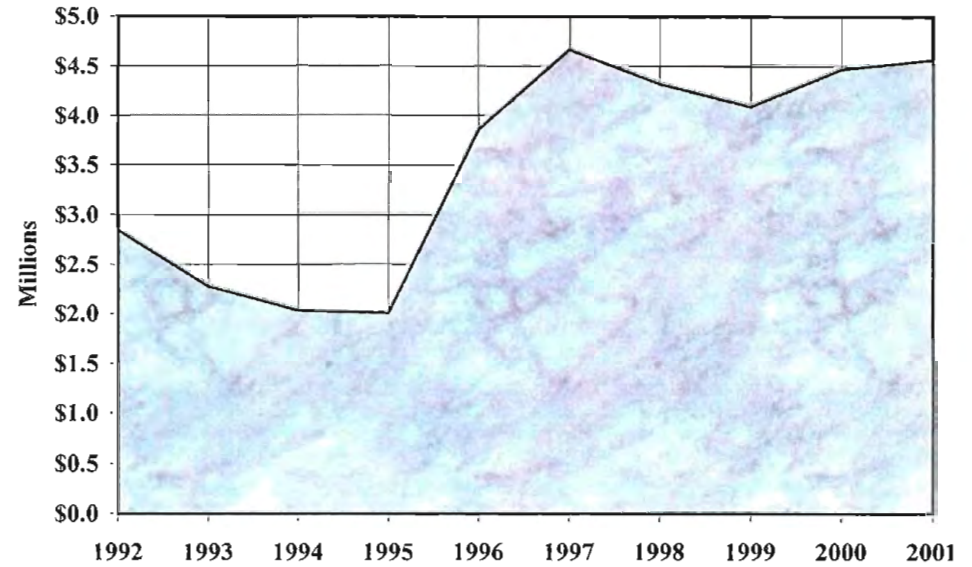
Total Expenses 1992 - 2001



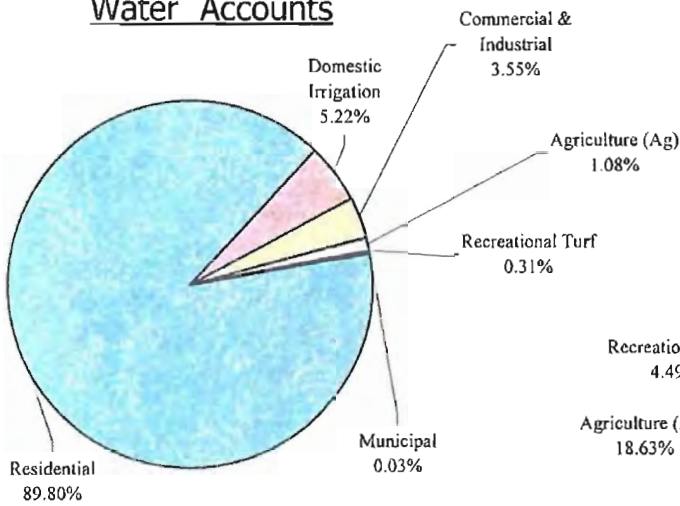
Operating Expenses 1992 - 2001



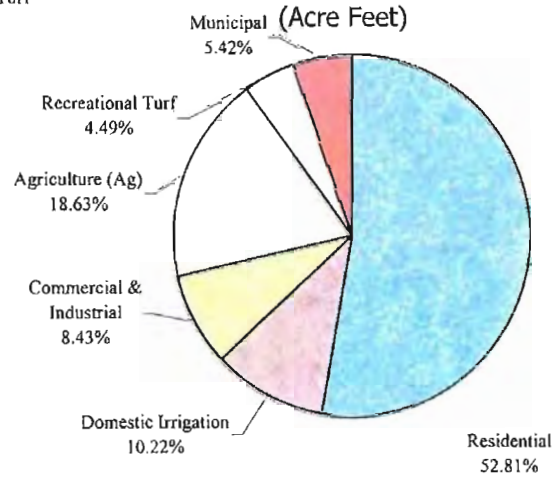
Interest Expense 1992 - 2001



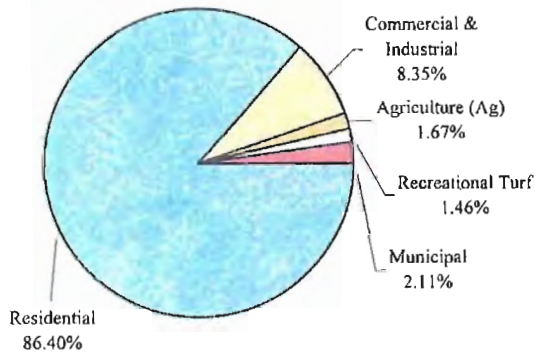
Water Accounts



Water Consumption



Sales Revenues



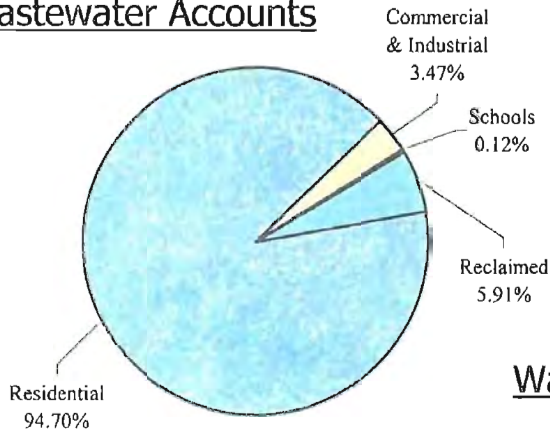
Water Customer Accounts For Fiscal Year Ended December 31, 2001

	Water Accounts	% of Total Water Accounts	Water Consumption (Acre Feet)	% of Total Consumption	Sales Revenues	% of Total Revenues
Residential	28,485	89.80%	16,275	52.81%	\$10,355,712 ⁽¹⁾	86.40%
Domestic Irrigation	1,657	5.22%	3,149	10.22%	-	-
Commercial & Industrial	1,125	3.55%	2,599	8.43%	1,001,183	8.35%
Agriculture (Ag)	342	1.08%	5,742	18.63%	200,391	1.67%
Recreational Turf	99	0.31%	1,383	4.49%	175,527	1.46%
Municipal	11	0.03%	1,669	5.42%	252,672	2.11%
TOTAL	31,719	100.00%	30,817	100.00%	\$11,985,485	100.00%

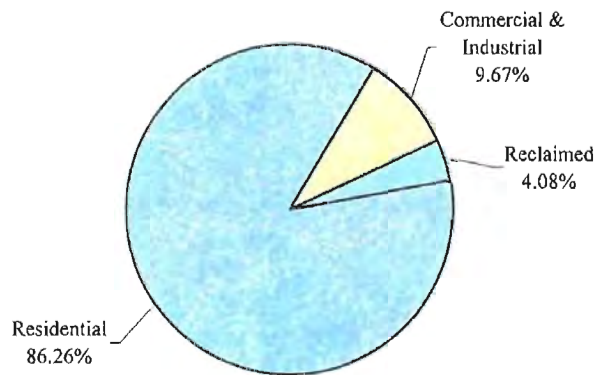
⁽¹⁾ Sales Revenues for Residential includes Domestic Irrigation

Sources: EID Consumption Report by Zone & User Category, and Year-end Revenue Report (unaudited)

Wastewater Accounts



Wastewater Revenues



Wastewater Customer Accounts For Fiscal Year Ended December 31, 2001

Category	Wastewater Accounts	% of Total Wastewater Accounts	Wastewater Revenues	% of Total Revenues
Residential	13,882	90.50%	\$7,601,143	86.23%
Commercial & Industrial	532	3.47%	\$851,909 ^[1]	9.70%
Schools	19	0.12%	-	-
Sub Total	14,433	94.09%	\$8,453,052	95.93%
Reclaimed	906	5.91%	\$359,300	4.07%
TOTAL	15,339	100.00%	\$8,812,352	100.00%

^[1] Schools included in Commercial & Industrial category

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

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
1991	\$20,068,337	\$14,275,844	\$5,792,493	\$ 4,283,262	1.35
1992	\$23,525,188	\$14,347,846	\$9,177,342	\$ 4,454,137	2.06
1993	\$18,272,846	\$14,557,618	\$3,715,228	\$ 4,087,684	0.91
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	\$64,608,420	\$35,664,447	\$28,943,973	\$7,869,092	3.68

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, Investment Income, and other non-operating income.
- [2] Operating costs include Operations and Maintenance, General/Administrative, Finance, Engineering, Hydroelectric, Purchased water, Recreation and depreciation 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 1998, 1999, 2000, 2001 and 2002 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	Moody's Median Water & Sewer 1995	EID Actual 1998	EID Actual 1999	EID Actual 2000	EID Actual 2001	EID Budgeted 2002
Water and Sewer Utility						
Interest Coverage	4.8	2.8	5.2	7.4	8.8	3.3
Debt Service Coverage	2.3	1.7	1.4	3.1	5.2	1.9
Debt Service Safety Margin (%)	20.5%	15.0%	13.2%	34.5%	50.5%	16.0%
Debt Ratio (%)	24.1%	31.5%	28.7%	26.1%	26.6%	20.3%

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 table on pages 6x and 6y. Debt Service Coverage for all debt (including Hydroelectric) is presented in the table on page 6z.

The Interest Coverage and Debt Service Coverage ratios demonstrate current and future debt repayment ability. In 1998, the 2.8 and 1.7 coverage ratios were below median as revenues declined slightly while operating expenses increased significantly due to the additional staffing and operational costs of the newly upgraded wastewater treatment plants. In addition, EID defeased the remaining \$2.5 million in outstanding bonds on its Assessment District #3. In 1999 the Interest Coverage Ratio rose to 5.2 from higher revenues due to a significant sewer rate increase and increased water consumption. However, the Debt Service Coverage Ratio declined in that year to 1.4 resulting from the District's early pay-off of \$8.3 million in State of California Safe Drinking Water Bond Law loans. 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 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. In 1998 the ratio declined to 15.0%, due to the increase in operating expenses discussed above. The Debt Service Safety Margin fell to 13.2% in 1999 due to the State loan pay-off but rose to 34.5% in 2000 due to significant flood damage reimbursements in that year and rose again to 50.5% in 2001 as a result of increased receipts of facility capacity charges and surcharges.

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 1998 through 2001. 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. Even with the issuance of an additional \$13.7 million in revenue bonds in 1999, this ratio has been declining since 1996, except for a slight rise in 2001, due to the other reductions in overall debt discussed earlier.

Debt Service Coverage 1996 and 1999 Revenue Bonds

	Budget 2000	Actual 2000	Budget 2001	Actual 2001
Revenues [1]	\$33,743,850	\$42,996,125	\$41,538,852	\$57,358,603
Operating Expenses [2]	\$23,376,587	\$20,040,257	\$21,318,021	\$25,180,146
Pre-existing Indebtedness [3]	<u>\$10,758</u>	<u>\$10,758</u>	<u>\$0</u>	<u>\$0</u>
Total Operating Expenses & Pre-existing Debt	\$23,873,345	\$20,051,015	\$21,318,021	\$25,180,146
Net Revenues Before Depreciation and 1996 & 1999 Bonds Debt Service	\$10,356,506	22,945,110	\$20,220,831	32,178,457
1996 Bond Debt Service	\$5,159,420	\$5,159,420	\$5,152,863	\$5,152,863
1999 Bond Debt Service	\$566,878	\$1,082,418	\$1,068,996	\$1,068,996
SRF Loans		\$167,237	\$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	\$5,887,400	\$6,054,637	\$6,717,436	\$6,717,436
Net Revenues After 1996 & 1999 Bonds Debt Service	\$6,039,433	\$16,890,472	\$13,503,395	\$25,461,022
Debt Service Coverage on 1996 & 1999 Bonds [4]	1.71	3.79	3.01	4.79

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 represents the ratio of net revenues before depreciation and debt service to 1996 and 1999 bonds Debt Service.

**Projected Debt Service Coverage
1996 and 1999 Revenue Bonds**

	Budgeted 2001	Escalating Factor	2002	2003	2004	2005
Revenues						
Water Sales	\$11,847,600	2.30% ^[1]	12,120,095	\$12,398,857	\$12,684,031	\$12,975,763
Water Service	581,700	2.30% ^[1]	595,079	608,766	622,768	637,091
Wastewater Sales and Service	8,949,450	4.91% ^[1]	9,388,868	9,849,861	10,333,490	10,840,864
Recycled Water Sales	324,050	4.91% ^[1]	339,961	356,653	374,165	392,536
Hydroelectric	450,246		0	1,249,729	1,987,852	2,057,206
Water FCCs	4,570,060	2.30% ^[1]	4,675,171	4,782,700	4,892,702	5,005,235
Sewer FCCs	5,500,292	4.91% ^[1]	5,770,356	6,053,681	6,350,917	6,662,747
Sewer Surcharges	820,000	4.91% ^[1]	860,262	902,501	946,814	993,302
Water Surcharges	715,700	2.30% ^[1]	732,161	749,001	766,228	783,851
Interest Income	3,200,000	varies	3,200,000	3,300,000	3,500,000	3,400,000
Other Income	174,340	0.00%	170,800	140,000	140,000	125,100
Total Revenues	\$37,133,438		\$37,852,754	\$40,391,749	\$42,598,965	\$43,873,695
Maintenance and Operation Costs						
Operations and Maintenance	\$14,761,389	3.00%	\$15,204,231	\$15,660,358	\$16,130,168	\$16,614,073
General and Administrative	1,621,799	3.00%	1,670,453	1,720,567	1,772,184	1,825,349
Finance	2,957,435	3.00%	3,046,158	3,137,543	3,231,669	3,328,619
Legal	830,560	3.00%	855,477	881,141	907,575	934,803
Engineering	1,598,560	3.00%	1,646,517	1,695,912	1,746,790	1,799,193
Hydroelectric	2,431,350	3.00%	2,501,175	2,576,210	2,653,497	2,733,101
Property Taxes	(1,340,838)	4.00% ^[3]	(1,120,890)	(1,165,726)	(1,212,355)	(1,260,849)
Total Maintenance and Operation Costs	\$22,860,256		\$23,803,120	\$24,506,005	\$25,229,528	\$25,974,290
NET REVENUES BEFORE DEPRECIATION AND DEBT SERVICE	\$14,273,183		\$14,049,633	\$15,885,744	\$17,369,437	\$17,899,405
Debt Service						
1996 Bond Debt Service	\$5,152,863		\$5,152,863	\$5,150,711	\$5,147,448	\$5,147,984
1999 Bond Debt Service	1,068,996		1,068,996	1,066,979	1,069,049	1,069,986
EDA Loan	161,102		161,102	161,102	161,102	161,102
State Loan Principal and Interest	334,474		314,824	314,824	314,824	314,824
LaSalle Bridge Loan	0		314,824	314,824	314,824	314,824
Total Debt Service	\$6,717,435		\$7,012,608	\$7,008,440	\$7,007,246	\$7,008,719
Funds Available after Debt Service	\$7,555,748		\$7,037,025	\$8,877,304	\$10,362,191	\$10,890,686
DEBT SERVICE COVERAGE	2.12		2.00	2.27	2.48	2.55
Subordinate Debt Service						
Texas Hill Land Purchase [4]	\$500,000					
Funds Available for Capital Improvements, Rate Stabilization and Other Lawful Purposes	\$7,055,748		\$7,037,025	\$8,877,304	\$10,362,191	\$10,890,686

[1] Percent escalation is based on 2000 Annual Financial Plan.

[2] Source: Revenue Analysis May 2002 Through December 2004, Barakat Consulting, June, 2001 (Average Weather Option).

[3] Per Board policy, 2% of the property tax revenues go to the Recreation Fund; of the remaining, 25% is allocated to offset operations.

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

Status of 1996 Revenue Bond Financed Projects as of December 31, 2001

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><small>Note: This project also received \$1 million in capitalization interest from the 1996 Revenue Bonds</small></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	\$19,985,173	99.9%

Status of 1996 Revenue Bond Financed Projects as of December 31, 2001

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. Actual transfer will take about 24 months.</p>	\$4,000,000 [2]	\$124,776	3.1%
<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 construction began in November, 2001.</p>	\$6,478,332 [3]	\$3,298,428	50.9%

[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 \$3,778,332 in interest earnings for a total funding of \$6,478.332.

Status of 1999 Revenue Bond Financed Projects as of December 31, 2001

Project Description and Status	'99 Bonds Proceeds Funding [1]	Capital Expenditures	% of Bond Funding
<p>Weber Dam Reconstruction</p> <p>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. The District contracted with URS Engineers to prepare construction plans to reinforce the dam with roller compacted concrete. Bids for construction are expected to be opened in March 2001 with construction expected to commence in the Spring of 2001.</p>	\$4,000,000	\$0	0%
<p>Deer Creek Wastewater Treatment Plant – Expansion/Compliance</p> <p>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 is expected to be completed in 2001.</p>	\$5,800,000	\$4,838,147	83.4%
<p>Administrative Facilities Project</p> <p>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. Existing facilities at the plant were not sufficient to support the current and anticipated future administrative activities of the plant operators and maintenance personnel. 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. Final design commenced in October 1999, with completion expected in early 2001. Construction should be completed in 2002.</p>	\$3,551,910[2]	\$123,580	3.5%

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

[2] Original funding for the administrative facilities project was \$2,500,000 in bond proceeds. This project subsequently received \$1,051,910 in interest earnings for a total funding of \$3,551,910.

El Dorado County
Secured Assessed Valuation and Tax Collection Record
 County Fiscal Years Ending June 30, 1991 – 2002

Fiscal Year	Total Secured Assessed Valuation	Secured Property Tax Levy	Taxes Collected	Rate of Tax Collections	District Allocations in Corresponding Calendar Year [1]
1990-91	\$7,375,753,132	\$82,680,762	\$82,098,105	99.30%	\$2,624,023
1991-92	\$8,290,353,197	\$92,645,476	\$91,172,077	98.41%	\$3,258,635
1992-93	\$8,893,792,624	\$99,608,422	\$97,183,833	97.57%	\$3,285,692
1993-94	\$9,351,606,616	\$104,753,902	\$101,441,288	96.84%	\$3,472,111
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 [3]	\$14,657,565,287	\$143,148,392	-	-	\$4,434,471
2001-02 [3]	-	-	-	-	\$4,921,367

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.

[3] Taxes Collected & Rate of Tax Collections for Fiscal Year 2000-01 were not available at the time this report was published. In addition, 2001-02 Total Secured Assessed Valuation, Secured Property Tax Levy, Taxes Collected and Rate of Tax Collections were not available at the time this report was published.

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.

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 ^[3]
1989-90	\$1,025,680,424	.0597	\$611,859
1990-91	\$1,331,361,036	.0396	\$527,591
1991-92	\$1,540,803,410	.0352	\$542,612
1992-93	\$1,648,307,494	.0327	\$538,331
1993-94	\$1,717,548,030	.0322	\$552,701
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

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.
- [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.
- [3] Collections/Debt Payments include debt service principal and interest, and a pro-rata allocation of the County Property Tax Administrative Reimbursement Fee.

Special Assessment District Collections ^[1]

Fiscal Year	Assessment District #3 ^[5]	Assessment District #4 ^[6]	Improvement Districts ^[2]	Maintenance Collections ^[3]	Miscellaneous Collections ^[4]
1989-90	\$1,399,446	\$93,872	\$23,061	\$10,363	\$8,490
1990-91	\$1,361,547	\$94,489	\$17,850	\$13,640	\$26,011
1991-92	\$1,131,877	\$92,392	\$15,795	\$15,782	\$3,860
1992-93	\$1,326,955	\$91,390	\$1,994	\$17,449	\$19,910
1993-94	\$792,226	\$36,825	-	\$15,952	\$15,989
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

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, 1991 – 2002

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
1990-91	1.000%	.0461%	.0387%	.0550%	.0396%	.0256%	1.2050%
1991-92	1.000%	.0407%	.0498%	.0370%	.0352%	.0212%	1.1839%
1992-93	1.000%	.0414%	.0250%	.0355%	.0327%	.02035%	1.1549%
1993-94	1.000%	.0482%	.0161%	.0352%	.0322%	.0214%	1.1531%
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 [4]	-	-	-	-	.0327%	-	-

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.
- [4] General Property Tax Levy, State Assessed Unitary Value Properties, School Districts, Special Districts and EID Sanitation Districts were not available at the time this report was published.

Demographics and Statistical Summary

Water	2001	2000	1999	1998	1997
Facilities:					
Miles of Main Line (estimated)	1,150	1,150	1,111	1,111	1,100
Miles of Ditches (estimated)	40	40	50	50	70
Number of Treatment Plants	6	6	6	6	7
Total Plant Capacity (cfs)	190	147	123	123	123
Number of Pumping Stations	21	21	21	21	21
Number of Storage Reservoirs	33	33	26	26	26
Supply (Acre Feet Delivered):					
USBR-Sly Park Reservoir	23,280	17,492	19,163	18,421	30,934 [1]
USBR-Folsom Lake	7,136	6,436	6,138	4,960	4,579
Forebay	13,859	10,253	9,495	5,947	1,220 [1]
Crawford Ditch	700	700	700	700	700
Total Supply	44,975	34,881	35,496	30,028	37,433
Water Customer Accounts:					
<i>Contiguous Zones</i>					
Residential [3]	30,142	28,934	27,928	27,349	26,413
Commercial & Industrial	1,125	1,099	1,067	1,035	1,003
Agricultural	342	372	356	331	337
Recreational Turf	99	97	93	92	88
Municipal	11	10	9	9	9
Total Contiguous	31,719	30,512	29,453	28,816	27,850
<i>Satellite Zones</i>					
Residential [2]	182	316	312	313	546
Commercial	5	5	5	5	5
Agricultural	0	0	3	3	10
Total Satellites	187	321	320	321	561
Total Accounts	31,906	30,833	29,790	29,137	28,411
Consumption (acre feet):					
<i>Contiguous Zones</i>					
Residential [3]	19,424	18,031	18,059	14,673	17,711
Commercial & Industrial	2,599	2,353	2,447	1,976	2,379
Agriculture	5,742	5,950	6,153	5,255	6,595
Recreational Turf	1,383	2,044	2,028	1,270	1,884
Municipal	1,669	1,637	1,575	1,464	1,548
Total Contiguous	30,817	28,378	28,687	23,174	28,569
<i>Satellite Zones</i>					
Residential [1]	45	37	43	36	105
Agricultural	14	8	35	26	35
Commercial	0	0	4	5	5
Total Satellites	59	45	82	67	145
Total Consumption	30,876	28,423	28,769	23,241	28,714
Source: Consumption Report and Facilities Maintenance Dept.					

[1] Due to Jan. 1997 Floods, water delivery will be different than in past years.

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

[3] Includes Domestic Irrigation customers

Demographics and Statistical Summary

Wastewater	2001	2000	1999	1998	1997
Facilities:					
Miles of Sewer Line	300	300	300	300	300
Number of Treatment Plants	5	5	5	5	5
Plant Capacity-Dry Weather (mgd)	6.60	6.60	4.20	4.20	4.20
Plant Capacity-Wet Weather (mgd)	7.50	7.50	7.50	7.50	7.50
Avg. Dry Weather Daily Plant Flow (mgd)	4.74	4.74	3.50	3.50	3.70
El Dorado Hills Plant (mgd)	1.65	1.79	2.30	2.30	1.40
Deer Creek Plant (mgd)	2.27	2.95	2.30	2.30	2.30
Number of Lift Stations	58	57	50	50	50
Customer Accounts (Active):					
Residential	13,882	13,264	12,130	11,765	11,221
Commercial & Industrial	532	511	550	453	435
Schools	19	19	20	19	17
Total Wastewater Accounts	14,433	13,794	12,700	12,237	37,433
Total Recycled Water Accounts	906	454	106	41	43
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: ELD Sewer Liability Report and Facilities Maintenance Dept.					

Recreation	2001	2000	1999	1998	1997
Number of Day Visits	90,865	85,735	83,206	80,688	89,491
Number of Overnight Campers	90,971	99,700	77,903	62,516	64,291
Boat Use	12,762	11,278	11,090	12,444	15,038
Museum Visitors	1,580	1,475	1,360	1,340	1,280
Guided Hikes	8	11	10	22	32
Fish Plants	6	6	6	8	7
Volunteer Hours	4,500	4,000	3,800	5,520	13,600
Museum Volunteer Hours	500	515	500	500	445
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	2.5 permit rating Deer Creek	1.6 permit rating El Dorado Hills
1992	2.73	1.85	0.88
1993	2.95	1.94	1.01
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

Source: EID Sewer Liability Report

[1] Flows adjusted based upon updated meter calibration. (mgd) – Millions of Gallons Per Day.

Annual District Water Allocations and Actual Deliveries

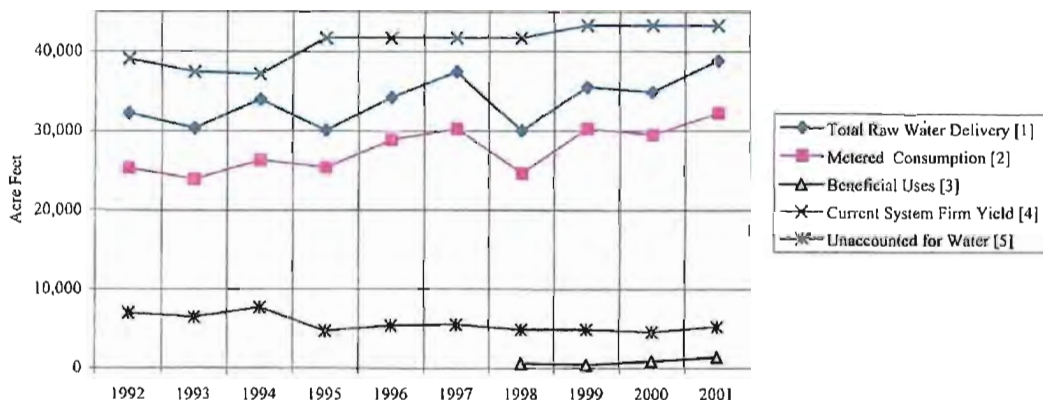
Year ending Dec 31	Acre-Feet Allocated					Acre-Feet Delivered				
	Sly Park	Folsom	Crawford	Forebay	Total	Sly Park	Folsom	Crawford	Forebay	Total
1991	23,000	1,875 ^[1]	700	15,080	40,655	13,971	2,020	700	13,951	30,642
1992	23,000	2,266 ^[1]	700	15,080	41,046	16,968	2,306	700	12,246	32,220
1993	23,000	7,550	700	15,080	46,330	26,353	2,066	700	1,205	30,324
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	46,300	18,420	4,960	700	5,947	30,027
1999	23,000	7,550	700	15,080	46,300	19,163	6,138	700	9,495	35,496
2000	23,000	7,550	700	15,080	46,300	17,492	6,436	700	10,253	34,881
2000	23,000	7,550	700	15,080	46,300	23,280	7,136	700	7,730	38,846

Source: EID Monthly Raw Water Delivery 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.

Water Supply and Demand Trends 1992-2001



Water Supply and Demand Data in Acre Feet

Year	Total Raw Water Delivery [1]	Metered Consumption [2]	Beneficial Uses [3]	Current System Firm Yield [4]	Unaccounted for Water [5]
1992	32,220	25,273		39,050	6,947
1993	30,324	23,897		37,400	6,427
1994	33,970	26,307		37,150	7,663
1995	30,062	25,373		41,700	4,689
1996	34,199	28,846		41,700	5,353
1997	37,438	30,263		41,700	5,485
1998	30,027	24,638	560	41,700	4,829
1999	35,496	30,262	405	43,280	4,829
2000	34,882	29,488	870	43,280	4,524
2001	38,846	32,231	1,398	43,280	5,217

Source: EID 2002 Update to the Water Supply & Demand Report.

- [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.

Historic Rate Increases ^[1]

Year	Water	Wastewater
1992	0.0%	0.0%
1993	0.0% ^[2]	25.0%
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% ^[2]	0.0%

Source: El Dorado Irrigation District

[1] Percentage increases shown are for Residential Accounts.

[2] Although water rates were adjusted in 1993 & 2001, the overall adjustment was revenue neutral.

District Growth History of New Equivalent Dwelling Units (EDU's) ^[1]

Year	Water	Wastewater
1992	839	712
1993 ^[2]	202	72
1994	811	711
1995	341	265
1996	461	274
1997	771	658
1998	821	692
1999	860	956
2000	1099	798
2001	1,819	2,189

Source: EID Customer Service Division of Finance Department

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

[2] Recession year, lowest year, lull in construction.

Building Permit Valuations for EID Service Area

	1995	1996	1997	1998	1999	2000	2001
Valuations (in thousands):							
Residential	\$100,606	\$152,555	\$138,377	\$169,862	\$239,861	\$303,566	\$364,150
Non-Residential	\$21,378	\$15,374	\$20,193	\$19,739	\$36,517	\$34,408	\$38,013
Total	\$121,984	\$167,929	\$158,570	\$189,601	\$276,378	\$337,974	\$402,163
New Dwelling Units (Issued):							
Single Family	604	805	745	662	890	1,117	1,135
Multi-Family	0	300	0	152	140	4	745
Total	604	1,105	745	814	1,030	1,121	1,880

Source: El Dorado County Land Mgmt. Information System

New Construction Finals for EID Service Area

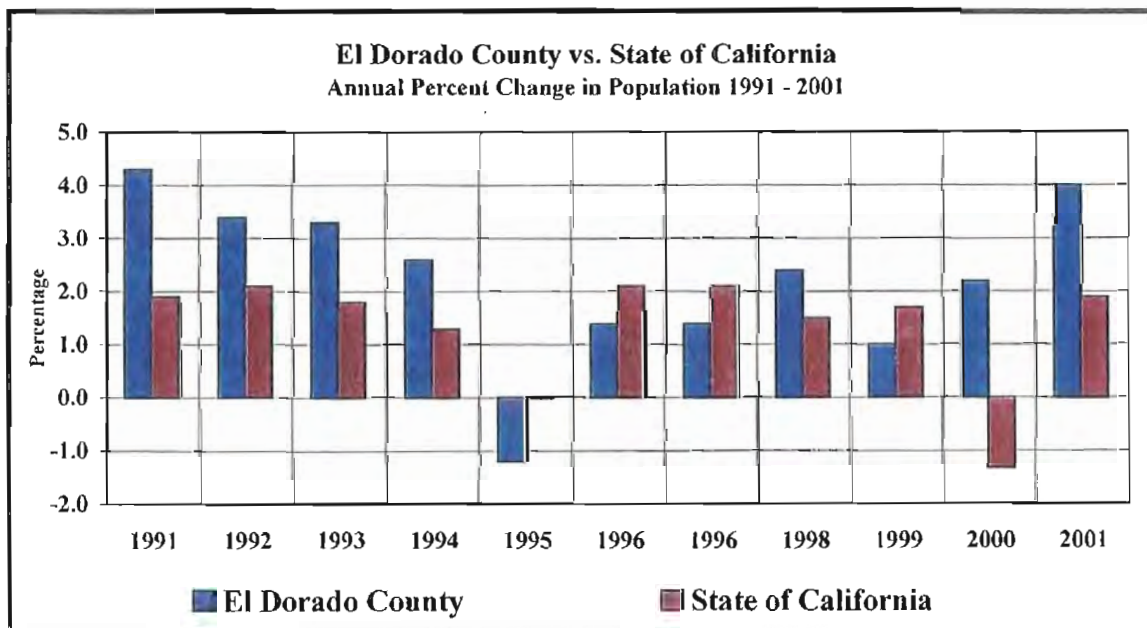
	1995	1996	1997	1998	1999	2000	2001
Single Family	620	645	727	659	690	748	1,170
Multi-Family	2	82	169	141	136	72	0
Commercial	10	54	61	63	59	61	64
Total	632	781	957	863	885	881	1,234

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%
1985	104,707	-		26,072,000	-	
1986	108,100	3.1%		26,694,000	2.3%	
1987	113,200	4.5%		27,331,000	2.3%	
1988	116,700	3.0%		27,996,000	2.4%	
1989	125,100	7.2%		28,701,000	2.5%	
1990	125,995	0.7%	46.8%	29,760,021	3.6%	25.7%
1991	131,700	4.3%		30,321,000	1.9%	
1992	136,300	3.4%		30,982,000	2.1%	
1993	140,900	3.3%		31,552,000	1.8%	
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%	

Source: U.S. Census for 1960, 1970, 1980, 1990 and 2000, State of California, Census County Rankers (estimates) for all other years.



El Dorado County Major Employers

Company Name	Location	Type of Business	# of Emp
El Dorado County	El Dorado County	Government	1,790
Output Technology Solutions	El Dorado Hills	Data Processing	1,272
Raley's	Placerville/El Dorado Hills	Grocery	747
Marshall Hospital	Placerville	Healthcare	654
County Office of Education	Placerville	Education	512
Roebbelen/Kleeman Const.	El Dorado Hills	General Contractor	480
DST Innovis, Inc.	El Dorado Hills	Billing Service	430
Serrano Associates LLC	El Dorado Hills	Developer	241
<i>El Dorado Irrigation Dist.</i>	<i>Placerville</i>	<i>Special District</i>	<i>212</i>
Doug Veerkamp Gen. Eng.	Placerville	Construction	200
El Dorado Savings Bank	Placerville	Banking	166
Sierra Pacific Industries	Camino	Lumber Manufacturing	143

Source: Sacramento Business Journal 11/23/01

Number of Employees by Industry in El Dorado County

Industry	# of Emp
Services	15,000
Trade	10,800
Retail Trade	9,800
Government	9,000
Construction & Mining	4,000
Finance, Insurance & Real Estate	1,600
Manufacturing	2,500
Transportation/Public Utility	1,200
Farming	400

Source: 2000 EDD Annual Avg. Labor Force and Industry Employment Report.

Year 2001 statistics not available per EDD and Census reports.

Civilian Labor Force Employment & Unemployment

Year and Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
1992:				
County of El Dorado	68,000	62,500	5,500	8.1
California	15,187,000	13,805,000	1,382,000	9.1
United States	126,982,000	117,598,000	9,384,000	7.4
1993:				
County of El Dorado	66,900	61,100	5,800	8.6
California	15,187,000	13,883,900	1,415,900	9.3
United States	130,667,000	121,971,000	8,696,000	6.7
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

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	1.85%
2	Serrano Associates LLC	1.52%
3	Sierra Pacific Industries	0.35%
4	Lake Oaks Mobile Home Park	0.33%
5	Sierra Pacific Industries	0.31%
6	Cameron Park Mobile Home Park	0.23%
7	Cameron Park Golf Course	0.22%
8	Fuller-Sunset Mobile Home Park	0.21%
9	Cameron Oaks Investment Company	0.21%
10	Hidden Springs Mobile Home Park	0.20%
Top Ten Wastewater Customers		
	Customer Name	% of Total Revenue
1	Lake Oaks Mobile Home Park	1.10%
2	Cameron Park Mobile Home Park	0.90%
3	Cameron Oaks Investment Company	0.85%
4	Crestview Mobile Home Park	0.57%
5	PW Pipe	0.49%
6	Diamond Springs Mobile Home Park	0.40%
7	Cameron Park Village	0.38%
8	Westwood Mobile Home Park	0.37%
9	Bridge-Cameron Park LP	0.36%
10	Fuller-Sunset Mobile Home Park	0.35%
Source: El Dorado Irrigation District Data Base		

Water Rates

Retail:

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

* Multi-Family Residential customer although being grouped into Retail, will pay the Basic Charge for the ¾-inch meter, times the number of units.

	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 (1½-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
Strawberry-Pumped (29)	Bi-Monthly Basic Charge	\$27.16 Minimum

Small Farms:

_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

Water Rates

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

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

Water Rates

Domestic Irrigation:

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

Gravity	2001 11/1/01	2003 1/1/03	2004 1/1/04
Basic Charge (5/8, 3/4")	\$32.99	\$27.78	\$22.58
Basic Charge (1")	\$32.99	\$27.78	\$22.58
Basic Charge (1½")	\$33.37	\$28.54	\$23.71
Basic Charge (2")	\$33.74	\$29.28	\$24.83
Basic Charge (3")	\$34.57	\$30.94	\$27.32
Basic Charge (4")	\$35.48	\$32.76	\$30.05
Basic Charge (6")	\$36.49	\$34.78	\$33.06
Basic Charge (8")	\$38.80	\$39.40	\$40.01
0 – 1,760 cf (residential)	\$0.59 per ccf	\$0.59 per ccf	\$0.55 per ccf
1,761 – 6,500 cf	\$0.24 per ccf	\$0.40 per ccf	\$0.55 per ccf
6,501 – 100,000 cf	\$0.26 per ccf	\$0.43 per ccf	\$0.59 per ccf
100,001 – excess cf	\$0.31 per ccf	\$0.50 per ccf	\$0.69 per ccf

Pumped	2001 11/1/01	2003 1/1/03	2004 1/1/04
Basic Charge (5/8, 3/4")	\$35.95	\$29.26	\$22.58
Basic Charge (1")	\$35.95	\$29.26	\$22.58
Basic Charge (1½")	\$36.33	\$30.02	\$23.71
Basic Charge (2")	\$36.70	\$30.76	\$24.83
Basic Charge (3")	\$37.53	\$32.42	\$27.32
Basic Charge (4")	\$38.44	\$34.24	\$30.05
Basic Charge (6")	\$39.45	\$36.26	\$33.06
Basic Charge (8")	\$41.76	\$40.88	\$40.01
0 – 1,760 cf (residential)	\$0.67 per ccf	\$0.67 per ccf	\$0.62 per ccf
1,761 – 4,500 cf	\$0.33 per ccf	\$0.47 per ccf	\$0.62 per ccf
4,501 – 46,500 cf	\$0.36 per ccf	\$0.51 per ccf	\$0.67 per ccf
46,501 – excess cf	\$0.44 per ccf	\$0.61 per ccf	\$0.79 per ccf

Water Rates

RECREATIONAL TURF SERVICES:

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 its rate annually until it reaches the Retail rate.”

Gravity	11/1/01	01/01/03	01/1/04
Basic Charge (5/8, 3/4")	\$58.53	\$40.56	\$22.58
Basic Charge (1")	\$58.53	\$40.56	\$22.58
Basic Charge (1½")	\$58.90	\$41.30	\$23.71
0 – 13,300 cf	\$0.37 per ccf	\$0.46 per ccf	\$0.55 per ccf
13,301 – 75,000 cf	\$0.39 per ccf	\$0.49 per ccf	\$0.59 per ccf
75,001 – excess cf	\$0.46 per ccf	\$0.58 per ccf	\$0.69 per ccf

Gravity	11/1/01	01/1/03	01/1/04
Basic Charge (2")	\$59.28	\$42.06	\$24.83
Basic Charge (3")	\$60.11	\$43.72	\$27.32
0 – 37,500 cf	\$0.37 per ccf	\$0.46 per ccf	\$0.55 per ccf
37,501 – 166,700 cf	\$0.39 per ccf	\$0.49 per ccf	\$0.59 per ccf
166,001 – excess cf	\$0.46 per ccf	\$0.58 per ccf	\$0.69 per ccf

Gravity	11/1/01	01/1/03	01/1/04
Basic Charge (4")	\$61.02	\$45.54	\$30.05
Basic Charge (6")	\$62.02	\$47.54	\$33.06
Basic Charge (8")	\$64.34	\$52.18	\$40.01
0 – 500,000 cf	\$0.37 per ccf	\$0.46 per ccf	\$0.55 per ccf
500,001 – 1,666,700 cf	\$0.39 per ccf	\$0.49 per ccf	\$0.59 per ccf
1,666,701 – excess cf	\$0.46 per ccf	\$0.58 per ccf	\$0.69 per ccf

Water Rates

RECREATIONAL TURF SERVICES (con't):

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 (1½")	\$65.58	\$44.64	\$23.71
0 – 25,000 ccf	\$0.53 per ccf	\$0.57 per ccf	\$0.62 per ccf
25,001 – 62,500 ccf	\$0.56 per ccf	\$0.62 per ccf	\$0.67 per ccf
62,501 – excess ccf	\$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 ccf	\$0.53 per ccf	\$0.57 per ccf	\$0.62 per ccf
50,001 – 333,300 ccf	\$0.56 per ccf	\$0.62 per ccf	\$0.67 per ccf
333,301 – excess ccf	\$0.65 per ccf	\$0.72 per ccf	\$0.79 per ccf

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		
(WA) Water Service	Bi-Monthly Basic Charge	\$00.0 Minimum
(MU) City of Placerville	0 - 295,500 ccf	0.31 Per 100 Cubic Feet
	295,501 - 12,160,000 ccf	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)		
(FH) Fire Hydrant/Construction Service	Bi-Monthly Basic Charge	\$50.16 Minimum
		\$1.00 Per 100 Cubic Feet
(CM) Fire Hydrant/Reclaimed Lines		\$77.86 Minimum
		0.45 Per 100 Cubic Feet

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

Recycled Water Rates

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

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

<u>SINGLE FAMILY RESIDENTIAL /MULTI-FAMILY (SQ)</u>	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 (see "SEWER" in Section 2).		

<u>COMMERCIAL / INDUSTRIAL (SW)</u>		
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

<u>COMMERCIAL (Without Water Service)</u>		
Basic Charge (CW)	\$45.34	
Each Addition Unit	\$51.74	

<u>SCHOOL WASTEWATER (Yearly) (SW)</u>	\$3.07	Per Student & Staff

<u>SEPTAGE TRANSFER (SW)</u>	\$109.59	Per 1000 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:

	<u>\$ AMOUNT</u>
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.

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 each unit per monthly, 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 01, 2001.

Facility Capacity Charges, Surcharges and Supplemental Charges for 2001

Area	Water	Wastewater
El Dorado Hills		
FCC (water effective 6/13/92, sewer effective 3/21/00)	\$ 4,101.00	\$ 6,069.00
Gabbro Soil	\$ 345.00	-
Reservoir Cover Project	\$ 219.00	-
AD#3 Supplemental Charge	\$ 2,101.00	\$ -
TOTAL	\$ 6,766.00	\$ 6,069.00
Cameron Park		
FCC (water effective 6/13/92, sewer effective 3/20/00)	\$ 4,646.00	\$ 7,393.00
Gabbro Soil	\$ 345.00	-
Reservoir Cover Project	\$ 219.00	-
Gold Hill Surcharge	\$ 0.00	-
TOTAL	\$ 5,210.00	\$ 7,393.00
Mother Lode		
FCC (water effective 6/13/92, sewer effective 3/20/00)	\$ 4,646.00	\$ 8,801.00
Gabbro Soil	\$ 345.00	-
Reservoir Cover Project	\$ 219.00	-
TOTAL	\$ 5,210.00	\$ 8,801.00
Strawberry		
FCC (effective 6/13/92)	\$ 4,646.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project	\$ 219.00	
Strawberry Surcharge	\$ 0.00	
TOTAL	\$ 5,210.00	
Outingdale (Inside Subdivision)		
FCC (effective 6/13/92)	\$ 4,646.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project	\$ 219.00	
Outingdale Surcharge	\$ 0.00	
TOTAL	\$ 5,210.00	
Outingdale (Outside Subdivision)		
FCC (effective 6/13/92)	\$ 4,646.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project	\$ 219.00	
Outingdale Surcharge	\$ 0.00	
TOTAL	\$ 5,210.00	
Swansboro		
FCC (effective 6/13/92)	\$ 4,646.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project	\$ 168.00	
Swansboro Surcharge*	\$ 975.00	
TOTAL	\$ 6,134.00	
* Collected only if not on tax roll		
All Other Areas		
FCC (water effective 6/13/92, sewer effective 4/1/00)	\$ 4,646.00	\$ 5,347.00
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project	\$ 219.00	-
TOTAL	\$ 5,210.00	\$ 5,347.00

Source: EID, Customer Service Dept