

EL DORADO IRRIGATION DISTRICT 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011



Placerville, California

Mission Statement

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

2011 Comprehensive Annual Financial Report

For the Year Ended December 31, 2011



El Dorado Irrigation District
Placerville, California
www.eid.org

Prepared by the Finance Department

Cover photo: An autumn photo of Silver Lake taken by Andrew Price, an EID Consultant.

Silver Lake is in Amador County, just off Highway 88. This reservoir holds 8,590 acre-feet of water and is on the South Fork of the American River. Silver Lake Dam was originally built in 1876. The lake and the dam were acquired by the District as part of Project 184.

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District Hydro crews, flown in by helicopter to the main dam at Lake Aloha, close the outlet valve in preparation to store spring run-off that will fill the lake for drinking water and hydroelectric power generation.

INTRODUCTORY SECTION



June 1, 2012

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

We are proud to submit to you El Dorado Irrigation District's (EID or District) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2011. We are pleased to report that financial results show the District had an excess of revenues over expenses for the current year. This positive outcome for the year of \$18.4 million was achieved even during this time of diminishing revenues and economic hardship. This calculation of excess does not include any non-cash charges for depreciation, which accounts for estimated wear and tear on property, plant, and equipment. This positive net excess was \$2.6 million over what was budgeted for the year, which highlights the results of the District's diligent efforts to maximize non-rate revenues wherever possible, and to cut costs as much as is fiscally responsible, while continuing to provide safe and reliable service to customers. At the end of 2011, staffing was at approximately that of 1999, with 221 full-time positions, down from a high of 305 in 2007. Since 1999, customer accounts have increased significantly.

This is the tenth year the District's CAFR has been prepared using the financial reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. And it is also the sixth year the District's CAFR has been prepared using the statistical reporting requirements of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1*. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it.

This report is published in accordance with state law that requires financial statements be presented in conformity with accounting principles generally accepted in the United States of America, and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. It is also prepared to meet standards set forth by the Governmental Finance Officers Association of the United States of America and Canada.

The Government Code requires an annual independent audit of the District's financial records by a certified public accountant. Through a competitive bid process, the District selected Maze & Associates, Accountancy Corporation as its independent auditor. The auditors have issued an unqualified ("clean") opinion and their report on the District's financial statements and supplemental schedules is included in the financial section of this report. An unqualified opinion is the highest level of assurance that an auditor can provide.

While the independent auditors have expressed their opinion that the District's financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP), EID assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, District management has established a comprehensive internal control structure that is designed to ensure the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled for the preparation of financial statements in conformity with GAAP. Since the cost of control should not exceed the projected benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. We believe the data is accurate

and complete, in all material respects, for the annual period ending December 31, 2011. Based on the findings and results of the audit, the auditors have identified the District as fiscally sound and a low-risk auditee.

PROFILE OF THE DISTRICT

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

The District is located in El Dorado County on the western slope of the Sierra Nevada Mountains. The service area is bounded by Sacramento County to the west and the community of Strawberry to the east. The area north of the communities of Coloma and Lotus establishes the northern-most part of the service area, while the communities of Pleasant Valley and South Shingle Springs establish the southern boundary. The City of Placerville, located in the central part of the District, receives water from the District on a wholesale purchase basis.

The District has pursued an array of solutions to continue to provide a reliable water supply, now, and in the future. All EID staff maintains their focus on water supply and planning, drought protection, water conservation, infrastructure maintenance and improvements, watershed protection, wastewater treatment, and fiscal integrity and stability. In the future, the District will continue its efforts to maintain the trust and satisfaction of our customers by providing safe and reliable water and wastewater services at the most reasonable price possible.

Reporting Entity

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

System Description

The District's contiguous service area spans 220 square miles and ranges from 500 feet in elevation, at the Sacramento County line, to more than 4,000 feet in elevation in the eastern part of the District. Two hundred pressure-regulating zones are required for reliable operation. The water system contains more than 1,295 miles of pipeline, 27 miles of ditches, 5 treatment plants, 34 storage reservoirs, and 38 pumping stations. The wastewater systems operate more than 560 miles of pipeline and force mains, 64 lift stations, and 4 treatment facilities. The El Dorado Hills and Deer Creek wastewater treatment facilities produce Title 22 recycled water, which is used at golf courses, and other commercial entities, and for landscape irrigation at residences in areas where the service is available. The recycled water system operates more than 79 miles of pipeline, 5 storage reservoirs / tanks, and 5 pump stations. EID's recycled water program is entering its third decade and is considered a leader in the recycled water industry in California. The recycled water program has won state and regional awards over the past 9 years.

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

The District also owns and operates Sly Park Recreation Area at its main reservoir, Jenkinson Lake, in El Dorado County. Popular for both day visits and overnight camping serving over 330,000 guests during 2011, the park includes 600 surface acres of water, 10 picnic areas; 9 miles of shoreline, hiking, and equestrian trails; 2 boat ramps; 166 individual campsites; and 9 group camping areas.

Source of Water Supply

The American River Act of October 14, 1949, signed into law by President Harry Truman, authorized the construction of the Sly Park Unit by the Bureau of Reclamation (Reclamation). Sly Park was designed to augment the District's existing water system. Originally, the District had a ditch conveyance system. The Sly Park Unit included the construction of Sly Park Dam and Reservoir, Camp Creek Diversion Dam and Tunnel, and conduits used to convey, treat, and store water delivered from Sly Park's Jenkinson Lake. The project was completed in 1955 as a detached unit of the Central Valley Project. Sly Park was operated by EID under contract from 1955 until the District purchased it from the United States on December 23, 2003. The yield of this project is up to 20,920 acre-feet annually.

El Dorado Project 184's Forebay Reservoir, located in Pollock Pines, is another primary source of water, using pre-1914 water rights that now provide the District up to 15,080 acre-feet annually. The District's other sources of water supply are at Folsom Reservoir, where the District currently has a Reclamation water service contract for 7,550 acre-feet and a water right permit (#21112) for an additional 17,000 acre-feet to serve the El Dorado Hills community, and a Warren Act contract with Reclamation for four historic pre-1914 ditch water rights and Weber Reservoir supplies totaling 4,560 acre-feet.

Near-term future water supply sources include a Warren Act contract to exercise the water right of 17,000 acre-feet awarded by the State Water Resources Control Board and 7,500 acre-feet from a new Reclamation water service contract that El Dorado County Water Agency will execute. The Warren Act contract for the 17,000 acre-feet is projected for 2012, with the new water service contract following shortly thereafter. Both of these supplies would be taken at Folsom Reservoir.

Governance

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

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

ECONOMIC CONDITION OF THE DISTRICT

Economic Growth

While long-term regional forecasts, including the El Dorado County General Plan, show a rising demand for housing in El Dorado County, the regional and local housing market slowed during the second half of 2005, a trend that continues through 2011. With the slowdown in the housing market, the District has significantly reduced its capital improvement projects that add expansion and future growth. The objective is to avoid over-building for the current housing market while, at the same time, maintaining the ability to serve customers with a

reliable water supply and ample wastewater treatment facilities. The District also reduced its 2008, 2009, 2010, and 2011 operating budgets, again with the intent of maintaining current service levels.

The District is affected by the slowdown in new home construction and has reduced costs accordingly.

Population and Employment

In the last decade, the Sacramento region has seen a steady increase in population growth that has spilled into the neighboring western El Dorado County area served by the District. From 2010 to 2011, El Dorado County's population remained steady with a reported estimate of 182,019 residents with a projected population of 225,439 by 2020, according to the El Dorado County 2010-11 Economic and Demographic Profile.

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

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

The 2011 El Dorado County unemployment rate was 11.8%, a decrease from 12.6% in 2010.

El Dorado County General Plan and Measure Y Traffic Control Initiative

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

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

Property Tax Revenue

The total secured assessed valuation of the properties within the District's 220 square-mile service area decreased 2% to \$4.8 billion in 2011. The Districts property tax revenues have remained basically steady at \$9.5 million in 2010 and 2011.

Long-term Financial Planning

In August, 2007, the District contracted with Bartle Wells Associates to conduct a new study of Facility Capacity Charges (FCCs). The study process included interaction with a community-based task force and District staff, and resulted in Board action that approved an updated FCC fee schedule in early 2008.

During 2011, a cost of services study was completed, with participation by community members, along with District staff, which culminated in a rate structure change being adopted by the Board. The majority of the rate changes resulting from this study were effective April 1, 2012. One of the most significant changes, in the collection methodology for rate revenues, was to cease collecting 70 percent from commodity (user) charges and 30 percent from a fixed fee (base charge), and change to a 50-50 formula. This most recent cost of services study

highlighted the need to increase revenues from base charges to provide a more stable funding stream to meet operating costs and debt service obligations, especially in wetter years.

On April 30, 2008, the District issued COPs in the form of Variable Rate Demand Obligations (VRDOs) of \$110.7 million to refund the 2003B and 2004B issues, which were Auction Rate Securities (ARS). The ARS 2003B and 2004B issues were called May 5, 2008. Although in past years the interest incurred on the ARS issues was far below that of fixed rate debt, problems developed in late 2007 and 2008 in connection with the ARS market. It was in the District's best economic interest to replace that ARS debt with VRDOs. Interest rates on this VRDO issue was much lower than the ARS rates prior to the refunding. Standard & Poor's (S&P) increased the District's rating to A from A- for the 2008 debt issuance.

On January 23, 2009, the District issued fixed rate COPs totaling \$132.3 million to finance capital improvements. Interest rates range from 3.50% to 6.25%, with an average true cost of 5.96%. The District's S&P rating was increased to A+ from A for the 2009 issue.

On February 17, 2010, the District issued \$14.8 million of fixed rate debt to refund a portion of the 2003A debt issue for 2010, 2011, and 2012 principal payments. Interest rates range from 4.25% to 5.75%, with an average interest cost of 5.27%.

Additional information on the District's long-term debt can be found in Note 4 of the financial statements.

Because of the approximately \$10 million decline in FCC revenues in 2009, resulting from slowed construction in the District's service area, the calculated debt service ratio of net revenues to debt service payments for 2009 was 0.82, rather than the 1.25 required under the District's bond covenants. Therefore, the District took several steps to restore the debt service ratios to the covenanted levels in fiscal year 2010. The District raised rates, refinanced three years of debt payments into the future, cut operating expenses, deferred capital improvement projects, and entered into a new, more favorable hydroelectric power marketing agreement. The debt service ratio for 2011 is 1.60.

Budget Management

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

Cash Management

The District's cash is invested in securities, as allowed under the California State Government Code, and in compliance with the District's Investment Policy. The policy focuses on the goals of safety, liquidity, and yield, and seeks to minimize credit and market risks, while maintaining a competitive market yield. Interest rates declined again in 2011, reducing the District's overall portfolio yield to 0.37%, a decrease from the 0.43% yield in 2010.

Debt Management

The District manages its debt to ensure high-quality credit, access to credit markets, financial flexibility, and the lowest overall long-term cost of debt, all in compliance with the District's Debt Management Policy. EID's general philosophy on debt is to use pay-as-you-go funds for minor construction projects and to use debt

issuances for major, long-term construction projects. This enables future users to share in the costs without overburdening existing ratepayers.

Risk Management

As part of a continuing effort to reduce costs and provide optimal protection and coverage, the District's risk management strategy combines self-insurance and commercial insurance in excess of the deductibles. The deductible for general liability, including bodily injury and property damage, is \$25,000 per occurrence with a \$1 million per occurrence coverage limit and a \$3 million aggregate. In addition, the District has a \$10 million excess insurance policy, bringing the total per occurrence coverage to \$11 million with a \$13 million aggregate. The auto liability for owned, non-owned and hired autos has an \$11,000,000 combined single limit with no deductible and physical damage coverage on scheduled high value vehicles. The inland marine coverage, includes blanket small tools and equipment with a \$25,000 per occurrence limit, subject to a per item limit of \$10,000 and carries a \$500 deductible. Scheduled high value equipment carries a \$1,000 deductible per item. The District's property insurance program requires the insurer to cover the El Dorado Irrigation District's Project 184 flume and conveyance system. The District is also self-insured for employee dental and vision claims. The District continually evaluates its insurance programs for cost effectiveness and sufficient coverage.

MAJOR INITIATIVES

El Dorado Hills Service Area

To meet anticipated population growth in the county, while taking the current housing market conditions into consideration, the District has gradually phased incremental expansions of the El Dorado Hills Wastewater and Water Treatment Plants.

The EDHWWTP was expanded to an average dry weather flow capacity of 4.0 million gallons a day (mgd) in 2010 to provide adequate capacity for new connections and to fully comply with current discharge permit requirements.

The El Dorado Hills Water Treatment Plant (EDHWTP) and Folsom Lake raw water pump station were also recently expanded to a maximum day capacity of 26 mgd in 2010. The District is also nearing completion of an integrated water and wastewater master plan that will, in part, determine ultimate build-out capacity required for the District's major facilities, including those in the El Dorado Hills service area.

Water Treatment Plant Chlorine Gas Conversions

The District has initiated a program to convert the existing gaseous chlorine disinfection facilities at our three primary water treatment plants to a safer alternative disinfection system using liquid sodium hypochlorite. The EDHWTP disinfection system was replaced in 2010, followed by replacement of the Reservoir 1 WTP system in 2012. The final conversion at the Reservoir A WTP is scheduled for completion in 2013. This project enhances safety for both District staff and the public, eliminates the District's liability from transporting, handling and supply of gaseous chlorine, and reduces future operations costs associated with elimination of personal protective equipment, training, and annual audits of the Process Safety Manual and Risk Management Plan.

Energy Savings

The District took advantage of a prime opportunity to reduce energy costs and improve energy efficiencies through the construction of a solar photovoltaic (PV) system at the EDHWTP. Installation of approximately 81,000 square feet of monocrystalline PV panels was completed in 2006 to generate approximately 900 kilowatts of electricity to operate the plant. A rebate from Pacific Gas and Electric for \$2.8 million paid approximately 50%

of the capital cost of the project, which began operation in May 2006. From that date through 2009, the District has saved in excess of an estimated \$800,000 on its electric bill for the plant.

El Dorado Canal Flume Replacement Program

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

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

In 2010, Flume 9, a 142 foot long wooden flume structure, was replaced with 14 pre-cast concrete flume sections. Because Flume 9 is located in an area that has been subject to landslides, unstable material above the flume was removed and stabilized with a combination of wire mesh and vegetation. This project was completed during 2011, and total costs were under the budgeted amounts.

During 2011, preliminary work was begun on the Flume 41 Replacement Program. This project consists of the replacement of a deteriorated concrete canal section. The work will also include permanent road improvements that will save the District nearly \$1.5 million in costs usually associated with the use of helicopters to assist in the repairs, and will provide access to the area for future operations and maintenance needs. Work was also begun on many other smaller flume projects, including; interim stabilization of a rock wall abutment of Flume 30, drain installations along Flume 52A, replacement of 320 feet of Flume 39 / 40, and the rebuild of Spillways 41 and 47C.

El Dorado Forebay Dam Remediation and Enlargement Program

The El Dorado Forebay Dam, located in Pollock Pines, is an off-stream reservoir that both regulates drinking water supplies and the water that flows into the El Dorado Powerhouse. The dam is 89 years old and does not meet modern dam safety engineering standards. The dam will be upgraded to meet standards, and raised. The project will increase emergency water storage from eight hours to six days, optimize hydroelectric operations, significantly improve drinking water reliability, and increase public safety. The additional hydroelectric generation that this program will yield upon completion will help greatly to defray the associated capital costs. During 2011, preliminary work was begun on this project. The construction phase is expected to begin 2015.

Major Water and Wastewater Facilities

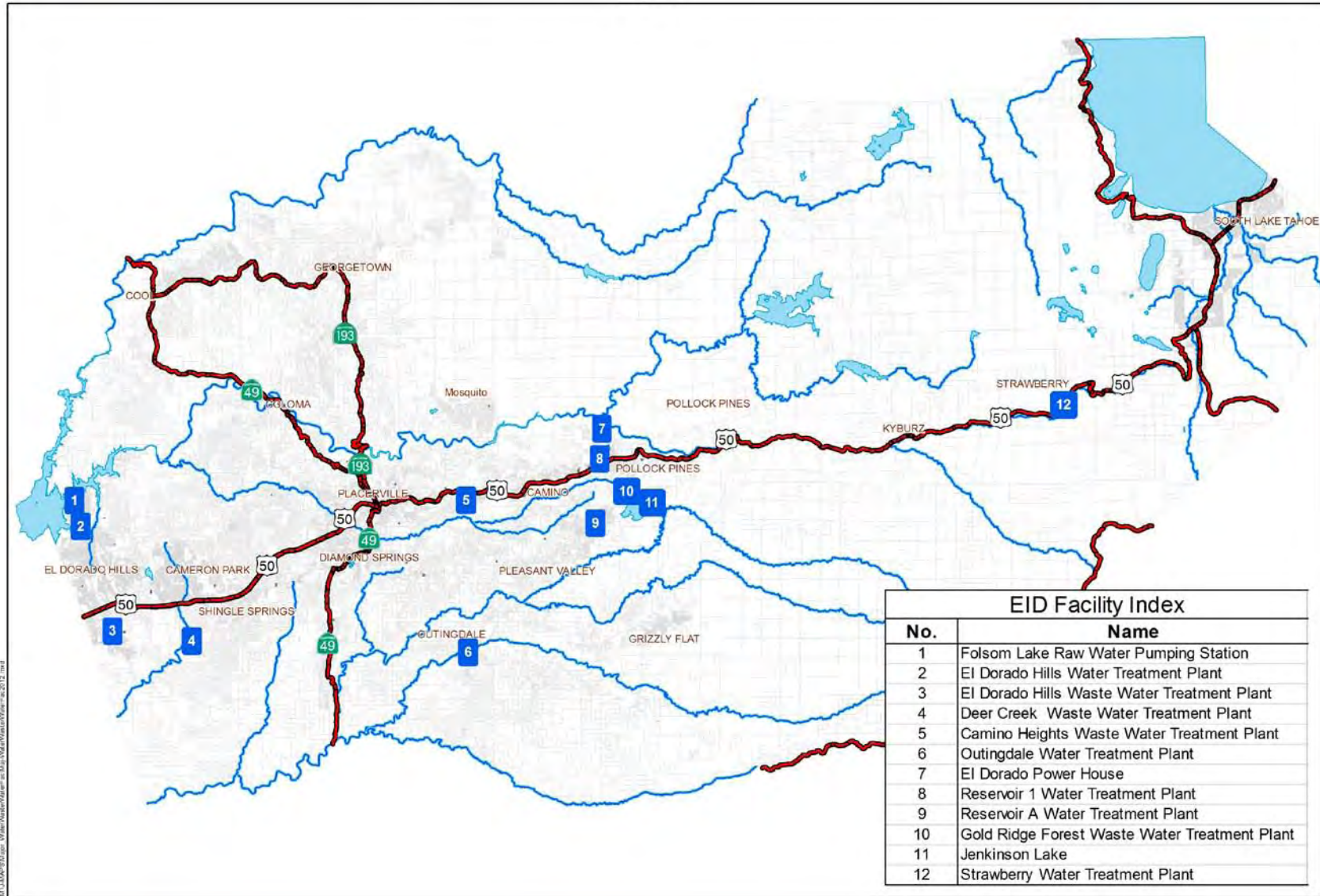
Locations of the District's major water and wastewater facilities are shown following this Major Initiatives section.





El Dorado Irrigation District Major Water and Wastewater Facilities 2011

June, 2011



AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the El Dorado Irrigation District for the quality of its Comprehensive Annual Financial Report for the year ended December 31, 2010. That marked 15 consecutive years that the District has received this national award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To receive a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and accepted legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District received a show of confidence from our customers during the recent rate adjustment process. Formal protests received during the Proposition 218 process were very low, which is an indication that the majority of customers continue to value the District's excellent service, quality, reliability, and sound fiscal policies. The incidences of protests were 2% for water customers, 2.5% for wastewater (sewer) customers, and 2.9% of recycled water customers.

In 2011, the District received other significant awards that recognize excellent performance in operational efficiency and industry practices. They include the following:

- Pacific Gas & Electric Company - Golden Orb Award (for demand/response program) for El Dorado Hills Water Treatment (5th year received).
- Mountain Democrat Newspaper - 2011 Readers' Choice Award for "Best Recreational Facility" for EID's Sly Park recreation facility.
- El Dorado Hills Style Magazine - 2011 Readers' Choice Award for "Favorite Kid's Activity" for EID's Sly Park recreation facility.
- Sacramento Magazine - 2011 award for "Great Places to Hike" for EID's Sly Park recreation facility.
- CWEA, Local Section SAS Electrical and Instrumentation Person of the Year – Rich Wheeler.
- Mother Lode Rehabilitation Enterprises, Inc. (MORE) – Opportunity Site of the Year to Sly Park Recreation Area for EID's work with MORE on the park recycling program.

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

We thank each member of the Board of Directors and commend them for their dedication, leadership, and support toward achieving excellence in financial management that ultimately made the preparation of this report possible.

Respectfully submitted,



Jim Abercrombie
General Manager



Mark Price
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**El Dorado Irrigation District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



Linda C. Davison

President

Jeffrey R. Emmer

Executive Director

El Dorado Irrigation District



2011 Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

Board of Directors

District 1 – George W. Osborne
District 2 – John P. Fraser
District 3 – William (Bill) L. George, Vice President
District 4 – George A. Wheeldon
District 5 – Harry J. Norris, President¹
District 5 – Alan Day²

District Officials

Jim Abercrombie, General Manager
Thomas D. Cumpston, General Counsel
Mary Lynn Carlton, Director of Communications/Community Relations
Mark T. Price, CPA, Director of Finance
Brian Mueller, Director of Engineering
Victoria Hoffman, Director of Human Resources
Tim Ranstrom, Director of Information Technology
Tom McKinney, Director of Operations

Acknowledgments

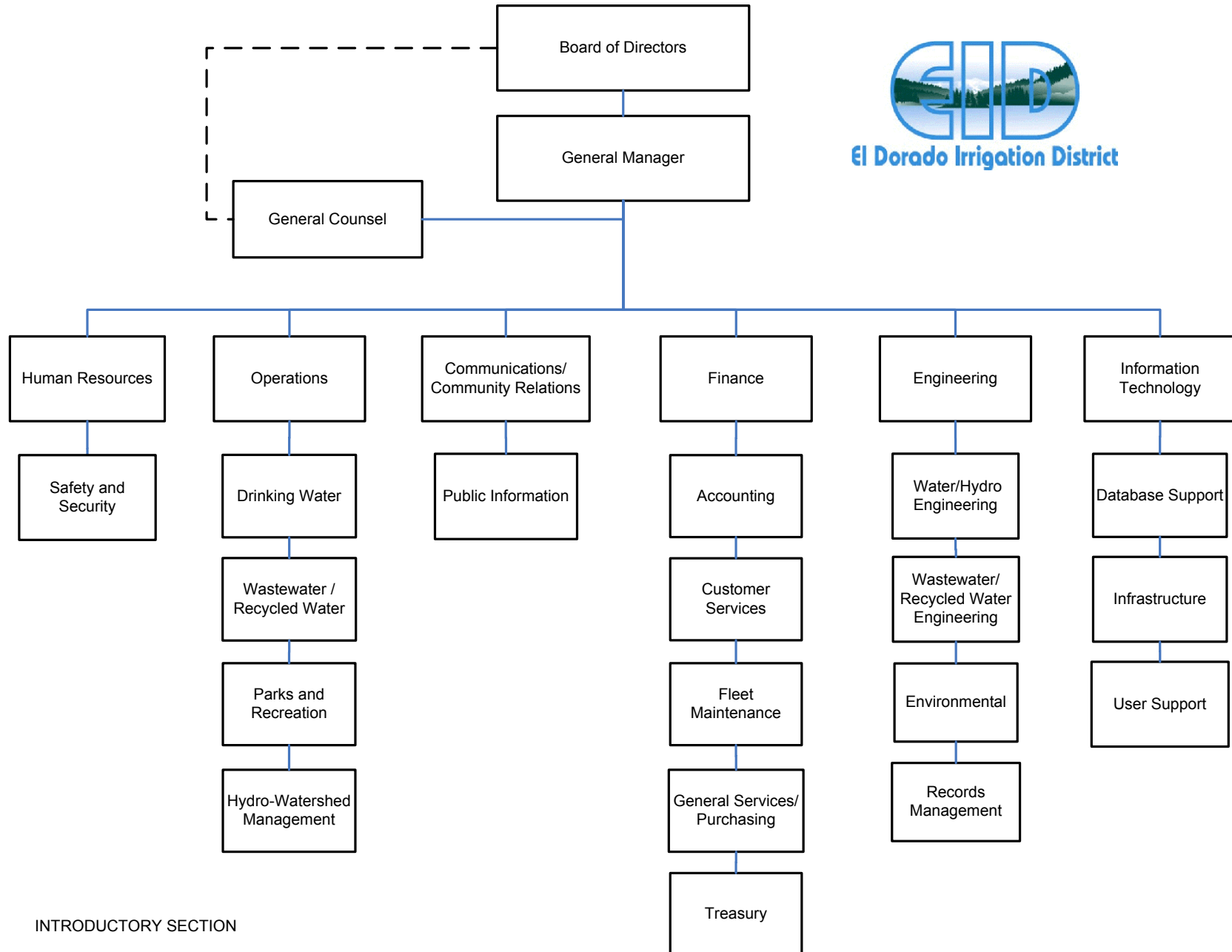
Prepared by the EID Finance Department

¹ Term ended – December 2, 2011

² Term began – December 2, 2011

El Dorado Irrigation District Organization Chart

December 31, 2011





Alder Creek Diversion fish screen installation as required to meet a Project 184 license condition.

FINANCIAL SECTION

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

Board of Directors
El Dorado Irrigation District
Placerville, California

We have audited the financial statements of the business-type activities and the major fund of the El Dorado Irrigation District as of and for the years ended December 31, 2011 and 2010, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the basic financial statements referred to above present fairly in all material respects, the respective financial position of the business-type activities and the major fund of the El Dorado Irrigation District at December 31, 2011 and 2010, and the respective changes in the financial position and cash flows, where applicable, thereof for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the District's financial statements as a whole. The Supplemental Information is presented for purposes of additional analysis and is not a required part of the financial statements. The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Maze & Associates

April 26, 2012



Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

The following discussion and analysis of the El Dorado Irrigation District's (EID or District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2011. This information is presented in conjunction with the audited financial statements and their accompanying notes. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the District's basic financial statements.

The information in this MDA is presented under the following headings:

- Organization and Business
- Financial Highlights
- Overview of the Basic Financial Statements
- Financial Analysis of the District
- Capital Assets and Debt Administration
- Requests for Information

ORGANIZATION AND BUSINESS

The District provides water to a population of more than 100,000 people within its service area for municipal, industrial, and irrigation uses, as well as wastewater treatment, and recycled water services, to meet the growing needs of its customers. As such, EID is one of the few California districts that provide a full complement of water-related services. The District's service area consists of 220 square miles, which includes El Dorado County from the Sacramento County line to the west, the community of Strawberry to the east, the communities of Coloma and Lotus to the north, and the communities of Pleasant Valley and South Shingle Springs to the south. The water system collects, transmits, treats, and distributes high-quality water to residential, commercial, and industrial customers, utilizing more than 1,295 miles of pipeline, 27 miles of ditches, 5 treatment plants, 34 storage reservoirs, and 38 pumping stations. The wastewater system intercepts and treats wastewater from residences, and commercial customers, using more than 560 miles of pipeline and force mains, 64 lift stations, and 4 treatment facilities. The recycled water system utilizes more than 79 miles of pipeline, 5 storage reservoirs / tanks, and 5 pump stations. The hydroelectric system operates a 21-megawatt hydroelectric power generation system, known as Project 184, which consists of the El Dorado Powerhouse, and 5 reservoirs, including; Echo Lake, Lake Aloha, Caples Lake, Silver Lake, and El Dorado Forebay; and dams, and 22.3 miles of flumes, canals, siphons, and tunnels. Project 184 facilities are located east of Placerville in El Dorado, Alpine, and Amador counties. The District also owns and operates Sly Park Recreation Area at its main reservoir, Jenkinson Lake, in El Dorado County. The park includes 600 surface acres of water, 10 picnic areas, 9 miles of shoreline, hiking, and equestrian trails, 2 boat ramps, 166 individual campsites, and 9 group camping areas. The District recovers costs of service primarily through user fees.

FINANCIAL HIGHLIGHTS

In 2011, EID continued to effectively manage its finances, overcoming many fiscal challenges. The District continues to use previously implemented cost-saving programs and continues to look for ways to optimize operational efficiency.

During 2011, the District's total net assets have decreased by \$2.0 million. In 2010 and 2009, net assets decreased by \$11.5, and \$11.0 million, respectively. In 2011, operating revenues increased by \$10.1 million, to \$56.4 million. In 2010, and 2009, operating revenues increased \$8.1 million, and decreased \$2.7 million, respectively. Nonoperating revenues were \$1.5 million less than nonoperating expenses in 2011, \$0.8 million less than nonoperating expenses in 2010, and \$1.7 million more than nonoperating expenses in 2009. Current year operating expenses, not including depreciation, increased by \$1.2 million, to \$41.6 million. The decrease, in net nonoperating revenues and expenses, during 2011, is due to declines in property tax receipts, and interest income. For 2010, and 2009, the decrease is due to declines in property tax receipts, interest income, and interest expense on the Revenue Certificates of Deposit (COPs). Current year operating expenses includes a non-cash charge to expenses of \$1.8 million for the current year cost of retiree health benefits. Beginning in 2008, the District has been required to present annual reporting for these costs.

In April, 2008, the District converted its variable rate debt from Auction Rate Securities (ARS) to Variable Rate Demand Obligations (VRDOs) to escape rising interest rates resulting from problems with bond insurer ratings. Since that time, variable interest rates have stabilized. Total interest expense for 2011 of \$14.5 million is \$0.9 million lower than that of 2010. Interest expense for 2010 of \$15.4 million is \$1.4 million higher than the 2009 interest expense of \$14.0 million. The increase in 2010 interest expense, as compared with 2009, was due to new bond debt and a full year's interest expense on the 2009 debt issuance.

On February 17, 2010, the District issued fixed rate COPs, of \$14.8 million, to refinance principal payments on the 2003 debt issue for the three years 2010, 2011, and 2012. Interest rates on the new issue range from 4.25% to 5.75%, for an average interest cost of 5.27%. Standard and Poor's (S&P) and Moody's assigned the Certificates a rating of "A" and "A3", respectively. The District issued new debt of \$132.3 million in 2009 for COPs. Also, \$5.8 million in 2008, and \$10.9 million in 2006, was issued for State Revolving Fund loans in connection with the District's reservoir line and cover program. In 2004, the District issued both fixed rate and adjustable rate COPs to refund the 1996 and 1999 Revenue Bonds, and the LaSalle Bank bridge loan. Lower interest rates on the new debt made this 2004 refinancing economically attractive. In 2003, the District issued fixed rate and adjustable rate COPs totaling \$165.8 million to finance the capital improvement program.

On April 30, 2008, the District issued COPs in the form of VRDOs of \$110.7 million to refund the ARS 2003B and 2004B issues. The ARS 2003B and 2004B issues were called May 5, 2008. Although in past years, the interest incurred on the ARS issues was far below that of fixed rate debt, problems developed in late 2007, and 2008, in connection with the ARS market. It was in the District's economic interest to replace that debt with VRDOs. Interest rates on the new VRDO issue have been, and are expected to continue to be much lower than the ARS rates prior to the refunding. S&P increased the District's rating to A from A- for the 2008 debt issuance.

Facility Capacity Charges (FCCs) for 2011 were \$1.0 million more than the prior year due to a slight upturn in the economic conditions during the year. For 2010, FCCs were \$0.5 million less than 2009 due to the decline in new construction resulting from the continued downturn in the new housing market. In 2009, they were \$10.4 million less than the prior year, again due to slowing home construction. Developer contributions for 2011 increased by \$2.6 million, while for 2010 they were \$6.9 million less than in 2009. This increase in developer contributions for 2011 was due to a slight upturn in the economic conditions during the year.

Because of the approximately \$10 million decline in connection fees in 2009, resulting from slowed construction in the District's service area, the calculated debt service ratio for 2009, of net revenues to debt service payments, was 0.82 rather than the 1.25 required under the District's bond covenants. In 2010, the District took steps to restore the debt service ratios to covenanted levels by raising utility rates, refinancing three annual debt service payments into the future, cutting operating expenses, deferring capital improvement projects, and entering into a new, more favorable hydroelectric power marketing agreement. As a result of this new agreement, and the occurrence of a wet year, hydroelectric sales increased by \$3.7 million, to \$11.6 million during 2011.

The District, as previously mentioned, refinanced principal payments on its 2003A COPs at an average fixed rate of 5.27%. Principal payments, on the refinanced debt, begin in 2022, and continue through 2024. Mainly due to

the downturn in the economy and the subsequent significant decline in FCC revenue, the S&P rating dropped from A+ to A and the Moody's rating dropped from A2 to A3 on the 2010A COP issuance.

The District's hydroelectric Project 184 went online in late 2003, generating revenues of \$3.8 million in 2006, \$4.3 million in 2007, \$4.8 million in 2008, \$2.9 million in 2009, \$7.9 million in 2010, and \$11.6 million in 2011. The increase in hydroelectric power revenues, in 2010, and 2011, is in large part due to the new contract with PG&E and a slow snow melt from a mild spring and summer.

In 2010, the Board approved rate increases of 18% for 2010, 15% for 2011, and 5% for 2012, 2013, and 2014. During 2011, the District completed a new cost of service study and brought the results to the Board of Directors and the public, for discussion. The Board directed staff to proceed through the Proposition 218 process, which culminated in a rate structure change being adopted by the Board. The majority of the rate changes resulting from this study were effective April, 1 2012. One of the most significant changes, in the collection methodology for rate revenues, was to cease collecting 70 percent from commodity (user) charges and 30 percent from a fixed fee (base charge), changing to a 50-50 collection formula. This most recent cost of services study highlighted the need to increase revenues from base charges to provide a more stable funding stream to meet operating costs and debt service obligations, especially in wetter years. The Board adopted a water increase for 2012, of 6% in addition to the 5% increase already in effect, and increases of 11% for 2013, and 2014, and an increase of 5% for 2015. The wastewater and recycled water Board approved rate increases were 5% for each year for 2012, 2013, 2014, and 2015.

During 2011, the District joined the California Employers' Retiree Benefit Trust Fund ("CERBT") and will use it as the means to begin partial funding of the District's Other Post Employment Benefit (OPEB) liability. The CERBT, which is administered by CalPERS, is an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs. As part of the District's budget for 2012, the District approved making a deposit with the CERBT for \$6,000,000 to begin funding the outstanding liability. This initial contribution payment has been made during 2012, from District reserves.

For 2011, the District adopted a nearly flat budget as compared to 2010, which resulted in continued cost-cutting efforts and the expectation of hydroelectric revenue increases. The District further reduced its operating expenses compared to the 2010 budget by \$2 million, primarily through reductions in personnel expenses, without compromising safe, reliable service. In 2010, the District's capital improvement program (CIP) was cut by almost one-half through the deferral of a number of CIP projects. Again in 2011, the CIP budget was decreased by more than half of the amounts previously anticipated, and the additions made to construction projects during the year were less than half of the prior year. The new power marketing agreement was expected to double the amount of revenue from power sales over estimates in the initial 2010 budget, resulting in from \$6 to \$10 million annually. The actual increase in hydroelectric sales, from 2010 to 2011, was \$3.7 million, to \$11.6 million, which exceeded the 2011 budget by \$3.6 million.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

The required financial statements are the Balance Sheets as of December 31, 2011, and 2010, the Statements of Revenues, Expenses and Changes in Net Assets for the year ended December 31, 2011, with comparative amounts for the year ended December 31, 2010, and the Statements of Cash Flows for the year ended December 31, 2011, with comparative amounts for the year ended December 31, 2010. The financial statements, except for the cash flow statements, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of cash receipts or payments. The cash flow statements are an exception because those statements show the receipt, and payment, of cash for operating, non-capital, capital and related financing, and investing activities.

REQUIRED FINANCIAL STATEMENTS

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements are an integral part of, and can be found immediately following, the financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information that follows the notes to the financial statements. This includes combining statements and statistical information.

FINANCIAL ANALYSIS OF THE DISTRICT

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

NET ASSETS

Net assets decreased \$2.0 million in 2011, and decreased \$11.5 million in 2010. The decrease in net assets in 2011, and 2010, indicates that the District's financial condition continues to reflect the downturn in the economy during those years. Net assets invested in capital assets, net of related debt, increased by \$0.5 million in 2011, but decreased by \$75.1 million in 2009, and increased by \$46.6 million in 2008, due to capital expenditures. In 2010, new debt issuance, net of custodial funds amounted to \$14.8 million which increased long term debt and decreased net assets invested in capital assets, net of related debt. Restricted net assets increased in 2011, by \$4.8 million, to \$27.4 million, and decreased by \$17.9 million and \$7.0 million in 2010, and 2009, respectively. This

was due to the financing of the 2009 debt that was still restricted at the end of the fiscal year. Unrestricted net assets decreased by \$7.3 million in 2011, decreased by \$2.1 million in 2010, and increased by \$72.1 million in 2009. This increase represents the difference between the increase in restricted net assets and the decrease in investment in capital assets. By far, the largest portion of the District's net assets represents the investment in those capital assets necessary to provide services to its customers.

Capital assets, net of accumulated depreciation, decreased by \$11.4 million in 2011 to \$706.6 million. This net change was a result of asset additions, according to the capital improvement program, of \$13.1 million, net retirements of \$1.0 million, and charges for depreciation and amortization of \$23.7 million. In the prior year, 2010, the increase in capital assets was \$11.3 million to \$718.0 million as a result of the planned implementation of the capital improvement program, net of charges for depreciation and amortization. In 2008, Federal Energy Regulatory Commission (FERC) license costs were classified for the first time as capital assets. They had previously been shown as noncurrent assets.

In 2008, investments of \$7.0 million were shown as cash and cash equivalents in current assets on the balance sheet, since the investments were all due within one year. They had previously been shown as noncurrent assets. As investments matured, or were called in 2009, and 2008, the proceeds were used to fund capital expenditures, rather than reinvested in short-term holdings. Deferred credits, related to the FERC license, included in noncurrent liabilities, are \$30.0 million for 2011, and \$33.0 million for 2010. Current assets decreased by \$0.6 million in 2011, and decreased by \$21.7 million in 2010. Current assets increased by \$67.4 million in 2009. Current assets declined in 2011, and 2010, due to debt service payments on the 2004A debt issue and capital expenditures. In 2009, there was an increase because remaining bond proceeds from the 2009 issue were included in cash.

A summary of the District's Condensed Balance Sheets follows:

Table A-1
Condensed Balance Sheets
(in millions)

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current Assets	\$114.7	\$115.3	\$137.0
Noncurrent Assets	5.8	6.1	6.5
Capital Assets, Net of Accumulated Depreciation	706.6	718.0	706.7
Total Assets	<u>\$827.1</u>	<u>\$839.4</u>	<u>\$850.2</u>
Current Liabilities	\$20.3	\$22.9	\$29.5
Noncurrent Liabilities	413.8	421.5	414.2
Total Liabilities	<u>\$434.1</u>	<u>\$444.4</u>	<u>\$443.7</u>
Invested in Capital Assets, Net of Related Debt	\$297.3	\$296.8	\$288.3
Restricted Net Assets	27.4	22.6	40.5
Unrestricted Net Assets	68.3	75.6	77.7
Total Net Assets	<u>\$393.0</u>	<u>\$395.0</u>	<u>\$406.5</u>

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Where the Balance Sheet shows assets, liabilities, and net assets at a specific point in time, the Statements of Revenues, Expenses and Changes in Net Assets show the results of operations for the year. Total revenues increased by \$8.9 million, to \$70.3 million, in 2011, due to an increase in hydroelectric power revenues, which is in large part due to the new contract with PG&E, and an overall increase in water, recycled water and wastewater sales revenues due to approved rate increases. In 2010, total revenues increased by \$6.8 million to \$61.4 million, due to an increase in power generation revenue and an 18% increase in water and wastewater rates. In 2009, total revenues decreased by \$4.9 million to \$54.6 million due to decreases in property tax revenues and interest income. For 2011, total expenses increased by \$3.1 million to \$77.5 million due to an increase in operating expenses as detailed below, which was in part offset by a decrease in interest expense. Total expenses decreased by \$0.1 million to \$74.4 million in 2010, and decreased by \$0.9 million in 2009 due to budget cuts to personnel costs. The net loss before capital contributions decreased by \$5.8 million to \$7.2 million in 2011, decreased by \$6.9 million to \$13.0 million in 2010, and increased by \$4.0 million to \$19.9 million in 2009. Operating expenses, not including depreciation and amortization, increased in 2011 by \$1.2 million due to increases in the costs of professional services, repairs, and operating supplies. Operating expenses decreased by \$3.8 million in 2010, due to budget cuts, and decreased by \$2.1 million in 2009. In fall of 2008, the District reorganized its managerial staffing structure by eliminating some positions and consolidating others. At the end of 2008, the District reduced staff by 31 employees in a further move to reduce operating costs given the economic slowdown. In 2009, and 2010, there were more layoffs and further consolidation of operating departments. Operating expenses for 2011, 2010, and 2009 include a non-cash charge of \$1.8 million for post-retirement benefits. For 2011, capital contributions increased by \$3.7 million, as a result of an increase in both facility capacity charges and developer contributions. Capital contributions declined by \$7.4 million in 2010 as a result of a decline in both facility capacity charges and developer contributions. Capital contributions declined by \$9.5 million in 2009 and by \$1.2 million in 2008 due to decreases in facility capacity charges. Ending net assets for 2011 totaled \$393.0 million, a decrease of \$2.0 million from the prior year. The decrease in the prior year was \$11.5 million.

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

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

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating Revenues	\$56.4	\$46.3	\$38.2
Nonoperating Revenues	13.9	15.1	16.4
Total Revenues	<u>70.3</u>	<u>61.4</u>	<u>54.6</u>
Operating Expenses	41.6	40.4	44.2
Depreciation	20.5	18.1	15.6
Nonoperating Expenses	15.4	15.9	14.7
Total Expenses	<u>77.5</u>	<u>74.4</u>	<u>74.5</u>
Net Loss Before Capital Contributions	(7.2)	(13.0)	(19.9)
Capital Contributions	5.2	1.5	8.9
Change in Net Assets	(2.0)	(11.5)	(11.0)
Beginning Net Assets	<u>395.0</u>	<u>406.5</u>	<u>417.5</u>
Total Net Assets	<u>\$393.0</u>	<u>\$395.0</u>	<u>\$406.5</u>

Significant items of operating revenues are as follows:

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

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Water Sales & Service	\$23.1	\$19.3	\$18.1
Wastewater Sales & Service	20.6	18.0	16.2
Recreational Revenues	1.1	1.1	1.0
Hydroelectric Revenues	11.6	7.9	2.9
Total Operating Revenues	<u>\$56.4</u>	<u>\$46.3</u>	<u>\$38.2</u>

The \$6.4 million increase in combined water and wastewater sales is due to approved rate increases. The \$3.7 million increase in hydroelectric revenues is primarily due to the new PG&E contract.

In 2010, the operating expense category was restructured to show expenses by category. The following is the list of operating expenses for 2011, 2010 and 2009 under the new structure:

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

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Departmental Expenses:			
Personnel Expense	\$26.7	\$26.1	\$28.5
Operating Supplies	3.5	3.0	3.8
Chemicals	0.8	1.1	1.3
Administration	2.4	2.5	2.7
Utilities	3.8	3.9	3.6
Professional Services	3.0	2.3	2.4
Repair Services	0.7	0.6	1.2
Insurance	0.7	0.9	0.5
Bad Debt	0.0	0.0	0.2
Total Operating Expenses, Excluding Depreciation	\$41.6	\$40.4	\$44.2

Operating expenses, excluding depreciation, increased by \$1.2 million to \$41.6 million in 2011, decreased by \$3.8 million to \$40.4 million in 2010, and decreased by \$2.1 million to \$44.2 million in 2009. The overall increase in operating expenses for 2011 was primarily due to increases in personnel costs, operating supplies, and professional services. The decrease in insurance for 2011, as compared with 2010, is due the successful implementation of the District’s safety program. The decrease in operating expenses for 2010, and 2009, was primarily due to a reduction in force through layoffs, retirements, and the elimination of most unfilled positions. Operating expenses for 2011, 2010, and 2009 include a non-cash charge for the cost of retirement health benefits of \$1.8 million. This item was added to the District’s expense list for the first time in 2008 in accordance with governmental accounting pronouncements.

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

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

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating Revenues	\$56.4	\$46.3	\$38.2
Operating Expenses	41.6	40.4	44.2
Net Operating Revenues (Expenses), Excluding Depreciation	\$14.8	\$5.9	(\$6.0)

Significant items of nonoperating revenues are as follows:

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

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Surcharges	\$2.2	\$2.2	\$2.5
Voter-approved Taxes	0.5	0.4	0.5
Property Taxes	9.5	9.5	10.1
Interest Income	0.7	0.9	1.9
Other Income	1.0	1.4	1.6
Flood Damage Reimbursements	0.0	0.7	(0.2)
Total Nonoperating Revenues	<u>\$13.9</u>	<u>\$15.1</u>	<u>\$16.4</u>

Total nonoperating revenues decreased in 2011 by \$1.2 million, by \$1.3 million in 2010, and by \$2.2 million in 2009. The decreases were primarily due to declines in property tax revenues and interest income. Interest income declined sharply in 2010 by \$1.0 million, but was unchanged for 2009 and 2008. The sharp change in 2010 was due to a declining interest rate environment. Property taxes declined in 2010, and 2009, and in 2008 both property taxes and interest income declined.

Significant items of nonoperating expenses are as follows:

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

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Interest Expense	14.5	15.4	14.0
Other Expense	0.0	0.0	0.0
Debt Related Fees	0.9	0.5	0.7
Total Nonoperating Expenses	<u>\$15.4</u>	<u>\$15.9</u>	<u>\$14.7</u>

Interest expense for 2011 was \$0.9 million lower than 2010, which was \$1.4 million higher than 2009. Interest expense for 2009 was \$2.7 million higher than 2008. The decrease for 2011 was primarily due to reductions in interest rates on the variable debt. Interest expense for 2010 was higher due to a full year of interest on the 2009A debt issuance and for the interest on the 2010A debt issue.

Nonoperating revenues compared to nonoperating expenses are as follows:

Table A-8
 Nonoperating Revenues vs. Expenses
 For the Years Ended
 (in millions)

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Nonoperating Revenues	\$13.9	\$15.1	\$16.4
Nonoperating Expenses	(15.4)	(15.9)	(14.7)
Net Nonoperating Revenues	(\$1.5)	(\$0.8)	\$1.7

In 2011, and 2010, nonoperating expense exceeded nonoperating revenue by \$1.5 million and \$0.8 million, respectively, whereas in 2009, nonoperating revenues exceeded nonoperating expenses by \$1.7 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District’s capital assets, net of accumulated depreciation, decreased by \$11.4 million to \$706.6 million in 2011, increased by \$11.3 million to \$718.0 million in 2010, and increased by \$43.0 million to \$706.7 million in 2009. Additions to capital assets encompass a broad range of infrastructure, including; water and wastewater plants in service, recycled water facilities, construction in progress, and other assets such as vehicles, equipment, office equipment, and furniture. The net decrease in for 2011 was due to water and wastewater plant improvements, with the value of these improvements being offset by an increase in overall accumulated depreciation of \$23.7 million. The increase in net capital assets for 2010 was mainly due to improvements to the District’s water and wastewater plants in service to cover current and future growth resulting from private development in El Dorado Hills and major repairs to flumes related to Project 184. All capital asset increases are consistent with the District’s implementation of its capital improvement program. The presentation for the FERC license was changed for 2011, to appropriately show the full license cost as a depreciable asset. For 2010, the license was reported as having a non depreciable component.

Details of the District’s capital assets, net of depreciation, are as follows:

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

	December 31,		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Capital Assets Not Being Depreciated:			
Land	\$8.6	\$8.2	\$8.2
Water Rights	2.1	1.6	1.4
Construction in Progress	20.0	27.2	154.8
Total Capital Assets Not Being Depreciated	30.7	37.0	164.4
Capital Assets Being Depreciated:			
Water Plant in Service	487.0	477.4	439.1
Wastewater Plant in Service	312.1	307.5	208.0
General Plant	38.6	37.4	27.2
Recycled Water Facility	26.5	24.1	23.8
FERC License	49.0	49.0	41.5
Total Capital Assets Being Depreciated	913.2	895.4	739.6
Less Accumulated Depreciation	237.3	214.4	197.3
Total Capital Assets, Net of Accumulated Depreciation	\$706.6	\$718.0	\$706.7

The District had outstanding capital project commitments of \$3.6 million at December 31, 2011, and \$4.7 million at December 31, 2010.

Additional information about the capital assets is presented in Note 3 to the financial statements.

LONG-TERM DEBT

At the end of 2011, the District had \$373.2 million in noncurrent debt. In 2010, the District had \$379.8 million in noncurrent debt. In 2010, the District issued \$14.8 million of fixed rate debt to refund the 2003A debt issue for 2010, 2011, and 2012 principle payments. In 2009, the District issued \$132.3 million of fixed rate debt with an average true interest cost of 5.96% to finance capital improvements. In 2008, \$5.8 million of State Revolving Fund loans were obtained. Also during 2008, the 2008A issuance of \$110.7 million of VRDOs refunded the 2003B and 2004B issues. There was no new borrowing in 2007. The District obtained new State Revolving Fund loans of \$10.9 million in 2006, and \$2.9 million in 2005, to finance the reservoir line and cover program. In 2004, the District refinanced the 1996 Revenue Bonds, the 1999 Revenue Bonds, and the LaSalle Bank Bridge loan via the issuance of COPs. In 2003, the District issued \$165.8 million of COPS to fund the District’s five-year capital improvement program. Also in 2003, the District issued \$6.1 million of General Obligation (GO) bonds to finance the remainder of the Sly Park purchase. The payments on the 2003 GO bonds are reimbursed via voter-approved property taxes.

On April 30, 2008, the District issued COPs, in the form of VRDOs, in the amount of \$110.7 million, to refund the 2003B, and 2004B ARS issues. The ARS 2003B and 2004B issues were called May 5, 2008. Although in past

years, the interest incurred on the ARS issues was far below that of fixed rate debt, problems developed in late 2007, and 2008, in connection with the ARS market. It was in the District's best economic interest to replace that debt with VRDOs. The interest rates paid on the VRDO issue in 2011, 2010, and 2009 are significantly lower than current fixed rates of interest. The District's S&P rating was lowered to A from A+ for the new 2008 debt issue.

On February 4, 2009, the District issued fixed rate COPs totaling \$132.3 million to finance capital improvements. Interest rates range from 3.50% to 6.25% with an average true cost of 5.96%. The District's S&P rating was increased to A+ from A for the 2009 issue.

On February 17, 2010, the District issued \$14.8 million of fixed rate debt to refund the 2003A debt issue for 2010, 2011, and 2012 principle payments. Interest rates range from 4.25% to 5.75% with an average interest cost of 5.27%.

During 2011, the District made a prepayment, on the 2004A issue, of approximately \$2.0 million.

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

Table A-10
Debt Analysis
For the Year Ended December 31, 2011
(in millions)

	<u>Balance</u> <u>12/31/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2011</u>
State of California Loans	\$19.4		\$1.0	\$18.4
Revenue Certificates of Participation:				
2003A	54.0		0.1	53.9
2004A	53.2		6.8	46.4
2008A	110.7			110.7
2009A	132.3			132.3
2010A	14.8			14.8
2003 General Obligation Bonds	3.5		0.4	3.1
Subtotal	387.9	<u>\$0.0</u>	<u>\$8.3</u>	379.6
Deferred Amount on Refunding, Net of Bond Premium	(1.8)			(1.9)
Less Current Portion	(6.3)			(4.5)
Total Long-term Debt	<u>379.8</u>			<u>373.2</u>

Table A-11
 Cost of Capital
 (in millions)

	<u>Debt Balance 12/31/2011</u>	<u>Average Coupon Rate</u>
State of California Loans	\$18.4	2.32% to 2.60%
2003A Revenue COPs	53.9	3% to 5.25%
2004A Revenue COPs	46.4	3% to 5.0%
2008A Revenue COPs	110.7	varies *
2009A Revenue COPs	132.3	3.5% to 6.25%
2010A Revenue COPs	14.8	4.25% to 5.75%
2003 General Obligation Bonds	3.1	2.5% to 4.5%

* The effective rate for the 2008A issue for 2011, and 2010 was 0.17% and 0.94%, respectively, including the letter of credit fee. The effective rate for 2009 for this issue was 1.15%. The effective rate for the life of the loan since its inception in April, 2008 through 2010 has been 0.72%. The 2008A issue refunded the 2003B Revenue COPs issue and the 2004B Revenue COPs issue. The effective rates for those two issues, for the four months of 2008, was 5.46% and 6.45%, respectively. For 2008, the effective rate for the remainder of the year for the new 2008A issue was 3.21%. For prior years, the effective interest rate for the 2003B Revenue COPs was 3.82% at December 31, 2007, and 3.38% for December 31, 2006. The 2004B Revenue COPs issue became subject to auction rates on February 15, 2006, and the rate was 3.45% at the end of 2006 and 3.72% at the end of 2007.

Additional information on the District's long-term debt can be found in Note 4 of the financial statements.

ECONOMIC FACTORS AND RATES

In 2011, 2010, and 2009, the District continued the work on the many projects that comprise the capital improvement program. This program includes water treatment plant upgrades and storage tanks in El Dorado Hills, wastewater projects, remediation and enlargement of the El Dorado Forebay Dam, and various Project 184 flume repairs.

During 2011, the District completed a new cost of service study and brought the results to the Board of Directors and the public for discussion. The Board directed staff to proceed through the Proposition 218 process, which culminated in a rate structure change being adopted by the Board. The majority of the rate changes resulting from this study were effective April 1, 2012. One of the most significant changes, in the collection methodology for rate revenues, was to cease collecting 70 percent from commodity (user) charges and 30 percent from a fixed fee (base charge), changing to a 50-50 collection formula. This most recent cost of services study highlighted the need to increase revenues from base charges to provide a more stable funding stream to meet operating costs and debt service obligations, especially in wetter years. The Board adopted a water increase for 2012, of 6% in addition to the 5% increase already in effect, and increases of 11% for 2013, and 2014, and an increase of 5% for 2015. The wastewater and recycled water Board approved rate increases were 5% for each year for 2012, 2013, 2014, and 2015.

During 2010, the District, through the Proposition 218 process, increased both water and wastewater rates. The series of rate increases included an 18% increase in 2010, 15% increase in 2011, and 5% increases for years 2012, 2013, and 2014. The 5% increases for 2013 and 2014 were optional based on the needs of the District. In 2009, the District completed a study of its facility capacity charges, which resulted in higher charges in some areas. In 2008, the District's conducted a rate study that adjusted rate tier levels to promote conservation while trying to remain revenue neutral in terms of revenue generation.

The District is affected by the slowdown in new home construction and the overall decline in the economy and has reduced costs accordingly.

REQUESTS FOR INFORMATION

This financial report is designed to provide EID customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the monies it receives. If you have any questions concerning any information provided in this report, or have requests for additional financial information, please contact: Director of Finance, 2890 Mosquito Road, Placerville CA 95667, or visit our website at <http://www.eid.org>.



Basic Financial Statements

EL DORADO IRRIGATION DISTRICT
BALANCE SHEETS
AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents (Note 1.F. and 2)	\$74,804,581	\$89,697,941
Restricted Cash and Cash Equivalents (Note 2)	20,083,236	12,792,796
Accounts Receivable (Note 1.H.)	5,708,432	5,422,052
Due From Other Government Agencies	1,345,536	1,232,491
Interest Receivable	111,633	119,909
Taxes Receivable (Note 1.J.)	7,940,337	5,075,828
Inventory (Note 1.N.)	446,621	411,915
Prepaid Expenses and Other Current Assets	4,262,582	589,095
Total Current Assets	114,702,958	115,342,027
NONCURRENT ASSETS		
Capital Assets, Non Depreciable (Note 3)	30,747,049	78,253,137
Capital Assets, Net of Accumulated Depreciation (Note 3)	675,855,233	639,834,295
Deferred Bond Costs (Note 1.K.)	5,834,488	6,018,658
Total Noncurrent Assets	712,436,770	724,106,090
TOTAL ASSETS	\$827,139,728	\$839,448,117

(Continued)

See accompanying notes to financial statements

EL DORADO IRRIGATION DISTRICT
BALANCE SHEETS
AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$2,044,756	\$2,169,364
Deposits	1,444,089	1,451,087
Accrued Compensated Absences (Note 1. L.)	2,260,912	1,084,576
Accrued Payroll and Benefits Payable	665,279	683,009
Unearned Revenue	2,670,041	3,697,470
Deferred Credit - FERC License (Note 3. B.)	1,554,002	2,267,672
Current Contracts, Bonds and Leases Payable (Note 4)	4,546,465	6,260,953
Accrued Interest Payable	5,179,066	5,285,707
Total Current Liabilities	20,364,610	22,899,838
NONCURRENT LIABILITIES		
Long-term Debt (Note 4)	373,183,105	379,763,455
Texas Hill Property Liability (Note 9. C.)	1,533,000	1,533,000
Reserve for Claims and Claims Expense (Note 8)	833,000	833,000
Other Post Employment Benefits Obligation (Note 7. B.)	7,370,629	5,526,118
Deferred Credit - FERC License (Note 3. B.)	29,978,807	32,959,814
Other Liabilities	930,000	930,000
Total Noncurrent Liabilities	413,828,541	421,545,387
TOTAL LIABILITIES	434,193,151	444,445,225
NET ASSETS (Note 5)		
Invested in Capital Assets, Net of Related Debt	297,339,903	296,835,538
Restricted for New Facilities	7,545,544	9,800,219
Restricted for Debt Service	19,797,900	12,792,796
Unrestricted	68,263,230	75,574,339
TOTAL NET ASSETS	392,946,577	395,002,892
TOTAL LIABILITIES AND NET ASSETS	\$827,139,728	\$839,448,117

See accompanying notes to financial statements



EL DORADO IRRIGATION DISTRICT
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Water Sales	\$20,815,582	\$17,553,889
Water Services	2,317,264	1,741,830
Reclaimed Water Reimbursement/Sales	1,028,821	733,798
Wastewater Sales	19,431,677	17,271,272
Wastewater Services	72,811	53,574
Recreation Fees	1,061,795	1,062,062
Hydroelectric Sales	<u>11,631,272</u>	<u>7,872,825</u>
Total Operating Revenues	<u>56,359,222</u>	<u>46,289,250</u>
OPERATING EXPENSES		
Personnel Expense	26,655,949	26,140,768
Operating Supplies	3,466,200	3,028,722
Chemicals	838,018	1,075,182
Administration	2,380,645	2,490,239
Utilities	3,845,261	3,918,221
Professional Services	3,027,651	2,301,952
Repair Services	674,877	595,264
Insurance	721,769	889,566
Bad Debt		13,033
Depreciation and Amortization	<u>20,444,406</u>	<u>18,106,183</u>
Total Operating Expenses	<u>62,054,776</u>	<u>58,559,130</u>
OPERATING LOSS	<u>(5,695,554)</u>	<u>(12,269,880)</u>
NONOPERATING REVENUES (EXPENSES)		
Surcharges	2,244,443	2,175,472
Voter - approved Taxes	505,570	449,169
Property Taxes	9,480,947	9,537,801
Interest Income	701,943	865,697
Other Income	997,938	1,362,001
Other Expense	(9,962)	
Interest Expense	(14,510,605)	(15,390,421)
Debt Related Fees	(921,060)	(491,372)
Flood Damage Reimbursements		<u>700,477</u>
Total Nonoperating Revenues (Expenses), Net	<u>(1,510,786)</u>	<u>(791,176)</u>
NET LOSS BEFORE CONTRIBUTIONS	<u>(7,206,340)</u>	<u>(13,061,056)</u>
CAPITAL CONTRIBUTIONS		
Facility Capacity Charges	1,565,273	577,294
Developer Contributions	<u>3,584,752</u>	<u>950,486</u>
Total Contributions	<u>5,150,025</u>	<u>1,527,780</u>
Changes in Net Assets	<u>(2,056,315)</u>	<u>(11,533,276)</u>
NET ASSETS, BEGINNING OF YEAR	<u>395,002,892</u>	<u>406,536,168</u>
NET ASSETS, END OF YEAR	<u>\$392,946,577</u>	<u>\$395,002,892</u>

See accompanying notes to financial statements

EL DORADO IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers	\$55,886,986	\$44,392,417
Payments to Suppliers for Goods and Services	(18,884,489)	(17,734,148)
Payments to Employees for Services and Benefits	(25,479,613)	(25,922,842)
Payments for Claims and Judgments	(35,506)	(31,732)
Other Income	997,938	1,362,001
	12,485,316	2,065,696
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Tax Receipts	7,122,008	13,336,765
Surcharges Received	2,244,443	2,175,472
Flood Damage Reimbursements		700,477
	9,366,451	16,212,714
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	(9,651,553)	(29,409,742)
Principal Payments on Long-term Debt	(8,259,627)	(19,077,312)
Net Proceeds and Premiums From Sale of Bonds		14,755,000
Interest Payments on Long-term Debt	(14,617,246)	(15,461,888)
Facility Capacity Charges Received	1,565,273	577,294
Proceeds From Disposal of Capital Assets	(3,201,753)	(1,382,323)
	(34,164,906)	(49,998,971)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds From Maturities and Calls of Investments	4,000,000	10,863,331
Interest Received on Investments	710,219	865,900
	4,710,219	11,729,231
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,602,920)	(19,991,330)
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	102,490,737	122,482,067
CASH AND CASH EQUIVALENT, END OF YEAR	\$94,887,817	\$102,490,737

See accompanying notes to financial statements

(Continued)

EL DORADO IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	(\$5,695,554)	(\$12,269,880)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:		
Depreciation and Amortization	20,444,406	18,106,183
Change in Assets and Liabilities:		
Accounts Receivable	(286,380)	(760,852)
Due From Other Governmental Agencies	(113,045)	(1,082,407)
Inventory	(34,706)	(43,328)
Prepaid Expenses and Other Current Assets	(3,673,487)	177,984
Accounts Payable	(124,608)	(3,821,333)
Deposits	(6,998)	57,677
Accrued Compensated Absences	1,176,336	217,926
Accrued Payroll and Benefits Payable	1,826,781	1,888,780
Unearned Revenue	(1,027,429)	(405,054)
	<u>\$12,485,316</u>	<u>\$2,065,696</u>
Net Cash Provided by Operating Activities		
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Receipt of Contributed Assets	\$3,584,752	\$950,486
Change in Fair Value of Investments	40,458,525	39,715,668

See accompanying notes to financial statements



Notes to the Basic Financial Statements

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The El Dorado Irrigation District (the District) was organized under the Irrigation District Act and authorizing statutes, and is governed by an elected five-member Board of Directors. The District, which was established on October 5, 1925, was created to provide municipal and industrial water (both retail and wholesale), irrigation water, wastewater treatment and reclamation and recreation services in El Dorado County. Hydroelectric services consist of power generated at El Dorado Powerhouse, which is sold to power brokers at market rates.

B. Financial Reporting Entity

The accompanying basic financial statements of the District include the financial activities of the El Dorado Public Agency Financing Authority (the Authority), a component unit of the District which was created to provide assistance to the District in the issuance of debt (see Note 4), because financial operations are closely related and the Authority is governed by the same Board. Debt issued by the Authority is reflected as debt of the District in these financial statements. However, all debt issued by the Authority was refunded in 2004. The Authority has no other transactions and does not issue separate financial statements.

C. Basis of Presentation

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

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

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

D. Basis of Accounting

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

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, including taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. Measurement Focus

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

F. Cash and Cash Equivalents

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

G. Investments

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

H. Receivables

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

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Budgets and Budgetary Accounting

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

J. Property Taxes

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

K. Bond Discount and Issuance Costs

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

L. Compensated Absences

The District's policy allows employees to accumulate earned but unused vacation and other forms of leave which will be paid to employees upon separation from the District's service, subject to a vesting policy. The cost of vacation is recorded in the period it is earned. Unused sick leave at retirement is applied to California Public Employees' Retirement System service credits for retirement purposes. The District changed its policy in 2010 and 100% of the ending balance is now current.

	2011	2010
Beginning Balance	\$1,084,576	\$866,650
Additions	2,676,472	1,084,576
Payments	(1,500,136)	(866,650)
Ending Balance	\$2,260,912	\$1,084,576
Current Portion	\$2,260,912	\$1,084,576

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

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

N. Inventory

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

O. Reserves for Claims and Claims Expense

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

P. Classification Changes

For the year ended December 31, 2011, certain classifications have been changed to improve financial statement presentation. For comparative purposes, prior year balances have been reclassified to conform with the fiscal year 2011 presentation.

NOTE 2 - CASH AND INVESTMENTS

A. Policies

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

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

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

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

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - CASH AND INVESTMENTS (Continued)

B. Classification

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

	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents	\$74,804,581	\$89,697,941
Restricted Cash and Cash Equivalents	<u>20,083,236</u>	<u>12,792,796</u>
Total Cash and Investments	<u>\$94,887,817</u>	<u>\$102,490,737</u>

Cash and investments consisted of the following at December 31:

Cash on Hand	\$3,925	\$4,465
Deposits with Financial Institutions	<u>7,266,842</u>	<u>9,733,318</u>
Total cash	<u>7,270,767</u>	<u>9,737,783</u>
U.S. Agency Securities	2,000,000	1,000,860
Certificates of Deposit	235,281	235,281
Money Market Mutual Funds	11,067,107	11,791,973
Guaranteed Investment Contract	6,732,303	6,732,303
Investments in Local Agency Investment Fund (LAIF)	49,863,462	54,297,698
JPA Pool (California Asset Management Program)	<u>17,718,897</u>	<u>18,694,839</u>
Total Investments	<u>87,617,050</u>	<u>92,752,954</u>
Total Cash and Investments	<u>\$94,887,817</u>	<u>\$102,490,737</u>

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

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

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

(A) LAIF limit is \$50,000,000.

D. Investments Authorized by Debt Agreements

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

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call date as of December 31, 2011:

Investment Type	12 Months or Less	More than 12 Months	Total
California Local Agency Investment Fund	\$49,863,462		\$49,863,462
California Asset Management Program	17,718,897		17,718,897
Money Market Funds	1,450,276		1,450,276
HELD BY TRUSTEE			
Money Market Funds	9,616,831		9,616,831
Guaranteed Investment Contract		\$6,732,303	6,732,303
U.S. Agency Securities		2,000,000	2,000,000
Certificates of Deposit	235,281		235,281
Cash in Banks	7,270,767		7,270,767
Total Cash and Investments	\$86,155,514	\$8,732,303	\$94,887,817

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At December 31, 2011, these investments matured in an average of 237 days.

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of December 31, 2011 for each investment type as provided by Standard and Poor's.

Investment Type	AA	AAA	Not Rated	Total
U.S. Agency Securities	\$2,000,000			\$2,000,000
Guaranteed Investment Contract	6,732,303			6,732,303
Money Market Funds		\$11,067,107		11,067,107
Total Investments	\$8,732,303	\$11,067,107		19,799,410
California Local Agency Investment Fund			\$49,863,462	49,863,462
California Asset Management Program			17,718,897	17,718,897
Certificates of Deposit			235,281	235,281
Cash in Banks			7,270,767	7,270,767
Total Cash and Investments			\$75,088,407	\$94,887,817

G. Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount
Royal Bank of Canada	Guaranteed Investment Contract	\$6,732,303

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - CASH AND INVESTMENTS (Continued)

H. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of December 31, 2011, the U.S. Agency securities were held by the District's agent in the District's name and District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Investment Type	Reported Amount
Guaranteed Investment Contract	\$6,732,303
Money Market Funds	11,067,107

NOTE 3 – CAPITAL ASSETS

A. Summary

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

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

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

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 3 – CAPITAL ASSETS (Continued)

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

Description	Years
Facilities and Improvements	30-50
Buildings and Structures	40-100
Equipment and Furniture	5-10

B. FERC License

On October 16, 2006, the Federal Energy Regulatory Commission (FERC) issued an order renewing the license for the El Dorado Hydroelectric Project No. 184, effective October 1, 2006. Original expenses of \$7,856,145 incurred for studies, legal counsel and consultants through the date the license was issued were capitalized as an intangible asset during 2006. Pursuant to discussions with GASB, the District's intangible asset is being amortized over the forty year license term. Of this amount, \$982,018 has been amortized through December 31, 2011.

The District also agreed to a number of conditions as part of the license agreement that result in the District incurring additional costs, including improving and maintaining a number of campgrounds, constructing a boat launch facility, making modifications to the outlets of dams, improving trailheads and monitoring environmental issues. The present values of these costs, totaling \$41,120,059, were accrued as a deferred credit in fiscal year 2006 and were capitalized as part of the intangible asset.

	2011	2010
Beginning Balance	\$35,227,486	\$28,041,265
Additions		7,961,291
Amortization	(3,694,677)	(775,070)
Ending Balance	\$31,532,809	\$35,227,486
Current Portion	\$1,554,002	\$2,267,672

EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 3 – CAPITAL ASSETS (Continued)

C. Additions and Retirements

Capital assets balances and activity are summarized below:

	Balance at December 31, 2010	Additions	Retirements	Transfers	Balance at December 31, 2011
Capital Assets Not Being Depreciated:					
Land	\$8,242,728			\$372,504	\$8,615,232
Water Rights	1,640,110	\$88,910	(\$143,655)	583,528	2,168,893
Construction in Progress	27,250,240	9,087,578	(777,062)	(15,597,832)	19,962,924
Total Capital Assets Not Being Depreciated	37,133,078	9,176,488	(920,717)	(14,641,800)	30,747,049
Capital Assets Being Depreciated:					
Water Plant in Service	477,396,956	1,822,178	(112,271)	7,888,906	486,995,769
Wastewater Plant in Service	307,544,250	2,151,795	(285,585)	2,668,671	312,079,131
General Plant	37,364,061	80,702	(443,436)	1,594,495	38,595,822
Reclaimed Water Facility	24,086,732	5,142		2,489,728	26,581,602
FERC License	48,976,204				48,976,204
Total Capital Assets Being Depreciated:	895,368,203	4,059,817	(841,292)	14,641,800	913,228,528
Less Accumulated Depreciation for:					
Water Plant in Service	(121,345,888)	(9,450,316)	23,361		(130,772,843)
Wastewater Plant in Service	(67,485,327)	(7,465,372)	285,585		(74,665,114)
General Plant	(13,477,114)	(2,259,790)	443,436		(15,293,468)
Reclaimed Water Facility	(5,427,351)	(645,251)			(6,072,602)
FERC License - Amortization	(6,678,169)	(3,891,099)			(10,569,268)
Total Accumulated Depreciation and Amortization	(214,413,849)	(23,711,828)	752,382		(237,373,295)
Total Capital Assets Being Depreciated, Net	680,954,354	(19,652,011)	(88,910)	14,641,800	675,855,233
Total Capital Assets, Net	\$718,087,432	(\$10,475,523)	(\$1,009,627)		\$706,602,282

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 – LONG-TERM DEBT

A. Composition and Changes

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

	Original Issue Amount	Balance at December 31, 2010	Retirements	Balance at December 31, 2011	Amount Due Within One Year
State of California Loans					
2.32% - 2.60%, due 01/01/29	\$22,855,212	\$19,471,577	\$980,877	\$18,490,700	\$1,005,215
Revenue Certificates of Participation					
2003 A Series					
3.00% - 5.25%, due 03/01/21	74,025,000	54,005,000	140,000	53,865,000	145,000
2004 A Series					
3.00% - 5.00%, due 03/01/25	75,445,000	53,190,000	6,753,750	46,436,250	3,001,250
2008 A Series					
.94% variable rate, due 03/01/36	110,705,000	110,705,000		110,705,000	
2009 A Series					
3.50% - 6.25%, due 08/01/39	132,285,000	132,285,000		132,285,000	
2010 A Series					
4.25% - 5.75%, due 03/1/2024	14,755,000	14,755,000		14,755,000	
2003 General Obligation Bonds					
2.50% - 4.50%, due 04/01/19	6,000,000	3,450,000	385,000	3,065,000	395,000
Total		<u>387,861,577</u>	<u>\$8,259,627</u>	379,601,950	<u>\$4,546,465</u>
Deferred Amount on Refunding		(4,887,948)		(4,532,443)	
Bond Premiums		3,050,779		2,660,063	
Less Current Portion of Long-term Debt		<u>(6,260,953)</u>		<u>(4,546,465)</u>	
Total Long -term Debt		<u>\$379,763,455</u>		<u>\$373,183,105</u>	

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

State of California Loans – The State of California Department of Water Resources, through the State Revolving Fund Loan Program, provides low interest loans for clean water and drinking projects to localities that operate facilities throughout the State of California. The State Revolving Fund is funded through federal appropriations. As of December 31, 2011, the District has entered into ten State Revolving Fund loans to finance the lining and covering of reservoirs as mandated by the State Department of Health Services. Each loan has a maximum term of 20 years.

EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 4 - LONG TERM DEBT (Continued)

Revenue Certificates of Participation, Series 2003A – On December 11, 2003, the District issued Revenue Certificates of Participation, Series 2003A in the amount of \$74,025,000 to prepay the District’s Economic Development Administration loan, advance refund a portion of the District’s 1999 Revenue bonds, acquire facilities for the District’s water and wastewater system and to reimburse the District for amounts previously expended on the acquisition of certain facilities within the District’s water and wastewater systems. The Certificates are payable from the District’s net revenues. Principal payments are payable annually on March 1, beginning March 1, 2008 through March 1, 2021. Interest payments are payable semi-annually on March 1 and September 1. In February 2010, the District issued the Revenue Certificates of Participation, Series 2010A to refund \$13,095,000 of the Revenue Certificates of Participation, Series 2003A. The refunding will reduce principal payments by \$4,355,000 to \$140,000 in fiscal year 2011. The refunding will not benefit future debt service payments beyond fiscal year 2012.

Refunding Revenue Certificates of Participation, Series 2004A – On September 15, 2004, the District issued Refunding Revenue Certificates of Participation, Series 2004A in the amount of \$75,445,000 to advance refund the District’s 1996 Revenue bonds, 1999 Revenue Bonds and the LaSalle Bank Bridge Loan. The Certificates are payable from the District’s net revenues. Principal payments are payable annually on March 1, through March 1, 2025. Interest payments are payable semi-annually on March 1 and September 1. In November 2011, the District defeased a portion of the Revenue Certificates of Participation, Series 2004A by placing \$1,998,750 into an irrevocable trust with Union Bank for the upcoming March 2012 payment. The defeasance increased principal paid in the current year to \$6,753,000 and reduced the March 2012 debt service payment by \$1,998,750 to \$3,001, 250.

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

Revenue Certificates of Participation, Series 2009A – On January 23, 2009, the District issued Revenue Certificates of Participation, Series 2009A in the amount of \$132,285,000 to acquire certain facilities for the District water system and wastewater system and to purchase a financial guaranty insurance policy. The Certificates are payable from the District’s net revenues. Principal payments are payable annually on March 1, 2015 through March 1, 2025. Interest payments are payable semi-annually on March 1 and September 1.

Revenue Certificates of Participation, Series 2010A – On February 17, 2010, the District issued Revenue Certificates of Participation, Series 2010A in the amount of \$14,755,000 in order to refund a portion of the 2003A Revenue Certificates of Participation. The Certificates are payable from the District’s net revenues. Principal payments are payable annually on March 1, 2022 through March 1, 2024. Interest payments are payable semi-annually on March 1 and September 1.

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 - LONG TERM DEBT (Continued)

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

C. Debt Service Requirements

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

For the Year Ended December 31	Business-type Activities	
	Principal	Interest
2012	\$4,546,465	\$14,495,347
2013	11,571,398	14,074,827
2014	11,196,701	13,562,400
2015	13,277,628	13,070,448
2016	13,869,195	12,454,606
2017 - 2021	77,838,007	50,866,249
2022 - 2026	44,950,136	36,739,277
2027 - 2031	57,127,420	27,303,395
2032 - 2036	118,200,000	15,593,129
2037 - 2039	27,025,000	3,165,664
Totals	<u>\$379,601,950</u>	<u>\$201,325,342</u>

The District is subject to certain revenue bond covenants, the most restrictive of which requires the setting of rates and charges to yield net revenue (as defined) equal to at least 125% of the current annual debt service requirements of the Refunding Revenue Certificates of Participation, Series 2004A. The District was in compliance with all applicable bond covenants for the year ended December 31, 2011.

NOTE 5 – NET ASSETS

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

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

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

**EL DORADO IRRIGATION DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5 – NET ASSETS (Continued)

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

NOTE 6 – RETIREMENT PLAN

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. It provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions under both plans are established by state statute and District resolution. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS; the District must contribute these amounts. The Plan's provisions and benefits in effect at June 30, 2010, are summarized as follows:

Benefit Vesting Schedule	5 years service
Benefit Payments	monthly for life
Retirement Age	50
Monthly Benefits, as a % of Annual Salary	.5000% - 3.000%
Required Employee Contribution Rate	2% - 9%
Required Employer Contribution Rate	20.684%

The schedule of employer contributions is shown below:

Fiscal Year	Annual Pension Costs (APC) ¹	Employer Contributions	Percentage of Required Employer Contributed
2009	\$3,479,851	\$3,042,315	100%
2010	3,832,276	2,794,107	100%
2011	4,233,786	2,987,688	100%

¹ Source: CalPERS Actuarial Report

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

CalPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.0%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and 10 percent of the net balance is amortized annually.

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 6 – RETIREMENT PLAN (Continued)

The Plan's actuarial value (which differs from market value) and funding progress over the most recently available three years is set forth below at the actuarial valuation date of June 30. The Plan's actuarial does not provide the current two years so we provided the most recent three years below:

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
6/30/2008	\$81,068,458	\$60,125,773	\$20,942,685	74.2%	\$20,395,541	102.7%
6/30/2009	93,732,895	66,200,885	27,532,010	70.6%	18,596,291	148.1%
6/30/2010	101,641,895	70,503,260	31,138,635	69.4%	15,807,562	197.0%

Audited annual financial statements and ten-year trend data are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709. CalPERS reports this information approximately 17 months after the end of its June 30 fiscal year.

As required by state law, effective July 1, 2005, the District's Miscellaneous Plan was terminated, and the employees in this plan were required by CalPERS to join new state-wide pools. One of the conditions of entry to these pools was that the District true-up any unfunded liability in the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CalPERS. The District satisfied its Miscellaneous Plan's unfunded liability of \$31,138,635 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 9 years.

NOTE 7 – POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT

A. Trust Description

The District's employees are eligible for postretirement health care benefits if they directly retire from employment at the District. As of December 31, 2011 and 2010, there were 120 and 137 retirees or their beneficiaries, respectively, receiving these health care benefits. These benefits are fully funded by the District in accordance with the District's Code of Regulations and with the Memorandum of Understanding for employees in the Association of El Dorado Irrigation District Employees. These benefits are accounted for on a pay-as-you-go basis through payments to an insurance company. The cost of these benefits totaled \$901,632 in 2011 and \$787,698 in 2010.

During fiscal year 2008, the District implemented the provisions of the Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing other post-employment benefits (OPEB). As part of the implementation, the District elected to establish an irrevocable trust to provide a funding mechanism for the OPEB and to apply the provisions of the statements on a prospective basis. The activities of the Trust were accounted for in the Other Post-Employment Benefits Trust Fund. On October 24, 2011, the District's Board passed a resolution to participate the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of District Board of Directors. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

B. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined by an actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) 3% general inflation increase, and (c) 5.5% healthcare inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The post-employment benefit plan is of the single-employer defined benefit plan. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The District's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year closed amortization period.

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

Net OPEB Obligation as of December 31, 2010		\$5,526,118
Normal Cost for the Year	\$1,274,000	
Amortization of UAAL (28 years)	<u>1,379,000</u>	
Annual OPEB Cost - Fiscal 2011	2,653,000	
Interest on Net OPEB Obligation	538,996	
Adjustments to the ARC	<u>(445,853)</u>	
Total Annual OPEB Cost (AOC)	2,746,143	
Less Contributions Made During Fiscal Year:		
Contributions to Northern Trust	<u>(901,632)</u>	
Contributions Less Than Annual OPEB Cost		<u>1,844,511</u>
Net OPEB Obligation at December 31, 2011		<u><u>\$7,370,629</u></u>

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

The Plan's annual required contributions and actual contributions for the year ended December 31, 2011 is as follows:

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of Annual Post- Employment Benefit Cost Contributed	Net Pension Obligation/Net Other Post- Employment Benefit Obligation
12/31/09	\$2,366,000	\$528,370	20%	\$1,843,387
12/31/10	2,632,800	787,698	30%	3,688,489
12/31/11	2,746,143	901,632	33%	5,533,000

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the January 31, 2012 actuarial study is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Cost Method Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A - B)	Funding Ratio (A / B)	Covered Payroll (C)	Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payment ((A-B)/C)
7/1/2008	\$0	\$16,554,000	(\$16,554,000)	0	\$20,395,541	-81%
7/1/2009	0	22,401,000	(22,401,000)	0	18,596,291	-120%
7/1/2010	0	22,225,000	(22,225,000)	0	15,807,562	-141%

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 8 - INSURANCE

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

<u>Type of Claim</u>	<u>Coverage Limits</u>	<u>Self-insured Portion (Per Occurrence)</u>
<i>District:</i>		
Liability		
General Liability	\$3,000,000	\$25,000
Property	69,827,530	25,000
Crime	250,000	25,000
Management Liability	3,000,000	25,000
Business Automobile	1,000,000	None
Excess - Umbrella Liability	10,000,000	None
Workers' Compensation	Statutory Limit	None
<i>Hydro-Electric Plant:</i>		
Property	88,626,827	50,000
Real and Business Personal Property	50,000,000	50,000
Business Interruption	5,000,000	24 Hour Waiting Period
Boiler & Machinery Equipment	25,000,000	100,000

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

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 8 – INSURANCE (Continued)

The reserve for claims and claims expense of \$833,000 reported at December 31, 2011 and 2010 is based on historical cost and/or actuarial estimates of the amounts needed to pay prior and current year claims, and to allow the accrual of estimated incurred but not reported claims and incremental claims expense. As of December 31, 2011 and 2010, the entire claims liability is reported as a long-term liability on the balance sheet. Changes in the District’s claims liability amount in 2011 and 2010 were as follows:

Reserve for Claims and Claims Expenses as of December 31, 2009	\$833,000
Current Year Incurred Claims and Changes in Estimates	380,073
Net (Payments) Recoveries	<u>(380,073)</u>
Reserve for Claims and Claims Expenses as of December 31, 2010	833,000
Current Year Incurred Claims and Changes in Estimates	422,495
Net (Payments) Recoveries	<u>(422,495)</u>
Reserve for Claims and Claims Expenses as of December 31, 2011	<u><u>\$833,000</u></u>

**EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 9 - COMMITMENT AND CONTINGENT LIABILITIES

A. Capital Project Commitments

The District has the following capital project commitments outstanding as of December 31, 2011:

Folsom Lake Intake/ Pump Station	\$1,978,378
Echo Lake Dams Evaluation	208,930
Canals and Flumes Upgrades	198,875
Caples Lake Dam Regulatory Improvements	193,853
Silver Lake Dam Regulatory Improvements	179,180
Forebay Dredging/Upgrades	146,810
Lake Aloha Dam Regulatory Improvements	145,731
Corrosion Control Technologies	144,735
Datacenter Server Farm Upgrade	141,070
Flume 3 Replacement	137,194
Reservoir Water Treatment Plant Hypochlorite Conversion	132,040
	\$3,606,796

B. Litigation

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

C. Other Contingencies

On February 6, 1996, the District purchased the Texas Hill property from the County under an installment purchase agreement, which called for five annual payments of \$500,000 commencing September 1, 1996. In the event that the property is sold or used for any purpose that is inconsistent with the development of the Texas Hill Reservoir, any funds received must be used to fund the development of increased water supplies or increased wastewater capacity for the benefit of customers or potential customers of the District, but no additional payment is due the County. As of December 31, 2011 the outstanding balance due, if and when the District obtains construction financing for and commences construction on the Texas Hill Reservoir, is \$1,533,000. Currently the District has no plans to start construction.





Construction crews work to replace deteriorated sewer pipe on Coach Lane in Cameron Park.

SUPPLEMENTAL SCHEDULES

Supplemental Schedules

EL DORADO IRRIGATION DISTRICT
 COMBINING BALANCE SHEET
 AS OF DECEMBER 31, 2011

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Total
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$29,455,984	\$37,989,491	(\$8,501,108)	\$198,097	\$987,128	\$14,674,989	\$74,804,581
Restricted Cash and Cash Equivalents	285,336		19,797,900				20,083,236
Accounts Receivable, Net	4,977,526		159,158			571,748	5,708,432
Due from Other Governmental Agencies	789,502					556,034	1,345,536
Interest Receivable	47,849		63,784				111,633
Taxes Receivable	7,458,812		481,525				7,940,337
Inventory	446,621						446,621
Prepaid Expenses and Other Current Assets	249,086		8,318			4,005,178	4,262,582
Intrafund Receivable/Payable	23,617,119	(16,373,321)			(428,798)	(6,815,000)	
Total Current Assets	<u>67,327,835</u>	<u>21,616,170</u>	<u>12,009,577</u>	<u>198,097</u>	<u>558,330</u>	<u>12,992,949</u>	<u>114,702,958</u>
NONCURRENT ASSETS							
Capital Assets, Non Depreciable	9,326,189	15,958,594			186,061	5,276,205	30,747,049
Capital Assets, Net of Accumulated Depreciation	553,485,580				6,091,224	116,278,429	675,855,233
Deferred Bond Costs			5,834,488				5,834,488
Total Noncurrent Assets	<u>562,811,769</u>	<u>15,958,594</u>	<u>5,834,488</u>		<u>6,277,285</u>	<u>121,554,634</u>	<u>712,436,770</u>
TOTAL ASSETS	<u>630,139,604</u>	<u>37,574,764</u>	<u>17,844,065</u>	<u>198,097</u>	<u>6,835,615</u>	<u>134,547,583</u>	<u>827,139,728</u>
LIABILITIES							
CURRENT LIABILITIES							
Accounts Payable	2,044,756						2,044,756
Deposits	1,433,739				700	9,650	1,444,089
Accrued Compensated Absences	2,028,796				22,717	209,399	2,260,912
Accrued Payroll and Benefits Payable	590,742				14,971	59,566	665,279
Deferred Revenue	2,670,041						2,670,041
Deferred Credit - FERC License						1,554,002	1,554,002
Current Portion of Long-term Debt			4,546,465				4,546,465
Accrued Interest Payable			5,179,066				5,179,066
Total Current Liabilities	<u>8,768,074</u>		<u>9,725,531</u>		<u>38,388</u>	<u>1,832,617</u>	<u>20,364,610</u>
NONCURRENT LIABILITIES							
Accrued Compensated Absences							
Long-term Debt			373,183,105				373,183,105
Texas Hill Property Liability			1,533,000				1,533,000
Reserve for Claims and Claims Expense	833,000						833,000
Other Post Employment Benefits Obligation	7,370,629						7,370,629
Deferred Credit - FERC License						29,978,807	29,978,807
Other Liabilities	930,000						930,000
Total Noncurrent Liabilities	<u>9,133,629</u>		<u>374,716,105</u>			<u>29,978,807</u>	<u>413,828,541</u>
TOTAL LIABILITIES	<u>17,901,703</u>		<u>384,441,636</u>		<u>38,388</u>	<u>31,811,424</u>	<u>434,193,151</u>
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	562,811,769	15,958,594	(377,729,570)		6,277,285	90,021,825	297,339,903
Restricted for New Facilities	285,336		6,906,702			353,506	7,545,544
Restricted for Debt Service			19,797,900				19,797,900
Unrestricted	49,140,796	21,616,170	(15,572,603)	198,097	519,942	12,360,828	68,263,230
TOTAL NET ASSETS (DEFICITS)	<u>612,237,901</u>	<u>37,574,764</u>	<u>(366,597,571)</u>	<u>198,097</u>	<u>6,797,227</u>	<u>102,736,159</u>	<u>392,946,577</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$630,139,604</u>	<u>\$37,574,764</u>	<u>\$17,844,065</u>	<u>\$198,097</u>	<u>\$6,835,615</u>	<u>\$134,547,583</u>	<u>\$827,139,728</u>

EL DORADO IRRIGATION DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Total
OPERATING REVENUES							
Water Sales	\$20,815,582						\$20,815,582
Water Services	2,317,264						2,317,264
Reclaimed Water Reimbursement/Sales	1,028,821						1,028,821
Wastewater Sales	19,431,677						19,431,677
Wastewater Services	72,811						72,811
Recreation Fees					\$1,061,795		1,061,795
Hydroelectric Sales						\$11,631,272	11,631,272
Total Operating Revenues	43,666,155				1,061,795	11,631,272	56,359,222
OPERATING EXPENSES							
Personnel Expense	24,161,622				534,561	1,959,766	26,655,949
Operating Supplies	2,758,828				151,981	555,391	3,466,200
Chemicals	837,550					468	838,018
Administration	2,314,564				28,914	37,167	2,380,645
Utilities	3,716,156				72,180	56,925	3,845,261
Professional Services	2,353,972	\$5,640	\$1,250		296,675	370,114	3,027,651
Repair Services	555,614				3,746	115,517	674,877
Insurance	478,526					243,243	721,769
Depreciation and Amortization	17,798,207				327,074	2,319,125	20,444,406
Total Operating Expenses	54,975,039	5,640	1,250		1,415,131	5,657,716	62,054,776
OPERATING INCOME (LOSS)	(11,308,884)	(5,640)	(1,250)		(353,336)	5,973,556	(5,695,554)
NONOPERATING REVENUES (EXPENSES)							
Surcharges	1,008,976		1,235,467				2,244,443
Voter - approved Taxes			505,570				505,570
Property Tax	9,480,947						9,480,947
Interest Income	241,570	13,885	446,382		106		701,943
Other Income	981,441	5,638			7,894	2,965	997,938
Other Expense		(8,241)				(1,721)	(9,962)
Interest Expense			(14,510,605)				(14,510,605)
Debt Related Fees			(921,060)				(921,060)
Total Nonoperating Revenues	11,712,934	11,282	(13,244,246)		8,000	1,244	(1,510,786)
CAPITAL CONTRIBUTIONS AND TRANSFERS	404,050	5,642	(13,245,496)		(345,336)	5,974,800	(7,206,340)
Facility Capacity Charges	1,565,273						1,565,273
Developer Contributions	3,584,752						3,584,752
Transfers (Out)	(35,308,699)	(50,434,602)	(305,206,545)			(9,788,978)	(400,738,824)
Transfers In	16,473,992	45,769,755	325,429,111		1,050,682	12,015,284	400,738,824
Total Capital Contributions and Transfers	(13,684,682)	(4,664,847)	20,222,566		1,050,682	2,226,306	5,150,025
NET INCOME (LOSS)	(13,280,632)	(4,659,205)	6,977,070		705,346	8,201,106	(2,056,315)
NET ASSETS (DEFICITS), BEGINNING OF YEAR	625,518,533	42,233,969	(373,574,641)	\$198,097	6,091,881	94,535,053	395,002,892
NET ASSETS (DEFICITS), END OF YEAR	\$612,237,901	\$37,574,764	(\$366,597,571)	\$198,097	\$6,797,227	\$102,736,159	\$392,946,577

EL DORADO IRRIGATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	Actual	Budget	Variance Positive (Negative)
OPERATING REVENUES			
Water Sales	\$20,815,582	\$20,060,112	\$755,470
Water Services	2,317,264	2,163,179	154,085
Reclaimed Water Reimbursement/Sales	1,028,821	754,398	274,423
Wastewater Sales	19,431,677	19,600,011	(168,334)
Wastewater Services	72,811	61,445	11,366
Recreation Fees	1,061,795	1,050,000	11,795
Hydroelectric Sales	11,631,272	8,000,000	3,631,272
Total Operating Revenues	56,359,222	51,689,145	4,670,077
OPERATING EXPENSES			
Personnel Expense	26,655,949	24,660,092	(1,995,857)
Operating Supplies	3,466,200	3,526,823	60,623
Chemicals	838,018	1,382,600	544,582
Administration	2,380,645	3,074,057	693,412
Utilities	3,845,261	3,816,107	(29,154)
Professional Services	3,027,651	3,030,469	2,818
Repair Services	674,877	917,989	243,112
Insurance	721,769	843,710	121,941
Contingency		200,000	200,000
Total Operating Expenses	41,610,370	41,451,847	(158,523)
OPERATING INCOME	14,748,852	10,237,298	4,511,554
NONOPERATING REVENUES (EXPENSES)			
Facility Capacity Charges	1,565,273	2,000,000	(434,727)
Surcharges	2,244,443	1,979,048	265,395
Voter - approved Taxes	505,570		505,570
Property Tax	9,480,947	10,400,000	(919,053)
Interest Income	701,943	902,199	(200,256)
Other Income	997,938	2,176,000	(1,178,062)
Other Expense	(9,962)		(9,962)
Interest Expense	(14,510,605)	(14,174,727)	(335,878)
Debt Related Fees	(921,060)	(1,328,460)	407,400
Total Nonoperating Revenues	54,487	1,954,060	(1,899,573)
EXCESS OF BUDGETED REVENUES OVER BUDGETED EXPENSES	14,803,339	12,191,358	2,611,981
NON-BUDGETED ITEMS			
Developer Contributions	3,584,752		
Depreciation and Amortization	(20,444,406)		
Total Capital Contributions and Depreciation	(16,859,654)		
CHANGE IN NET ASSETS	(\$2,056,315)		





New sections of flume flown in by helicopter to replace sections of Flume 9.

STATISTICAL SECTION

STATISTICAL SECTION

December 31, 2011

This part of El Dorado Irrigation District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

	Page
Financial Trends	60-65
These schedules contain financial trend information for assessing the District's financial performance and well-being over time.	
Revenue Capacity	66-81
These schedules present revenue capacity information to assess the District's ability to generate revenues. Water, wastewater and hydroelectric sales, along with property taxes, are the District's most significant revenue sources.	
Debt Capacity	82-83
These schedules present information to assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt.	
Demographic and Economic Information	84-86
These schedules provide information on the demographic and economic environment in which the District conducts business.	
Operating Information	87-93
These schedules provide information on the District's service infrastructure to assist the reader in understanding how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources

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

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

Year	Invested in Capital Assets Net of Related Debt	Restricted	Unrestricted	Total Net Assets
2002	233,348,406	48,975,507	34,167,480	316,491,393
2003	261,340,004	44,249,530	47,339,174	352,928,708
2004	268,570,440	42,009,351	50,424,997	361,004,788
2005	279,217,991	41,555,689	55,440,921	376,214,601
2006	279,591,914	45,739,719	71,462,902	396,794,535
2007	317,753,150	76,620,709	20,618,416	414,992,275
2008	364,373,560	47,552,026	5,585,998	417,511,584
2009	288,332,538	40,533,341	77,670,289	406,536,168
2010	296,835,538	22,593,015	75,574,339	395,002,892
2011	297,339,903	27,343,444	68,263,230	392,946,577

Note: As recommended by GASB 44, this schedule provides data retroactively to the year GASB 34 was implemented. The District implemented GASB 34 in 2002.

Source: El Dorado Irrigation District Accounting Division

Table #2
 Changes in Net Assets
 Last Ten Years
 (in dollars)

Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues Less Expenses	Income Before Capital Contributions	Capital Contributions	Change in Net Assets
2002	23,673,261	38,044,403	(14,371,142)	5,236,224	(9,134,918)	17,889,858	8,754,940
2003	24,307,550	40,505,652	(16,198,102)	4,460,697	(11,737,405)	48,290,474	36,553,069
2004	28,708,369	46,549,070	(17,840,701)	(763,197)	(18,603,898)	26,564,224	7,960,326
2005	34,221,768	51,009,013	(16,787,245)	9,173,972	(7,613,273)	22,823,086	15,209,813
2006	35,479,322	54,120,442	(18,641,120)	12,191,058	(6,450,062)	27,029,996	20,579,934
2007	39,782,630	57,069,388	(17,286,758)	15,947,947	(1,338,811)	19,536,551	18,197,740
2008	40,786,680	63,452,969	(22,666,289)	6,776,484	(15,889,805)	18,409,113	2,519,308
2009	38,207,554	59,845,957	(21,638,403)	1,719,434	(19,918,969)	8,943,553	(10,975,416)
2010	46,289,250	58,559,130	(12,269,880)	(791,176)	(13,061,056)	1,527,780	(11,533,276)
2011	56,359,222	62,054,776	(5,695,554)	(1,510,786)	(7,206,340)	5,150,025	(2,056,315)

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

The District implemented GASB 34 in 2002.

Source: El Dorado Irrigation District Accounting Division

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

Year	Water Sales & Service	Wastewater Sales & Service	Reclaimed Water Sales	Recreation	Hydroelectric Sales	Total
2002	13,702,694	9,031,340	323,326	615,901	0	23,673,261
2003	13,383,211	9,662,282	381,599	607,144	273,314	24,307,550
2004	14,929,262	10,441,742	492,421	668,574	2,176,370	28,708,369
2005	15,617,878	11,733,014	533,134	733,783	5,603,959	34,221,768
2006	17,138,916	13,062,500	723,331	725,922	3,828,653	35,479,322
2007	18,915,624	14,544,737	1,253,802	746,517	4,321,950	39,782,630
2008	19,001,725	15,280,445	882,917	941,681	4,840,431	40,947,199
2009 ^[1]	18,159,421	15,376,509	799,298	954,321	2,918,005	38,207,554
2010	19,295,719	17,324,846	733,798	1,062,062	7,872,825	46,289,250
2011	23,132,846	19,504,488	1,028,821	1,061,795	11,631,272	56,359,222

^[1] Restated.

Source: El Dorado Irrigation District Accounting Division

Chart #1
 Operating Revenues
 Last Ten Years

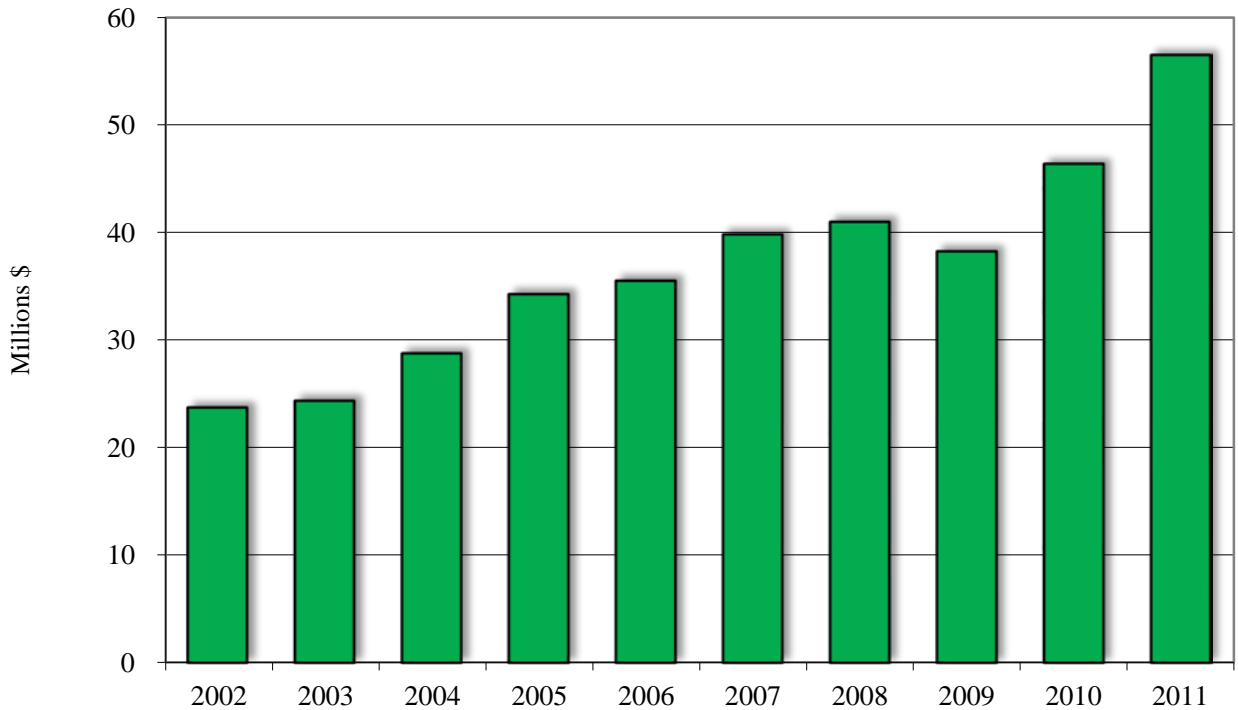


Table #4
 Nonoperating Revenues by Source
 Last Ten Years
 (in dollars)

Year	Voter-approved			Interest Income	Other Income	Flood Damage	Total
	Surcharges	Taxes	Property Taxes			Reimbursements	
2002	1,826,112	736,073	5,680,134	3,715,032	429,337	679,725	13,066,413
2003	1,713,431	948,940	6,557,126	2,163,720	644,346	13,983	12,041,546
2004	1,604,137	146,604	2,124,301	3,758,980	863,031		8,497,053
2005	2,635,002	418,532	3,671,212	3,360,286	699,704	8,840,966	19,625,702
2006	2,413,569	533,316	10,069,016	5,747,457	1,612,498	3,562,759	23,938,615
2007	1,869,986	604,711	11,550,648	5,180,271	1,280,428	6,736,775	27,222,819
2008	2,499,894	588,363	10,797,871	1,870,867	2,585,374	424,013	18,766,382
2009 ^[1]	2,482,508	499,757	10,138,728	1,938,295	1,616,491	(242,295)	16,433,484
2010	2,175,472	449,169	9,537,801	865,697	1,362,001	700,477	15,090,617
2011	2,244,443	505,570	9,480,947	701,943	997,938	0	13,930,841

^[1] Restated.

Source: El Dorado Irrigation District Accounting Division

Chart #2
 Nonoperating Revenues
 Last Ten Years

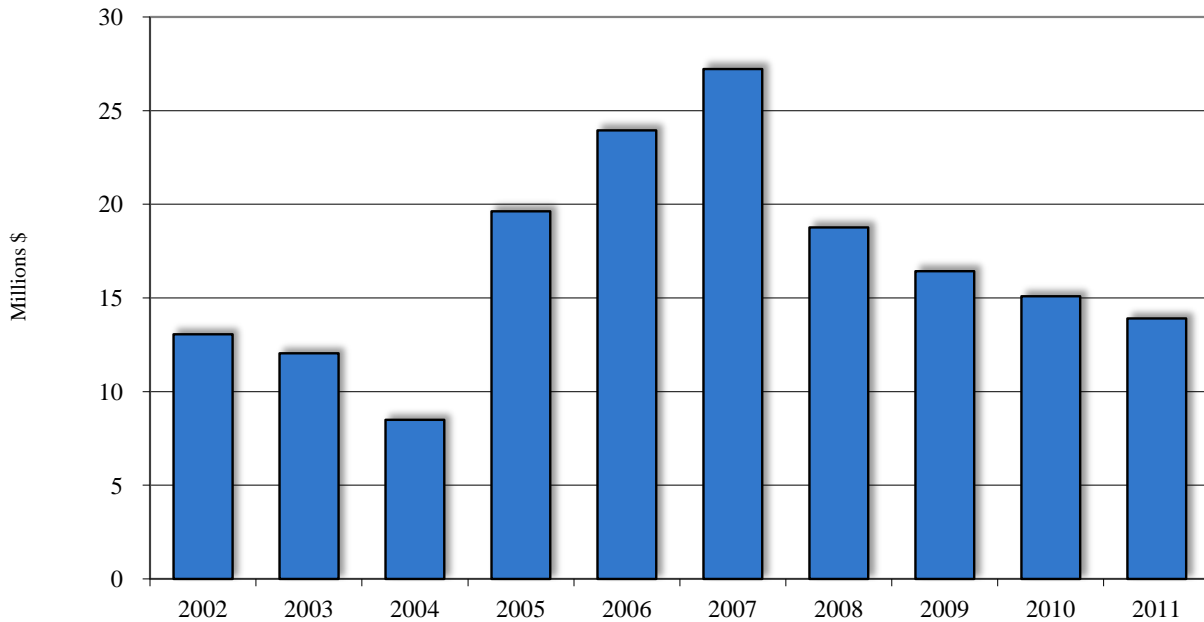


Table #5
Operating Expenses by Function
 Last Ten Years
 (in dollars)

	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Personnel Expense	26,655,949	26,140,768	28,550,985							
Operating Supplies	3,466,200	3,028,722	3,813,664							
Chemicals	838,018	1,075,182	1,301,302							
Administration	2,380,645	2,490,239	2,741,167							
Utilities	3,845,261	3,918,221	3,564,522							
Professional Services	3,027,651	2,301,952	2,406,305							
Repair Services	674,877	595,264	1,154,423							
Insurance	721,769	889,566	489,918							
Bad Debt	0	13,033	183,057							
Depreciation and Amortization	20,444,406	18,106,183	15,640,614							
Total Operating Expenses	62,054,776	58,559,130	59,845,957	0	0	0	0	0	0	0

Note: District operating expenses were restated for new reporting format beginning 2010.

	Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Office of the General Manager ^[1]	4,769,987	7,043,045	5,067,396	4,653,518	3,696,379	3,401,143	2,588,725	2,434,859
Communications	561,468	4,024,696	3,828,204	3,556,546	6,081,888	5,179,964	4,085,197	2,389,819
Natural Resources	3,891,728	0	0	0	0	0	0	0
Human Resources	2,215,002	0	0	0	0	0	0	0
Information Technology	2,511,958	0	0	0	0	0	0	0
Engineering	934,312	0	0	0	0	0	0	0
Water Operations	9,457,872	0	0	0	0	0	0	0
Wastewater Operations	9,348,275	0	0	0	0	0	0	0
Recycled Water Operations	577,220	0	0	0	0	0	0	0
Hydroelectric Operations	3,363,285	0	0	0	0	0	0	0
Environmental Compliance and Water Policy	0	3,363,705	3,134,540	2,275,340	1,397,145	766,842	688,377	307,385
Finance	6,574,235	7,716,723	6,620,751	6,312,366	4,580,149	3,138,514	2,126,694	2,353,964
Facilities Management ^[2]	0	22,477,030	22,980,237	22,863,652	21,632,197	21,505,326	19,300,982	19,199,302
Recreation	0	1,706,536	1,561,225	1,523,563	1,149,460	1,116,661	807,683	719,911
Developer Reimbursed Expenses	0	0	750,589	1,021,352	1,213,046	1,026,606	1,681,625	2,012,016
Depreciation and Amortization	15,640,615	17,121,236	13,126,446	11,914,105	11,258,749	10,414,014	9,226,369	8,627,147
Total Operating Expenses	59,845,957	63,452,971	57,069,388	54,120,442	51,009,013	46,549,070	40,505,652	38,044,403

^[1] Office of the General Manager includes Human Resources.

^[2] Facilities Management includes Hydroelectric.

Source: El Dorado Irrigation District Accounting Division

Chart #3
Total Operating Expenses
 Last Ten Years

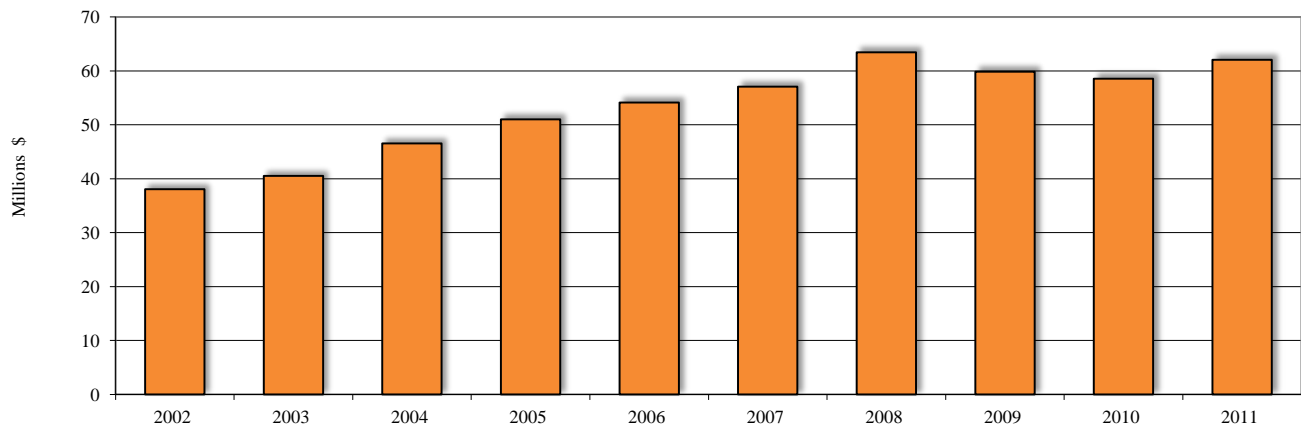


Table #6
 Nonoperating Expenses by Function
 Last Ten Years
 (in dollars)

Year	Flood Damage Expenses	Other Expenses	Interest Expense	Amortization ^[1]	Total
2002	1,855,210	1,185,291	4,789,688	0	7,830,189
2003	978,254	1,269,477	5,333,118	0	7,580,849
2004	52,651	484,318	8,723,281	0	9,260,250
2005	431,493	361,678	9,658,559	0	10,451,730
2006	253,637	332,915	11,161,005	0	11,747,557
2007	0	333,710	10,941,162	0	11,274,872
2008	0	0	11,989,897	0	11,989,897
2009 ^[2]	0	725,997	13,988,053	0	14,714,050
2010	0	491,372	15,390,421	0	15,881,793
2011	0	931,022	14,510,605	0	15,441,627

^[1] Beginning in 2001, amortization is included in operating expenses.

^[2] Restated.

Source: El Dorado Irrigation District Accounting Division

Chart #4
 Total Nonoperating Expense
 Last Ten Years

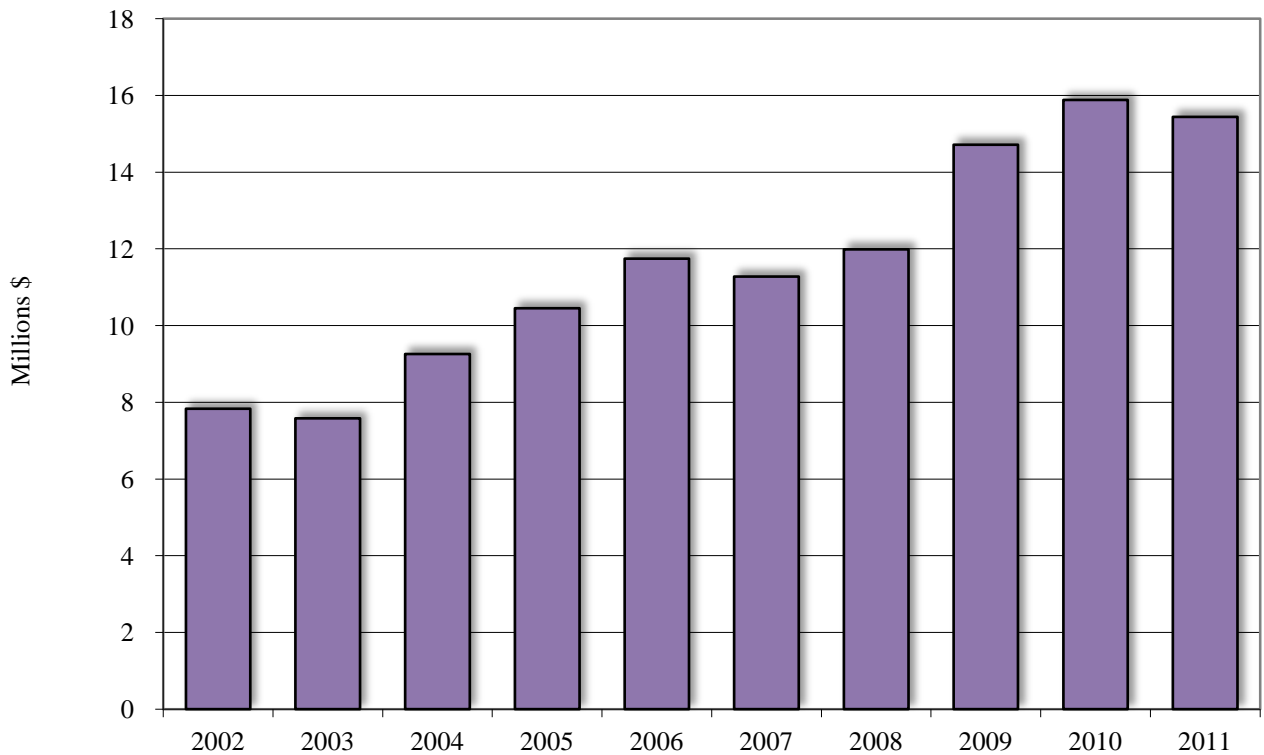


Table #7
Assessed Value and Actual Value of Taxable Property
Last Ten County Fiscal Years
(in dollars)

Fiscal Year	County-wide Property Tax			District Voter-approved ^[1]		
	County-wide Total Secured Assessed Valuation	Secured Property Tax Levy	County Tax Rate per \$100 Assessed Value	Secured Land Assessed Value District Boundaries	Voter-approved Levy	Tax Rate per \$100 Assessed Value ^{[2][3]}
2002-03	14,938,269,091	175,046,199	1.1718	2,900,034,618	739,509	0.0255
2003-04	16,722,948,086	193,059,128	1.1545	3,256,580,233	902,073	0.0277
2004-05	18,583,511,267	212,729,353	1.1447	3,556,739,901	99,589	0.0028
2005-06	21,324,584,293	245,106,797	1.1494	4,206,890,631	387,034	0.0092
2006-07	24,269,690,213	277,183,486	1.1421	4,932,366,058	493,237	0.0100
2007-08	26,377,814,381	302,704,983	1.1476	5,404,635,789	571,313	0.0106
2008-09	27,354,549,191	317,280,539	1.1599	5,642,044,763	588,363	0.0104
2009-10	26,805,989,567	315,638,143	1.1775	5,312,004,863	499,757	0.0094
2010-11	24,855,948,497	298,627,324	1.2014	4,860,491,154	449,169	0.0092
2011-12	24,803,113,396	296,903,045	1.1970	4,761,890,803	481,525	0.0101

^[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 Bureau of Reclamation (Reclamation) for the construction of the Sly Park Unit of the Central Valley Project and the District's distribution system. The debt was originally approved by District voters in 1959. Subsequent to 1959, the voters approved additional debt related thereto for construction projects in 1969, 1972, and 1975. The District's total obligation to Reclamation for this debt totaled approximately \$24.2 million. See also note 3 below. The District receives 100% of its general property tax allocation as a result of the tax distribution system.

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

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

Source: El Dorado Irrigation District Finance Department and the El Dorado County Auditor-Controller - Assessed Valuation and Secured Property Tax Ledger

Table #8
Direct and Overlapping Property Tax Rates
Last Ten County Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	General Property Tax Levy	State Assessed Unitary Value Properties	School Districts	Special Districts	EID Voter-approved Tax ^[2]	Total ^[1]
2002-03	1.0000%	0.0792%	0.0296%	0.0109%	0.0255%	1.1452%
2003-04	1.0000%	0.0704%	0.0274%	0.0090%	0.0277%	1.1345%
2004-05	1.0000%	0.0880%	0.0258%	0.0068%	0.0028%	1.1234%
2005-06	1.0000%	0.0934%	0.0288%	0.0128%	0.0092%	1.1442%
2006-07	1.0000%	0.1067%	0.0250%	0.0100%	0.0100%	1.1517%
2007-08	1.0000%	0.1280%	0.0239%	0.0092%	0.0106%	1.1717%
2008-09	1.0000%	0.1606%	0.0409%	0.0091%	0.0104%	1.2210%
2009-10	1.0000%	0.2249%	0.0290%	0.0213%	0.0094%	1.2846%
2010-11	1.0000%	0.2722%	0.0541%	0.0243%	0.0092%	1.3598%
2011-12	1.0000%	0.2495%	0.0526%	0.0265%	0.0101%	1.3387%

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

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

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

Source: El Dorado County Auditor – Controller - Ad Valorem Tax Rate Area Listing TRJ620P/TRB110

Table #9
Principal Property Tax Payers^[1]
Current Year and Eight Years Ago

Property Owner	Primary Land Use	2011			2003 ^[2]		
		2011-2012 Assessed Valuation	Rank	% of Total	2003-2004 Assessed Valuation	Rank	% of Total
Serrano Associates, LLC	Residential Development	27,575,518	1	0.58%	49,934,672	2	1.53%
Toll Land X, LP / Toll Brothers, Inc.	Residential Development	16,619,361	2	0.35%			
Min Nan Tseng, Trust	Residential Development	8,867,584	3	0.19%			
Marble Valley Company, LLC	Residential Development	8,158,575	4	0.17%	6,317,843	15	0.19%
PAC / SIB, LLC	Industrial Land	7,285,475	5	0.15%			
Lennar Homes of California	Residential Development	7,162,275	6	0.15%			
Long's Drug Stores CA, LLC	Commercial Land	7,155,024	7	0.15%			
CH Blackstone, LP	Residential Development	6,984,500	8	0.15%			
East Ridge Investors	Residential Development	6,618,300	9	0.14%			
Safeway, Inc.	Supermarket	6,485,778	10	0.14%			
Tradewinds Lodge	Commercial Land	6,131,359	11	0.13%			
WRI Golden State, LLC	Commercial	6,051,454	12	0.13%	4,522,468	17	0.14%
Serrano Country Club	Country Club	5,671,093	13	0.12%			
Target Corporation	Commercial	5,631,046	14	0.12%			
AKT Carson Creek Investors	Residential Development	5,631,035	15	0.12%			
GHC Company 5, LLC	Residential Development	5,400,000	16	0.11%			
Syers Properties III, LLC	Commercial	4,813,051	17	0.10%			
LBA Realty Fund III, LLC	Office Building	4,744,000	18	0.10%			
Russell-Promontory, LLC	Residential Development	4,527,806	19	0.10%	4,397,443	19	0.14%
Von Housen's Motors	Auto Sales / Service	4,417,516	20	0.09%			
JTS Communities	Residential Development				53,383,759	1	1.64%
Angelo K. Tsakopoulos	Vacant Land				20,298,523	3	0.62%
LMD SP 257, LLC	Vacant Land				14,887,500	4	0.46%
Pleasant Valley Investment	Vacant Land				13,340,000	5	0.41%
U S Home Corporation	Residential Development				9,572,583	6	0.29%
El Dorado Hills Investors	Vacant Land				9,309,609	7	0.29%
AKT Development	Vacant Land				7,961,280	8	0.24%
James W. Cameron, Jr.	Vacant Land				7,454,362	9	0.23%
D R Horton, Inc., Sacramento	Residential Development				7,315,640	10	0.22%
RPA Inc.	Vacant Land				7,000,786	11	0.21%
Apple Mountain, LP	Recreational				6,877,044	12	0.21%
W L Homes	Residential Development				6,839,880	13	0.21%
Suncrest Homes, LLC	Residential Development				6,460,051	14	0.20%
PMP at El Dorado Hills, LLC	Vacant Land				6,160,000	16	0.19%
Regency Centers, LP	Commercial				4,431,000	18	0.14%
Len-Serrano II, LLC	Residential Development				3,780,000	20	0.12%
Total		155,930,750		3.29%	250,244,443		6.15%

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

[2] The District did not begin tracking principal property taxpayers until 2003.

Source: California Municipal Statistics, Inc.

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

Fiscal Year	Levy	Collections				
	County Secured Property Tax Levy	District's Share of 1% Property Tax ^[1]	Maintenance District Collections ^[2]	Miscellaneous Collections ^[3]	Total District Collections	% of County Levy
2002-03	175,046,199	5,467,988	14,382	39,640	5,522,010	3.15%
2003-04	193,059,128	6,136,380	14,274	35,085	6,185,739	3.20%
2004-05	212,729,353	1,695,982	12,939	38,205	1,747,126	0.82%
2005-06	245,106,797	2,956,290	9,737	40,238	3,006,265	1.23%
2006-07	277,183,486	9,294,922	5,945	40,997	9,341,864	3.37%
2007-08	302,704,983	10,144,673	3,890	58,203	10,206,766	3.37%
2008-09	317,280,539	10,431,533	7,463	79,011	10,518,007	3.32%
2009-10	315,638,143	10,038,729	6,139	94,212	10,139,080	3.21%
2010-11	298,627,324	9,400,148	5,555	132,300	9,538,003	3.19%
2011-12	296,903,045	9,214,769	7,415	102,342	9,324,526	3.14%

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

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

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

Source: El Dorado Irrigation District Accounting Division

Chart #5
Total District Collections

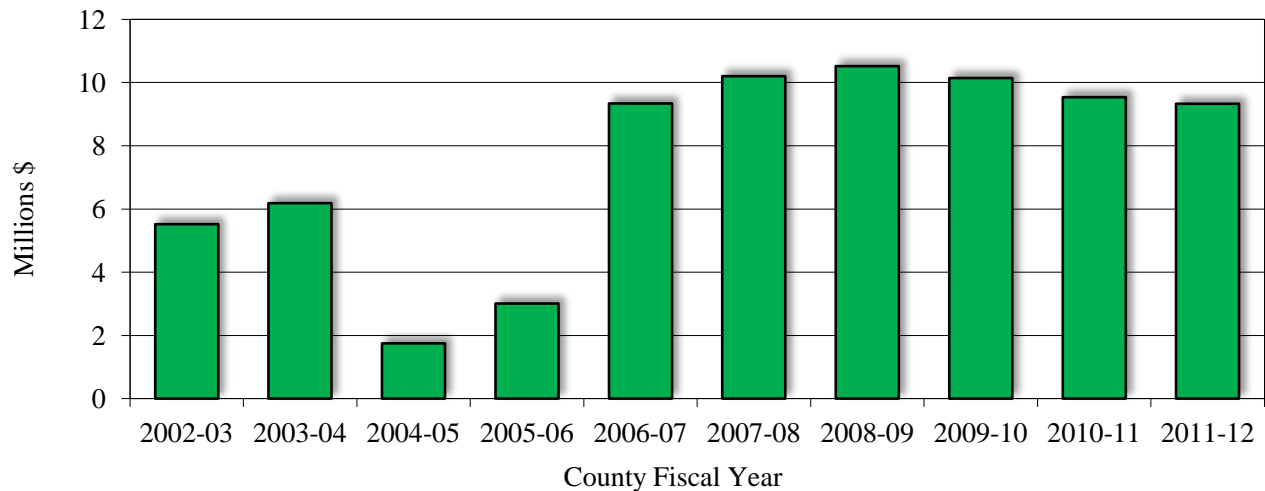


Table #11
 Equivalent Dwelling Unit (EDU)^[1] Sales
 Last Ten Years

Year	Water	Wastewater	Recycled Water	New Dwelling Unit Issued Permits
2002	776.0	862.0	248.0	1,535.0
2003	944.0	1,185.0	313.0	1,460.0
2004	709.0	579.0	121.0	1,666.0
2005	734.0	823.0	335.0	1,307.0
2006	583.0	616.0	187.0	720.0
2007	621.8	941.0	465.5	537.0
2008	482.5	211.8	9.0	336.0
2009	27.5	19.0	1.0	0
2010	32.5	12.0	0	0
2011	40.0	19.0	22	0

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

Source: El Dorado Irrigation District Customer Services Division

Chart #6
 Equivalent Dwelling Unit (EDU) Sales

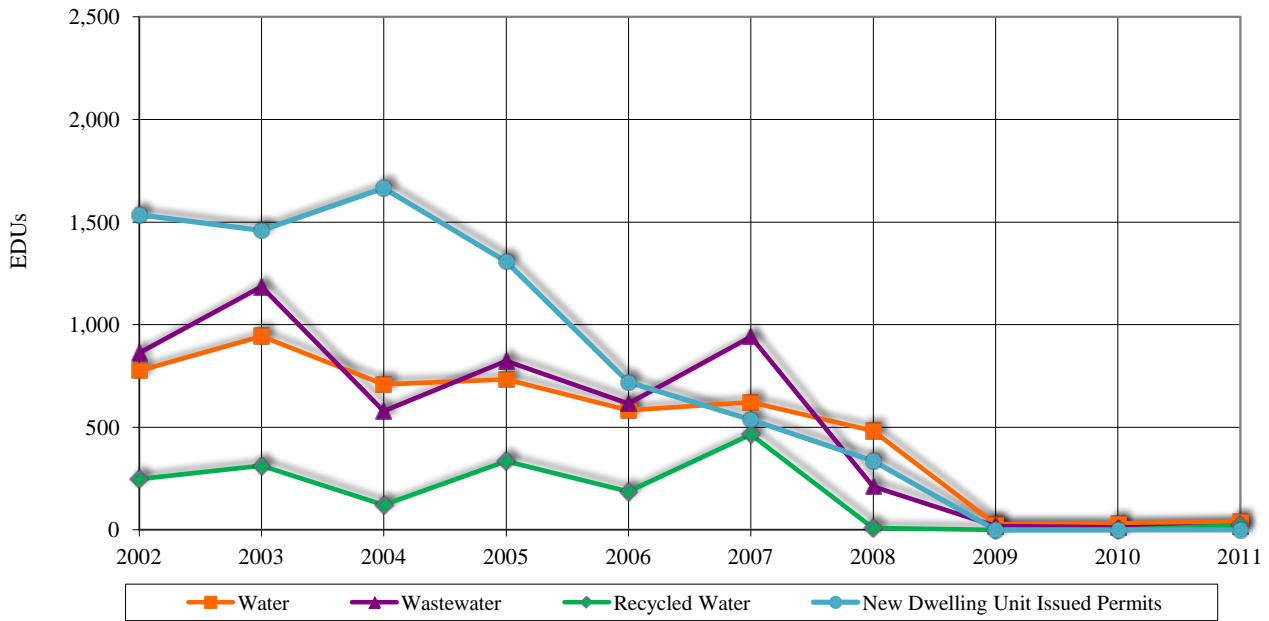


Table #12
Water and Recycled Water Sales by Type of Customer
Last Ten Years

Type of Customer	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Potable Water Sold (Acre Feet):										
Residential ^[1]	17,215	18,147	22,099	23,276	23,288	22,190	20,319	22,559	20,169	20,090
Commercial & Industrial	2,402	2,478	1,993	3,024	3,065	2,850	2,805	2,806	2,778	2,613
Agriculture	4,307	3,609	5,690	5,581	5,262	4,963	4,712	6,433	6,074	5,242
Recreational Turf	973	1,073	1,238	1,398	1,364	1,387	1,235	1,605	1,112	1,357
Municipal	1,097	1,166	1,422	1,533	1,960	1,672	1,666	1,811	1,709	1,696
Total	25,994	26,473	32,442	34,812	34,939	33,062	30,737	35,214	31,842	30,998
(in millions \$)	20.816	17.554	17.403	18.008	17.680	15.438	14.018	13.480	11.438	11.125
Recycled Water Sold (Acre Feet):										
Residential ^[2]	1,372	1,328	1,578	1,674	1,578	1,330	1,008	713	494	274
Commercial & Industrial ^[3]	538	546	654	716	789	726	670	548	442	751
Recreational Turf	337	189	361	513	571	726	455	721	755	811
Total	2,247	2,063	2,593	2,903	2,938	2,782	2,133	1,982	1,691	1,836
(in millions \$)	1.029	0.734	0.799	0.883	1.254	0.723	0.533	0.492	0.382	0.323

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

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

^[3] Commercial & Industrial includes construction meters.

Source: El Dorado Irrigation District Engineering Department - Annual Consumption Report and Water Resource & Service Reliability Report

Chart #7
Water and Recycled Water Sales

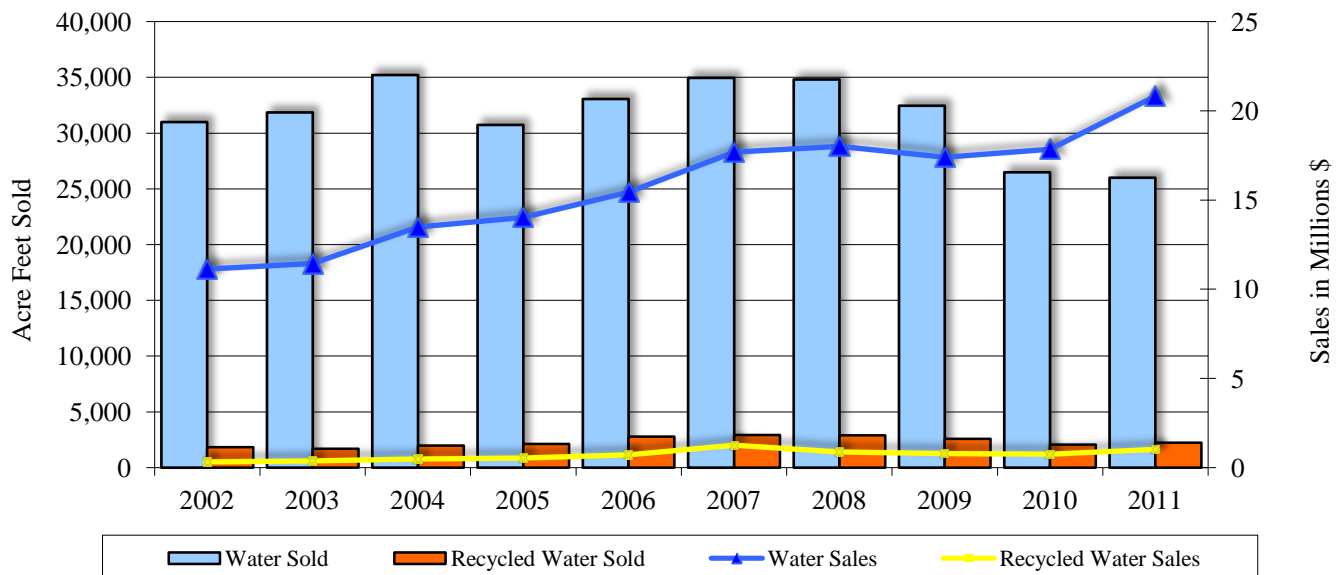


Table #13
Largest Water Customers
Current Year and Ten Years Ago

Water Customers	2011			2001		
	Annual Revenue	Rank	% of Water Sales	Annual Revenue	Rank	% of Water Sales
City of Placerville	299,592	1	1.44%	-	1	1.85%
Cameron Park Golf Course	73,172	2	0.35%	-	7	0.22%
El Dorado Hills CSD	64,697	3	0.31%			
El Dorado Union High School District	55,857	4	0.27%			
Red Hawk Casino	75,220	5	0.36%			
Buckeye Union School District	41,470	6	0.20%			
Visman Brothers	5,708	7	0.03%			
El Dorado Orchard	5,617	8	0.03%			
U.S. Forest Service	5,701	9	0.03%			
George C. Visman	5,509	10	0.03%			
Serrano Associates, LLC ^[1]				-	2	1.52%
Sierra Pacific Industries				-	3	0.35%
Lake Oaks Mobile Home Park				-	4	0.33%
Sierra Pacific Industries				-	5	0.31%
Cameron Park Mobile Home Park				-	6	0.23%
Fuller-Sunset Mobile Home Park				-	8	0.22%
Cameron Oaks Investment Company				-	9	0.21%
Hidden Springs Mobile Home Park				-	10	0.20%
Total	632,543		3.05%			5.44%

^[1] Recycled water service.

Source: El Dorado Irrigation District Customer Services Division

Table #14
Largest Wastewater Customers
Current and Ten Years Ago

Wastewater Customers	2011			2001		
	Annual Revenue	Rank	% of Wastewater Sales	Annual Revenue	Rank	% of Wastewater Sales
Lake Oaks Mobile Home Park	197,374	1	1.02%	-	1	1.10%
Lake Forest Apartments, LLC	139,082	2	0.72%			
Vineyards at Valley View	214,423	3	1.10%			
Diamond Springs Mobile Home Park	94,273	4	0.49%	-	6	0.40%
Cameron Oaks Investment Company	99,889	5	0.51%	-	3	0.85%
Cameron Park Mobile Home Park	101,992	6	0.52%	-	2	0.90%
Fuller-Sunset Mobile Home Park	93,582	7	0.48%	-	10	0.35%
Cameron Park Senior Living, a Ca LLC	119,268	8	0.61%			
Mercy Housing Calif XXI, LP	114,178	9	0.59%			
Royal Heights Townhouses	39,078	10	0.20%			
Crestview Mobile Home Park				-	4	0.57%
PW Pipe				-	5	0.49%
Cameron Park Village				-	7	0.38%
Westwood Mobile Home Park				-	8	0.37%
Bridge-Cameron Park, LP				-	9	0.36%
Total	1,213,139		6.24%			5.77%

Source: El Dorado Irrigation District Customer Services Division

Table #15
Water Rates^[1]
Last Ten Years
(in dollars)

Category	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Single Family Residential / Retail ^[2] :										
Basic Charge, 3/4" - 5/8" Meter	25.89	22.51	19.08	30.74	30.74	28.46	26.11	24.40	22.58	22.58
0 - 1,500 cf	1.31	1.14	0.96	0.75	0.75	0.69	0.64	0.60	0.55	0.55
1,501 - 4,500 cf	1.58	1.37	1.16	0.80	0.80	0.74	0.68	0.64	0.59	0.59
Over 4,500 cf	1.85	1.61	1.36	0.94	0.94	0.87	0.80	0.75	0.69	0.69
Single Family Residential / Retail ^[2] :										
Basic Charge, 1" Meter	30.06	26.14	22.15	30.74	30.74	28.46	26.11	24.40	22.58	22.58
Basic Charge, 1 1/2" Meter ^[5]	40.51	30.35	25.72	32.27	32.27	29.88	27.41	25.62	23.71	23.71
0 - 7,800 cf	n/a	n/a	n/a	0.75	0.75	0.69	0.64	0.60	0.55	0.55
7,801 - 100,000 cf	n/a	n/a	n/a	0.80	0.80	0.74	0.68	0.64	0.59	0.59
Over 100,000 cf	n/a	n/a	n/a	0.94	0.94	0.87	0.80	0.75	0.69	0.69
Single Family Residential / Retail ^[2] :										
Basic Charge, 2" Meter ^[5]	54.60	47.48	34.66	33.81	33.81	31.31	28.72	26.84	24.83	24.83
Basic Charge, 3" Meter ^[5]	73.60	64.00	46.72	37.19	37.19	34.43	31.59	29.52	27.32	27.32
Basic Charge, 4" Meter ^[5]	99.20	86.26	62.96	40.90	40.90	37.87	34.74	32.47	30.03	30.03
Basic Charge, 6" Meter ^[5]	133.70	116.26	84.86	45.00	45.00	41.66	38.22	35.72	33.06	33.06
Basic Charge, 8" Meter ^[5]	155.22	134.97	114.38	54.46	54.46	50.42	46.26	43.23	40.00	40.00
Basic Charge, 10" Meter ^[5]	180.19	156.69	132.79	65.90	65.90	61.01	55.97	52.31	48.40	48.40
Basic Charge, 12" Meter ^[5]	209.20	181.91	154.16	79.73	79.73	73.82	67.72	63.29	58.56	58.56
0 - 25,000 cf	n/a	n/a	n/a	0.75	0.75	0.69	0.64	0.60	0.55	0.55
25,001 - 133,300 cf	n/a	n/a	n/a	0.80	0.80	0.74	0.68	0.64	0.59	0.59
Over 133,333 cf	n/a	n/a	n/a	0.94	0.94	0.87	0.80	0.75	0.69	0.69
Commercial and Retail Landscape ^[3] :										
Basic Charge Per Unit, All Water Consumed ^[4]	1.43	1.24	1.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Farms:										
Basic Charge ^[4]	n/a	n/a	n/a	54.66	54.66	50.61	46.43	43.39	40.15	40.15
0 - 1,760 cf / 0-1,800 cf	1.31	1.14	0.96	0.80	0.80	0.74	0.68	0.64	0.59	0.59
1,761 - 6,500 cf / 1,801-6,500 cf	0.12	0.10	0.09	0.08	0.08	0.08	0.07	0.07	0.06	0.06
6,501 - 100,000 cf / 6,501-50,000 cf	0.14	0.12	0.10	0.10	0.10	0.09	0.08	0.08	0.07	0.07
Over 100,000 cf / above 50,000 cf	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08	0.08

Note: Commodity charges are in ccf (100 cubic feet, which equals 748 gallons).

All services outside the District are billed at 1.5 times.

All basic charges are bi-monthly.

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

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

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

^[4] Beginning in 2009, basic charge determined by meter size.

^[5] Charges for a "turbo" meter.

Source: El Dorado Irrigation District Utility Billing Section

(Continued)

Table #15 (Continued)
 Water Rates^[1]
 Last Ten Years
 (in dollars)

Category	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Agriculture Metered Irrigation ^[2] , With Residence:										
Basic Charge ^[3]	n/a	n/a	n/a	54.66	54.66	50.61	46.43	43.39	40.15	40.15
0-1,800 cf / 0-1,800cf	1.31	1.14	0.96	0.80	0.80	0.74	0.68	0.64	0.59	0.59
1,801-30,000 cf / 1,801-58,200 cf	0.14	0.12	0.09	0.08	0.08	0.08	0.07	0.07	0.06	0.06
30,001-58,200 cf	n/a	n/a	0.10	0.10	0.10	0.09	0.08	0.08	0.07	0.07
Over 58,201 cf / over 58,201 cf	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08	0.08
Agriculture Metered Irrigation ^[2] , Without Residence:										
Basic Charge ^[3]	n/a	n/a	n/a	54.66	54.66	50.61	46.43	43.39	40.15	40.15
0-30,000 cf	n/a	n/a	0.09	0.08	0.08	0.08	0.07	0.07	0.06	0.06
30,001-58,200 / 0-58,200 cf	0.14	0.12	0.10	0.10	0.10	0.09	0.08	0.08	0.07	0.07
Over 58,201 cf / over 58,201 cf	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08	0.08
Agriculture Metered Irrigation ^[2] , With Residence - IMS Participant:										
Basic Charge ^[3]	n/a	n/a	n/a	54.66	54.66	50.61	46.43	43.39	40.15	40.15
0-1,800 cf	1.31	1.14	0.96	0.80	0.80	0.74	0.68	0.64	0.59	0.59
1,801-30,000 cf	0.12	0.10	0.09	0.08	0.08	0.08	0.07	0.07	0.06	0.06
30,001-58,200 cf	0.14	0.12	0.10	0.10	0.10	0.09	0.08	0.08	0.07	0.07
Over 58,200 cf	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08	0.08
Agriculture Metered Irrigation ^[2] , Without Residence - IMS Participant:										
Basic Charge ^[3]	n/a	n/a	n/a	54.66	54.66	50.61	46.43	43.39	40.15	40.15
0-30,000 cf	0.12	0.10	0.09	0.08	0.08	0.08	0.07	0.07	0.06	0.06
30,001-58,200 cf	0.14	0.12	0.10	0.10	0.10	0.09	0.08	0.08	0.07	0.07
Over 58,200 cf	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08	0.08
Multi-family:										
Basic Charge, Per Unit	12.82	11.15	9.45	15.28	15.28	14.15	12.98	12.13	11.22	11.22
0 - 1,500 cf	1.43	1.24	1.05	0.75	0.75	0.69	0.64	0.60	0.55	0.55
1,501 - 20,000 cf	1.43	1.24	1.05	0.80	0.80	0.74	0.68	0.64	0.59	0.59
Over 20,000 cf	1.43	1.24	1.05	0.94	0.94	0.87	0.80	0.75	0.69	0.69
Domestic Irrigation ^[4] :										
Basic Charge	71.10	61.83	52.40	52.00	52.00	48.15	44.17	41.28	38.20	38.20
0 - 6,500 cf	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08	0.08
6,501 - 50,000 cf	0.18	0.16	0.13	0.12	0.12	0.11	0.10	0.10	0.09	0.09
Over 50,000 cf	0.24	0.21	0.18	0.16	0.16	0.15	0.14	0.13	0.12	0.12

Note: Commodity charges are in ccf (100 cubic feet, which equals 748 gallons).

All services outside the District are billed at 1.5 times.

All basic charges are bi-monthly.

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

^[2] Beginning in April 2009, agriculture metered irrigation tier quantities changed.

^[3] Beginning in 2009, basic charge determined by meter size.

^[4] Beginning in April 2009, domestic irrigation tier 2 maximum value changed from 100,000 to 50,000.

Source: El Dorado Irrigation District Utility Billing Section

(Continued)

Table #15 (Continued)
 Water Rates^[1]
 Last Ten Years
 (in dollars)

Category	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Recreational Turf:										
Basic Charge, 5/8" - 1 1/2" Meter ^[4]	n/a	n/a	n/a	104.15	104.15	96.44	88.47	82.68	76.50	76.50
0 - 13,300 cf	0.72	0.62	0.53	0.38	0.38	0.35	0.32	0.30	0.28	0.28
13,301 - 75,000 cf	0.74	0.64	0.54	0.39	0.39	0.37	0.34	0.31	0.29	0.29
Over 75,000 cf	0.92	0.80	0.68	0.49	0.49	0.45	0.42	0.39	0.34	0.34
Recreational Turf:										
Basic Charge, 2" - 3" Meter ^[4]	n/a	n/a	n/a	104.15	104.15	96.44	88.47	82.68	76.50	76.50
0 - 37,500 cf	0.72	0.62	0.53	0.38	0.38	0.35	0.32	0.30	0.28	0.28
37,501 - 166,700 cf	0.74	0.64	0.54	0.39	0.39	0.37	0.34	0.31	0.29	0.29
Over 166,700 cf	0.92	0.80	0.68	0.49	0.49	0.45	0.42	0.39	0.34	0.34
Recreational Turf:										
Basic Charge, 4" - 8" - Other ^[4]	n/a	n/a	n/a	104.15	104.15	96.44	88.47	82.68	76.50	76.50
0 - 500,000 cf	0.72	0.62	0.53	0.38	0.38	0.35	0.32	0.30	0.28	0.28
500,001 - 1,666,700 cf	0.74	0.64	0.54	0.39	0.39	0.37	0.34	0.31	0.29	0.29
Over 1,666,700 cf	0.92	0.80	0.68	0.49	0.49	0.45	0.42	0.39	0.34	0.34
Wholesale (City of Placerville):										
Basic Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0 - 295,500 cf	0.57	0.50	0.42	0.44	0.44	0.39	0.36	0.34	0.31	0.31
295,501 - 12,160,000 cf	0.65	0.56	0.48	0.48	0.48	0.44	0.41	0.38	0.35	0.35
Over 12,160,000 cf	0.74	0.64	0.54	0.54	0.54	0.50	0.46	0.43	0.40	0.40
Temporary Water Use ^[2,3] :										
Basic Charge	402.52	350.02	42.39	68.26	68.26	63.23	58.00	54.21	50.16	50.16
Commodity Charge	2.37	2.06	1.75	1.36	1.36	1.26	1.16	1.08	1.00	1.00
Ditches (Raw Water) ^[5] :										
Basic Charge, Metered Landscape Irrigation	80.38	70.29	59.57	59.57	59.57	55.16	50.60	47.29	43.76	43.76
Commodity Charge	0.15	0.13	0.11	0.11	0.11	0.10	0.09	0.09	0.08	0.08
Basic Charge, 1/2" Flow	74.51	64.79	54.91	54.91	54.91	50.84	46.64	43.59	40.33	40.33
Basic Charge, 1" Flow	165.49	143.90	121.95	121.95	121.95	112.92	103.59	96.81	89.58	89.58
Basic Charge, 2" Flow	330.98	287.81	243.91	243.91	243.91	225.84	207.17	193.62	179.16	179.16
Basic Charge, 4" Flow	661.94	575.60	487.80	487.80	487.80	451.67	414.34	387.23	358.32	358.32
Basic Charge, Continuous Flow	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge	0.09	0.08	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.05

Note: Commodity charges are in ccf (100 cubic feet, which equals 748 gallons).

All services outside the District are billed at 1.5 times.

All basic charges are bi-monthly.

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

^[2] Previously known as Fire Hydrant / Construction.

^[3] Fire Hydrant Recycled Lines was located on this page. It has been moved to Table #17 Recycled Water Rates.

^[4] Beginning in 2009, basic charge is determined by meter size.

^[5] 1 miners inch - 11.22 gallons per minute; 1 miners inch day (MID)= 2,160 cubic feet.

Source: El Dorado Irrigation District Utility Billing Section

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

Category	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Small Farm / Recreational Turf / Domestic Irrigation (Flat Rate):										
Basic Charge	129.50	112.61	95.43	115.44	111.00	104.72	96.93	93.20	90.49	90.49
Commodity Charge	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Single Family Residential:										
Basic Charge	77.33	67.24	56.98	54.79	52.68	49.70	46.00	44.23	42.94	42.94
Commodity Charge	2.90	2.52	2.14	2.05	1.98	1.86	1.72	1.66	1.16	1.16
Commercial Industrial:										
Basic Charge	69.76	60.66	51.41	49.43	47.53	44.84	41.51	39.91	38.75	38.75
Laundromat	3.85	3.35	2.84	2.73	2.63	2.48	2.29	2.20	2.14	2.14
Market	5.80	5.04	4.27	5.90	5.67	5.35	4.95	4.76	4.62	4.62
Repair Shop / Service Station	7.76	6.75	5.72	4.11	3.95	3.73	3.45	3.32	3.22	3.22
Light Industrial	8.32	7.23	6.13	5.50	5.29	4.99	4.62	4.44	4.31	4.31
Restaurant	10.73	9.33	7.91	7.60	7.31	6.90	6.38	6.14	5.96	5.96
Other	4.97	4.32	3.66	3.52	3.39	3.19	2.96	2.84	2.76	2.76
Commercial Without Water Service (Sewer Only):										
Basic Charge	81.64	70.99	60.16	57.85	55.62	52.47	48.57	46.70	45.34	45.34
Each Additional Unit	93.16	81.01	68.65	66.01	63.47	59.88	55.42	53.29	51.74	51.74
School Wastewater, Yearly:										
Basic Charge, Per Student	5.52	4.80	4.07	3.91	3.76	3.55	3.29	3.16	3.07	3.07
Septage Transfer										
Basic Charge, per 1,000 Gallons	197.14	171.43	145.28	139.70	134.32	126.72	117.29	112.78	109.59	109.59

Note: All Basic Charges are bi-monthly.

Source: El Dorado Irrigation District Utility Billing Section

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

Category	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Commercial / Industrial:										
Basic Charge	143.84	125.08	106.00	106.00	106.00	98.14	90.03	84.14	77.86	77.86
Commodity Charge	0.83	0.72	0.61	0.61	0.61	0.57	0.52	0.49	0.45	0.45
Dual Plumbed, Residential:										
Basic Charge	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge	0.83	0.72	0.61	0.61	0.61	0.57	0.52	0.49	0.45	0.45
Fire Hydrant / Recycled Lines:										
Basic Charge	434.27	377.63	65.79	106.00	106.00	98.14	90.03	84.14	77.86	77.86
Commodity Charge	1.07	0.93	0.79	0.61	0.61	0.57	0.52	0.49	0.45	0.45

Note: Commodity charges are in ccf (100 cubic feet, which equals 748 gallons).

All basic charges are bi-monthly.

Source: El Dorado Irrigation District Utility Billing Section

Table #18
Water and Wastewater
Rate Surcharges
Last Ten Years
(in dollars, except EDUs)

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

Note: Single family residential, domestic irrigation, agricultural meter irrigation, and small farms surcharge will be based on a 3/4" meter, regardless of size.

For meter type: D=Displacement, C=Compound, P=Propeller, and T=Turbine.

All charges are reported as bi-monthly.

^[1] Water rate surcharges for Phase I and II remained the same for years 2001 through October 2009, data was not reported prior to 2001.

Water rate surcharges for Phase I ended effective October 2009.

Water rate surcharge for Phase III began in 2008.

Multi-family water surcharge will be based on a bi-monthly per unit charge of \$0.74 for Phase I and II, and \$2.44 for Phase III.

Phase I adopted February 1, 1999. The first effective billing period was February 7, 1999.

Phase II was adopted and Phase I was revised on November 1, 2001.

Phase III was adopted March 10, 2008. The first effective billing period was April 1, 2008.

^[2] Wastewater rate surcharges remained the same for the ten year reporting period.

Wastewater multi-family rates are based on a bi-monthly per unit charge of \$7.50.

Wastewater rate surcharge adopted January 19, 1996. The first effective billing period beginning March 7, 1996.

Source: El Dorado Irrigation District Utility Billing Section

Table #19
Water and Recycled Water
Facility Capacity Charges (FCC)
Last Seven Years^[1]
(in dollars per EDU)

Category	2011	2010	2009	2008	2007	2006	2005
El Dorado Hills / Cameron Park ^[2] Residential / Commercial / Landscape (Potable Only):							
Potable Water FCC	15,751	15,751	15,751	15,751	11,954	11,954	11,954
Gabbro Soils	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	n/a	n/a	n/a
Total	16,539	16,539	16,539	16,640	12,518	12,518	12,518
El Dorado Hills / Cameron Park ^[2] Residential (Dual Plumbed):							
Potable Water FCC	6,631	6,631	6,631	6,631	5,977	5,977	5,977
Gabbro Soils	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	n/a	n/a	n/a
Recycled Water FCC	4,553	4,553	4,553	4,553	2,241	2,241	2,241
Total	11,972	11,972	11,972	12,073	8,782	8,782	8,782
El Dorado Hills / Cameron Park ^[2] Commercial / Landscape (Recycled Water):							
Recycled Water FCC	4,553	4,553	4,553	4,553	4,482	4,482	4,482
Total	4,553	4,553	4,553	4,553	4,482	4,482	4,482
El Dorado Hills Residential - AFA Entitlement (Potable Only):							
Potable Water FCC	12,361	12,361	12,361	12,361	7,865	7,865	7,865
Gabbro Soils	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	n/a	n/a	n/a
Total	13,149	13,149	13,149	13,250	8,429	8,429	8,429
El Dorado Hills Residential - AFA Entitlement (Dual Plumbed):							
Potable Water FCC	5,512	5,512	5,512	5,512	3,932	3,932	3,932
Gabbro Soils	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	n/a	n/a	n/a
Recycled Water FCC	4,553	4,553	4,553	4,553	2,241	2,241	2,241
Total	10,853	10,853	10,853	10,954	6,737	6,737	6,737
El Dorado Hills Residential - AFA with No Entitlement (Potable Only):							
Potable Water FCC	12,361	12,361	12,361	12,361	7,865	7,865	7,865
Gabbro Soils	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	n/a	n/a	n/a
AFA / Weber Fee	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	17,149	17,149	17,149	17,250	12,429	12,429	12,429

Note: An Equivalent Dwelling Unit (EDU) represents the water usage equivalent of a typical single family dwelling with a 3/4" meter.

^[1] Information not reported with the same methodology previous to 2005.

^[2] Cameron Park included with El Dorado Hill FCC effective February 25, 2008.

^[3] Line & Cover 1 ended effective October, 2009.

Source: El Dorado Irrigation District Customer Services Division

(Continued)

Table #19 (Continued)
Water and Recycled Water
Facility Capacity Charges (FCC)
Last Seven Years^[1]
(in dollars per EDU)

Category	2011	2010	2009	2008	2007	2006	2005
El Dorado Hills Residential - AFA With No Entitlement (Dual Plumbed):							
Potable Water FCC	5,512	5,512	5,512	5,512	7,865	7,865	7,865
Gabbro Soils	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	n/a	n/a	n/a
AFA / Weber Fee	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Recycled Water FCC	4,553	4,553	4,553	4,553			
Total	12,853	12,853	12,853	12,954	10,429	10,429	10,429
General District / Satellites (Potable Only):							
Potable Water FCC	16,305	16,305	16,305	16,305	7,953	7,953	7,953
Gabbro Soils	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	n/a	n/a	n/a
Total	17,093	17,093	17,093	17,194	8,517	8,517	8,517

Note: An Equivalent Dwelling Unit (EDU) represents the water usage equivalent of a typical single family dwelling with a 3/4" meter.

^[1] Information not reported with the same methodology previous to 2005.

^[2] Cameron Park included with El Dorado Hill FCC effective February 25, 2008.

^[3] Line & Cover 1 ended effective October, 2009.

Source: El Dorado Irrigation District Customer Services Division

Table #20
Wastewater
Facility Capacity Charges (FCC)
Last Seven Years^[1]
(in dollars per EDU)

Category	2011	2010	2009	2008	2007	2006	2005
El Dorado Hills:							
Wastewater Buy-in	4,967	4,967	4,967	4,967	8,443	8,443	8,443
Recycled Costs Share	1,538	1,538	1,538	1,538	1,412	1,412	1,412
Future Capital Projects	6,936	6,936	6,936	6,936	n/a	n/a	n/a
Total	13,441	13,441	13,441	13,441	9,855	9,855	9,855
Cameron Park:							
Wastewater Buy-in	7,425	7,425	7,425	7,425	4,418	4,418	4,418
Recycled Costs Share	1,538	1,538	1,538	1,538	1,412	1,412	1,412
Future Capital Projects	486	486	486	486	n/a	n/a	n/a
Total	9,449	9,449	9,449	9,449	5,830	5,830	5,830
Motherlode:							
Wastewater Buy-in	10,114	10,114	10,114	10,114	6,246	6,246	6,246
Recycled Costs Share	1,538	1,538	1,538	1,538	1,412	1,412	1,412
Future Capital Projects	1,751	1,751	1,751	1,751	n/a	n/a	n/a
Total	13,403	13,403	13,403	13,403	7,658	7,658	7,658
Satellite Areas:							
Wastewater Buy-in	9,120	9,120	9,120	9,120	6,181	6,181	6,181
Future Capital Projects	777	777	777	777	0	0	0
Total	9,897	9,897	9,897	9,897	6,181	6,181	6,181

Note: An Equivalent Dwelling Unit (EDU) represents the water usage equivalent of a typical single family dwelling with a 3/4" meter.

^[1] Information not reported with the same methodology previous to 2005.

Source: El Dorado Irrigation District Customer Services Division

Table #21
 Installation and Inspection Fees
 Last Seven Years^[1]
 (in dollars)

Category	Year						
	2011 ^[2]	2010	2009	2008	2007	2006	2005
Water Meter Installation Fees:							
3/4" Meter, With Pressure Regulator	792	760	598	598	537	537	537
3/4" Meter, Without Pressure Regulator	560	521	464	464	428	428	428
1" Meter, With Pressure Regulator	979	920	670	670	653	653	653
1" Meter, Without Pressure Regulator	669	598	525	525	508	508	508
Recycled Water Meter Installation Fees:							
3/4" Commercial	594	792	545	545	545	545	545
3/4" Residential	594	792	545	545	545	545	545
Wastewater Inspection Fees:							
Commercial (Per Cleanout)	70	70	70	70	70	70	70
Residential	145	145	145	145	145	145	145
Recycled Water Plan Check & Inspection Fees:							
Front Yard Only, Done by Developer (Per Lot)	400	400	400	400	400	500	500
Front and Back Yard, Done by Developer (Per Lot)	325	325	325	325	325	500	500

^[1] Information not reported with the same methodology previous to 2005.

^[2] Pressure regulators not included in price effective 1/1/2011.

Source: El Dorado Irrigation District Customer Services Division

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

	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
State of California Loans	18,491	19,472	20,419	21,364	16,138	16,543	5,918	3,096	3,224	2,934
U.S. Government Loans	-	-	-	-	-	-	-	-	-	14,652
County of El Dorado Note COPs	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533
GO Bonds	3,065	3,450	3,825	4,260	4,685	5,010	5,330	5,585	6,000	-
Revenue Bonds	-	-	-	-	-	-	-	-	68,885	72,190
LaSalle Bank Bridge Loan	-	-	-	-	-	-	-	-	15,000	15,000
Capital Leases	-	-	-	-	-	-	-	101	254	459
Total	381,135	389,395	393,717	270,987	262,576	267,251	260,781	259,860	260,721	106,768
Percentage of Personal Income ^[1]	n/a	n/a	4.51%	3.07%	3.04%	3.42%	3.56%	3.84%	4.18%	1.78%
Per Capita	2,094	2,212	2,236	1,508	1,477	1,513	1,502	1,526	1,560	651
Personal Income, Per Capita ^[2]	n/a	n/a	49,590	49,091	48,606	44,283	42,147	39,723	37,350	36,637
Population	182,019	176,075	176,075	179,722	177,766	176,637	173,668	170,331	167,177	164,020

Note: The District is not subject to any legal debt limitations.

The personal income and per capita figures are for the County of El Dorado.

^[1] Personal income for years 2010 and 2011 unavailable at time of report.

^[2] Personal income per capita for years 2010 and 2011 unavailable at time of report.

Source: El Dorado Irrigation District Accounting Division

Table #23
Debt Service Coverage
Revenue Certificates of Participation Series
2003A, 2003B, 2004A, and 2004B
Water and Wastewater^[1]
Last Nine Years^[2]
(in dollars)

Category	Revenues ^[3]	Expenses ^[4]	Net Revenues	Debt service			Coverage ^[5]
				Principal	Interest	Total	
Water							
2003	\$21,149,731	\$15,653,676	\$5,496,055			\$2,748,632	2.00
2004	24,675,510	20,317,119	4,358,391	\$1,032,024	\$4,134,711	5,166,735	0.84
2005	32,916,548	22,704,324	10,212,224	685,626	4,304,637	4,990,263	2.05
2006	49,020,984	24,075,618	24,945,366	1,331,853	5,151,133	6,482,986	3.85
2007	39,495,917	24,823,282	14,672,635	1,519,116	4,934,677	6,453,793	2.27
2008	41,744,079	25,813,634	15,930,445	2,660,200	8,316,364	10,976,564	1.45
2009 ^[6]	31,766,675	24,888,540	6,878,135	4,578,000	3,684,592	8,262,592	0.83
2010	36,473,001	22,352,243	14,120,758	3,556,911	6,119,431	9,676,342	1.46
2011	45,464,271	24,741,468	20,722,802	3,557,703	8,027,703	11,585,406	1.79
Wastewater							
2003	19,846,852	12,299,316	7,547,536			4,665,151	1.62
2004	21,917,041	15,963,451	5,953,590	1,679,325	4,588,571	6,267,896	0.95
2005	26,205,237	17,839,112	8,366,125	1,280,264	5,353,922	6,634,186	1.26
2006	30,055,658	18,717,271	11,338,387	3,068,000	6,009,872	9,077,872	1.25
2007	32,180,773	19,504,007	12,676,766	3,156,000	5,666,552	8,822,552	1.44
2008	28,674,087	18,685,105	9,988,982	4,359,800	2,455,375	6,815,175	1.47
2009 ^[6]	23,715,902	18,468,735	5,247,167	3,597,000	2,895,037	6,492,037	0.81
2010	25,034,969	16,931,624	8,103,345	2,050,400	4,405,946	6,456,346	1.26
2011	27,092,724	16,012,536	11,080,188	2,308,769	5,971,052	8,279,821	1.34
Total							
2003	40,996,583	27,952,992	13,043,591			7,413,783	1.76
2004	46,592,551	36,280,570	10,311,981	2,711,349	8,723,282	11,434,631	0.90
2005	59,121,785	40,543,436	18,578,349	1,965,890	9,658,559	11,624,449	1.60
2006	79,076,642	42,792,889	36,283,753	4,399,853	11,161,005	15,560,858	2.33
2007	71,676,690	44,327,289	27,349,401	4,675,116	10,601,229	15,276,345	1.79
2008	70,418,166	44,498,739	25,919,427	7,020,000	10,771,739	17,791,739	1.46
2009 ^[6]	55,482,577	43,357,275	12,125,302	8,175,000	6,579,629	14,754,629	0.82
2010	61,507,970	39,283,867	22,224,103	5,607,311	10,525,377	16,132,688	1.38
2011	72,556,994	40,754,004	31,802,990	5,866,472	13,998,755	19,865,226	1.60

Note: Coverage represents the ratio of net revenues before depreciation and debt service to total debt service.

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

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

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

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

^[5] Debt service coverage of 1.25 times is required for both water and wastewater for the Revenue COPs.

^[6] Revenues and expenses are restated for corrections to allocation of miscellaneous revenue and reclassification of FEMA expense.

Source: El Dorado Irrigation District Accounting Division - COP Coverage Requirement Analysis

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

Year	Issued Permit Valuations (in thousands of dollars)		New Dwelling Units Issued Permits		New Construction Finals Issued		
	Residential	Non-residential	Single Family	Multi-family	Single Family	Multi-family	Commercial
2002	399,147	39,242	1,349	186	1,235	2	45
2003	441,499	37,912	1,448	12	1,413	183	66
2004	487,301	48,569	1,566	100	1,459	398	95
2005	392,462	41,802	1,179	128	1,309	386	99
2006	294,996	53,509	681	39	888	24	61
2007	219,009	51,240	357	180	529	41	87
2008	122,106	39,145	186	150	338	52	57
2009	55,843	21,070	95	0	188	119	57
2010	49,309	13,825	69	0	79	0	28
2011	63,164	26,016	92	0	60	0	24

Source: El Dorado County Land Management Information System

Table #25
Principal Employers
of El Dorado County
Current Year^[1] and Ten Years Ago

Employer	2010			2001		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Blue Shield of California	1,719	1	2.21%	-	-	-
El Dorado County	1,583	2	2.04%	1,790	1	2.33%
Marshall Medical Center	1,145	3	1.47%	-	-	-
DST Output	850	4	1.09%	-	-	-
Sierra-at-Tahoe ^[2]	752	5	0.97%	-	-	-
State of California	685	6	0.88%	-	-	-
Raley's	540	7	0.69%	747	3	0.97%
Barton Healthcare Systems (Hospital)	495	8	0.64%	-	-	-
Camp Richardson Resort ^[2]	400	9	0.51%	-	-	-
Roebbelen	263	10	0.34%	-	-	-
El Dorado Irrigation District	222	11	0.29%	-	-	-
El Dorado County Office of Education	210	12	0.27%	512	5	0.67%
Doug Veerkamp General Engineering, Inc. ^[2]	200	13	0.26%	200	10	0.26%
Embassy Suites Lake Tahoe Resort	200	13	0.26%	-	-	-
Lake Tahoe Community College	198	15	0.25%	-	-	-
Output Technology Solutions				1,272	2	1.65%
Marshall Hospital				654	4	0.85%
Roebbelen/Kleeman Construction				480	6	0.62%
DST Innovis, Inc.				430	7	0.56%
Serrano Associates, LLC				241	8	0.31%
El Dorado Irrigation District				212	9	0.28%
El Dorado Savings Bank				166	11	0.22%
Sierra Pacific Industries				143	12	0.19%
Total	9,462		12.17%	6,847		8.91%

^[1] 2010 presented as 2011 information was not available at this time.

^[2] Peak season employment.

Source: Sacramento Business Journal, May 6, 2011 and Sacramento Business Journal, November 23, 2001

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

Year	County Population	Annual % Change	Civilian Labor Force	Employed	Unemployment Rate	Personal Income (in thousands of dollars - estimated)	Per Capita Personal Income (in thousands of dollars - estimated)	School Enrollment
2002	164,675	2.4%	86,600	82,100	5.2%	6,331,672	38,540	29,104
2003	167,436	1.7%	88,100	83,200	5.6%	6,635,700	39,631	29,147
2004	170,486	1.8%	89,500	84,800	5.3%	7,120,743	41,767	29,072
2005	173,500	1.8%	92,000	87,600	4.8%	7,688,115	44,312	29,368
2006	174,995	0.9%	93,000	88,700	4.6%	8,219,865	46,972	29,332
2007	175,752	0.4%	94,500	89,600	5.2%	8,607,872	48,977	29,417
2008	177,009	0.7%	96,000	89,400	6.9%	8,873,543	50,130	29,662
2009	178,847	1.0%	90,700	79,400	12.5%	8,849,152	49,590	29,336
2010	182,019	1.8%	90,800	79,400	12.6%	n/a ^[1]	n/a ^[1]	29,601
2011	182,019	0.0%	91,000	80,300	11.8%	n/a ^[1]	n/a ^[1]	29,972

^[1] Information unavailable at time of report.

Source: Bureau of Economic Analysis, Regional Economic Information System beginning in 2009 due to the unavailability of current data for population, personal income, and per capita personal income from the Labor Market Information Division - This change reflected in an inaccurate decrease in annual % change in 2010.

All annual numbers have been changed in the current year reporting to maintain consistency in trending.

California Employment Development Department, Labor Market Information Division for civilian labor force, employed, and unemployment rate

California Department of Education, Educational Demographics Unit for school enrollment

California State Association of Counties, El Dorado County for current year population

Chart #8
County Population vs. Unemployment Rate

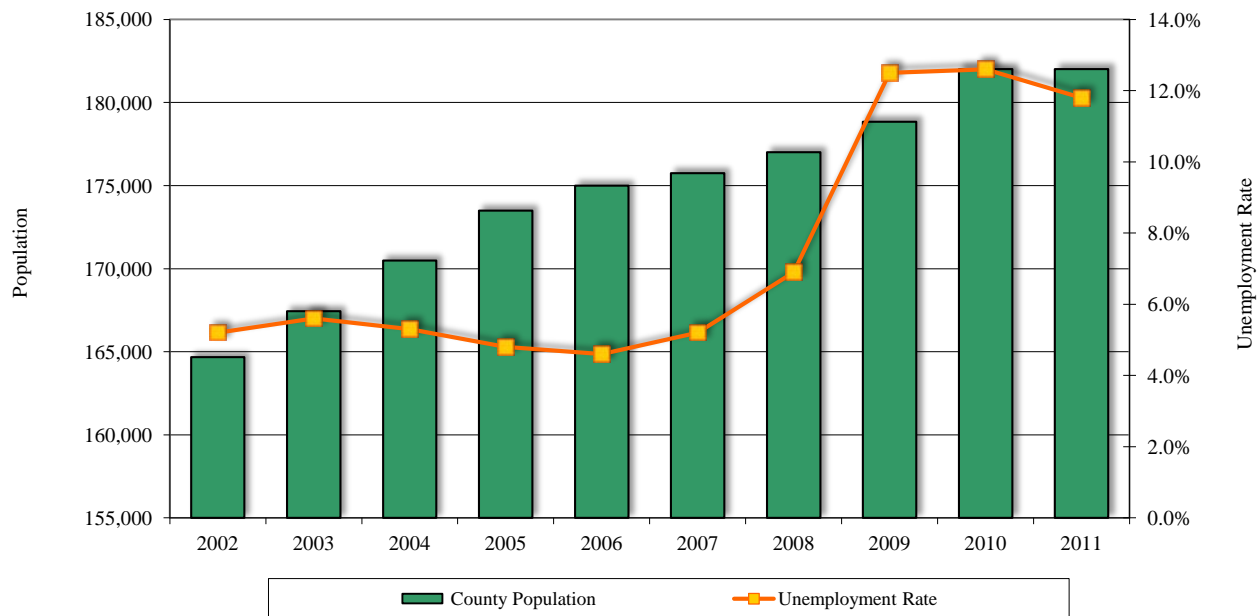


Table #27
Water System
Demographics and Statistical Summary
Last Ten Years

Category	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Facilities:										
Miles of Main Line (Estimated)	1,298	1,298	1,295	1,295	1,245	1,289	1,245	1,229	1,220	1,200
Miles of Ditches (Estimated)	27	27	27	27	27	27	27	37	40	40
Number of Treatment Plants	5	6	6	6	6	6	6	6	6	6
Total Plant Capacity (cfs)	184	184	184	184	184	184	177	177	164	161
# of Pumping Stations	38	38	38	38	37	38	38	38	36	34
# of Storage Tanks / Reservoirs	34	33	33	33	36	36	35	35	32	28
Supply Allocated (Acre Feet):										
Sly Park Reservoir	20,920	20,920	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Reclamation-Folsom Lake ^[1]	29,110	29,110	24,500	24,500	24,500	24,500	7,550	7,550	7,550	7,550
Forebay - Project 184	15,080	15,080	15,080	15,080	15,080	15,080	15,080	15,080	15,080	15,080
Crawford Ditch ^[2]	--	-	-	-	-	-	-	-	-	700
Total Water Allocations	65,110	65,110	62,580	62,580	62,580	62,580	45,630	45,630	45,630	46,330
Supply Delivered (Acre Feet):										
Sly Park Reservoir ^[3]	20,600	20,844	22,255	25,745	22,467	21,694	20,144	22,919	23,312	25,738
Reclamation-Folsom Lake	5,785	6,409	6,693	6,882	9,171	8,189	7,555	8,424	7,528	7,728
Forebay - Project 184 ^[3]	7,069	8,424	11,712	12,423	12,329	11,451	9,957	12,016	6,298	4,719
Crawford Ditch ^[2]	--	-	-	-	-	-	-	-	-	700
Total Water Deliveries	33,454	35,677	40,660	45,050	43,967	41,334	37,656	43,359	37,138	38,885
Consumption (Acre Feet) ^[4] :										
Residential ^[5]	17,215	18,147	22,099	23,322	23,341	22,190	20,319	22,559	20,169	20,090
Commercial and Industrial ^[6]	2,402	2,478	1,993	3,029	3,076	2,850	2,805	2,806	2,778	2,613
Agricultural ^[7]	4,307	4,896	5,690	5,581	5,262	4,963	4,712	6,433	6,074	5,242
Recreational Turf	973	1,073	1,238	1,398	1,364	1,387	1,235	1,605	1,112	1,357
Municipal	1,097	1,166	1,422	1,533	1,960	1,672	1,666	1,811	1,709	1,696
Total Water Consumption	25,994	27,760	32,442	34,863	35,003	33,062	30,737	35,214	31,842	30,998
Customer Services ^[4,8] :										
Residential ^[5]	36,738	36,882	36,464	36,449	36,223	35,825	35,221	34,180	33,184	31,578
Commercial and Industrial ^[6]	1,737	1,480	1,787	1,653	1,417	1,344	1,303	1,254	1,217	1,181
Agricultural ^[7]	479	497	486	477	390	389	391	380	397	349
Recreational Turf	112	112	108	110	109	108	104	101	97	99
Municipal	16	16	17	16	11	11	11	11	11	11
Total Water Services	39,082	38,987	38,862	38,705	38,150	37,677	37,030	35,926	34,906	33,218

^[1] Folsom now includes Department of Reclamation (Reclamation) water service contract for 7,550 AF and Water Right permit number 21112 for 17,000 AF.

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

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

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

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

^[6] Includes commercial and commercial landscape services.

^[7] Includes agricultural metered irrigation, small farm irrigation, and ditch deliveries.

^[8] Services previously reported incorrectly as accounts.

Source: El Dorado Irrigation District Engineering Department - Diversion Report, Annual Consumption Report, and Water Resource & Service Reliability Report; and El Dorado Irrigation District Customer Services Division

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

Year	System Firm Yield ^[1]	Total Raw Water Diversions ^[2]	Metered Consumption ^[3]	Other Authorized Uses ^[4]	Supplement to Recycled System	Real and Apparent Losses ^[5]
2002	43,280	38,885	32,252	1,201	255	5,177
2003	54,550	37,138	31,021	1,017	190	4,910
2004	54,550	43,359	35,160	1,692	918	5,589
2005	54,550	37,656	30,683	1,408	433	5,132
2006	60,550	41,334	33,011	1,767	870	5,686
2007	60,550	43,967	34,938	2,857	595	5,577
2008	60,550	45,051	34,813	2,653	456	7,129
2009	60,550	40,660	32,442	2,629	393	5,196
2010	65,110	35,677	26,473	1,740	379	7,085
2011	65,110	33,454	25,994	1,226	277	5,957

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

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

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

^[4] Other authorized uses of potable and raw water includes consumption that is separate from defined customer rate classes and is not necessarily metered or billed. This demand includes system operations uses like water quality and collection system flushing, as well as meter testing, private fire services, and ditch deliveries.

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

Source: El Dorado Irrigation District Engineering Department - Water Resources and Service Reliability Report

Chart #9
Water Supply and Demand Trends

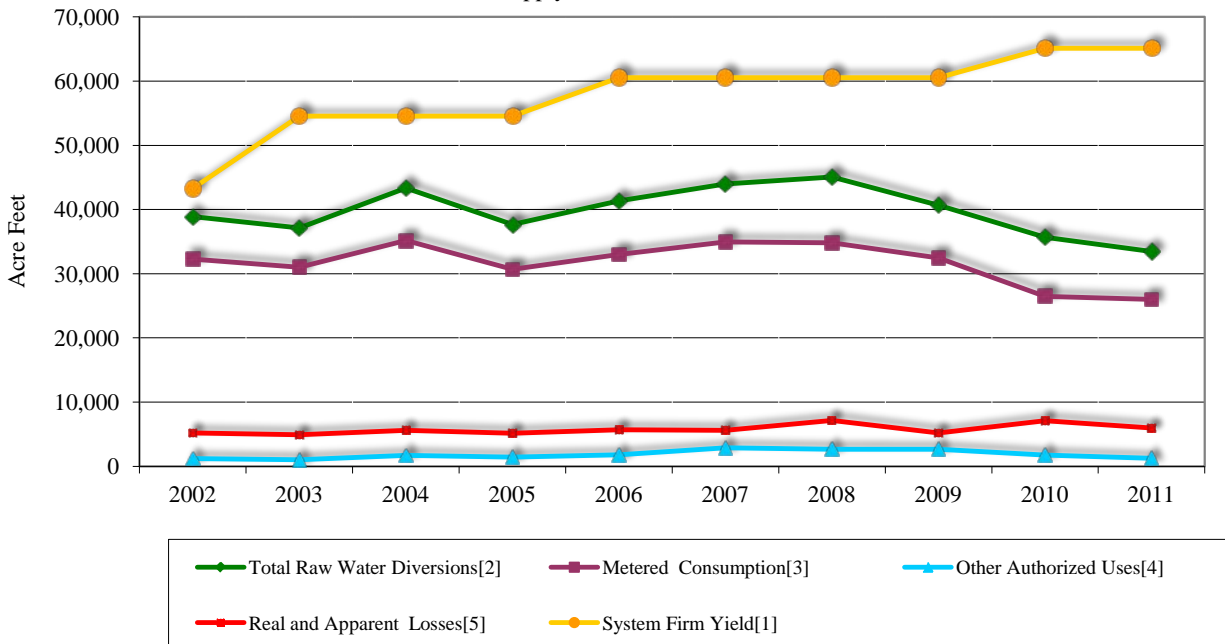


Table #29
Recycled Water System
Demographics and Statistical Summary
Last Ten Years

Recycled Water System	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Facilities:										
Miles of Recycled Pipe	79	54	54	54	49	49	46	44	37	28
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2
Storage Reservoirs / Tanks	5	5	5	5	5	5	5	5	4	4
Number of Pump Stations	5	5	5	5	5	5	5	5	4	4
Consumption (Acre Feet):										
Residential ^[1,2]	1,372	1,328	1,579	1,674	1,578	1,331	1,008	713	493	274
Commercial & Industrial ^[3]	538	546	654	716	789	725	669	547	441	751
Recreational Turf	337	189	361	513	571	726	456	721	756	811
Total Recycled Water Consumption	2,247	2,063	2,594	2,903	2,938	2,782	2,133	1,981	1,690	1,836
Customer Services ^[4,5] :										
Residential ^[1,2]	3,928	3,924	3,663	3,714	3,513	3,277	3,010	2,420	1,978	1,247
Commercial & Industrial ^[3]	155	143	139	153	156	147	129	101	91	89
Recreational Turf	12	12	12	11	12	13	12	12	9	9
Total Recycled Water Services^[4]	4,095	4,079	3,814	3,878	3,681	3,437	3,151	2,533	2,078	1,345

^[1] Residential includes multi-family accounts.

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

^[3] Commercial & Industrial includes temporary water use meters.

^[4] Services previously reported incorrectly as accounts.

^[5] Reporting methodology changed in 2010 due to new computer software.

Source: El Dorado Irrigation District Engineering Department - Diversion Report, Annual Consumption Report, and Water Resource & Service Reliability Report; and El Dorado Irrigation District Customer Services Division

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

Category	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Facilities:										
Miles of Sewer Line	396	396	396	396	390	390	377	377	338	305
Number of Treatment Plants	4	4	4	4	5	5	5	5	5	5
Permitted Average Dry Weather Flow ^[1]	7.6	7.6	7.20	7.20	6.60	6.60	6.60	6.60	5.50	5.50
Plant Capacity Wet Weather ^[1]	23	23	23.00	23.00	22.40	22.40	22.40	22.40	7.50	7.50
Average Dry Weather Daily Plant Flow ^[1]	4.602	4.91	5.96	5.96	5.45	5.79	4.68	5.15	4.58	4.25
El Dorado Hills Plant ^[1]	2.119	2.23	2.93	2.93	2.68	2.69	2.28	2.44	2.08	1.72
Camino Heights Plant ^[1]	0.014	0.017	0.017	0.017	0.017	0.018	0.014	0.015	0.016	0.014
Deer Creek Plant ^[1]	2.469	2.67	3.01	3.01	2.77	3.10	2.40	2.71	2.50	2.53
Number of Lift Stations	64	64	64	64	63	63	60	60	60	58
Customer Services:^[2]										
Residential ^[3]	19,911	19,871	19,849	19,641	19,422	19,192	17,849	17,310	16,111	14,946
Commercial & Industrial	809	793	778	804	752	699	644	608	581	551
Schools	24	23	23	23	27	27	22	21	20	23
Total Wastewater Services	20,744	20,687	20,650	20,468	20,201	19,918	18,515	17,939	16,712	15,520

^[1] In millions of gallons per day.

^[2] Services previously reported as accounts.

^[3] Residential includes multi-family accounts.

Source: El Dorado Irrigation District Engineering Department and Operations Department - Sewer Capacity Report, and Finance Department

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

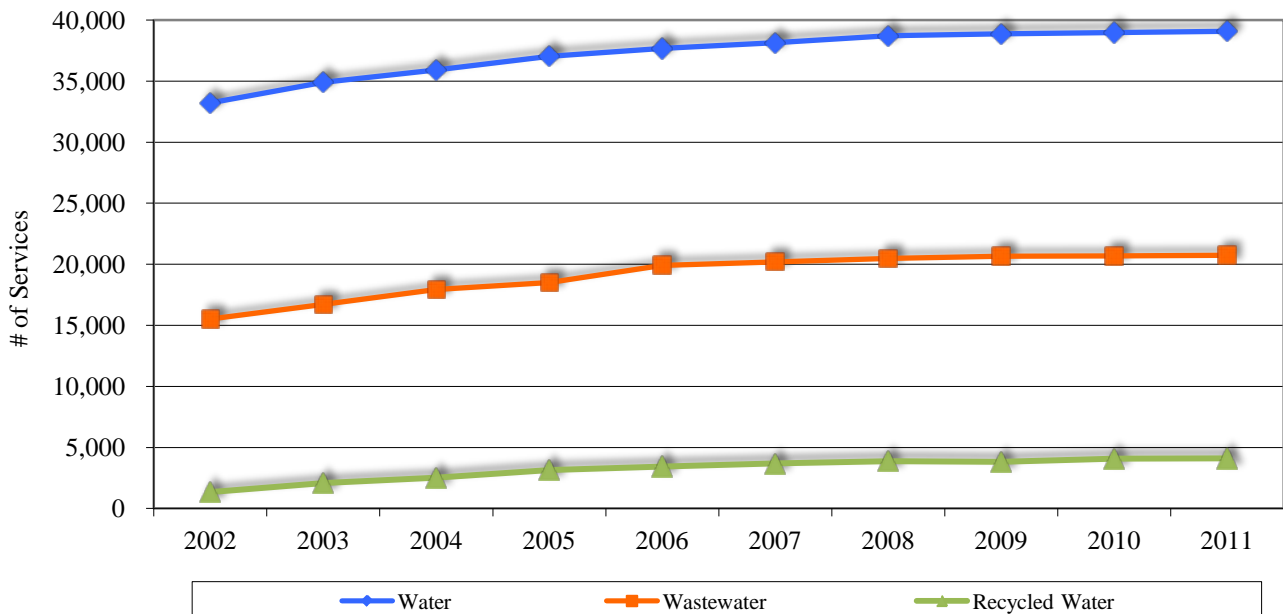


Table #31
Recreation Demographics and Statistical Summary
Last Ten Years

	Year									
	2011	2010	2009	2008	2007 ^[1]	2006 ^[2]	2005	2004	2003	2002
Day Visitors	332,324	388,207	244,433	157,447	155,730	69,523	78,144	76,930	75,706	72,343
Overnight Campers	82,760	90,824	83,172	75,167	69,381	60,855	85,760	77,968	75,080	74,963
Boat Use	65,922	47,165	41,690	24,640	17,435	17,003	24,825	18,823	13,285	13,671
Museum Visitors	n/a	n/a	n/a	n/a	n/a	n/a	500	1,100	1,200	1,300
Guided Hikes	136	15	136	136	-	2	4	4	2	5
Fish Plants	1	5	1	5	8	5	7	9	9	9
Volunteer Hours	800	1,500	800	800	-	-	-	5,000	4,900	4,700
Museum Volunteer Hours	n/a	n/a	n/a	n/a	n/a	n/a	-	500	500	500

^[1] Increased day visitors in 2007 due to an improved tracking process to more accurately account for walk-in traffic.

^[2] Decreased visitors due to waterline construction in 2006.

Source: El Dorado Irrigation District Recreation Department

Facilities at Sly Park Recreation Area:

Jenkinson Lake Shoreline	9 miles
Boat Ramps	2
Individual Camp Areas	166
Adult Group Camping Areas	5
Youth Group Camping Areas	2
Equestrian Group Camping Areas	1
Handicapped Group Camping Areas	1
Hiking Trails	9 miles
Equestrian Trails	9 miles
Nature Trail	1/2 mile
Native American / Historical museum	1

Chart #11
Recreation Visitor Statistics

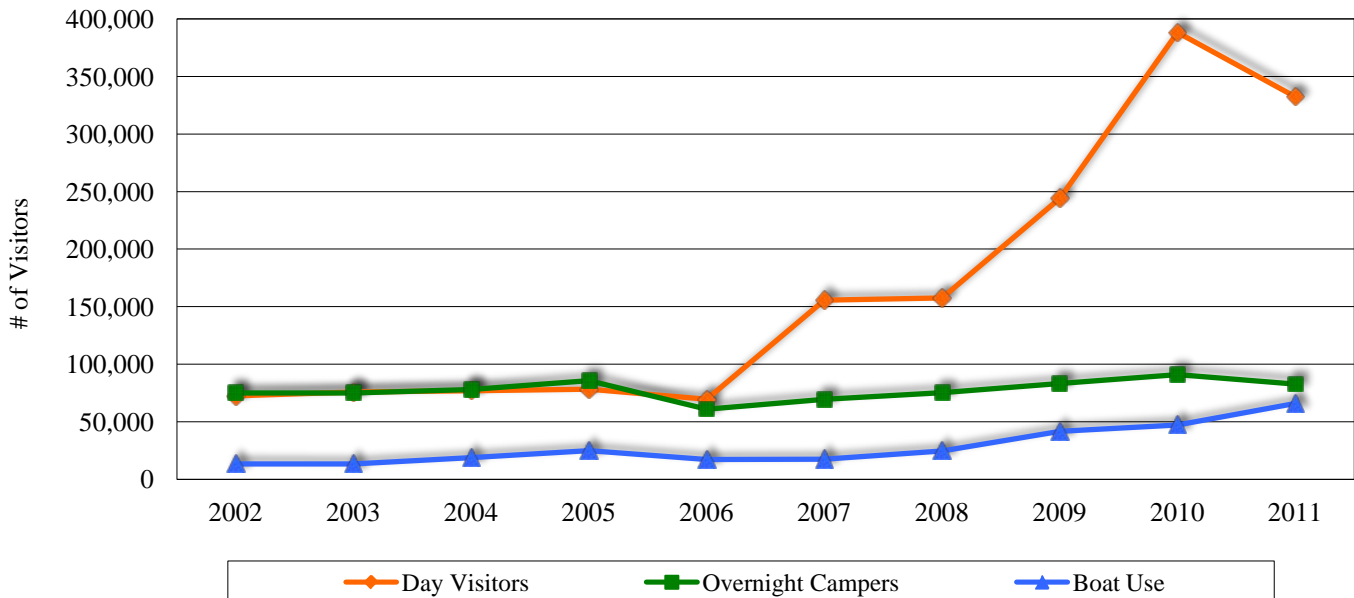


Table #32
Full-time Equivalent Employees by Function / Program
Last Eight Years^[1]

Function/Program	Full-time Equivalent Employees for Year							
	2011	2010	2009	2008	2007	2006	2005	2004
Office of the General Manager ^[2,10]	8	10	16	23	22	15	21	12
Information Technology	10	11	13	n/a	n/a	n/a	n/a	n/a
Facilities Management ^[3]	n/a	n/a	n/a	134	153	147	151	146
Operations ^[3,6]	119.5	121.5	124.5	n/a	n/a	n/a	n/a	n/a
Finance ^{[4],[10]}	45	44	45	43	55	55	51	39
Human Resources ^[8]	6	6	8.5	n/a	n/a	n/a	n/a	n/a
Communications / Community Relations ^[5]	3	3	3	34	44	49	43	58
Recreation ^[6]	n/a	n/a	n/a	8	7	7	6	6
Engineering ^[3]	29.5	30.5	22	n/a	n/a	n/a	n/a	n/a
Policy ^[7]	n/a	n/a	n/a	18	24	24	23	14
Natural Resources ^[9]	n/a	n/a	21.5	n/a	n/a	n/a	n/a	n/a
Total	221	226	253.5	260	305	297	295	275

^[1] Data not available in the same organizational format prior to 2004.

^[2] Office of the General Manager includes Office of the General Counsel.

^[3] Facilities Management broken out to Engineering and Operations.

^[4] Finance and Management Services renamed Finance, with payroll function moved to Human Resources.

^[5] Strategic Management and Communications renamed Communications/Community Relations, with programs transferred to Engineering, Finance, and Human Resources.

^[6] Recreation now included with Operations.

^[7] Environmental Compliance and Water Policy broken out to Engineering, Operations, and Natural Resources.

^[8] Human Resources includes Safety and Security program, in addition to Payroll, which was moved from Finance.

^[9] Natural Resources broken out to Engineering, Operations, and Finance.

^[10] Contract employees moved from Office of General Manager to Finance in 2011.

Source: El Dorado Irrigation District Human Resources Department - Position Control Report

Table #33
Rate History
Last Ten Years

Year	Water	Wastewater
2002	0%	0%
2003	0%	0%
2004	7% ^[1]	0% ^[3]
2005	7% ^[1,2]	4% ^[4]
2006	7% ^[1,2]	4% ^[4]
2007	7% ^[1,2]	4% ^[4]
2008	0%	4% ^[4]
2009	0%	0%
2010	18% ^[5]	18% ^[5]
2011	15% ^[6]	15% ^[6]

- ^[1] In addition to the 7% rate increase, a separate 1% rate increase was adopted, effective September 1, 2004, to help offset lost property tax revenues.
- ^[2] A temporary 4.3% water surcharge was adopted, effective April 1, 2005, to recoup lost property tax revenues.
- ^[3] A separate 3% wastewater increase was established to help offset lost property tax revenues.
- ^[4] In addition to the 4% rate increase, a 2% increase was established to help offset lost property tax revenues.
- ^[5] An 18% rate increase was applied to all services.
- ^[6] A 15% rate increase was applied to all services.

Source: El Dorado Irrigation District Customer Services Division

El Dorado Irrigation District

