

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012



2012

EL DORADO
IRRIGATION
DISTRICT

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.

Guiding Principles

*100% Safety
Respect for the Individual
Excellent Customer Service
Fiscal Responsibility*

Comprehensive Annual Financial Report

For the Year Ended December 31, 2012



El Dorado Irrigation District

El Dorado Irrigation District

2890 Mosquito Road

Placerville, California

www.eid.org

In accordance with the Americans with Disabilities Act and California law, it is the policy of the El Dorado Irrigation District to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at the number or address below at least 72 hours prior to the meeting or when you desire to receive services. Advance notification within this guideline will enable the District to make reasonable arrangements to ensure accessibility. The District ADA Coordinator can be reached at: Phone: (530) 642-4045; e-mail: adacoordinator@eid.org

Prepared by the Finance Department

Cover photo: Caples Lake

Caples Lake is in Alpine County, just off Highway 88, and east of Kirkwood. Caples Lake Dam was originally built in 1922 and raised in 1952. The lake and the dam were acquired by the District as part of Project 184.

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El Dorado Irrigation District



Jenkinson Lake

INTRODUCTORY
SECTION



June 21, 2013

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, 2012. 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 \$11.7 million was achieved even during this time of diminishing revenues and economic hardship. This calculation of operating 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 \$1.0 million under what was budgeted for the year. This excess 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 2012, staffing was at approximately that of 1999, with 221.5 full-time positions, down from a high of 305 in 2007. Since 1999, customer accounts have increased by 51%.

This is the eleventh 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 seventh 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 and District policy require an annual independent audit of the District's financial records by a certified public accountant. Through a competitive bid process, the District selected Richardson & Company as its independent auditor. The 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, 2012. Based on the findings and results of the audit, the auditors have identified the District as fiscally sound.

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. It also operates recreational facilities as a condition of its Federal Energy Regulatory Commission (FERC) license. As such, EID

is one of the few California districts that provide a full complement of water 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.

District Formation and History

Water has been and continues to be an undeniable force in shaping the economic, ecological, and cultural face of El Dorado County, and EID has been at the forefront of providing essential water services in the county since 1925.

The history of the District is closely intertwined with early development of water resources, tracing back to California's historic gold rush days. There were two major eras of ditch and canal building which occurred between 1852 – 1858 and 1867 – 1880. These provided water for sluicing and hydraulic mining. Many of these original facilities still play a major role in the water conveyance system in use today. In the early 1900's, water became important to the many agricultural activities that prospered in the area and the need for hydropower also brought a new competitor for water onto the scene.

The District was formed on October 5, 1925 to protect water filings, ensure a secure water supply, keep irrigation rates reasonable, and increase the value of agricultural lands. Two years later, the District purchased the water storage and distribution system of the El Dorado Water Corporation. This brought additional facilities and infrastructure, including the Weber Reservoir, to the District. In the 1930's supplemental water from the Diamond Ridge ditch system was acquired, but was subject to fluctuating streamflows, and the District made its

first plans to attempt a reservoir at Sly Park, but was turned down. About 10 years later, the United States Bureau of Reclamation (Reclamation) agreed to examine the proposed reservoir site.

The first water from the newly finished Sly Park Reservoir was delivered in the summer of 1955 and a significant water right was secured for the District's customers. In 1999, the District acquired Project 184, the vast water storage and conveyance system which includes Lake Aloha, Echo, Silver, and Caples Lakes; 22.3 miles of the gold rush era flumes and canals; Forebay Reservoir in Pollock Pines and a powerhouse. Project 184 had been acquired by PG&E in 1928 as the latest of many owners stretching back to John Kirk, a pioneer in water rights and the El Dorado Canal project conveyances, who began developing the project in 1856.

In 1960, at the request of Cameron Park leaders, the District entered the sewage business by assuming operation and maintenance of the community's sewer system. At that time, the EID Board viewed the recycled water produced at the wastewater treatment plant as a valuable future resource. This recycled water, rather than drinking water, could be used for landscape irrigation. Soon to follow were Sanitation District No.1, serving Camino Heights, and Sanitation District No. 2, serving El Dorado and Diamond Springs. In 1961, the District built the El Dorado Hills Wastewater Treatment Plant (EDHWWTP).

The District is currently fulfilling the 1960 Board's vision of using recycled water as a supplemental water supply with both the Deer Creek and El Dorado Hills wastewater plants being the sources. A separate piped system delivers the recycled water to front and back yards of about 4,000 homes, as well as to commercial and public landscapes.

In 1977 the District purchased the water treatment plant originally built in 1960 by the El Dorado Hills County Water District, which treats water from Folsom Lake for distribution to households in El Dorado Hills.

During the life of EID, the population of El Dorado County has gone from about 6,400 to more than 181,000, and the District's service area has grown from 31,500 acres to 140,800. During this time, clean water originating in the high Sierra continues to shape the economic, agricultural, and cultural aspects of the county, and the District's commitment to provide customers with high-quality services and products has never wavered.

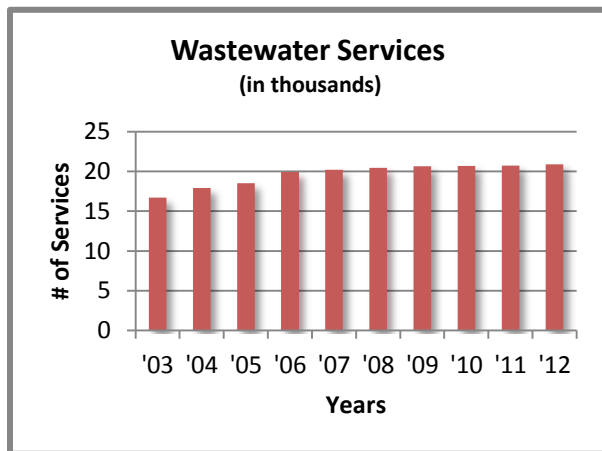
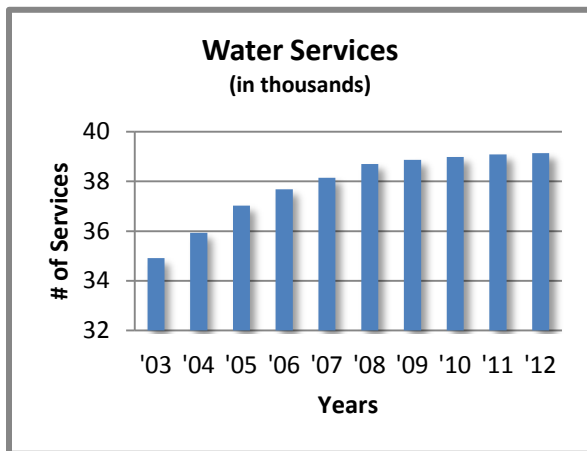
System Description

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 fourth 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 10 years.



The District owns and operates a 21-megawatt hydroelectric power generation system, known as El Dorado Project 184, which is licensed by FERC. The system consists of El Dorado Powerhouse and 5 reservoirs, including Echo Lake, Lake Aloha, Caples Lake, Silver Lake, and El Dorado Forebay; 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 largest reservoir, Jenkinson Lake, in El Dorado County. Popular for both day visits and overnight camping serving over 500,000 guests during 2012, the park includes 640 surface acres of water, 10 picnic areas; 9 miles of shoreline, hiking, and equestrian trails; 2 boat ramps; 191 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 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 2014, with the new water service contract following shortly thereafter. Both of these supplies would be taken at Folsom Reservoir.

Water Quality

The California Department of Public Health requires water providers to conduct a source water assessment to help protect the quality of water supplies. To help ensure that safe water is delivered to our customers, the

District's water quality monitoring program includes taking samples of raw and treated water throughout the year from many locations within the service area. Analyses cover more than 100 different constituents. Analysis of the water is performed at state-certified commercial labs. For 2011, the District met or exceeded all state and federal drinking water standards. Our latest Annual Water Quality Reports can be found on the District's website.

Water Recycling



In El Dorado County an adequate and safe supply of potable water is essential yet vulnerable to interruption by natural forces, such as prolonged drought. New supplies of potable water are becoming scarcer while demand is increasing. The use of recycled water for irrigation saves these valuable drinking water supplies. And recycling wastewater reduces the volume which would otherwise be treated and released into local creeks and streams, thereby upsetting natural flows. Currently, the District produces more than 1 billion gallons of recycled water annually and it is used by almost 4,000 customers and businesses in the greater El Dorado Hills community. This means over 1 billion gallons of water each year that is then available for human consumption uses such as drinking, cooking, bathing, and washing.

Recycled water is a manufactured product which comes from collected wastewater that is highly treated, filtered, and disinfected. This level of treatment is called *tertiary*, and it meets some of the most stringent standards in the world, as implemented by both state and regional agencies. During primary treatment, most of the solids, oils, and greases are removed. Secondary treatment employs bacteria to remove nearly all remaining solids and organic material. The final, tertiary, treatment uses filtration to remove the remaining solids in the water. Liquid sodium hypochlorite, chlorine, or ultraviolet light then destroys bacteria, viruses, and other pathogens. The result is a high-quality water that is odorless, colorless, and pure enough for human contact, but not for human consumption. Recycled water is carefully monitored to protect public health and safety, and it is strictly regulated by both state and regional agencies. Although approved by the California Department of Health Services for a broader range of irrigation uses, within the District's service area recycled water is used only for landscape and garden irrigation.

The recycled water is delivered to home yards using a dual plumbed system, where the purple recycled water pipes are completely separate from the potable water pipes. No connection between the two systems is allowed, and this is monitored through periodic testing.

Since the late 1970's, the District has maintained separate irrigation and reclamation distribution systems in El Dorado Hills. Initially, the system provided secondary-treated recycled water to one golf course and one construction yard. In 1989, EID reached an agreement with Serrano Partners to develop a recycled water system from the Deer Creek wastewater treatment plant. Since that time, EID has upgraded the EDHWWTP to produce disinfected tertiary recycled water for unrestricted use, and the District Board of Directors have mandated the use of recycled water for all new subdivisions and developments in the recycled water service area.

Public Outreach

The District conducts regular Board Meetings that are open to the public. They are normally held bi-monthly on the second and fourth Monday. The dates can be found in the events calendar on the District website.

The District's website, which has been recently been redesigned to be more informative, interactive, and easier to use, provides information about all of EID's activities. Archived documents are also available there. The website can be found at www.eid.org. Or, scan this QR image with your smart phone application.



QR Image

Tours of the water and wastewater treatment plants are held annually for groups of school children and members of the public. These tours give background and insight into the challenges and costs of treating drinking water and wastewater to comply with stringent state and federal regulations.

The *Waterfront* newsletter is published six times per year and is mailed to our customers along with their bills. The latest issue, as well as archived past issues, is available on the District's website. Customer surveys consistently show the *Waterfront* to be our customers' number-one source of information about the District and its activities.

The District's 2012 customer survey, which was sent to randomly-selected customers, showed that 90% of those customers are satisfied or very satisfied with the service provided when calls are made to EID, or that they had no reason to call in the first place. Field response was rated average to excellent by 92% of respondents.



To ensure that local communities are informed of the nature and timeline of construction and maintenance activities that could impact their neighborhoods, EID performs customer notification in several ways, including publication in the *Waterfront* and on the EID website, news release to local news sources, community meetings, mailers or door hanger notifications, and telephone contact with affected customers.

The District participates in many educational programs that benefit local students. One of these is the Career Technical Partnership program run by Folsom Lake College's El Dorado Center. Under this program a teacher learns about various aspects of District activity, and then incorporates what they learned into a curriculum or educational project in their classroom. The District also participates in PRO-Teens (Providing Real Opportunities for Teens) where the students learn skills on how to research, apply for, interview for, and maintain a job. The secondary focus is on motivating the student to continue on to higher education and increase their skills for future success in the workforce. In addition, educational materials are made available to all local school districts within the District's service area and the City of Placerville. These complimentary materials include interactive classroom booklets concerning water conservation, the water cycle, wastewater treatment, our environment, recycling, and water-themed coloring books. By working closely with community partners around the region, the District helps to provide various educational resources to teachers and students through programs such as Be Water Smart, Water Education for Teachers (WET), Media in Education, and Water Education Foundation.

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, 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 continued through 2012. With the slowdown in the housing market, the District has significantly reduced its Capital Improvement Plan (CIP) for 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 2012 budget had a minimal increase necessary to maintain current service levels.

The District continues to be affected by the slowdown in new home construction, despite a recent increase in real estate development, 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. During 2012, there was a decrease in El Dorado County's population from 182,019 to 180,712. During 2010 and 2011, the population had remained steady with a reported estimate of 182,019 residents and 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, retail, data processing, recreation, hospitality, and trade sectors.

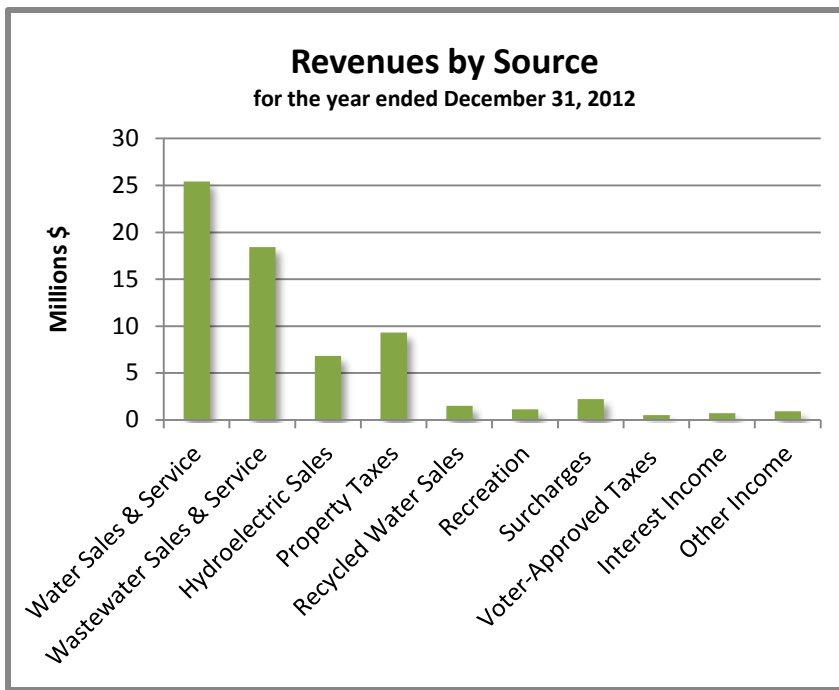
Most El Dorado County residents are within commuting distance of the greater Sacramento region, which offers employment in the defense and state government sectors, and more diversified employment opportunities such as computer technology, financial services, health care, and biotechnology. The largest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

The 2012 El Dorado County unemployment rate was 10.3%, a decrease from 11.8% in 2011.

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 by less than 1% to \$4.7 billion in 2012. The District's property tax revenues have remained basically steady at \$10.0 million in 2010, 2011, and 2012.

Long-term Financial Planning

The District's financial policy is to charge reasonable rates, fees, and other charges sufficient to pay for water and wastewater services, the costs of operation and maintenance of its facilities, the general expenses of the District, and principal and interest on all bonds and other obligations of

the District. In addition, it is District policy to fix rates and charges sufficient to maintain a debt service coverage ratio in accordance with its bond covenants.

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. In late spring of 2013, staff presented a draft update to the FCCs adopted in 2008. They will work with a community-based task force again to finalize the update by the end of summer 2013.

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, in order to meet the District's obligations to its bond holders.

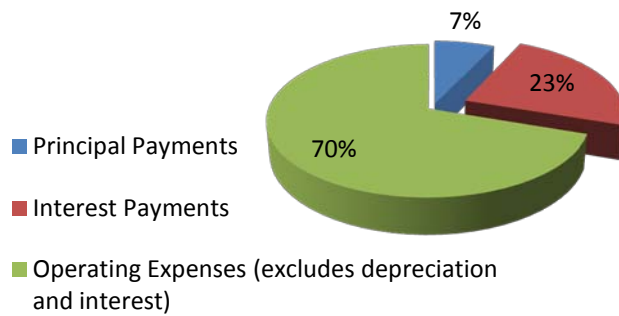
On April 30, 2008, the District issued Certificates of Participation (COPs) in the form of Variable Rate Demand Obligations (VRDOs) of \$110.7 million to refund the 2003B and 2004B issues, which were Auction Rate Securities (ARS). The ARS 2003B and 2004B issues were called May 5, 2008. Although in past 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 were much lower than the ARS rates prior to the refunding.



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%.

Annual Debt Service to Expenses

for the year ended December 31, 2012



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%.

On July 1, 2012, the District issued COPs in the form of fixed-rate debt (the majority of which are tax exempt) in the amount of \$50.7 million to fully refund the 2003A issue for 2013, 2014, 2015, and 2016 principal payments.

Currently, Standard & Poor's (S&P) and Moody's assign the District a rating of "A+" and

"A1", respectively. This is an increase from "A", during 2012, by S&P.

Additional information on the District's long-term liabilities 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 2012 is 1.56.

Accounting System and Internal Control Policies

The Finance Department is responsible for providing financial services for the District, including financial accounting and reporting, accounts payable and receivable, purchasing, custody and investment of funds, billing and collections of water and wastewater charges, taxes, and other revenues. The District accounts for its activities as an enterprise fund and prepares its financial statements on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. It is the intent of the Board to manage the District's operations as a business, thus matching revenues against the costs of providing the services.

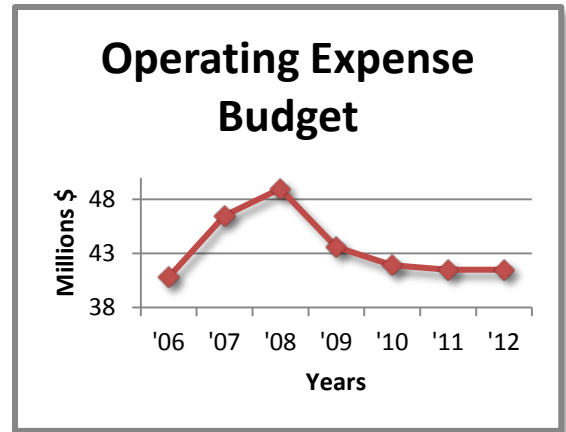
The District operates within a system of internal controls established and continually reviewed by management to provide reasonable assurance that assets are adequately safeguarded and transactions are recorded in accordance with District policies and procedures, and in accordance with sound accounting practices. In relation to these controls, management must consider the cost of the control and the value of the benefit derived from its utilization. Management normally maintains or implements only those controls for which its value adequately exceeds its costs. Recent audits have not noted any weaknesses in internal controls.

Budgeting Policies

The two-year operating budget (consisting of total operations, operating projects, and debt service), and the five-year CIP budget (consisting of capital project expenditures), 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.

All budgets are developed based upon a well-established and detailed process. There are subsequent reviews made during the year, including detailed monthly and summary quarterly budget reports that are closely monitored by staff. Quarterly comparison reports of budget to actual revenues and expenditures are prepared and presented at a summary level to the Board, along with explanations of any significant variations.

Several fiscal challenges continued to impact the District in 2012, including rising costs for essential materials and supplies, persistently low housing starts, and the poor economy. For 2012, the budgeted change in operating expenses increased less than 2%, compared to the prior year’s budgeted expenses. The overall increase in expenses was mainly due to an increase in personnel costs. The approved 2012 budget funds the highest priority projects and tasks necessary to achieve our goals, while keeping our costs and projected rate increases as low as possible. During the budget process, the budget assumptions were scrutinized, prudent budget targets were established, and priorities were set with careful consideration. In addition, focus was placed on meeting our financial policies in order to retain our high bond ratings and low interest rates. The District believes the 2012 budget ensures that financial goals and objectives are being met.

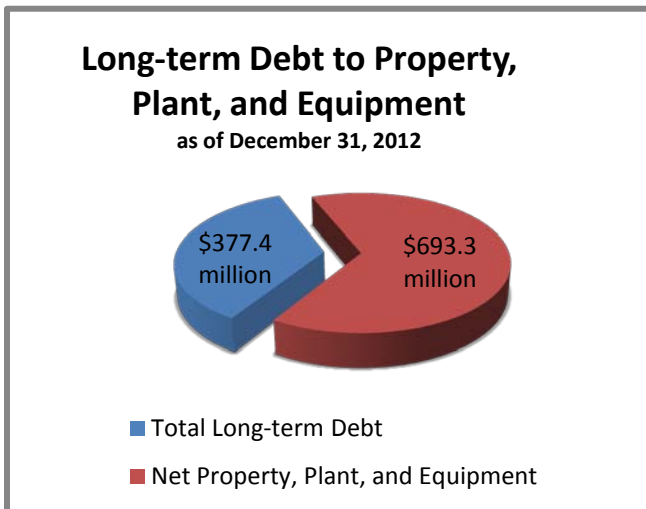


Department directors have the discretion to transfer appropriations between activities within their departments. Two consenting departments can transfer appropriations between their departments. The General Manager has the authority to approve CIP budgets and overall appropriations and transfers up to \$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 Investment Policies

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. Though the market interest rates declined slightly in 2012 compared to 2011, the District’s General Portfolio yield at year-end 2012 remained at 0.37%, 0.21 basis points higher than the one-year Treasury Note, due to the District’s strategic investments made during the year.

Debt Policies



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.

For 2012, the District’s ratio of total long-term debt to net property, plant and equipment is within the moderate range for the District’s industry, as defined by Standard and Poor’s Global Credit Portal Ratings system.

Risk Policies

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. For 2012, 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. Insurance for Project 184 includes a \$5 million policy for business interruption. 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

The most critical aspect of any water and wastewater system is the infrastructure. This infrastructure can be impaired due to reactive, rather than proactive, policy decisions. If this occurs, the costs necessary to make the system whole again are almost always significantly greater. The District prides itself on making proactive policy and asset management decisions. By taking this care, and looking to the future, we will ensure, not only that the water and wastewater systems are available to continue to provide quality services for our current customers, but that the systems we turn over to the next generation will be in top working order.



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. Also in 2010, The El Dorado Hills Water Treatment Plant (EDHWTP) and Folsom Lake raw water pump station was expanded to a maximum day capacity of 26 mgd. Work was begun, during 2012, on the Timberline and El Dorado Hills Business Park 1 Lift Station replacements and on the EDHWWTP clarifier launder covers project.

In 2013, the District completed an integrated water resources master plan and a wastewater facilities master plan. These plans will, in part, determine the 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 completion of the 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.

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.

During 2012, additional work was done in advance of the Flume 41 Replacement project, which includes improvements to Rock Crusher Road. This work consists of permanent road improvements to provide construction and maintenance access to Flume 41 that will save the District nearly \$1.5 million in costs associated with the use of helicopters to assist in the repairs, and will provide access to the area for future operations and maintenance needs. This work is expected to be completed by 2013, followed by the replacement of Flume 41 by 2014.

Work was also completed on other flume projects, including; the replacement of Flume 3, and improvements in two areas of the El Dorado Canal in Pollock Pines, including Spillway 46 and the 14-Mile Tunnel.

El Dorado Forebay Dam Remediation and Enlargement Program

The El Dorado Forebay Dam, located in Pollock Pines, is an off-stream reservoir that regulates both drinking water supplies and the water that flows into the El Dorado Powerhouse. The dam is 90 years old and does not meet modern dam safety engineering standards. The dam will be upgraded to meet regulatory 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 revenue that this program will yield upon completion will help greatly to defray the associated capital costs. Design of the project proceeded during 2011 and 2012. The construction phase is expected to begin in 2015.

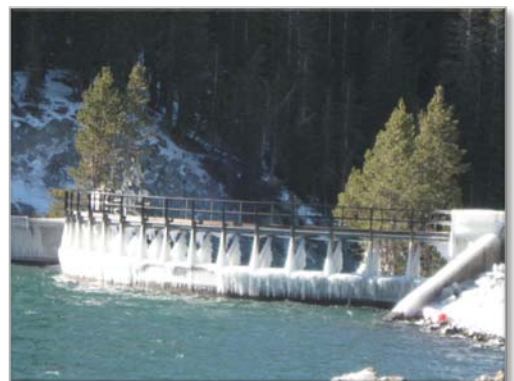
Other District Projects

During 2012, several other projects were completed, such as the relocation of the Gold Hill Intertie at Tennessee Creek, modifications and recoating of the Salmon Falls water tank, the replacement of a waterline on Coon Hollow, the reconstruction of one drying bed at the Reservoir A Water Treatment Plant, and the replacement of a diversion dam and restoration work on the Esmeralda Creek Diversion Facility. Another phase of the Motherlode Forcemain replacement commenced in 2012 to replace sections of a failing, corroded large diameter sewerline in order to reduce the likelihood of future sanitary sewer spills.

The District also completed a major computer server platform upgrade and desktop workstation replacement project during 2012.

Major Water and Wastewater Facilities

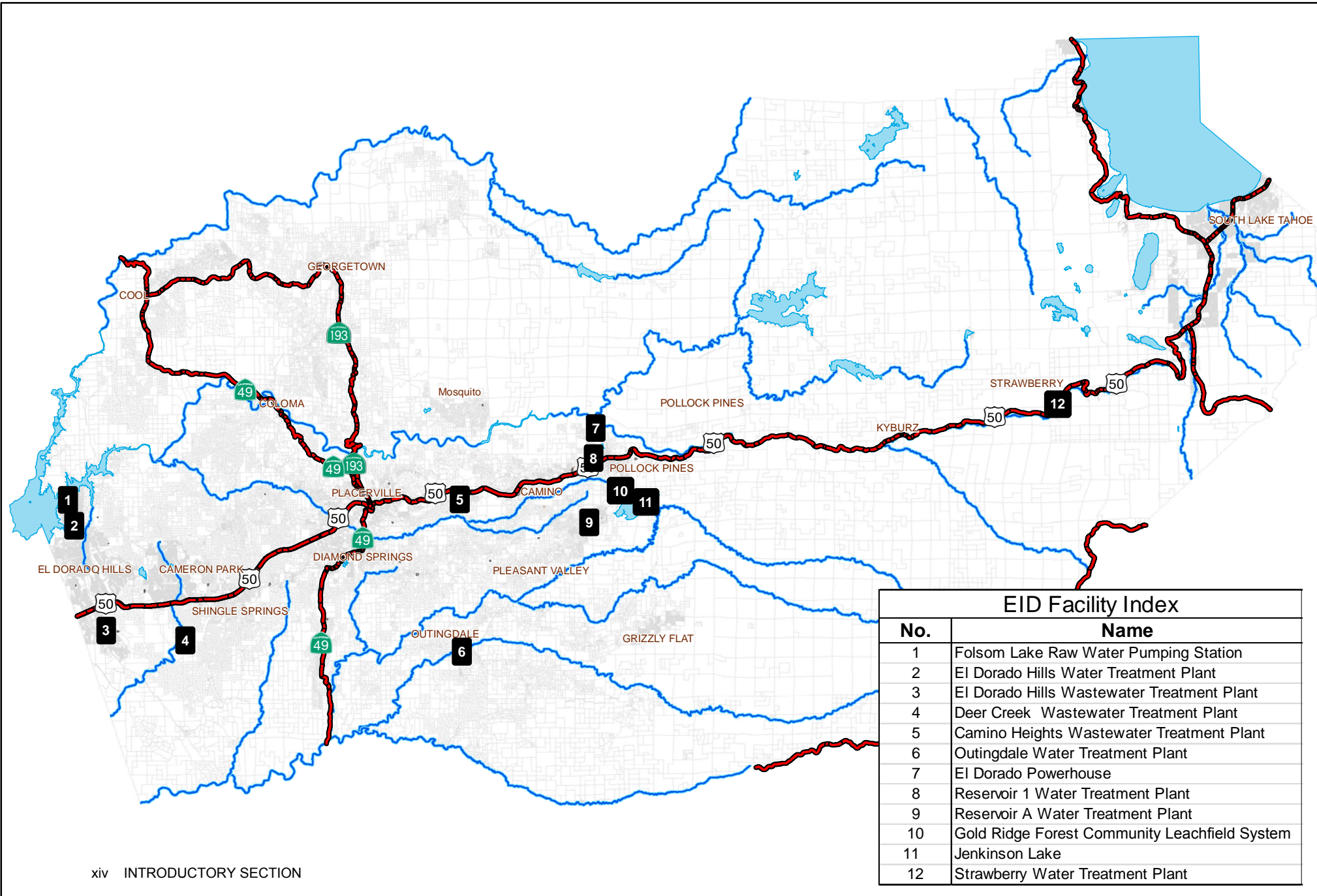
Locations of the District's major water and wastewater facilities are shown following this Major Initiatives section.





El Dorado Irrigation District Major Water and Wastewater Facilities 2012

March, 2013



EID Facility Index	
No.	Name
1	Folsom Lake Raw Water Pumping Station
2	El Dorado Hills Water Treatment Plant
3	El Dorado Hills Wastewater Treatment Plant
4	Deer Creek Wastewater Treatment Plant
5	Camino Heights Wastewater Treatment Plant
6	Outingdale Water Treatment Plant
7	El Dorado Powerhouse
8	Reservoir 1 Water Treatment Plant
9	Reservoir A Water Treatment Plant
10	Gold Ridge Forest Community Leachfield System
11	Jenkinson Lake
12	Strawberry Water Treatment Plant

AWARDS AND ACKNOWLEDGEMENTS

During 2012, the District was awarded the highest form of recognition for excellence in local government reporting:

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 its Comprehensive Annual Financial Report for the year ended December 31, 2011. This was the 16th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and accepted legal requirements.

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

In addition, the District was again awarded the following for its investment policy:

- Association of Public Treasurers of the United States and Canada – 2012 Certificate of Excellence, Investment Policy. The district has received this award since 1996.

In 2012, the District received other significant awards that recognize excellent performance in operational efficiency and industry practices. They include the following:

- The Association of California Water Agencies – Joint Power Insurance Authority - H.R. LaBounty Safety Award for the District's confined-space entry rescue team achievements, the implementation of a touch-pad meter reading device to eliminate reclaimed water vault entry hazards, and for correcting a fall hazard at Caples Lake Auxiliary Dam. This award was also received for design and implementation of a removable guardrail and fall protection anchor point system at the Deer Creek facility, which effectively eliminated a serious fall hazard.
- Mountain Democrat Newspaper - 2012 Readers' Choice Award for "Best Recreational Facility" for EID's Sly Park Recreation Area.
- El Dorado County Chamber of Commerce – Golden Slate Award for support of motion picture filming.
- Sacramento Magazine - 2012 Reader's Choice Award for Favorite Kid's Activity for EID's Sly Park recreation facility.
- 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.
- Energy Digital Magazine profiled EID in their September, 2011 issue based upon the District's unique mix of services and challenging operating environment.
- Association of California Water Agencies – Region 3 Legislative Outreach Award.

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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

El Dorado Irrigation District



2012 Comprehensive Annual Financial Report For the Year Ended December 31, 2012

BOARD OF DIRECTORS

Division 1 – George W. Osborne, President
Division 2 – John P. Fraser
Division 3 – William (Bill) L. George
Division 4 – George A. Wheeldon, Vice President
Division 5 – Alan Day

DISTRICT OFFICIALS

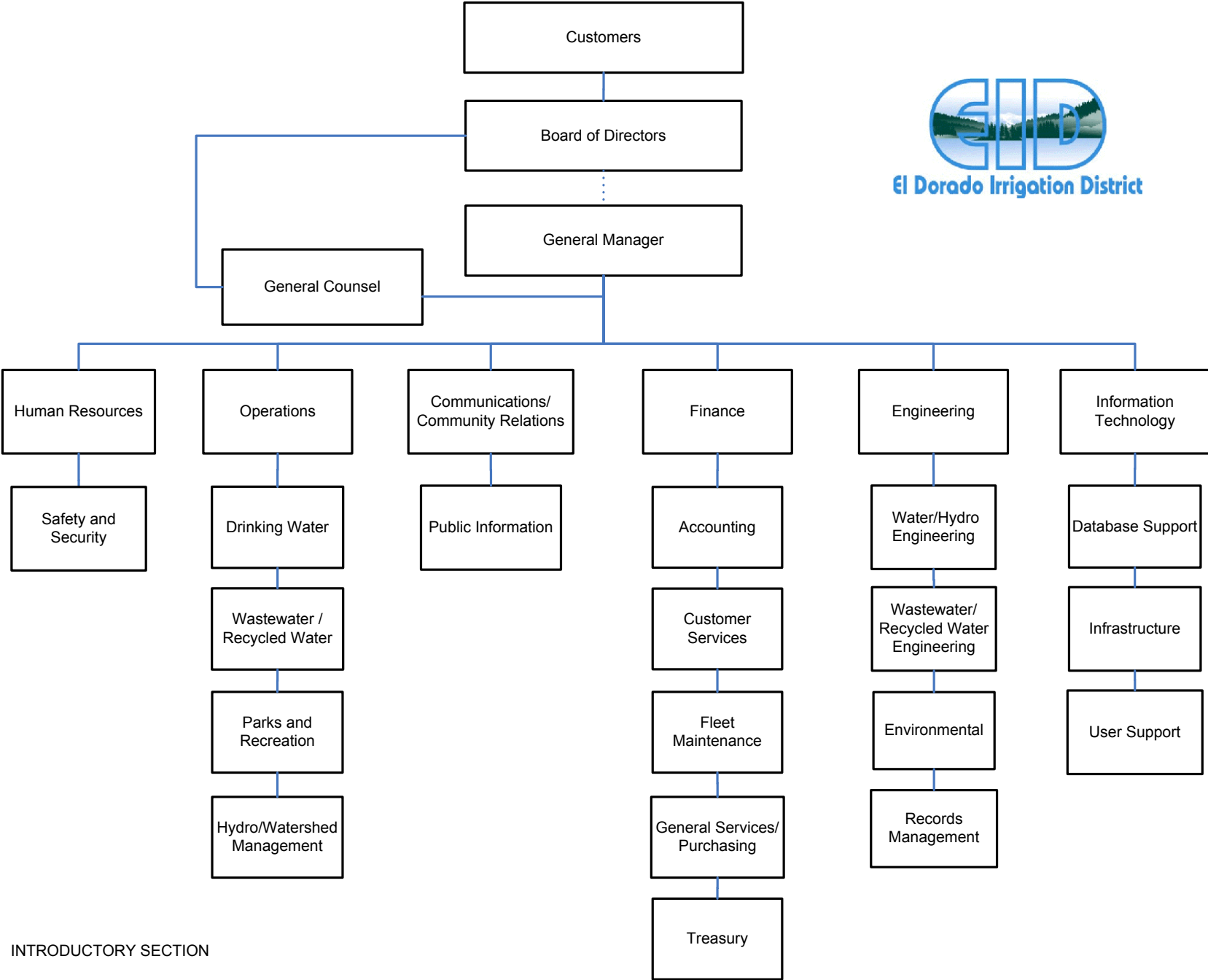
Jim Abercrombie, General Manager
Thomas D. Cumpston, General Counsel
Mary Lynn Carlton, Director of Communications/Community Relations
Mark T. Price, CPA, Director of Finance
Brian Mueller, Director of Engineering
Victoria Hoffman, Director of Human Resources
Tim Ranstrom, Director of Information Technology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

ACKNOWLEDGMENTS

Prepared by the EID Finance Department

El Dorado Irrigation District Organizational Chart

December 31, 2012





El Dorado Irrigation District



Echo Lake

FINANCIAL
SECTION

Independent Auditor's Report

Richardson & Company

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the El Dorado Irrigation District (the District), which comprise the balance sheet as of December 31, 2012, and the related statement of revenues, expenses, changes in net position, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
El Dorado Irrigation District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Correction of Errors

As discussed in Note 10 to the financial statements, certain errors resulting in an overstatement of cash and cash equivalents, debt issuance costs and long-term liabilities and an understatement of investments as of December 31, 2011 as well as an overstatement of expenses for the year ended December 31, 2011, were discovered by management of the District during the current year. Accordingly, amounts reported for cash and cash equivalents, deferred outflows, long-term liabilities, investments and expenses have been restated in the 2011 financial statements now presented, and an adjustment has been made to net position as of December 31, 2011 to correct the errors. Our opinion is not modified with respect to this matter.

Other Matters

The financial statements of the District as of December 31, 2012, were audited by other auditors whose report dated April 26, 2012, expressed an unmodified opinion on those statements. The other auditors reported on the financial statements before the restatement described above.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress of the employee retirement plan and schedule of funding progress of the other postemployment benefits plan, as listed in the accompanying table of contents, 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 the required supplementary information in accordance with auditing standards generally accepted 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

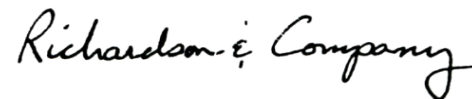
To the Board of Directors
El Dorado Irrigation District

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



June 21, 2013

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2012

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, 2012. 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, wastewater, recycled water, hydroelectric generation, and recreation 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 640 surface acres of water, 10 picnic areas, 9 miles of shoreline, hiking, and equestrian trails, 2 boat ramps, 191 individual campsites, and 9 group camping areas. The District recovers costs of service primarily through user fees.

FINANCIAL HIGHLIGHTS

In 2012, 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 2012, the District's total net position has decreased by \$5.4 million. In 2011 and 2010, net position decreased by \$2.0, and \$11.5 million, respectively. In 2012, operating revenues decreased by \$2.3 million. For 2011, operating revenues increased by \$9.2 million, to \$55.5 million. In 2010, operating revenues increased \$8.1 million. Nonoperating revenues were \$1.1 million less than nonoperating expenses in 2012, \$0.7 million less than nonoperating expenses in 2011 and \$0.8 million less than nonoperating expenses in 2010. Current year operating expenses, not including depreciation, increased by \$1.0 million, to \$41.5 million, and for 2011 they increased by \$0.1 million, to \$40.5 million. The decrease in nonoperating revenues for 2012 is primarily due to reduced hydroelectric revenues due to reduced precipitation early in the year. The decrease in net nonoperating revenues during 2011 is due to declines in property tax receipts, and interest income. For 2010, the decrease was due to declines in property tax receipts, interest income, and interest expense on the Revenue Certificates of Deposit (COPs). Current year operating expenses include a non-cash charge to expenses of \$1.7 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.

Total interest expense for 2012 of \$13.5 million is \$0.9 lower than the prior year. Interest expense for 2011 of \$14.4 million was \$1.0 million lower than that of 2010. Interest expense for 2010 of \$15.4 million was \$1.4 million higher than the prior year. 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 July 1, 2012, the District issued Revenue Refunding Bonds in the form of fixed rate debt (the majority of which are tax exempt) in the amount of \$50.7 million to fully refund the 2003A issue for 2013, 2014, 2015, and 2016 principal payments.

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%. 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.

Currently, Standard & Poor's (S&P) and Moody's assigned the District a rating of "A+" and "A1", respectively. This is an increase from "A", during 2012, by S&P.

Facility Capacity Charges (FCCs), for 2012 and 2011, increased by \$0.7 million, and \$1.0 million, respectively, over the prior years due to slight upturns in the economic conditions during each 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. Developer contributions, for 2012, decreased by \$0.5 million, and for 2011 increased by \$2.6 million, while for 2010 they were \$6.9 million less than in the prior year. This increase in developer contributions for 2011 was due to a slight upturn in the economic conditions during the year, and the related decrease for 2012 and 2010 were due to a slight slowing in the same economic conditions.

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.

The District's hydroelectric Project 184, which went online in late 2003, and has generated revenues of \$7.9 million in 2010, \$11.6 million in 2011, and \$6.8 million in 2012. The decrease in hydroelectric power revenues for 2012 is mainly due to reduced precipitation through February, 2012. The increase in hydroelectric power revenues in 2010 and 2011 was 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 became 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 was made during 2012, from District reserves.

For both 2012 and 2011, the District adopted a nearly flat budget as compared to prior years, which resulted in continued cost-cutting efforts and the expectation of hydroelectric revenue increases. In 2011, 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. For 2012, budgeted operating expenses increased overall by only \$0.4 million, compared with the 2011 budget. This is just over a 1% increase in the overall budget from 2011 to 2012. 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. From 2010 to 2011, the increase was \$3.7 million, to \$11.6 million, which exceeded the 2011 budget by \$3.6 million. The actual change in hydroelectric sales, from 2011 to 2012 is a decrease of \$4.8 million, primarily due to reduced precipitation for the early part of 2012. This is, however, only \$1.2 million under the budgeted revenue expectation for 2012.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

The required financial statements are the Balance Sheets as of December 31, 2012, and 2011, the Statements of Revenues, Expenses and Changes in Net Position for the year ended December 31, 2012, with comparative amounts for the year ended December 31, 2011, and the Statements of Cash Flows for the year ended December 31, 2012, with comparative amounts for the year ended December 31, 2011. 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, deferred outflows, 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 Position*. 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 required and optional supplementary information that follows the notes to the financial statements. This includes a retirement funding schedule, 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 Position are used to provide information to answer this question. These two statements report the net position and the changes in them during the year. Net position 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 POSITION

The changes discussed below are after the restatement described in Note 10 to the financial statements. Net position decreased \$5.4 million in 2012, and decreased \$2.0 million in 2011. The decrease in net position in 2012, and 2011, indicates that the District's financial condition continues to reflect the downturn in the economy during those years. Net investment in capital assets increased by \$0.9 million in 2012, increased by \$0.6 million in 2011, and decreased by \$75.1 million in 2010. In 2010, new debt issuance, net of custodial funds amounted to \$14.8 million which increased long term debt and decreased net position invested in capital assets, net of related debt. Restricted net position decreased in 2012, by \$0.1 million, to \$20.0 million, decreased by \$2.5 million in 2011, and decreased by \$17.9 million 2010. This was due to the financing of the 2009 debt that was still restricted at the end of the fiscal year. Unrestricted net position decreased by \$6.2 million in 2012, increased by \$1.0 million in 2011, and decreased by \$2.1 million in 2010. This increase, or decrease, represents the difference between the change in restricted net position and the change in investment in capital assets. By far, the largest portion of the District's net position represents the investment in those capital assets necessary to provide services to its customers.

Capital assets, net of accumulated depreciation, decreased \$13.3 million, to \$693.3 million. The current year net change is due to asset additions, according to the capital improvement program, of \$15.1 million, net retirements of \$0.5 million, and net charges for depreciation and amortization of \$27.9 million. In 2011, the decrease was \$11.4 million, to \$706.6 million. This net change was a result of asset additions, according to the capital improvement program, of \$13.2 million, net retirements of \$1.8 million, and net charges for depreciation and amortization of \$23.0 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 intangible capital assets. They had previously been shown as noncurrent assets.

Current assets decreased by \$13.9 million, to \$72.0 million in 2012, decreased by \$29.4 million in 2011, and decreased by \$21.7 million in 2010. Current assets declined in 2012, and 2011, primarily due to debt service prepayments on the 2004A debt issue, and capital expenditures.

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

Table A-1
Condensed Balance Sheets
(in millions)

	December 31,		
	2012	2011 (as Restated)	2010 (as Restated)
Current Assets	\$ 72.0	\$ 85.9	\$115.3
Noncurrent Assets	31.4	28.8	6.1
Capital Assets, Net of Accumulated Depreciation	693.3	706.6	718.0
Deferred Outflows ^[1]	10.3	10.3	n/a
Total Assets and Deferred Outflows	\$807.0	\$831.6	\$839.4
Current Liabilities	\$ 18.8	\$ 21.0	\$ 22.9
Noncurrent Liabilities	400.6	417.6	422.6
Net Position ^[2]	387.6	393.0	393.9
Total Liabilities and Net Position	\$807.0	\$831.6	\$839.4
Detail of Net Position: ^[2]			
Net Investment in Capital Assets	\$297.2	\$296.3	\$295.7
Restricted for New Facilities	0.0	0.3	9.8
Restricted for Debt Service	20.0	19.8	12.8
Unrestricted	70.4	76.6	75.6
Total Net Position	\$387.6	\$393.0	\$393.9

^[1] Presentation of Deferred Outflows was not required for 2010.

^[2] Presentation of Net Position supersedes previous presentation of Net Assets in 2010.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Where the Balance Sheets show assets, liabilities, and net position at a specific point in time, the Statements of Revenues, Expenses and Changes in Net Position show the results of operations for the year. Total revenues decreased, in 2012, by \$3.4 million, to \$66.8 million, due to mainly to reduced hydroelectric power revenues. In 2011, total revenues increased by \$8.8 million, to \$70.2 million, 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.

During 2012, total expenses increased by \$1.3 million, to \$77.6 million, due to increases in personnel expenses and utilities, primarily electricity. For 2011, total expenses increased by \$1.9 million, to \$76.3 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 due to budget cuts made to personnel costs.

Operating expenses, not including depreciation and amortization, increased in 2012 by \$1.0 million due mainly to an increase in personnel expenses. Operating expenses, not including depreciation and amortization, increased in

2011 by \$0.1 million due to increases in the costs of professional services, repairs, and operating supplies. Operating expenses, not including depreciation and amortization, decreased by \$3.8 million in 2010, due to budget cuts.

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 2012, 2011, and 2010, includes a non-cash charge of \$1.7 million, \$1.8 million, and \$1.8 million, respectively, for post-retirement benefits. During 2012, capital contributions increased by \$0.2 million, to \$5.4 million due to an increase in FCCs. For 2011, capital contributions increased by \$3.7 million, as a result of an increase in both FCCs and developer contributions. Capital contributions declined by \$7.4 million in 2010 as a result of a decline in both FCCs and developer contributions.

The net loss before capital contributions increased by \$4.7 million to \$10.8 million in 2012, decreased by \$6.9 million to \$6.1 million in 2011, and decreased by \$6.9 million to \$13.0 million in 2010. Ending net position for 2012 totaled \$387.6 million, a decrease of \$5.4 million from the prior year. The decrease in 2011, and 2010, was \$0.9 million and \$11.5 million, respectively.

On the Statement of Revenues, Expenses and Changes in Net Position, 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 Position
For the Years Ended
(in millions)

	December 31,		
	2012	2011 (as Restated)	2010 (as Restated)
Operating Revenues	\$ 53.2	\$ 55.5	\$ 46.3
Nonoperating Revenues	13.6	14.7	15.1
Total Revenues	66.8	70.2	61.4
Operating Expenses	41.5	40.5	40.4
Depreciation	21.4	20.4	18.1
Nonoperating Expenses	14.7	15.4	15.9
Total Expenses	77.6	76.3	74.4
Net Loss Before Capital Contributions	(10.8)	(6.1)	(13.0)
Capital Contributions	5.4	5.2	1.5
Change in Net Position ^[1]	(5.4)	(0.9)	(11.5)
Beginning Net Position	393.0	393.9	406.5
Restatement	n/a	n/a	(1.1)
Total Net Position	\$387.6	\$393.0	\$393.9

^[1] Presentation of Net Position supersedes previous presentation of Net Assets in 2010.

Significant items of operating revenues are as follows:

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

	December 31,		
	2011		
	<u>2012</u>	<u>(as Restated)</u>	<u>2010</u>
Water Sales & Service	\$25.4	\$22.3	\$19.3
Wastewater Sales & Service	19.9	20.5	18.0
Recreational Revenues	1.1	1.1	1.1
Hydroelectric Revenues	6.8	11.6	7.9
Total Operating Revenues	\$53.2	\$55.5	\$46.3

The \$2.5 million increase in combined water and wastewater sales in 2012 is due to approved rate increases. The \$4.8 million decrease in hydroelectric revenues in 2012 is primarily due to reduced precipitation through February, 2012.

In 2010, the operating expense category was restructured to show expenses by category. The following is the list of operating expenses for 2012, 2011 and 2010 under the new structure:

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

	December 31,		
	2011		
	<u>2012</u>	<u>(as Restated)</u>	<u>2010</u>
Personnel Expense	\$26.6	\$25.6	\$26.1
Operating Supplies	3.4	3.2	3.0
Chemicals	0.9	0.8	1.1
Administration	2.8	2.4	2.5
Utilities	4.1	3.8	3.9
Professional Services	2.7	3.3	2.3
Repair Services	0.6	0.7	0.6
Insurance	0.4	0.7	0.9
Total Operating Expenses, Excluding Depreciation	\$41.5	\$40.5	\$40.4

Operating expenses, excluding depreciation, increased by \$1.0 million to \$41.5 million in 2012, increased by \$0.1 million to \$40.5 million in 2011, and decreased by \$3.8 million to \$40.4 million in 2010. The overall increase in operating expenses for 2012 is due mainly to an increase in personnel expenses. The increase in 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 was primarily due to a reduction in force through layoffs, retirements, and the elimination of most unfilled positions. Operating expenses for 2012 includes a non-cash charge for the cost of retirement health benefits of \$1.7 million, and 2011, and 2010 included a non-cash charge for the cost of retirement health benefits of \$1.8 million for each year. 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>2012</u>	2011 <u>(as Restated)</u>	<u>2010</u>
Operating Revenues	\$ 53.2	\$ 55.5	\$ 46.3
Operating Expenses	(41.5)	(40.5)	(40.4)
Net Operating Revenues (Expenses), Excluding Depreciation	<u>\$ 11.7</u>	<u>\$ 15.0</u>	<u>\$ 5.9</u>

Significant items of nonoperating revenues are as follows:

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

	December 31,		
	<u>2012</u>	2011 <u>(as Restated)</u>	<u>2010</u>
Surcharges	\$ 2.2	\$ 2.2	\$ 2.2
Voter-approved Taxes	0.5	0.5	0.4
Property Taxes	9.3	9.5	9.5
Interest Income	0.7	0.7	0.9
Other Income	0.9	1.8	1.4
Flood Damage Reimbursements	0.0	0.0	0.7
Total Nonoperating Revenues	<u>\$13.6</u>	<u>\$14.7</u>	<u>\$15.1</u>

Total nonoperating revenues decreased in 2012 by \$1.1 million, decreased in 2011 by \$0.4 million, and also by \$1.3 million in 2010. For 2012, the decreases were primarily due to a decline in property tax revenues and other income. The decreases for 2011 and 2010 were primarily due to declines in property tax revenues and interest income. Interest income declined sharply in 2010 by \$1.0 million and continued to remain at that low rate through 2012. The sharp change in 2010 was also due to a declining interest rate environment. Property taxes also declined in 2010 and again in 2012.

Significant items of nonoperating expenses are as follows:

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

	December 31,		
	2011		
	<u>2012</u>	<u>(as Restated)</u>	<u>2010</u>
Interest Expense	\$13.5	\$14.4	\$15.4
Other Expense	1.2	1.0	0.5
Total Nonoperating Expenses	\$14.7	\$15.4	\$15.9

Interest expense for 2012 is \$0.9 million lower than 2011, which is \$0.1 million lower than the prior year. The decreases for 2012, and 2011 were 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,		
	2011		
	<u>2012</u>	<u>(as Restated)</u>	<u>2010</u>
Nonoperating Revenues	\$13.6	\$14.7	\$15.1
Nonoperating Expenses	(14.7)	(15.4)	(15.9)
Net Nonoperating Revenues (Expenses)	\$(1.1)	\$(0.7)	\$(0.8)

In 2012, nonoperating expenses exceeded nonoperating revenues by \$1.1 million. For 2011, and 2010, nonoperating expenses exceeded nonoperating revenues by \$0.7 million and \$0.8 million, respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's capital assets, net of accumulated depreciation, decreased by \$13.3 million to \$693.3 million in 2012, decreased by \$11.4 million to \$706.6 million in 2011, and increased by \$11.3 million to \$718.0 million in 2010. 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 decrease in net capital assets, for 2012, is due to depreciation for the year exceeding the cost of additional assets acquired and improvements made. The decrease in net capital assets 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 \$22.9 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.

The presentation for the FERC license was changed for 2011, to appropriately show the full license cost as a depreciable intangible asset. For 2010 and prior, the license was reported as having a non depreciable component.

All capital asset increases are consistent with the District's implementation of its capital improvement program.

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>2012</u>	<u>2011</u>	<u>2010</u>
Capital Assets Not Being Depreciated:			
Land	\$ 8.6	\$ 8.6	\$ 8.2
Water Rights	2.5	2.1	1.6
Construction in Progress	28.2	20.0	27.2
Total Capital Assets Not Being Depreciated	39.3	30.7	37.0
Capital Assets Being Depreciated:			
Water Plant in Service	489.8	487.0	477.4
Wastewater Plant in Service	314.0	312.1	307.5
General Plant	39.2	38.6	37.4
Recycled Water Facility	27.3	26.5	24.1
FERC License	49.0	49.0	49.0
Total Capital Assets Being Depreciated	919.3	913.2	895.4
Less Accumulated Depreciation	265.3	237.3	214.4
Net Capital Assets Being Depreciated	654.0	675.9	681.0
Total Capital Assets, Net of Accumulated Depreciation	\$693.3	\$706.6	\$718.0

The District had outstanding capital project commitments of \$3.5 million at December 31, 2012, \$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 LIABILITIES

At the end of 2012, the District had \$374.3 million in noncurrent debt. At the end of 2011 and 2010, the District had \$380.2 million and \$387.2 million in noncurrent debt, respectively.

On July 1, 2012, the District issued COPs in the form of fixed rate debt (the majority of which are tax exempt) in the amount of \$50.7 million to fully refund the 2003A issue for 2013, 2014, 2015, and 2016 principal payments. The interest rates on the 2012A issue range from 4% to 5%, and on the 2012B issue range from 1.13% to 3.63%.

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. Interest rates range from 4.25% to 5.75% with an average interest cost of 5.27%.

Currently Standard and Poor's (S&P) and Moody's have assigned the District a rating of "A+" and "A1", respectively. This is an increase from "A", during 2012, by S&P.

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, 2012
(in millions)

	Balance 12/31/2011 (as Restated)	<u>Additions</u>	<u>Reductions</u>	Balance 12/31/2012
State of California Loans	\$ 18.4		\$ 1.0	\$ 17.4
Revenue Certificates of Participation:				
2003A	53.9		53.9	0.0
2004A	46.4		6.0	40.4
2008A	110.7			110.7
2009A	132.3			132.3
2010A	14.8			14.8
Revenue Refunding Bonds				
2012A		\$48.9		48.9
2012B		1.8		1.8
2003 General Obligation Bonds	3.1		0.4	2.7
Subtotal	379.6	50.7	61.3	369.0
Bond Premium and Discounts	3.7	6.6	2.6	7.7
Total Bond and Loan Debt	383.3	\$57.3	\$63.9	376.7
County of El Dorado Note – Texas Hill	1.5			1.5
Total Debt	384.8			378.2
Less Current Portion	4.5			3.9
Total Long-term Debt	\$380.3			\$374.3

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

Table A-11
Cost of Capital
(in millions)

	<u>Debt Balance 12/31/2012</u>	<u>Average Coupon Rate</u>
State of California Loans	\$17.4	2.32% to 2.60%
2004A Revenue COPs	40.4	2.5% 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%
2012A Revenue COPs	48.9	4% to 5%
2012B Revenue COPs	1.8	1.13% to 3.63%
2003 General Obligation Bonds	2.7	2% to 4.5%

* The average weekly interest rate for the 2008A issue for 2012, and 2011, were 0.18% and 0.17%, respectively, including the letter of credit fee.

ECONOMIC FACTORS AND RATES

In 2012, 2011, and 2010, 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 2012, work was completed on several projects, including; the replacement of the chlorine disinfection system of Reservoir 1 WTP with a liquid sodium hypochlorite system, replacement of Flume 3, improvements to the El Dorado Canal which includes Spillway 46 and the 14-Mile Tunnel, improvements to Rock Crusher Road for Flume 41 construction and maintenance access, relocation of the Gold Hill Intertie at Tennessee Creek, modifications and recoating of the Salmon Falls water tank, replacement of a waterline on Coon Hollow, reconstruction of one drying bed at the Reservoir A Water Treatment Plant, replacement of a diversion dam and restoration work on the Esmeralda Creek Diversion Facility.

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 became 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 if you 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

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u> (as Restated)
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 59,755,489	\$ 70,134,540
Accounts Receivable, Net	6,054,534	5,708,432
Due from Other Governmental Agencies	544,514	1,345,536
Interest Receivable	174,992	111,633
Taxes Receivable	4,820,043	7,940,337
Inventory	324,366	446,621
Prepaid Expenses and Other Current Assets	343,480	262,582
Total Current Assets	<u>72,017,418</u>	<u>85,949,681</u>
NONCURRENT ASSETS		
Restricted and Other Noncurrent Assets:		
Restricted Cash and Cash Equivalents	14,658,607	16,020,974
Restricted Investments	7,732,303	6,732,303
Investments	5,035,439	2,000,000
Hydroelectric Deposit	4,000,000	4,000,000
Total Restricted and Other Noncurrent Assets	<u>31,426,349</u>	<u>28,753,277</u>
Capital Assets:		
Non Depreciable	39,289,071	30,747,049
Depreciable, Net	654,022,819	675,855,233
Total Capital Assets, net	<u>693,311,890</u>	<u>706,602,282</u>
Total Noncurrent Assets	<u>724,738,239</u>	<u>735,355,559</u>
TOTAL ASSETS	<u>796,755,657</u>	<u>821,305,240</u>
DEFERRED OUTFLOWS		
Deferred Bond Issuance Costs	4,426,233	4,325,633
Deferred Amount on Refunding of Debt	5,801,051	6,003,851
TOTAL DEFERRED OUTFLOWS	<u>10,227,284</u>	<u>10,329,484</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 806,982,941</u>	<u>\$ 831,634,724</u>

EL DORADO IRRIGATION DISTRICT

BALANCE SHEETS (CONTINUED)

December 31, 2012 and 2011

	2012	2011 (as Restated)
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,318,048	\$ 2,044,756
Deposits	390,596	420,789
Accrued Compensated Absences	1,226,794	1,176,338
Accrued Payroll and Benefits Payable	768,566	665,279
Unearned Revenue	3,364,054	3,693,340
Accrued Interest Payable	4,861,975	5,179,066
Reserve for Claims and Claims Expenses	1,453,000	1,763,000
Noncurrent Liabilities - Current Portion	3,871,726	4,546,465
FERC License Liability - Current Portion	573,201	1,554,002
Total Current Liabilities	<u>18,827,960</u>	<u>21,043,035</u>
NONCURRENT LIABILITIES		
Noncurrent Liabilities	377,448,950	387,618,746
FERC License Liability - Noncurrent Portion	23,122,846	29,978,807
Total Noncurrent Liabilities	<u>400,571,796</u>	<u>417,597,553</u>
TOTAL LIABILITIES	<u>419,399,756</u>	<u>438,640,588</u>
NET POSITION		
Net Investment in Capital Assets	297,207,090	296,278,742
Restricted for New Facilities		285,336
Restricted for Debt Service	20,024,282	19,797,900
Unrestricted	70,351,813	76,632,158
TOTAL NET POSITION	<u>387,583,185</u>	<u>392,994,136</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 806,982,941</u>	<u>\$ 831,634,724</u>

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

EL DORADO IRRIGATION DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended December 31, 2012 and 2011

	2012	2011 (as Restated)
OPERATING REVENUES		
Water Sales	\$ 24,091,130	\$ 19,993,675
Water Services	1,348,077	2,325,803
Reclaimed Water Reimbursements/Sales	1,546,911	1,035,285
Wastewater Sales	18,226,984	19,432,294
Wastewater Services	76,857	72,811
Recreation Fees	1,147,811	1,061,795
Hydroelectric Sales	6,777,760	11,631,272
Total Operating Revenues	<u>53,215,530</u>	<u>55,552,935</u>
OPERATING EXPENSES		
Personnel Expenses	26,600,446	25,571,376
Operating Supplies	3,354,100	3,232,251
Chemicals	891,785	838,018
Administration	2,766,758	2,380,645
Utilities	4,096,451	3,845,261
Professional Services	2,750,275	3,255,915
Repair Services	602,972	674,878
Insurance	460,298	721,769
Depreciation and Amortization	21,373,276	20,444,406
Total Operating Expenses	<u>62,896,361</u>	<u>60,964,519</u>
NET LOSS FROM OPERATIONS	<u>(9,680,831)</u>	<u>(5,411,584)</u>
NONOPERATING REVENUES (EXPENSES)		
Surcharges	2,222,984	2,235,904
Voter-approved Taxes	442,743	505,570
Property Taxes	9,321,157	9,480,947
Interest Income	735,930	701,941
Other Income	845,917	1,807,085
Other Expenses	(1,178,859)	(991,094)
Interest Expense	(13,527,310)	(14,380,913)
Total Nonoperating Revenues (Expenses)	<u>(1,137,438)</u>	<u>(640,560)</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(10,818,269)</u>	<u>(6,052,144)</u>
CAPITAL CONTRIBUTIONS		
Facility Capacity Charges	2,301,118	1,565,273
Developer Contributions	3,106,200	3,584,751
Total Capital Contributions	<u>5,407,318</u>	<u>5,150,024</u>
CHANGE IN NET POSITION	<u>(5,410,951)</u>	<u>(902,120)</u>
NET POSITION, BEGINNING OF YEAR - AS PREVIOUSLY REPORTED	392,994,136	395,002,892
RESTATEMENT		(1,106,636)
NET POSITION, BEGINNING OF YEAR - AS RESTATED	<u>392,994,136</u>	<u>393,896,256</u>
NET POSITION, END OF YEAR	<u>\$ 387,583,185</u>	<u>\$ 392,994,136</u>

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

EL DORADO IRRIGATION DISTRICT

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2012 and 2011

	2012	2011 (as Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 52,542,097	\$ 55,337,770
Payments to Suppliers	(15,991,604)	(16,239,091)
Payments to Employees	(30,706,460)	(23,652,833)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,844,033</u>	<u>15,445,846</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Taxes Received	12,884,194	7,122,008
Operating Grants and Reimbursements	845,917	1,807,085
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>13,730,111</u>	<u>8,929,093</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Advance Refunding of Long-term Debt	(54,110,769)	
Long-Term Debt Issued	57,298,089	
Purchase of Capital Assets	(11,993,969)	(9,839,944)
Interest Payments on Long-term Debt	(15,184,272)	(14,250,958)
Principal Payments on Long-term Debt	(7,399,405)	(8,259,627)
Facility Capacity Charges Received	2,301,118	1,565,273
Surcharges Received	2,223,966	2,235,904
Capital Grants Received	798,085	
Proceeds from Sale of Water Rights	143,655	143,655
Debt Issuance Costs Paid	(2,029,192)	(1,148,351)
Loss on Disposal of Capital Assets		865,972
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(27,952,694)</u>	<u>(28,688,076)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(5,051,690)	(999,140)
Proceeds from Sales and Maturities of Investments	1,000,000	
Interest Received	688,822	710,217
Hydroelectric Deposit Paid		(4,000,000)
NET CASH USED BY INVESTING ACTIVITIES	<u>(3,362,868)</u>	<u>(4,288,923)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(11,741,418)</u>	<u>(8,602,060)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>86,155,514</u>	<u>94,757,574</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 74,414,096</u>	<u>\$ 86,155,514</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEETS		
Cash and Cash Equivalents	\$ 59,755,489	\$ 70,134,540
Restricted Cash and Cash Equivalents	<u>14,658,607</u>	<u>16,020,974</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 74,414,096</u>	<u>\$ 86,155,514</u>

(Continued)

EL DORADO IRRIGATION DISTRICT

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u> <u>(as Restated)</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net Loss From Operations	\$ (9,680,831)	\$ (5,411,584)
Adjustments to Reconcile Net Loss From Operations to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	21,373,276	20,444,406
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(347,084)	(286,380)
Due from Other Governmental Agencies	2,937	75,345
Inventory	122,255	(34,706)
Prepaid Expenses and Other Current Assets	(80,898)	326,513
Accounts Payable	273,292	(124,608)
Deposits	(30,193)	(1,030,298)
Accrued Compensated Absences	50,456	91,762
Accrued Payroll and Benefits Payable	103,287	(17,730)
Unearned Revenue	(329,286)	(4,130)
Reserve for Claims and Claims Expense	(310,000)	
FERC License Liability	(1,043,421)	(427,255)
Other Postemployment Benefits Liability	(4,259,757)	1,844,511
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 5,844,033</u>	<u>\$ 15,445,846</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Changes in Estimates of FERC Liability	\$ 6,793,341	\$ 3,267,422
Receipt of Contributed Assets	\$ 3,106,200	\$ 3,584,751
Change in Fair Value of Investments	\$ 36,779	

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

Notes to the Basic Financial Statements

EL DORADO IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2012 and 2011

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 Pacific Gas & Electric Company (PG&E) under a contract.

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, the District is financially accountable for the Authority and the Authority is governed by the District's Board of Directors. 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 basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District is accounted for as an enterprise fund and applies all applicable GASB pronouncements in its accounting and reporting. In addition, the District follows Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

The accounts of the District are organized and operated as one enterprise fund. The operation of a fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, 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 accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position 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.

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

E. Measurement Focus

Enterprise funds are accounted for on a flow of economic resources measurement focus, which means that all assets, deferred outflows, liabilities, and deferred inflows associated with the activity are included on the balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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. Restricted Assets

The District's restricted assets consist of unspent facility capacity charges restricted for new facilities and debt proceeds restricted for future debt service payments by the related debt agreements. The District had no unspent facility capacity charges at December 31, 2012.

H. Investments

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

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Hydroelectric Deposit

The District is required to maintain a deposit of \$4,000,000 with PG&E to ensure performance under its hydroelectric agreement with PG&E through the contract termination date of May 16, 2021.

J. 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.

K. 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.

L. 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.

M. Bond Discounts, Issuance Costs and Deferred Amounts on Refunding

Bond discounts, premiums, issuance costs and deferred amounts on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond discounts and premiums. Deferred amounts on refunding and issuance costs are reported as deferred outflows on the balance sheet. Issuance costs will be expensed when paid when GASB statement No. 65 is implemented during the year ended December 31, 2013.

N. Compensated Absences

The District's policy allows employees to accumulate earned but unused personal time off (PTO). PTO is divided into Bank A that is payable at termination and Bank B that is allowed to be converted to PERS service credit upon separation or may otherwise be used only in a catastrophic

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

event. The hours earned by employees range from 176 to 296 hours per year, based on the number of years of service. Bank A hours are limited to 160 to 280 hours, depending on years of service. Any hours exceeding the Bank A limit are included in Bank B. Only Bank A is accrued as compensated absences and the entire balance is considered to be current based on historical usage patterns. Bank B is included in the District's pension plan under GASB Statement No. 16 since it is rarely used for time off and is typically converted to PERS service credit. The cost of PTO is recognized in the period it is earned. Activity in current compensated absences was as follows for the year ended December 31:

Balance at January 1, 2012 (as Restated)	Additions	Payments	Balance at December 31, 2012	Due within One Year
<u>\$ 1,176,336</u>	<u>\$ 1,760,618</u>	<u>\$ (1,710,160)</u>	<u>\$ 1,226,794</u>	<u>\$ 1,226,794</u>

Balance at January 1, 2011	Addition (as Restated)	Payments	Balance at December 31, 2011 (as Restated)	Due Within One Year
<u>\$ 1,084,576</u>	<u>\$ 1,591,896</u>	<u>\$ (1,500,136)</u>	<u>\$ 1,176,336</u>	<u>\$ 1,176,336</u>

See Note 10 for information about a restatement of the December 31, 2011 balance of compensated absences.

O. 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.

P. Inventory

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

Q. Reserves for Claims and Claims Expense

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

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Reclassifications

For the year ended December 31, 2012, certain classifications have been changed to improve financial statement presentation. For comparative purposes, prior year balances have been reclassified to conform to the current presentation. Reclassifications had no effect on previously reported assets, liabilities, net position, or changes in net position other than reclassifications of amounts to deferred outflows under GASB Statement No. 63

S. New Pronouncements

Effective January 1, 2012, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows and inflows of resources, which Concepts Statement No. 4 introduced and defined those elements as consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. This Statement amends the net assets reporting requirements of Statement No. 34 by incorporating deferred inflows and outflows into the definitions of the required components of residual measure and by renaming that measure as net position, rather than net assets. As a result of the implementation of this Statement, certain items were reclassified as deferred outflows on the balance sheets.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for periods beginning after December 15, 2012. Debt issuance costs will be expensed as incurred when this Statement is implemented in 2013.

In June 2012, the GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers. The implementation of this GASB Statement will have a significant impact on the District's financial statements and is effective for the District's December 31, 2015 financial statements.

The District will fully analyze the impact of these new Statements prior to the effective dates listed above.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 2 - CASH AND INVESTMENTS

A. Policies

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.

B. Classification

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

	2012	2011 (as Restated)
Cash and Cash Equivalents	\$ 59,755,489	\$ 70,134,540
Restricted Cash and Cash Equivalents	14,658,607	16,020,974
Restricted Investments	7,732,303	6,732,303
Investments	<u>5,035,439</u>	<u>2,000,000</u>
Total Cash and Investments	<u>\$ 87,181,838</u>	<u>\$ 94,887,817</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 2 - CASH AND INVESTMENTS (Continued)

Cash and investments were classified under GASB Statement No. 40 as follows at December 31:

	2012	2011 (as Restated)
Cash on Hand	\$ 3,925	\$ 3,925
Deposits with Financial Institutions	<u>8,273,444</u>	<u>7,502,123</u>
Total Cash	<u>8,277,369</u>	<u>7,506,048</u>
Investment in Local Agency Investment Fund (LAIF)	47,097,067	49,863,462
Money Market Mutual Funds	12,291,979	11,067,107
California Asset Management Program	6,747,681	17,718,897
Guaranteed Investment Contracts	6,732,303	6,732,303
Medium Term Corporate Notes	4,031,030	
Certificates of Deposit	1,004,409	
U.S. Agency Securities	<u>1,000,000</u>	<u>2,000,000</u>
Total Investments	<u>78,904,469</u>	<u>87,381,769</u>
Total Cash and Investments	<u>\$ 87,181,838</u>	<u>\$ 94,887,817</u>

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. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreement and not the provisions of the California Government Code or the District's Investment Policy.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 2 - CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	N/A	75%	None
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%
Negotiable Certificates of Deposit	5 years	N/A	25%	None
Repurchase Agreements	90 days	N/A	None	None
Medium Term Corporate Notes	5 years	A,A2	30%	10%
Money Market Mutual Funds	N/A	A1,P1	20%	10%
California Local Agency Investment Fund (LAIF)	N/A	N/A	75%	\$50,000,000
Collateralized Certificates of Deposit	5 years	N/A	None	None
Collateralized Negotiable Investments	5 years	N/A	None	None
California Asset Management Program (CAMP)	N/A	N/A	75%	None

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.

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, 2012:

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment Type	Total	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
California Local Agency Investment Fund	\$ 47,097,067	\$ 47,097,067			
California Asset Management Program	6,747,681	6,747,681			
Certificates of Deposit	1,004,409			\$ 1,004,409	
Medium Term Corporate Notes	4,031,030			4,031,030	
Held by Trustee:					
U.S. Agency Securities	1,000,000		\$ 1,000,000		
Money Market Mutual Funds	12,291,979	12,291,979			
Guaranteed Investment Contract	6,732,303				\$ 6,732,303
Total	\$ 78,904,469	\$ 66,136,727	\$ 1,000,000	\$ 5,035,439	\$ 6,732,303

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of December 31, 2012 for each investment type.

	Minimum Legal Rating	Total	Ratings as of Year-end				
			AAA/Aaa	AA+	AA-/Aa3	A/A2	Unrated
California Local Agency Investment Fund	N/A	\$ 47,097,067					\$ 47,097,067
California Asset Management Program	N/A	6,747,681					6,747,681
Certificates of Deposit	N/A	1,004,409					1,004,409
Medium Term Corporate Notes	A/A2	4,031,030		\$ 1,992,300		\$ 2,038,730	
Held by Trustee:							
U.S. Agency Securities	N/A	1,000,000		1,000,000			
Money Market Mutual Funds	AAA-/Aaa	12,291,979	\$ 12,291,979				
Guaranteed Investment Contract	AA-/Aa3	6,732,303			\$ 6,732,303		
Total		\$ 78,904,469	\$ 12,291,979	\$ 2,992,300	\$ 6,732,303	\$ 2,038,730	\$ 54,849,157

G. Concentration of Credit Risk

The investment policy of the District limited the amount that can be invested in any one issuer to the amount stipulated in the table at Note 2.C above. As of December 31, 2012, the District invested in the following investments which each represent more than 5% of its total investment in any one issuer (other than U.S. Treasury obligations, mutual funds and external investment pools):

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

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 2 - CASH AND INVESTMENTS (Continued)

H. Custodial Credit Risk

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

At December 31, 2012, the carrying amount of the District's deposits was \$8,273,444 and the balance in financial institutions was \$8,485,246. Of the balance in financial institutions, \$8,347,996 was covered by federal depository insurance and \$137,250 was collateralized by securities pledged by the financial institution.

As of December 31, 2012, the U.S. Agency securities were held by the District's agent in the District's name and District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Money Market Mutual Funds	\$ 12,291,979
Guaranteed Investment Contract	6,732,303

Investment in LAIF: LAIF is stated at fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by all public agencies in LAIF is \$63,196,997,710 and is managed by the State Treasurer. Of that amount, 98.13 percent is invested in non-derivative financial products and 1.87 percent in derivative financial products and structured financial instruments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 208 days at December 31, 2012.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

NOTE 3 - CAPITAL ASSETS

A. Summary

Capital assets are stated at historical cost if purchased or constructed. 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, if material. Contributed property is recorded at estimated fair market value at the date of donation. Repairs, maintenance and minor replacements of capital assets 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.

Capital assets are depreciated using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District's water rights and FERC license are intangible assets. Water rights have an indefinite useful life and are not amortized under GASB Statement No. 51. The District has assigned the useful lives listed below to capital assets and intangible assets:

<u>Description</u>	<u>Estimated Life</u>
Facilities and Improvements	30 – 50 years
Buildings and Structures	40 – 100 years
Equipment and Furniture	5 – 10 years
FERC License	40 years

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 3 – CAPITAL ASSETS (Continued)

B. FERC License Intangible Asset and FERC License Liability

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. The FERC license is recorded as an intangible asset under GASB Statement No. 51. The cost basis of the FERC license is made up of historical expenses of \$7,856,145 incurred for studies, legal counsel and consultants through the date the license was issued in 2006 as well as an asset recorded when the FERC license liability described below was recorded, which has a balance of \$41,120,059 at December 31, 2012. The license is being amortized over the forty year license term, which ends in 2046. The historical expenses are amortized in the amount of \$196,404 per year using the straight line method.

The FERC license liability reported on the balance sheet represents the present value of future expenses that are required to be incurred by the District as part of the license agreement, 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 liability is reduced each year as required tasks are completed and the liability is also adjusted for changes in cost estimates of the individual tasks making up the liability as they become known. The completed tasks included in the original FERC license liability are removed from the liability when paid. After consulting with the GASB, the District records any changes in estimates that are removed from the liability as amortization in the capital asset roll-forward. The remaining FERC license basis (\$41,120,059 original cost less accumulated amortization) at the beginning of each year is amortized using the straight line method over the remaining license term. The change in the FERC license liability and the current portion related to tasks expected to be completed within one year were as follows at December 31:

Balance at January 1, 2012	Payments	Change in Estimate	Balance at December 31, 2012	Current Portion
<u>\$ 31,532,809</u>	<u>\$ (1,043,421)</u>	<u>\$ (6,793,341)</u>	<u>\$ 23,696,047</u>	<u>\$ 573,201</u>
Balance at January 1, 2011	Payments	Change in Estimate	Balance at December 31, 2011	Current Portion
<u>\$ 35,227,486</u>	<u>\$ -</u>	<u>\$ (3,694,677)</u>	<u>\$ 31,532,809</u>	<u>\$ 1,554,002</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 3 – CAPITAL ASSETS (Continued)

C. Additions and Retirements

Capital assets balances and activity are summarized below:

	Balance at January 1, 2012	Additions	Deletions	Transfers	Balance at December 31, 2012
Capital Assets not Being Depreciated:					
Land	\$ 8,615,232				\$ 8,615,232
Water Rights	2,168,893		\$ (143,655)	\$ 491,627	2,516,865
Construction in Progress	19,962,924	\$ 11,797,763	(80,279)	(3,523,434)	28,156,974
Total Capital Assets not Being Depreciated	<u>30,747,049</u>	<u>11,797,763</u>	<u>(223,934)</u>	<u>(3,031,807)</u>	<u>39,289,071</u>
Capital Assets Being Depreciated:					
Water Plant in Service	486,995,769	1,476,461		1,351,710	489,823,940
Wastewater Plant in Service	312,079,131	1,119,340	(274,143)	1,063,780	313,988,108
General Plant	38,595,822	40,383		570,389	39,206,594
Reclaimed Water Facility	26,581,602	666,218		45,928	27,293,748
FERC License	48,976,204				48,976,204
Total Capital Assets Being Depreciated	<u>913,228,528</u>	<u>3,302,402</u>	<u>(274,143)</u>	<u>3,031,807</u>	<u>919,288,594</u>
Less Accumulated Depreciation and Amortization for:					
Water Plant in Service	(130,772,843)	(9,788,313)			(140,561,156)
Wastewater Plant in Service	(74,665,114)	(7,508,993)	274,143		(81,899,964)
General Plant	(15,293,468)	(2,282,974)			(17,576,442)
Reclaimed Water Facility	(6,072,602)	(669,164)			(6,741,766)
FERC License	(10,569,268)	(7,917,179)			(18,486,447)
Total Accumulated Depreciation	<u>(237,373,295)</u>	<u>(28,166,623)</u>	<u>274,143</u>		<u>(265,265,775)</u>
Total Capital Assets Being Depreciated, Net	<u>675,855,233</u>	<u>(24,864,221)</u>		<u>3,031,807</u>	<u>654,022,819</u>
Total Capital Assets, Net	<u>\$ 706,602,282</u>	<u>\$ (13,066,458)</u>	<u>\$ (223,934)</u>	<u>\$ -</u>	<u>\$ 693,311,890</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 3 – CAPITAL ASSETS (Continued)

	Balance at January 1, 2011	Additions	Deletions	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	<u>37,133,078</u>	<u>9,176,488</u>	<u>(920,717)</u>	<u>(14,641,800)</u>	<u>30,747,049</u>
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	<u>895,368,203</u>	<u>4,059,817</u>	<u>(841,292)</u>	<u>14,641,800</u>	<u>913,228,528</u>
Less Accumulated Depreciation and Amortization 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	(6,678,169)	(3,891,099)			(10,569,268)
Total Accumulated Depreciation	<u>(214,413,849)</u>	<u>(23,711,828)</u>	<u>752,382</u>		<u>(237,373,295)</u>
Total Capital Assets Being Depreciated, Net	<u>680,954,354</u>	<u>(19,652,011)</u>	<u>(88,910)</u>	<u>14,641,800</u>	<u>675,855,233</u>
Total Capital Assets, Net	<u>\$ 718,087,432</u>	<u>\$ (10,475,523)</u>	<u>\$ (1,009,627)</u>	<u>\$ -</u>	<u>\$ 706,602,282</u>

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 4 – LONG-TERM LIABILITIES

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 January 1, 2012 (as Restated)	Incurred	Retired	Balance at December 31, 2012	Due within One Year
State of California Loans	\$ 22,855,212	\$ 18,490,700		\$ (1,005,030)	\$ 17,485,670	\$ 1,029,851
Certificates of Participation:						
Revenue, Series 2003A	74,025,000	53,865,000		(53,865,000)		
Refunding Revenue, Series 2004A	75,445,000	46,436,250		(5,999,375)	40,436,875	2,251,875
Adjustable Rate Revenue, Series 2008A	110,705,000	110,705,000			110,705,000	
Revenue, Series 2009A	132,285,000	132,285,000			132,285,000	
Refunding Revenue, Series 2010A	14,755,000	14,755,000			14,755,000	
Refunding Revenue Bonds:						
Series 2012A	48,935,000		\$ 48,935,000		48,935,000	
Series 2012B	1,750,000		1,750,000		1,750,000	180,000
2003 General Obligation Refunding Bonds	6,000,000	3,065,000		(395,000)	2,670,000	410,000
Total		379,601,950	50,685,000	(61,264,405)	369,022,545	\$ 3,871,726
Bond Premiums and Discounts		3,659,632	6,613,089	(2,618,462)	7,654,259	
Total Debt and Loans		383,261,582	57,298,089	(63,882,867)	376,676,804	
County of El Dorado Note - Texas Hill	3,969,205	1,533,000			1,533,000	
Other Postemployment Benefits		7,370,629	2,746,143	(7,005,900)	3,110,872	
Less: Due Within One Year		(4,546,465)		674,739	(3,871,726)	
Due in More Than One Year		\$ 387,618,746	\$ 60,044,232	\$ (70,214,028)	\$ 377,448,950	

	Original Issue Amount	Balance at January 1, 2011 (as Restated)	Incurred	Retired	Balance at December 31, 2011 (as Restated)	Due within One Year
State of California loans	\$ 22,855,212	\$ 19,471,577		\$ (980,877)	\$ 18,490,700	\$ 1,005,215
Certificates of Participation:						
Revenue, Series 2003A	74,025,000	54,005,000		(140,000)	53,865,000	145,000
Refunding Revenue, Series 2004A	75,445,000	53,190,000		(6,753,750)	46,436,250	3,001,250
Adjustable Rate Revenue, Series 2008A	110,705,000	110,705,000			110,705,000	
Revenue, Series 2009A	132,285,000	132,285,000			132,285,000	
Refunding Revenue, Series 2010A	14,755,000	14,755,000			14,755,000	
2003 General Obligation Refunding Bonds	6,000,000	3,450,000		(385,000)	3,065,000	395,000
Total		387,861,577		(8,259,627)	379,601,950	\$ 4,546,465
Bond Premiums and Discounts		4,114,419		(454,787)	3,659,632	
Total Debt and Loans		391,975,996		(8,714,414)	383,261,582	
County of El Dorado Note - Texas Hill	3,969,205	1,533,000			1,533,000	
Other Postemployment Benefits		5,526,118	\$ 2,746,143	(901,632)	7,370,629	
Less: Due Within One Year		(6,260,953)		1,714,488	(4,546,465)	
Due in More Than One Year		\$ 392,774,161	\$ 2,746,143	\$ (7,901,558)	\$ 387,618,746	

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 4 – LONG-TERM LIABILITIES (Continued)

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, 2012, 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, in the aggregate amount of \$22,855,212. The loans bear interest rates that range from 2.32% to 2.60%. The District implemented a water rate surcharge that is collected for debt service payments on these loans. Semi-annual principal and interest payments ranging from \$20,087 to \$186,656 are due on either January 1 and July 1 or April 1 and October 1, through October 1, 2028. Each loan has a maximum term of 20 years.

Refunding Revenue Certificates of Participation, Series 2004A

On August 17, 2004 the District issued the Refunding Revenue Certificates of Participation, Series 2004A in the amount of \$75,445,000. Proceeds from these certificates were used to advance refund the District's 1996 Revenue Bonds, 1999 Revenue Bonds and the LaSalle Bank Bridge Loan. The Certificates are payable from the District's net revenues. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 2.5% to 5%. Principal payments ranging from \$855,000 to \$5,250,000 are payable annually on March 1, through March 1, 2025, and interest payments of \$31,469 to \$1,699,410 are payable semi-annually on March 1 and September 1, through March 1, 2025.

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. Proceeds from these certificates were used 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. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates are variable and are based on weekly auction rates determined by the remarketing agent. Interest rates are capped at 12%. Principal payments ranging from \$14,020,000 to \$17,730,000 are payable annually on March 1 from March 1, 2030 through March 1, 2036, and interest payments are payable on the first Wednesday of each month, through March 1, 2036.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 4 – LONG-TERM LIABILITIES (Continued)

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. Proceeds from these certificates were used 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. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 3.50% to 6.25%. Principal payments ranging from \$2,760,000 to \$9,515,000 are payable annually on August 1, from August 1, 2015 through August 1, 2039, and interest payments ranging from \$273,556 to \$3,652,459 are payable semi-annually on February 1 and August 1, through August 1, 2039.

Refunding Revenue Certificates of Participation, Series 2010A

On February 17, 2010, the District issued Refunding Revenue Certificates of Participation, Series 2010A in the amount of \$14,755,000. Proceeds from these certificates were used to advance refund a portion of the 2003A Revenue Certificates of Participation. The Certificates are payable from the District's net revenues. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 4.25% to 5.75%. Principal payments ranging from \$4,690,000 to \$5,175,000 are payable annually on March 1, 2022 through March 1, 2024, and interest payments ranging from \$148,781 to \$406,322 are payable semi-annually on March 1 and September 1, through March 1, 2024.

Refunding Revenue Bonds, Series 2012A

On June 28, 2012 the District issued the Refunding Revenue Bonds, Series 2012A in the amount of \$48,935,000. Proceeds from these bonds combined with Series 2012B were used to advance refund the District's 2003A Revenue Certificates of Participation. The Bonds are payable from the District's net revenues. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 4% to 5%. Principal payments ranging from \$2,035,000 to \$6,430,000 are payable annually on March 1, from March 1, 2017 through March 1, 2029, and interest payments of \$57,400 to \$1,138,656 are payable semi-annually on March 1 and September 1, through March 1, 2029.

Refunding Revenue Bonds, Series 2012B

On June 28, 2012 the District issued the Refunding Revenue Bonds, Series 2012B in the amount of \$1,750,000. Proceeds from these bonds combined with Series 2012A were used to advance refund the District's 2003A Revenue Certificates of Participation. The Bonds are payable from the District's net revenues. The District is required to collect rates and charges from these facilities which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 1.13% to 3.63%. Principal payments ranging from \$180,000 to \$220,000 are payable annually on March 1, from March 1, 2013 through March 1, 2021, and interest payments of \$3,988 to \$23,281 are payable semi-annually on March 1 and September 1, through March 1, 2021.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 4 – LONG-TERM LIABILITIES (Continued)

2003 General Obligation Refunding Bonds

On December 9, 2003, the District issued the 2003 General Obligation Refunding Bonds in the amount of \$6,000,000. Proceeds from these bonds were used to prepay a portion of the Sly Park Facilities Contract between the District and the United States, Department of the Interior, Bureau of Reclamation. The Bonds are to be repaid from a property tax assessment on property within the District’s jurisdiction. Interest rates range from 2.0% to 4.5%. Principal payments, ranging from \$240,000 to \$455,000 are payable annually on October 1, through October 1, 2019, and interest payments, ranging from \$5,513 to \$95,319 are payable semi-annually on April 1 and October 1, through October 1, 2019.

County of El Dorado Note - Texas Hill

On February 6, 1996, the District purchased the Texas Hill property from the County under an installment purchase agreement, which called for five annual payments of \$500,000 commencing September 1, 1996. An additional payment of \$3,378,360, including principal of \$1,533,000 and imputed interest of \$1,845,360, is due based on an imputed interest rate of 5% when and if the District obtains construction financing for and commences construction on the Texas Hill Reservoir. In the event that the property is sold or used for any purpose that is inconsistent with the development of the Texas Hill Reservoir, any funds received must be used to fund the development of increased water supplies or increased waste water capacity for the benefit of customers or potential customers of the District, but no additional payment is due to the County.

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
2013	\$ 3,871,726	\$ 14,061,003
2014	6,250,248	13,770,619
2015	8,126,272	13,517,920
2016	8,437,938	13,185,517
2017	14,180,262	12,716,218
2018-2022	73,905,375	54,998,099
2023-2027	51,908,662	38,469,233
2028-2032	78,712,062	30,089,987
2033-2037	105,115,000	13,524,200
2038-2039	18,515,000	1,611,725
Total	<u>\$ 369,022,545</u>	<u>\$ 205,944,521</u>

The table above is based on an assumed interest rate of 1.0% on the Adjustable Rate Revenue Certificates of Participation, Series 2008A, which may change.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 4 – LONG-TERM LIABILITIES (Continued)

D. Refunding of Debt

On June 28, 2012 the District issued Refunding Revenue Bonds, Series 2012A and 2012B in an advance refunding of all the outstanding Revenue Certificates of Participation, Series 2003A. The net proceeds of the Revenues refunding bonds were used to purchase U.S. Agency securities and these securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the certificates were called in 2013. The advance refunding met the requirements of an in-substance defeasance and the certificates were removed from the District's financial statements. The advance refunding resulted in a difference of \$218,461 between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged as an addition to interest expense through the year 2020 using the straight-line method. The District completed the advance refunding to reduce its total debt service payments by \$4,530,293, which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$2,096,057.

In 2012 and 2011, the District also defeased a portion of the Refunding Revenue Certificates of Participation, Series 2004A by creating separate irrevocable trust to prepay a portion of the subsequent year debt service payment. This was done to help meet the debt service coverage ratio for the certificates. Amounts were placed in an escrow account from which principal and interest will be used to make scheduled principal and interest payments on the refunded certificates. For financial reporting purposes, the prepaid portion of the Certificates are considered defeased and have been removed from the District's financial statements.

At December 31, 2012 and 2011 the amount held in escrow for the payment of outstanding certificates that are considered defeased is as follows:

	2012	2011
Revenue Certificates of Participation, Series 2003A	\$ 55,002,507	
Refunding Revenue Certificates of Participation, Series 2004A	2,998,125	\$ 1,998,750

E. Pledged Revenues

The District has pledged future water and wastewater system revenues, net of specified operating expenses, to repay its 2004A, 2008A, 2009A and 2010A Certificates of Participation in the original amounts of \$75,445,000, \$110,705,000, \$132,285,000 and \$14,755,000, respectively, and to repay its 2012A and B Refunding Revenue Bonds in the original amounts of \$48,935,000 and \$1,750,000, respectively. Proceeds of the Certificates and Bonds were used to refund certain debt issuances as described above and to fund improvements to the District's water and wastewater systems. The Certificates and Bonds are payable solely from water and wastewater system revenues and are payable through August 1, 2039. Annual principal and interest payments on the Certificates and Bonds are expected to require approximately 64% of net revenues. Total principal and interest remaining to be paid on the Certificates and Bonds were \$348,866,875 and \$202,080,290 at December 31, 2012 and 2011, respectively. Cash basis principal and interest paid on the Certificates and Bonds were \$17,776,861 and \$19,865,226, and total water and wastewater system net revenues calculated in accordance with the covenants were \$27,680,934 and \$32,887,567 at December 31, 2012 and 2011, respectively.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 5 – NET POSITION

Net Position is the excess of all the District’s assets and deferred outflows over all its liabilities, and deferred inflows. Net Position is divided into three categories as follows:

Investment in Capital Assets describes the portion of net position 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 position 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 facility capacity fees received for use on capital projects, fees charged for the provision of future water resources and debt service reserve funds.

Unrestricted describes the portion of net position which is not restricted as to use.

NOTE 6 – EMPLOYEE RETIREMENT PLAN

Plan Description: The District provides retirement benefits through the California Public Employee’s Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating entities within the State of California. Benefit provisions and all other requirements are established by state statute and District resolution. The District uses a 2.7% at 55 retirement formula for employees hired prior to May 1, 2010 and 2.0% at 55 retirement formula for all new hires after that date. Copies of CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95814.

Funding Policy: Participants are required to contribute 2% to 9% of their annual covered salary. The District agreed to contribute a percentage of certain employee’s required contributions on their behalf, as specified in the related labor agreements. The District is required to contribute at an actuarially determined rate, which was 24.000%, 20.684% and 17.071% of annual covered payroll for the periods July 1, 2012 to December 31, 2012, July 1, 2011 to June 30, 2012 and January 1, 2011 to June 30, 2011, respectively.

Annual Pension Cost: For the years ended December 31, 2012 and 2011, the District’s annual pension cost of \$3,530,559 and \$2,974,424, respectively, for CalPERS was equal to the District’s required and actual contributions. Three year trend information for CalPERS is as follows:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 2,790,644	100%	\$ -
6/30/2011	2,974,424	100%	
6/30/2012	3,530,559	100%	

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 6 – EMPLOYEE RETIREMENT PLAN (Continued)

The required contributions during the years ended December 31, 2012 and 2011 were determined as part of the June 30, 2010, 2009, and 2008 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions included a 7.75% investment rate of return (net of administrative expenses), projected annual salary increases of 3.55% to 14.45%, cost of living increases of 3.25%, and an inflation component of 3.0%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen-year period. Unfunded losses are amortized over a rolling 30-year period, which results in an amortization of approximately 6% of unamortized gains and losses each year.

Funded Status and Funding Progress: The funded status of the Plan as of June 30, 2011, the Plan's most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	\$ 110,172,862
Actuarial Value of Plan Assets	<u>75,016,376</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 35,156,486</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	68.10%
Covered Payroll (Active Plan Participants)	\$ 16,267,727
UAAL as a Percentage of Covered Payroll	216.10%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description: The District's other postemployment benefits (OPEB) healthcare plan (the Plan) provides medical benefits to employees that directly retire from the District and their eligible dependents, subject to a monthly limitation pursuant to Government Code Section 22892, as amended by AB 2544. Eligibility rules include retirement from the District at age 50 or later with five years of service. The District's Board of Directors has the authority to establish and amend benefit provisions. 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's 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.

Funding Policy: The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. The 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. The required contribution is based on projected pay-as-you-go financing requirement. For the years ended

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

December 31, 2012 and 2011, the District contributed approximately \$7,005,900 (including \$6.0 million to pre-fund benefits) and \$901,632, respectively, to the Plan. Plan members did not make any contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation: The District's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation.

	<u>2012</u>	<u>2011</u>
Annual Required Contribution (ARC)	\$ 2,653,000	\$ 2,653,000
Interest on Net OPEB Obligation	538,996	538,996
Adjustment to Annual Required Contribution	<u>(445,853)</u>	<u>(445,853)</u>
Annual OPEB Cost (Expense)	2,746,143	2,746,143
Contributions Made	<u>(7,005,900)</u>	<u>(901,632)</u>
(Decrease) Increase in Obligation	(4,259,757)	1,844,511
Net OPEB Obligation (Asset) - Beginning of Year	<u>7,370,629</u>	<u>5,526,118</u>
Net OPEB Obligation (Asset) - End of Year	<u>\$ 3,110,872</u>	<u>\$ 7,370,629</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the two most recent fiscal years are as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
December 31, 2010	\$ 2,632,800	29.92%	\$ 5,526,118
December 31, 2011	2,746,143	32.83%	7,370,629
December 31, 2012	2,746,143	255.11%	3,110,872

Funded Status and Funding Progress: The funded status of the Plan as of July 1, 2011, the Plan's most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	\$ 22,225,000
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 22,225,000</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Participants)	\$ 17,296,000
UAAL as a Percentage of Covered Payroll	128.50%

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial valuation used the rates of mortality, disability and other withdrawals used by CalPERS in the valuation of the District’s pension plan. The actuarial assumptions included a 7.5 percent investment rate of return, a 3.0 percent rate of inflation, 5.5 percent healthcare premium increases and a 3.25 percent increase in payroll. The UAAL is being amortized over a closed 30 year period. The remaining amortization period at July 1, 2011 was 27 years.

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 insured up to the amounts specified below for claims related to the following coverages:

<u>Type of Claim</u>	<u>Coverage Limits</u>	<u>Deductibles (Per Occurrence)</u>
General District and Hydroelectric Project 184:		
General Liability	\$ 3,000,000	\$ 25,000
Property - Excluding Hydroelectric Project 184	91,022,512	25,000
Crime	250,000	250
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
Hydroelectric Project 184:		
Property (Declared Value - \$88,626,827)	50,000,000	\$10,000 to \$1,000,000
Business Interruption	5,000,000	None
Boiler and Machinery Equipment	50,000,000	\$10,000 to \$1,000,000

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 8 – INSURANCE (Continued)

The District purchases commercial insurance for first and third party claims up to the stated coverage limits. The District is self-insured for amounts in excess of these amounts. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The reserve for claims and claims expense of \$1,453,000 and \$1,763,000 reported at December 31, 2012 and 2011, respectively 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, 2012 and 2011, the entire claims liability is reported as a long-term liability on the balance sheet. Changes in the District's claims liability amount in 2012 and 2011 were as follows:

Reserve for Claims and Claims Expenses as of December 31, 2010	\$ 1,763,000
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	1,763,000
Current Year Incurred Claims and Changes in Estimates	381,171
Net (Payments) Recoveries	<u>(691,171)</u>
Reserve for Claims and Claims Expenses as of December 31, 2012	<u>\$ 1,453,000</u>

NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES

A. Capital Project Commitments

The District had the following capital project commitments outstanding as of December 31, 2012:

Flume 3 Replacement	\$ 203,282
Sly Park Dams Evaluation	223,311
Spillway 47C upgrades	332,513
Motherlode Main Repairs-PH2B	419,700
Flume 41 Replacement	465,474
Folsom Lake Intake/Pump Station	<u>1,875,795</u>
Total	<u>\$ 3,520,075</u>

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.

EL DORADO IRRIGATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012 and 2011

NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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, 2012 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.

NOTE 10 – RESTATEMENT

The District discovered during 2012 that compensated absences additions in 2011 were double counted, resulting in compensated absences as of December 31, 2011 being overstated by \$1,084,575. The correction of this error resulted in a reduction of liabilities and an increase in net position as of December 31, 2011 and reduction of operating expenses and increase in change in net position of the same amount for the year ended December 31, 2011.

The District discovered during 2012 that debt service premiums, issuance costs and deferred amounts on refunding were misstated as of December 31, 2011 and corrected the balances during 2012. This restatement resulted in an increase in long-term liabilities of \$999,568, a decrease in deferred outflows of \$37,448, and a decrease in net position of \$1,037,016 as of December 31, 2011 as well as a decrease in nonoperating expenses and change in net position of \$69,620 for the year ended December 31, 2011.

The District also discovered that certain investments totaling \$8,732,303 were classified as cash and cash equivalents on the balance sheet and in the statement of cash flows as of December 31, 2011. The statement of cash flows was adjusted to remove these investments from cash and cash equivalents.

The restatement is summarized as follows as of and for the year ended December 31, 2011:

	<u>Net Position</u>	<u>Change in Net Position</u>
Balance as Originally Reported - 2011	\$ 392,946,577	\$ (2,056,315)
Restate Compensated Absences	1,084,575	1,084,575
Restate Debt Service Premiums, Issuance Costs and Deferred Amounts on Refunding	<u>(1,037,016)</u>	<u>69,620</u>
Balance as Restated - 2011	<u>\$ 392,994,136</u>	<u>\$ (902,120)</u>





El Dorado Irrigation District



El Dorado Forebay

REQUIRED
SUPPLEMENTARY
INFORMATION

Required Supplementary Information

EL DORADO IRRIGATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

SCHEDULE OF FUNDING PROGRESS OF THE
 EMPLOYEE RETIREMENT PLAN (UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2009	\$ 66,200,885	\$ 93,732,895	\$ 27,532,010	141.6%	\$ 18,596,291	148.1%
June 30, 2010	70,503,260	101,641,895	31,138,635	144.2%	15,807,562	197.0%
June 30, 2011	75,016,376	110,172,862	35,156,486	146.9%	16,267,727	216.1%

EL DORADO IRRIGATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

SCHEDULE OF FUNDING PROGRESS OF THE
 OTHER POSTEMPLOYMENT BENEFITS PLAN (UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ -	\$ 22,401,000	\$ 22,401,000	0.0%	\$ 18,596,291	120.5%
July 1, 2010		22,225,000	22,225,000	0.0%	15,807,562	140.6%
July 1, 2011		22,225,000	22,225,000	0.0%	17,296,000	128.5%



El Dorado Irrigation District



Lake Aloha

SUPPLEMENTAL
SCHEDULES

Supplemental Schedules

EL DORADO IRRIGATION DISTRICT

COMBINING BALANCE SHEET

December 31, 2012

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Total
ASSETS AND DEFERRED OUTFLOWS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 566,406	\$ 39,054,948		\$ 198,097	\$ 1,024,182	\$ 18,911,856	\$ 59,755,489
Accounts Receivable, Net	5,022,231		\$ 145,530			886,773	6,054,534
Due from Other Governmental Agencies	544,514						544,514
Interest Receivable	62,080		112,912				174,992
Taxes Receivable	4,590,369		229,674				4,820,043
Inventory	324,366						324,366
Prepaid Expenses and Other Current Assets	336,680					6,800	343,480
Intrafund Receivable/Payable	45,818,086	(16,373,321)	(22,200,967)		(428,798)	(6,815,000)	
Total Current Assets	<u>57,264,732</u>	<u>22,681,627</u>	<u>(21,712,851)</u>	<u>198,097</u>	<u>595,384</u>	<u>12,990,429</u>	<u>72,017,418</u>
NONCURRENT ASSETS							
Restricted and Other Noncurrent Assets:							
Restricted Cash and Cash Equivalents	2,366,628		12,291,979				14,658,607
Restricted Investments			7,732,303				7,732,303
Investments	5,035,439						5,035,439
Hydroelectric Deposit						4,000,000	4,000,000
Total Restricted and Other Noncurrent Assets	<u>7,402,067</u>		<u>20,024,282</u>			<u>4,000,000</u>	<u>31,426,349</u>
Capital Assets:							
Non Depreciable	9,674,161	23,567,625			87,282	5,960,003	39,289,071
Depreciable, Net	541,355,830				5,940,461	106,726,528	654,022,819
Capital Assets, Net	<u>551,029,991</u>	<u>23,567,625</u>			<u>6,027,743</u>	<u>112,686,531</u>	<u>693,311,890</u>
Total Noncurrent Assets	<u>558,432,058</u>	<u>23,567,625</u>	<u>20,024,282</u>		<u>6,027,743</u>	<u>116,686,531</u>	<u>724,738,239</u>
TOTAL ASSETS	<u>615,696,790</u>	<u>46,249,252</u>	<u>(1,688,569)</u>	<u>198,097</u>	<u>6,623,127</u>	<u>129,676,960</u>	<u>796,755,657</u>
DEFERRED OUTFLOWS							
Deferred Bond Issuance Costs			4,426,233				4,426,233
Deferred Amount on Refunding of Debt			5,801,051				5,801,051
TOTAL DEFERRED OUTFLOWS			<u>10,227,284</u>				<u>10,227,284</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 615,696,790</u>	<u>\$ 46,249,252</u>	<u>\$ 8,538,715</u>	<u>\$ 198,097</u>	<u>\$ 6,623,127</u>	<u>\$ 129,676,960</u>	<u>\$ 806,982,941</u>
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES							
Accounts Payable	\$ 2,071,042		\$ 247,006				\$ 2,318,048
Deposits	390,096				\$ 500		390,596
Accrued Compensated Absences	1,124,916				23,845	\$ 78,033	1,226,794
Accrued Payroll and Benefits Payable	691,855				14,637	62,074	768,566
Unearned Revenue	3,364,054						3,364,054
Accrued Interest Payable			4,861,975				4,861,975
Reserve for Claims and Claims Expenses	1,453,000						1,453,000
Noncurrent Liabilities - Current Portion			3,871,726				3,871,726
FERC License Liability - Current Portion						573,201	573,201
Total Current Liabilities	<u>9,094,963</u>		<u>8,980,707</u>		<u>38,982</u>	<u>713,308</u>	<u>18,827,960</u>
NONCURRENT LIABILITIES							
Noncurrent Liabilities	3,110,872		374,338,078				377,448,950
FERC License Liability - Noncurrent Portion						23,122,846	23,122,846
Total Noncurrent Liabilities	<u>3,110,872</u>		<u>374,338,078</u>			<u>23,122,846</u>	<u>400,571,796</u>
TOTAL LIABILITIES	<u>12,205,835</u>		<u>383,318,785</u>		<u>38,982</u>	<u>23,836,154</u>	<u>419,399,756</u>
NET POSITION							
Net Investment in Capital Assets	551,029,991	\$ 23,567,625	(372,408,753)		6,027,743	88,990,484	297,207,090
Restricted for Debt Service			20,024,282				20,024,282
Unrestricted	52,460,964	22,681,627	(22,395,599)	\$ 198,097	556,402	16,850,322	70,351,813
TOTAL NET POSITION (DEFICIT)	<u>603,490,955</u>	<u>46,249,252</u>	<u>(374,780,070)</u>	<u>198,097</u>	<u>6,584,145</u>	<u>105,840,806</u>	<u>387,583,185</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 615,696,790</u>	<u>\$ 46,249,252</u>	<u>\$ 8,538,715</u>	<u>\$ 198,097</u>	<u>\$ 6,623,127</u>	<u>\$ 129,676,960</u>	<u>\$ 806,982,941</u>

EL DORADO IRRIGATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended December 31, 2012

	Operating	Capital Improvement	Debt Service	El Dorado Public Agency Financing Authority	Recreation	Hydroelectric	Total
OPERATING REVENUES							
Water Sales	\$ 24,091,130						\$ 24,091,130
Water Services	1,348,077						1,348,077
Reclaimed Water Reimbursements/Sales	1,546,911						1,546,911
Wastewater Sales	18,226,984						18,226,984
Wastewater Services	76,857						76,857
Recreation Fees					\$ 1,147,811		1,147,811
Hydroelectric Sales						\$ 6,777,760	6,777,760
Total Operating Revenues	<u>45,289,959</u>				<u>1,147,811</u>	<u>6,777,760</u>	<u>53,215,530</u>
OPERATING EXPENSES							
Personnel Expense	24,278,165				539,842	1,782,439	26,600,446
Operating Supplies	3,020,370				151,517	182,213	3,354,100
Chemicals	891,785						891,785
Administration	2,689,488		\$ 1,000		36,328	39,942	2,766,758
Utilities	3,961,375				72,555	62,521	4,096,451
Professional Services	2,023,021		7,400		327,026	392,828	2,750,275
Repair Services	524,490				11,335	67,147	602,972
Insurance	248,585					211,713	460,298
Depreciation and Amortization	18,303,263				283,950	2,786,063	21,373,276
Total Operating Expenses	<u>55,940,542</u>		<u>8,400</u>		<u>1,422,553</u>	<u>5,524,866</u>	<u>62,896,361</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(10,650,583)</u>		<u>(8,400)</u>		<u>(274,742)</u>	<u>1,252,894</u>	<u>(9,680,831)</u>
NONOPERATING REVENUES (EXPENSES)							
Surcharges	996,401		1,226,583				2,222,984
Voter-approved Taxes			442,743				442,743
Property Taxes	9,321,157						9,321,157
Interest Income	253,484		474,162		71	8,213	735,930
Other Income	750,244				7,082	88,591	845,917
Other Expenses		\$ (80,287)	(1,098,572)				(1,178,859)
Interest Expense			(13,527,310)				(13,527,310)
Total Nonoperating Revenues (Expenses)	<u>11,321,286</u>	<u>(80,287)</u>	<u>(12,482,394)</u>		<u>7,153</u>	<u>96,804</u>	<u>(1,137,438)</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>670,703</u>	<u>(80,287)</u>	<u>(12,490,794)</u>		<u>(267,589)</u>	<u>1,349,698</u>	<u>(10,818,269)</u>
CAPITAL CONTRIBUTIONS							
Facility Capacity Charges	2,301,118						2,301,118
Developer Contributions	3,106,200						3,106,200
Transfers Out	(22,678,744)	(3,885,509)	(56,340,858)		(180,000)		(83,085,111)
Transfers In	6,895,965	12,640,284	61,686,169		206,991	1,655,702	83,085,111
Total Capital Contributions	<u>(10,375,461)</u>	<u>8,754,775</u>	<u>5,345,311</u>		<u>26,991</u>	<u>1,655,702</u>	<u>5,407,318</u>
CHANGE IN NET POSITION	<u>(9,704,758)</u>	<u>8,674,488</u>	<u>(7,145,483)</u>		<u>(240,598)</u>	<u>3,005,400</u>	<u>(5,410,951)</u>
NET POSITION, BEGINNING OF YEAR - AS PREVIOUSLY REPORTED	612,237,901	37,574,764	(366,597,571)	\$ 198,097	6,797,227	102,736,159	392,946,577
RESTATEMENT	957,812		(1,037,016)		27,516	99,247	47,559
NET POSITION, BEGINNING OF YEAR - AS RESTATED	<u>613,195,713</u>	<u>37,574,764</u>	<u>(367,634,587)</u>	<u>198,097</u>	<u>6,824,743</u>	<u>102,835,406</u>	<u>392,994,136</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ 603,490,955</u>	<u>\$ 46,249,252</u>	<u>\$ (374,780,070)</u>	<u>\$ 198,097</u>	<u>\$ 6,584,145</u>	<u>\$ 105,840,806</u>	<u>\$ 387,583,185</u>

EL DORADO IRRIGATION DISTRICT

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

For the Year Ended December 31, 2012

	Actual	Budget	Variance Positive (Negative)
OPERATING REVENUES			
Water Sales	\$ 24,091,130	\$ 23,230,636	\$ 860,494
Water Services	1,348,077	1,133,007	215,070
Reclaimed Water Reimbursements/Sales	1,546,911	781,295	765,616
Wastewater Sales	18,226,984	20,277,553	(2,050,569)
Wastewater Services	76,857	84,900	(8,043)
Recreation Fees	1,147,811	1,038,735	109,076
Hydroelectric Sales	6,777,760	8,000,000	(1,222,240)
Total Operating Revenues	<u>53,215,530</u>	<u>54,546,126</u>	<u>(1,330,596)</u>
OPERATING EXPENSES			
Personnel Expense	26,600,446	25,399,529	(1,200,917)
Operating Supplies	3,354,100	3,748,810	394,710
Chemicals	891,785	1,096,127	204,342
Administration	2,766,758	2,987,970	221,212
Utilities	4,096,451	3,725,254	(371,197)
Professional Services	2,750,275	2,915,291	165,016
Repair Services	602,972	724,059	121,087
Insurance	460,298	786,200	325,902
Contingency		500,000	500,000
Total Operating Expenses	<u>41,523,085</u>	<u>41,883,240</u>	<u>360,155</u>
NET OPERATING INCOME	<u>11,692,445</u>	<u>12,662,886</u>	<u>(970,441)</u>
NONOPERATING REVENUES (EXPENSES)			
Surcharges	2,222,984	1,979,048	243,936
Voter-approved Taxes	442,743		442,743
Property Taxes	9,321,157	9,300,000	21,157
Interest Income	735,930	850,000	(114,070)
Other Income	845,917	2,256,000	(1,410,083)
Other Expenses	(1,178,859)	(1,328,460)	149,601
Interest Expense	(13,527,310)	(13,852,769)	325,459
Facility Capacity Charges	2,301,118	3,000,000	(698,882)
Total Nonoperating Revenues (Expenses)	<u>1,163,680</u>	<u>2,203,819</u>	<u>(1,040,139)</u>
EXCESS OF BUDGETED REVENUES OVER BUDGETED EXPENSES	<u>12,856,125</u>	<u>\$ 14,866,705</u>	<u>\$ (2,010,580)</u>
NON-BUDGETED ITEMS			
Developer Contributions	3,106,200		
Depreciation and Amortization	(21,373,276)		
Total Non-budgeted Items	<u>(18,267,076)</u>		
CHANGE IN NET POSITION	<u>\$ (5,410,951)</u>		





El Dorado Irrigation District



Silver Lake

STATISTICAL
SECTION

STATISTICAL SECTION

December 31, 2012

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	67-73
These schedules contain financial trend information for assessing the District's financial performance and well-being over time.	
Revenue Capacity	75-95
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	97-99
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	101-104
These schedules provide information on the demographic and economic environment in which the District conducts business.	
Operating Information	105-112
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.



Financial Trends

EL DORADO IRRIGATION DISTRICT

Table #1

Net Position^[2] by Component

Last Ten Years

(in dollars)

Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
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 ^[1]	296,278,742	20,083,236	76,632,158	392,994,136
2012	297,207,090	20,024,282	70,351,813	387,583,185

^[1]As restated.

^[2]Presentation of Net Position supercedes previous presentation of Net Assets in 2010.

Source: El Dorado Irrigation District Accounting Division

EL DORADO IRRIGATION DISTRICT

Table #2
Change in Net Position
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 Position
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 ^[1]	55,552,935	60,964,519	(5,411,584)	(640,560)	(6,052,144)	5,150,024	(902,120)
2012	53,215,530	62,896,361	(9,680,831)	(1,137,438)	(10,818,269)	5,407,318	(5,410,951)

Note: Presentation of Net Position supersedes previous presentation of Net Assets in 2010.

^[1] As restated.

Source: El Dorado Irrigation District Accounting Division

EL DORADO IRRIGATION DISTRICT

Table #3

Operating Revenues by Source Last Ten Years

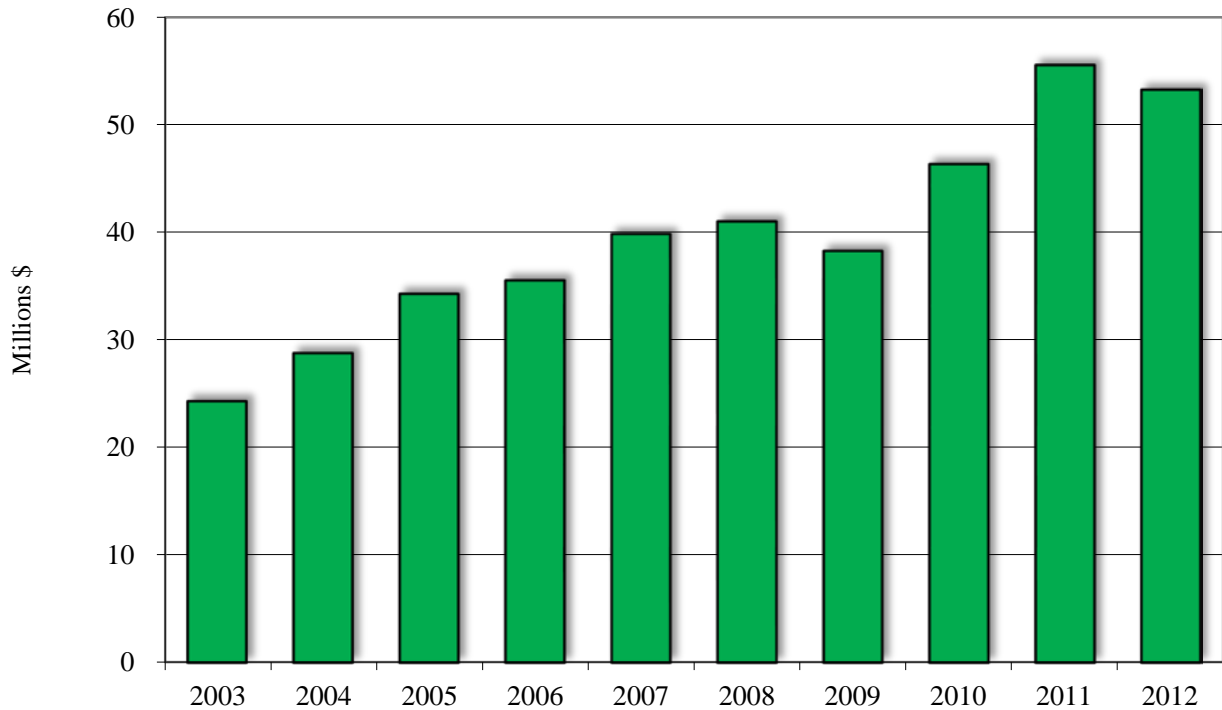
(in dollars)

Year	Water Sales & Service	Wastewater Sales & Service	Recycled Water Sales	Recreation	Hydroelectric Sales	Total
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 ^[1]	22,319,478	19,505,105	1,035,285	1,061,795	11,631,272	55,552,935
2012	25,439,207	18,303,841	1,546,911	1,147,811	6,777,760	53,215,530

^[1] As restated.

Source: El Dorado Irrigation District Accounting Division

Chart #1 Operating Revenues Last Ten Years



EL DORADO IRRIGATION DISTRICT

Table #4

Nonoperating Revenues by Source

Last Ten Years

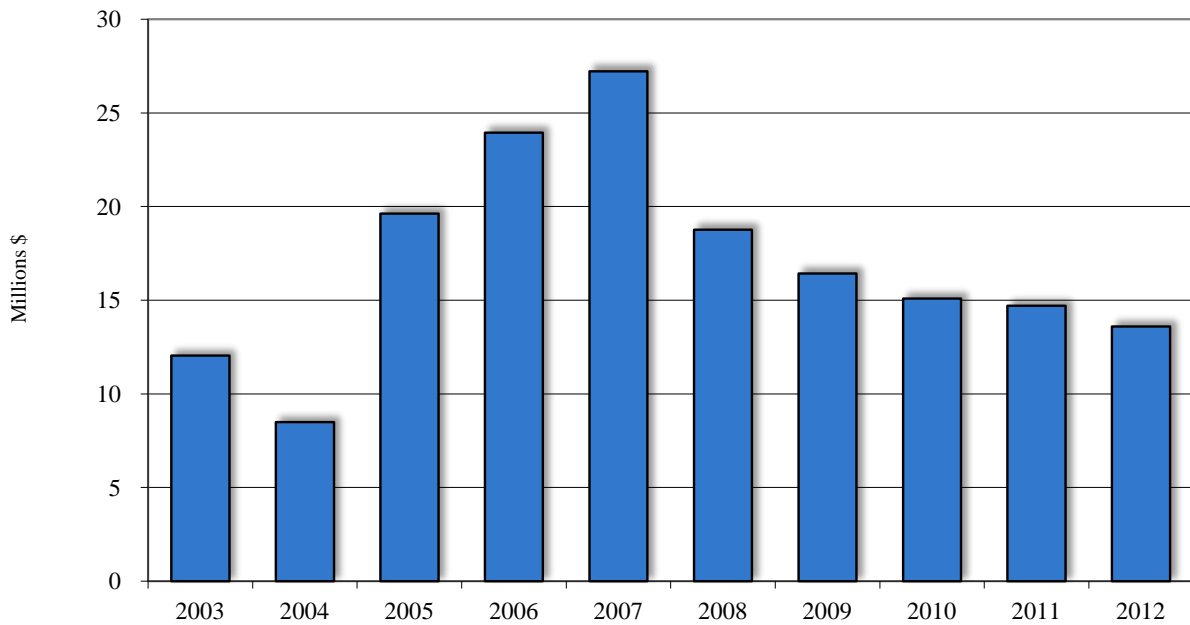
(in dollars)

Year	Surcharges	Voter-approved			Other Income	Flood Damage	Total
		Taxes	Property Taxes	Interest Income		Reimbursements	
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	0	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 ^[1]	2,235,904	505,570	9,480,947	701,941	1,807,085	0	14,731,447
2012	2,222,984	442,743	9,321,157	735,930	845,917	0	13,568,731

^[1] As restated.

Source: El Dorado Irrigation District Accounting Division

Chart #2
Nonoperating Revenues
Last Ten Years



EL DORADO IRRIGATION DISTRICT
Table #5
Operating Expenses by Function
Last Ten Years
(in dollars)

	Year									
	2012	2011 ^[3]	2010	2009	2008	2007	2006	2005	2004	2003
Personnel Expense	\$26,600,446	\$25,571,376	\$26,140,768	\$28,550,985						
Operating Supplies	3,354,100	3,232,251	3,028,722	3,813,664						
Chemicals	891,785	838,018	1,075,182	1,301,302						
Administration	2,766,758	2,380,645	2,490,239	2,741,167						
Utilities	4,096,451	3,845,261	3,918,221	3,564,522						
Professional Services	2,750,275	3,255,915	2,301,952	2,406,305						
Repair Services	602,972	674,878	595,264	1,154,423						
Insurance	460,298	721,769	889,566	489,918						
Bad Debt	0	0	13,033	183,057						
Depreciation and Amortization	21,373,276	20,444,406	18,106,183	15,640,614						
Total Operating Expenses	62,896,361	60,964,519	58,559,130	59,845,957	0	0	0	0	0	0

	Year						
	2009	2008	2007	2006	2005	2004	2003
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
Communications	561,468	4,024,696	3,828,204	3,556,546	6,081,888	5,179,964	4,085,197
Natural Resources	3,891,728	0	0	0	0	0	0
Human Resources	2,215,002	0	0	0	0	0	0
Information Technology	2,511,958	0	0	0	0	0	0
Engineering	934,312	0	0	0	0	0	0
Water Operations	9,457,872	0	0	0	0	0	0
Wastewater Operations	9,348,275	0	0	0	0	0	0
Recycled Water Operations	577,220	0	0	0	0	0	0
Hydroelectric Operations	3,363,285	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
Finance	6,574,235	7,716,723	6,620,751	6,312,366	4,580,149	3,138,514	2,126,694
Facilities Management ^[2]	0	22,477,030	22,980,237	22,863,652	21,632,197	21,505,326	19,300,982
Recreation	0	1,706,536	1,561,225	1,523,563	1,149,460	1,116,661	807,683
Developer Reimbursed Expenses	0	0	750,589	1,021,352	1,213,046	1,026,606	1,681,625
Depreciation and Amortization	15,640,615	17,121,236	13,126,446	11,914,105	11,258,749	10,414,014	9,226,369
Total Operating Expenses	59,845,957	63,452,971	57,069,388	54,120,442	51,009,013	46,549,070	40,505,652

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

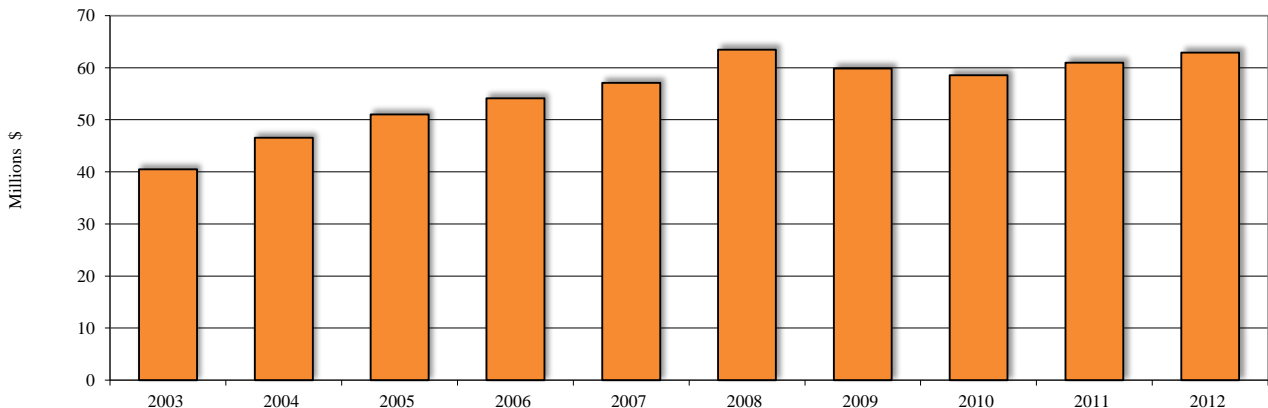
^[1] Office of the General Manager includes Human Resources.

^[2] Facilities Management includes Hydroelectric.

^[3] As restated.

Source: El Dorado Irrigation District Accounting Division

Chart #3
Total Operating Expenses
Last Ten Years



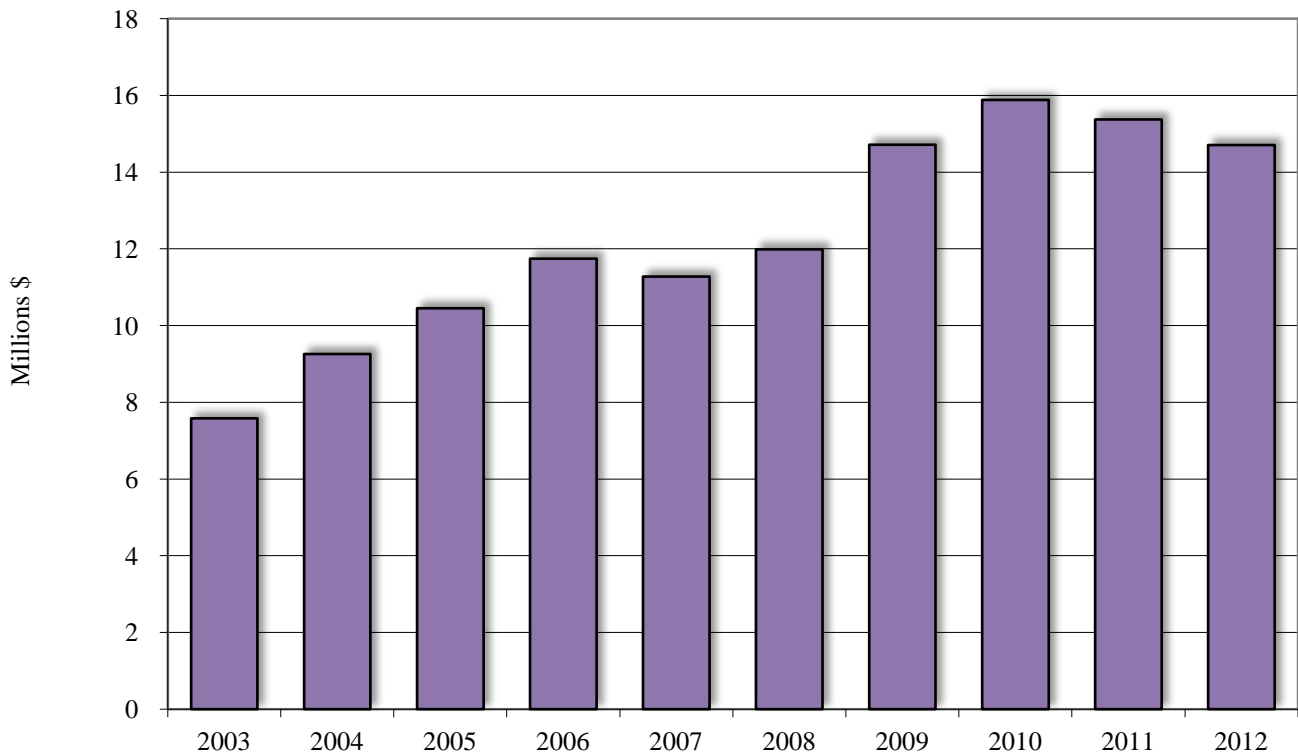
EL DORADO IRRIGATION DISTRICT
 Table #6
 Nonoperating Expenses by Function
 Last Ten Years
 (in dollars)

Year	Flood Damage Expenses	Other Expenses	Interest Expense	Total
2003	\$978,254	\$1,269,477	\$5,333,118	\$7,580,849
2004	52,651	484,318	8,723,281	9,260,250
2005	431,493	361,678	9,658,559	10,451,730
2006	253,637	332,915	11,161,005	11,747,557
2007	0	333,710	10,941,162	11,274,872
2008	0	0	11,989,897	11,989,897
2009 ^[1]	0	725,997	13,988,053	14,714,050
2010	0	491,372	15,390,421	15,881,793
2011	0	991,094	14,380,913	15,372,007
2012 ^[1]	0	1,178,859	13,527,310	14,706,169

^[1] Restated.

Source: El Dorado Irrigation District Accounting Division

Chart #4
 Total Nonoperating Expense
 Last Ten Years





Revenue Capacity

EL DORADO IRRIGATION DISTRICT
 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]}
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
2012-13	24,689,035,685	297,048,197	1.2032	4,718,646,469	453,628	0.0096

^[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

EL DORADO IRRIGATION DISTRICT
 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]
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%
2012-13	1.0000%	0.3399%	0.0549%	0.0267%	0.0096%	1.4311%

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

EL DORADO IRRIGATION DISTRICT

Table #9

Principal Property Tax Payers^[1]
 Current Year and Nine Years Ago
 (in dollars)

Property Owner	Primary Land Use	2012			2003		
		2012-2013 Assessed Valuation	Rank	% of Total	2003-2004 Assessed Valuation	Rank	% of Total
Serrano Associates, LLC	Residential Development	\$26,811,666	1	0.57%	\$49,934,672	2	1.53%
Toll Land X, LP / Toll Brothers, Inc.	Residential Development	16,485,204	2	0.35%			
Min Nan Tseng, Trust	Residential Development	9,044,935	3	0.19%			
Marble Valley Company, LLC	Residential Development	8,321,742	4	0.18%	6,317,843	15	0.19%
Lennar Homes of California	Residential Development	6,997,956	5	0.15%			
PAC / SIB, LLC	Residential Development	6,860,613	6	0.15%			
Long's Drug Stores CA, LLC	Industrial Land	6,857,732	7	0.15%			
Safeway, Inc.	Supermarket	6,615,491	8	0.14%			
Tradewinds Lodge	Commercial Land	6,253,984	9	0.13%			
Target Corporation	Commercial	5,743,666	10	0.12%			
East Ridge Investors	Residential Development	5,661,000	11	0.12%			
GHC Company 5, LLC	Residential Development	5,400,000	12	0.11%			
WRI Golden State, LLC	Commercial	5,000,000	13	0.11%	4,522,468	17	0.14%
LBA Realty Fund III, LLC	Office Building	4,744,000	14	0.10%			
Syers Properties III, LLC	Commercial	4,719,551	15	0.10%			
Russell-Promontory, LLC	Residential Development	4,615,641	16	0.10%	4,397,443	19	0.14%
Von Housen's Motors	Auto Sales / Service	4,505,865	17	0.10%			
Serrano Country Club	Country Club	4,477,000	18	0.09%			
California Physicians Service	Office Building	4,243,189	19	0.09%			
Silver Springs, LLC	Supermarket	4,155,532	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		147,514,767		3.14%	250,244,443		6.15%

^[1] The District reports the 20 largest property taxpayers to comply with the 2003 General Obligation Bond Official Statement.
 Source: California Municipal Statistics, Inc.

EL DORADO IRRIGATION DISTRICT

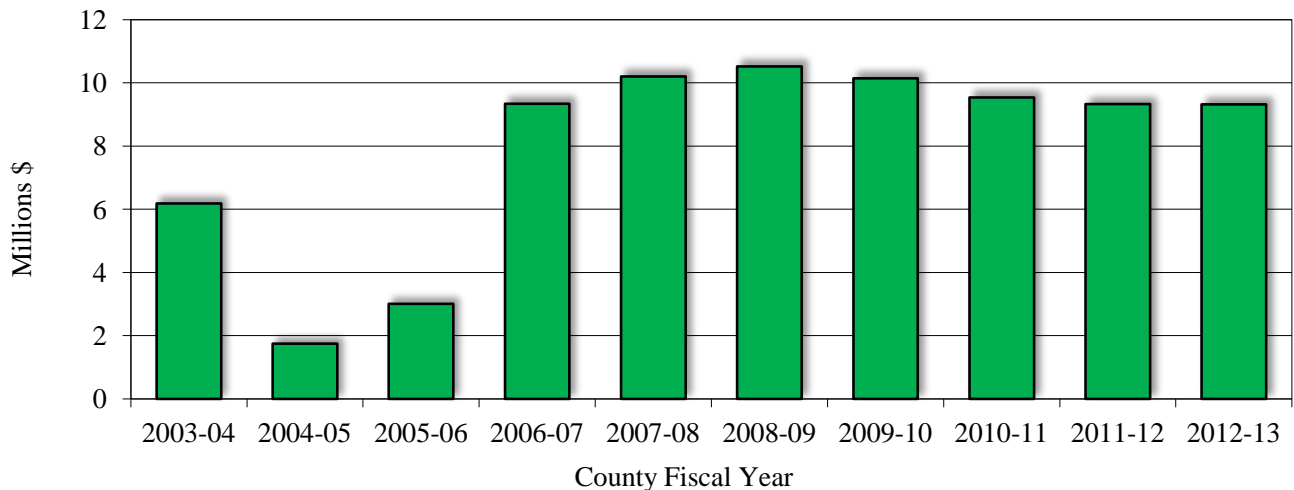
Table #10

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][4]}	Maintenance District Collections ^[2]	Miscellaneous Collections ^[3]	Total District Collections	% of County Levy
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%
2012-13	297,048,197	9,232,261	4,715	86,153	9,323,129	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.
- ^[4] Taxes are lower in 2004-05 and 2005-06 due to state legislative action to shift a portion of proceeds to the State General Fund. Source: El Dorado Irrigation District Accounting Division and El Dorado County Auditor - Controller - Secured / Unsecured Tax Collection System SCJ302P / SCB160

Chart #5
Total District Collections

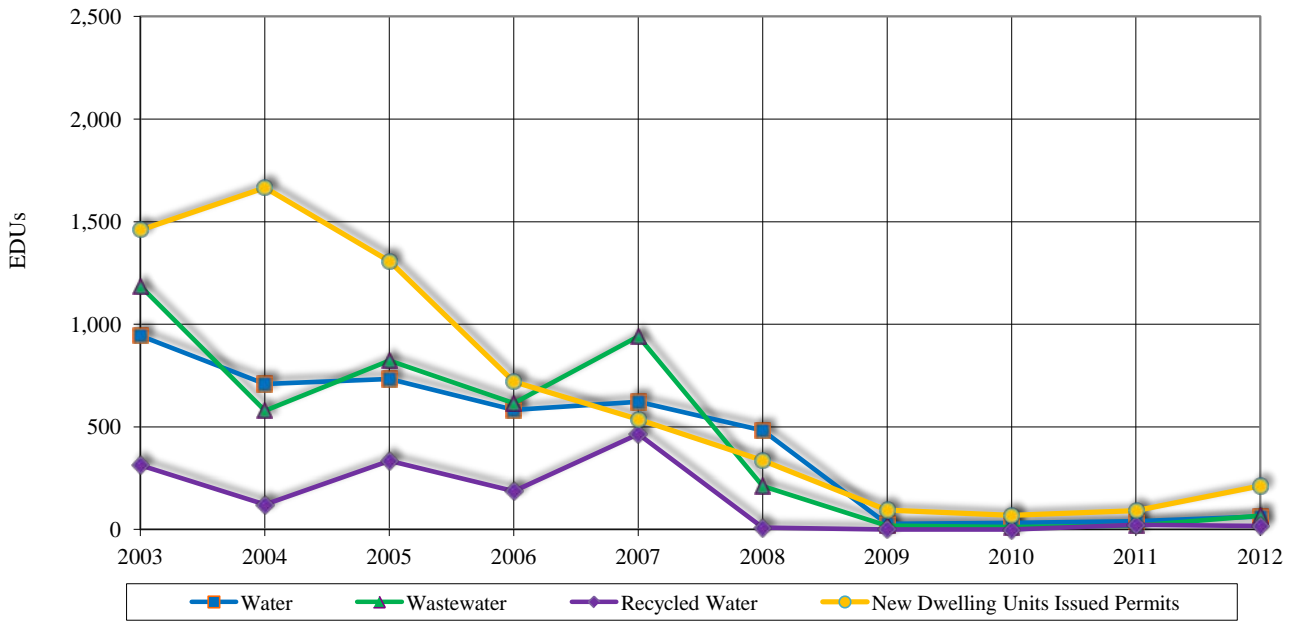


EL DORADO IRRIGATION DISTRICT
 Table #11
 Equivalent Dwelling Unit (EDU)^[1] Sales
 Last Ten Years

Year	Water	Wastewater	Recycled Water	New Dwelling Units Issued Permits
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	95
2010	32.5	12.0	0	69
2011	40.0	19.0	22	92
2012	63.0	67.0	17	212

[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



EL DORADO IRRIGATION DISTRICT
Table #12
Water and Recycled Water Sales by Type of Customer
Last Ten Years

Type of Customer	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Potable Water Sold (Acre Feet):										
Residential ^[1]	19,006	17,215	18,147	22,099	23,276	23,288	22,190	20,319	22,559	20,169
Commercial and Industrial	2,610	2,402	2,478	1,993	3,024	3,065	2,850	2,805	2,806	2,778
Agriculture	5,385	4,307	3,609	5,690	5,581	5,262	4,963	4,712	6,433	6,074
Recreational Turf	1,144	973	1,073	1,238	1,398	1,364	1,387	1,235	1,605	1,112
Municipal	1,269	1,097	1,166	1,422	1,533	1,960	1,672	1,666	1,811	1,709
Total	29,414	25,994	26,473	32,442	34,812	34,939	33,062	30,737	35,214	31,842
(in millions \$)^[4]	\$25.469	\$20.816	\$17.554	\$17.403	\$18.008	\$17.680	\$15.438	\$14.018	\$13.480	\$11.438
Recycled Water Sold (Acre Feet):										
Residential ^[2]	1,685	1,372	1,328	1,578	1,674	1,578	1,330	1,008	713	494
Commercial and Industrial ^[3]	624	538	546	654	716	789	726	670	548	442
Recreational Turf	544	337	189	361	513	571	726	455	721	755
Total	2,853	2,247	2,063	2,593	2,903	2,938	2,782	2,133	1,982	1,691
(in millions \$)^[4]	\$1.521	\$1.029	\$0.734	\$0.799	\$0.883	\$1.254	\$0.723	\$0.533	\$0.492	\$0.382

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

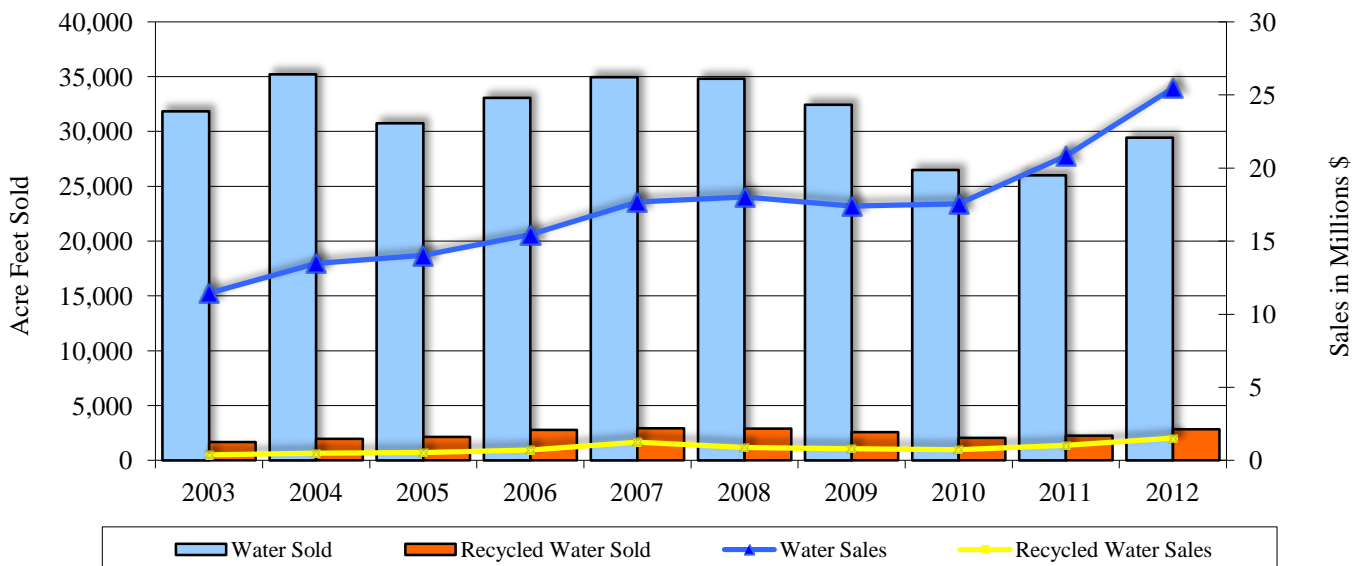
^[2] Beginning in the 1990's, residential construction of a "dual pipe" system in the El Dorado Hills community of Serrano features water, sewer and recycled water for each home.

^[3] Commercial & Industrial includes construction meters.

^[4] Based on dollars billed, not revenues collected, during the year.

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

Chart #7
Water and Recycled Water Sales



EL DORADO IRRIGATION DISTRICT
Table #13
Largest Water Customers
Current Year and Nine Years Ago
(in dollars)

Water Customers	2012			2003		
	Annual Revenue	Rank	% of Water Sales	Annual Revenue ^[2]	Rank	% of Water Sales
City of Placerville	\$451,450	1	1.87%	-	1	2.02%
Cameron Park Golf Course	94,370	2	0.39%	-	3	0.28%
Red Hawk Casino	80,074	3	0.33%			
El Dorado Hills CSD	79,673	4	0.33%			
El Dorado Union High School District	69,501	5	0.29%			
Buckeye Union School District	55,947	6	0.23%			
USDA	22,740	7	0.09%			
Visman Brothers	8,859	8	0.04%			
Battjes HJ Trust of 1/10/05	6,115	9	0.03%			
Hoover Barbara	5,884	10	0.02%			
Sierra Pacific Industries				-	2	0.71%
Lake Oaks Mobile Home Park				-	4	0.26%
Doug Veerkamp				-	5	0.19%
Cameron Park Mobile Home Park				-	6	0.19%
Cameron Oaks Investment Company				-	7	0.15%
Diamond Springs Mobile Home Park				-	8	0.15%
Fuller Sunset Mobile Home Park				-	9	0.13%
DST / RPA, Inc.				-	10	0.13%
Total	874,613		3.64%			4.21%

^[1] Recycled water service.

^[2] This data was not reported for 2003.

Source: El Dorado Irrigation District Customer Services Division

EL DORADO IRRIGATION DISTRICT

Table #14

Largest Wastewater Customers
Current and Nine Years Ago

(in dollars)

Wastewater Customers	2012			2003		
	Annual Revenue	Rank	% of Wastewater Sales	Annual Revenue ^[1]	Rank	% of Wastewater Sales
Lake Oaks Mobile Home Park	\$162,060	1	0.89%	-	1	0.99%
Vineyards at Valley View	154,335	2	0.85%			
Cameron Park Senior Living, a Ca LLC	100,985	3	0.55%			
Lake Forest Apartments, LLC	97,554	4	0.54%			
Mercy Housing Calif XXI, LP	79,409	5	0.44%			
Cameron Oaks Investment Company	74,549	6	0.41%	-	3	0.67%
Cameron Park Mobile Home Park	73,971	7	0.41%	-	2	0.80%
Diamond Springs Mobile Home Park	71,979	8	0.39%	-	8	0.31%
Crestview Mobile Home Park	48,945	9	0.27%	-	4	0.48%
Royal Heights Townhouses	28,596	10	0.16%	-		
PW Eagle, Inc.				-	5	0.34%
Fuller-Sunset Mobile Home Park				-	6	0.33%
Westwood Mobile Home Park				-	7	0.32%
Cameron Park Village				-	9	0.31%
Point Loma Center				-	10	0.31%
Total	892,383		4.90%			4.86%

^[1] This data was not reported for 2003.

Source: El Dorado Irrigation District Customer Services Division

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

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Single Family Residential: ^[2]										
Base Charge:										
5/8"- 3/4" Meter	\$47.50	\$25.89	\$22.51	\$19.08	\$30.74	\$30.74	\$28.46	\$26.11	\$24.40	\$22.58
1" Meter	69.58	30.06	26.14	22.15	30.74	30.74	28.46	26.11	24.40	22.58
1 1/2" Meter	120.05	40.51	30.35	25.72	32.27	32.27	29.88	27.41	25.62	23.71
2" Meter	183.13	54.60	47.48	34.66	33.81	33.81	31.31	28.72	26.84	24.83
3" Meter	385.00	73.60	64.00	46.72	37.19	37.19	34.43	31.59	29.52	27.32
4" Meter	678.34	99.20	86.26	62.96	40.90	40.90	37.87	34.74	32.47	30.03
6" Meter	1,488.97	133.70	116.26	84.86	45.00	45.00	41.66	38.22	35.72	33.06
8" Meter	2,550.70	155.22	134.97	114.38	54.46	54.46	50.42	46.26	43.23	40.00
10" Meter	4,039.68	180.19	156.69	132.79	65.90	65.90	61.01	55.97	52.31	48.40
12" Meter	5,315.03	209.20	181.91	154.16	79.73	79.73	73.82	67.72	63.29	58.56
Commodity Charge:										
All Meter Sizes, 0 - 1,800 cf ^[4]	1.15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Meter sizes, 1,801 - 4,500 cf ^[4]	1.39	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Meter sizes, Over 4,500 cf ^[4]	1.63	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Meter Sizes, 0 - 1,500 cf ^[3]	n/a	1.31	1.14	0.96	n/a	n/a	n/a	n/a	n/a	n/a
All Meter Sizes, 1,501 - 4,500 cf ^[3]	n/a	1.58	1.37	1.16	n/a	n/a	n/a	n/a	n/a	n/a
All Meter Sizes, Over 4,500 cf ^[3]	n/a	1.85	1.61	1.36	n/a	n/a	n/a	n/a	n/a	n/a
5/8"- 3/4" Meter, 0 - 1,500 cf	n/a	n/a	n/a	n/a	0.75	0.75	0.69	0.64	0.60	0.55
5/8"- 3/4" Meter, 1,501 - 4,500 cf	n/a	n/a	n/a	n/a	0.80	0.80	0.74	0.68	0.64	0.59
5/8"- 3/4" Meter, Over 4,500 cf	n/a	n/a	n/a	n/a	0.94	0.94	0.87	0.80	0.75	0.69
1"- 1 1/2" Meter, 0 - 7,800 cf	n/a	n/a	n/a	n/a	0.75	0.75	0.69	0.64	0.60	0.55
1"- 1 1/2" Meter, 7,801 - 100,000 cf	n/a	n/a	n/a	n/a	0.80	0.80	0.74	0.68	0.64	0.59
1"- 1 1/2" Meter, Over 100,000 cf	n/a	n/a	n/a	n/a	0.94	0.94	0.87	0.80	0.75	0.69
2"and Larger Meter, 0 - 25,000 cf	n/a	n/a	n/a	n/a	0.75	0.75	0.69	0.64	0.60	0.55
2"and Larger Meter, 25,001 - 133,000 cf	n/a	n/a	n/a	n/a	0.80	0.80	0.74	0.68	0.64	0.59
2"and Larger Meter, Over 133,000 cf	n/a	n/a	n/a	n/a	0.94	0.94	0.87	0.80	0.75	0.69
Commercial and Retail Landscape: ^[5]										
Base Charge:										
Base Charge, All Meter Sizes ^[6]	n/a	n/a	n/a	n/a	54.66	54.66	50.61	46.43	43.39	40.15
5/8" - 3/4" Meter	49.96	25.89	22.51	19.08	30.74	30.74	28.46	26.11	24.40	22.58
1" Meter	73.76	30.06	26.14	22.15	30.74	30.74	28.46	26.11	24.40	22.58
1 1/2" Meter	151.97	40.51	30.35	25.72	32.27	32.27	29.88	27.41	25.62	23.71
2" Meter	196.18	54.60	47.48	34.66	33.81	33.81	31.31	28.72	26.84	24.83
3" Meter	413.80	73.60	64.00	46.72	37.19	37.19	34.43	31.59	29.52	27.32
4" Meter	730.04	99.20	86.26	62.96	40.90	40.90	37.87	34.74	32.47	30.03
6" Meter	1,374.01	133.70	116.26	84.86	45.00	45.00	41.66	38.22	35.72	33.06
8" Meter	2,736.26	155.22	134.97	114.38	54.46	54.46	50.42	46.26	43.23	40.00
10" Meter	4,333.55	180.19	156.69	132.79	65.90	65.90	61.01	55.97	52.31	48.40
12" Meter	5,684.38	209.20	181.91	154.16	79.73	79.73	73.82	67.72	63.29	58.56
Commodity Charge:										
All Water Consumed ^[2]	1.37	1.43	1.24	1.05	n/a	n/a	n/a	n/a	n/a	n/a

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

All services outside the District are billed at 1.5 times the standard District rate.

All base charges are bi-monthly.

All charges for meter sizes greater than 1" are for turbine meters.

Footnotes^{[1] to [15]}: Can be found at the end of Table #15.

Source: El Dorado Irrigation District Utility Billing Section

(Continued)

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

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Small Farms:										
Base Charge:										
All Meter Sizes ^[6]	n/a	n/a	n/a	n/a	\$54.66	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15
3/4" - 5/8" Meter	\$47.50	\$25.89	\$22.51	\$19.08	n/a	n/a	n/a	n/a	n/a	n/a
1" Meter	59.54	30.06	26.14	22.15	n/a	n/a	n/a	n/a	n/a	n/a
1 1/2" Meter	75.20	40.51	30.35	25.72	n/a	n/a	n/a	n/a	n/a	n/a
2" Meter	84.06	54.60	47.48	34.66	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter	127.65	73.60	64.00	46.72	n/a	n/a	n/a	n/a	n/a	n/a
4" Meter	190.99	99.20	86.26	62.96	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter	366.04	133.70	116.26	84.86	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter	592.84	155.22	134.97	114.38	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter	938.92	180.19	156.69	132.79	n/a	n/a	n/a	n/a	n/a	n/a
12" Meter	1,183.37	209.20	181.91	154.16	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
0-1,800 cf	1.15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Over 1,801 cf	0.10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0 - 1,760 cf	n/a	1.31	1.14	0.96	0.80	0.80	0.74	0.68	0.64	0.59
1,761 - 6,500 cf / 1,801-6,500 cf	n/a	0.12	0.10	0.09	0.08	0.08	0.08	0.07	0.07	0.06
6,501 - 100,000 cf / 6,501-50,000 cf	n/a	0.14	0.12	0.10	0.10	0.10	0.09	0.08	0.08	0.07
Over 100,000 cf / Over 50,000 cf	n/a	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08
Domestic Irrigation: ^[11]										
Base Charge:										
All Meter Sizes	74.66	71.10	61.83	52.40	52.00	52.00	48.15	44.17	41.28	38.20
Commodity Charge:										
0 - 6,500 cf	0.17	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08
6,501 - 50,000 cf	0.19	0.18	0.16	0.13	0.12	0.12	0.11	0.10	0.10	0.09
Over 50,000 cf	0.25	0.24	0.21	0.18	0.16	0.16	0.15	0.14	0.13	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 the standard District rate.

All base charges are bi-monthly.

All charges for meter sizes greater than 1" are for turbine meters.

Footnotes^{[1] to [15]}: Can be found at the end of Table #15.

Source: El Dorado Irrigation District Utility Billing Section

(Continued)

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

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Agriculture Metered Irrigation ^[8] , With Residence:										
Base Charge:										
All Meter Sizes ^[6]	n/a	n/a	n/a	n/a	\$54.66	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15
5/8" - 3/4" Meter	\$47.50	\$25.89	\$22.51	\$19.08	n/a	n/a	n/a	n/a	n/a	n/a
1" Meter	59.54	30.06	26.14	22.15	n/a	n/a	n/a	n/a	n/a	n/a
1 1/2" Meter	75.20	40.51	30.35	25.72	n/a	n/a	n/a	n/a	n/a	n/a
2" Meter	84.06	54.60	47.48	34.66	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter	127.65	73.60	64.00	46.72	n/a	n/a	n/a	n/a	n/a	n/a
4" Meter	190.99	99.20	86.26	62.96	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter	366.04	133.70	116.26	84.86	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter	592.84	155.22	134.97	114.38	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter	938.92	180.19	156.69	132.79	n/a	n/a	n/a	n/a	n/a	n/a
12" Meter	1,183.37	209.20	181.91	154.16	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
0-1,800 cf	1.15	1.31	1.14	0.96	0.80	0.80	0.74	0.68	0.64	0.59
Over 1,801 cf	0.10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1,801-30,000 cf	n/a	0.14	0.12	0.09	0.08	0.08	0.08	0.07	0.07	0.06
30,001-58,200 cf	n/a	0.16	0.14	0.10	0.10	0.10	0.09	0.08	0.08	0.07
Over 58,201 cf	n/a	n/a	n/a	0.12	0.11	0.11	0.10	0.09	0.09	0.08
Agriculture Metered Irrigation ^[8,9] , Without Residence:										
Base Charge:										
All Meter Sizes ^[6]	n/a	n/a	n/a	n/a	54.66	54.66	50.61	46.43	43.39	40.15
5/8" - 3/4" Meter	13.55	25.89	22.51	19.08	n/a	n/a	n/a	n/a	n/a	n/a
1" Meter	18.32	30.06	26.14	22.15	n/a	n/a	n/a	n/a	n/a	n/a
1 1/2" Meter	33.98	40.51	30.35	25.72	n/a	n/a	n/a	n/a	n/a	n/a
2" Meter	42.84	54.60	47.48	34.66	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter	86.43	73.60	64.00	46.72	n/a	n/a	n/a	n/a	n/a	n/a
4" Meter	149.77	99.20	86.26	62.96	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter	324.82	133.70	116.26	84.86	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter	551.63	155.22	134.97	114.38	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter	873.64	180.19	156.69	132.79	n/a	n/a	n/a	n/a	n/a	n/a
12" Meter	1,142.15	209.20	181.91	154.16	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
All Water Consumed	0.10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0-58,200 cf	n/a	0.14	0.12	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0-30,000 cf	n/a	n/a	n/a	0.09	0.08	0.08	0.08	0.07	0.07	0.06
30,001-58,200	n/a	n/a	n/a	0.10	0.10	0.10	0.09	0.08	0.08	0.07
Over 58,201 cf	n/a	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	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 the standard District rate.

All base charges are bi-monthly.

All charges for meter sizes greater than 1" are for turbine meters.

Footnotes^{[1] to [15]}: Can be found at the end of Table #15.

Source: El Dorado Irrigation District Utility Billing Section

(Continued)

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

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Agriculture Metered Irrigation, IMS Participant:										
Base Charge: ^[6]										
All Meter Sizes	n/a	n/a	n/a	n/a	\$54.66	\$54.66	\$50.61	\$46.43	\$43.39	\$40.15
5/8" - 3/4" Meter	n/a	\$25.89	\$22.51	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1" Meter	n/a	30.06	26.14	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1 1/2" Meter	n/a	40.51	30.35	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2" Meter	n/a	54.60	47.48	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter	n/a	73.60	64.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4" Meter	n/a	99.20	86.26	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter	n/a	133.70	116.26	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter	n/a	155.22	134.97	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter	n/a	180.19	156.69	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12" Meter	n/a	209.20	181.91	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
0-1,800 cf, With Residence	n/a	1.31	1.14	\$0.96	0.80	0.80	0.74	0.68	0.64	0.59
1,801-30,000 cf, With Residence	n/a	0.12	0.10	0.09	0.08	0.08	0.08	0.07	0.07	0.06
0-30,000 cf, Without Residence	n/a	0.09	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.06
30,001-58,200 cf, With or Without Residence	n/a	0.14	0.12	0.10	0.10	0.09	0.09	0.08	0.08	0.07
Over 58,200 cf, With or Without Residence	n/a	0.16	0.14	0.12	0.11	0.11	0.10	0.09	0.09	0.08
Multi-family Residential:										
Base Charge:										
All Meter Sizes ^[6]	n/a	12.82	11.15	9.45	15.28	15.28	14.15	12.98	12.13	11.22
5/8" - 3/4" Meter	\$49.96	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1" Meter	73.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1 1/2" Meter	151.97	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2" Meter	196.18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter	413.80	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4" Meter	730.04	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter	1,374.01	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter	2,736.26	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter	4,333.55	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12" Meter	5,684.38	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
All water Consumed ^[9]	1.37	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0-1,500 cf	n/a	1.43	1.24	1.05	0.75	0.75	0.69	0.64	0.60	0.55
1,501 - 20,000 cf	n/a	1.43	1.24	1.05	0.80	0.80	0.74	0.68	0.64	0.59
Over 20,000 cf	n/a	1.43	1.24	1.05	0.94	0.94	0.87	0.80	0.75	0.69

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

All services outside the District are billed at 1.5 times the standard District rate.

All base charges are bi-monthly.

All charges for meter sizes greater than 1" are for turbine meters.

Footnotes^{[1] to [15]}: Can be found at the end of Table #15.

Source: El Dorado Irrigation District Utility Billing Section

(Continued)

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

Category	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Recreational Turf, 5/8" - 1 1/2" Meter: ^[6]										
Base Charge:										
5/8" - 1 1/2" Meter	n/a	n/a	n/a	n/a	\$104.15	\$104.15	\$96.44	\$88.47	\$82.68	\$76.50
3/4" - 5/8" Meter	\$49.96	\$25.89	\$22.51	\$19.08	n/a	n/a	n/a	n/a	n/a	n/a
1" Meter	73.76	30.06	26.14	22.15	n/a	n/a	n/a	n/a	n/a	n/a
1 1/2" Meter	151.97	40.51	30.35	25.72	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
0 - 13,300 cf	0.75	0.72	0.62	0.53	0.38	0.38	0.35	0.32	0.30	0.28
13,301 - 75,000 cf	0.77	0.74	0.64	0.54	0.39	0.39	0.37	0.34	0.31	0.29
Over 75,000 cf	0.96	0.92	0.80	0.68	0.49	0.49	0.45	0.42	0.39	0.34
Recreational Turf, 2" - 3" Meter: ^[6]										
Base Charge:										
2" - 3" Meter	n/a	n/a	n/a	n/a	104.15	104.15	96.44	88.47	82.68	76.50
2" Meter	196.18	54.60	47.48	34.66	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter	413.80	73.60	64.00	46.72	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
0 - 37,500 cf	0.75	0.72	0.62	0.53	0.38	0.38	0.35	0.32	0.30	0.28
37,501 - 166,700 cf	0.77	0.74	0.64	0.54	0.39	0.39	0.37	0.34	0.31	0.29
Over 166,700 cf	0.96	0.92	0.80	0.68	0.49	0.49	0.45	0.42	0.39	0.34
Recreational Turf, 4" and Larger Meter: ^[6]										
Base Charge:										
4" and Larger Meter	n/a	n/a	n/a	n/a	104.15	104.15	96.44	88.47	82.68	76.50
4" Meter	730.04	99.20	86.26	62.96	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter	1,374.01	133.70	116.26	84.86	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter	2,736.26	155.22	134.97	114.38	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter	4,333.55	180.19	156.69	132.79	n/a	n/a	n/a	n/a	n/a	n/a
12" Meter	5,684.38	209.20	181.91	154.16	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
0 - 500,000 cf	0.75	0.72	0.62	0.53	0.38	0.38	0.35	0.32	0.30	0.28
500,001 - 1,666,700 cf	0.77	0.74	0.64	0.54	0.39	0.39	0.37	0.34	0.31	0.29
Over 1,666,700 cf	0.96	0.92	0.80	0.68	0.49	0.49	0.45	0.42	0.39	0.34

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

All services outside the District are billed at 1.5 times the standard District rate.

All base charges are bi-monthly.

All charges for meter sizes greater than 1" are for turbine meters.

Footnotes^{[1] to [15]}: Can be found at the end of Table #15.

Source: El Dorado Irrigation District Utility Billing Section

(Continued)

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

	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Wholesale (City of Placerville):										
Base Charge:										
2" Meter ^[15]	\$178.41	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter ^[15]	379.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4" Meter ^[15]	674.30	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter ^[15]	1,486.04	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter ^[15]	2,537.82	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter ^[15]	3,959.15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14" Meter ^[15]	6,670.21	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge:										
All Water Consumed	0.47	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0 - 295,500 cf	n/a	\$0.57	\$0.50	\$0.42	\$0.44	\$0.44	\$0.39	\$0.36	\$0.34	\$0.31
295,501 - 12,160,000 cf	n/a	0.65	0.56	0.48	0.48	0.48	0.44	0.41	0.38	0.35
Over 12,160,000 cf	n/a	0.74	0.64	0.54	0.54	0.54	0.50	0.46	0.43	0.40
Temporary Water Use:^[12]										
Base Charge	n/a	402.52	350.02	42.39	68.26	68.26	63.23	58.00	54.21	50.16
Commodity Charge	n/a	2.37	2.06	1.75	1.36	1.36	1.26	1.16	1.08	1.00
Ditches (Raw Water):^[14]										
Base Charge, Metered Lands, Irrig, All Meter Sizes ^[13] :	n/a	80.38	70.29	59.57	59.57	59.57	55.16	50.60	47.29	43.76
5/8" - 3/4" Meter	13.55	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1" Meter	18.32	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1 1/2" Meter	33.98	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2" Meter	42.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3" Meter	86.43	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4" Meter	149.77	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6" Meter	324.82	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8" Meter	551.63	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10" Meter	873.64	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12" Meter	1142.15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge, Metered	0.10	0.15	0.13	0.11	0.11	0.11	0.10	0.09	0.09	0.08
Base Charge, Non-metered:										
1/2" Flow	62.21	74.51	64.79	54.91	54.91	54.91	50.84	46.64	43.59	40.33
1" Flow	124.42	165.49	143.90	121.95	121.95	121.95	112.92	103.59	96.81	89.58
2" Flow	248.84	330.98	287.81	243.91	243.91	243.91	225.84	207.17	193.62	179.16
4" Flow	497.68	661.94	575.60	487.80	487.80	487.80	451.67	414.34	387.23	358.32
Commodity Charge, Non-metered	0.10	0.09	0.08	0.07	0.07	0.07	0.06	0.06	0.06	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 the standard District rate.

All base charges are bi-monthly.

All charges for meter sizes greater than 1" are for turbine meters.

^[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, Recreational Turf, and Commercial and Retail Landscape customer rate classifications.

^[3] Beginning in 2009, Single Family Residential consumption tiers became uniform. Prior to 2009, tiers were based on meter size and rates.

^[4] Beginning in 2012, Single Family Residential tier 1 maximum use was increased.

^[5] Beginning in 2009, Commercial and Retail Landscape restructured as a separate class.

^[6] Beginning in 2009, base charge was determined by meter size on a shared scale. Beginning in 2012, it is determined by size and service class.

^[7] Beginning in 2009, tier 1 maximum use was increased. Beginning in 2012, tier 2 was increased to cover all use above tier 1.

^[8] Beginning in April 2009, Agriculture Metered Irrigation tier quantities changed.

^[9] Beginning in April 2012, tiered use rates were changed to one rate for all water consumed.

^[10] Beginning in 2012, this tier was omitted.

^[11] Beginning in April 2009, Domestic Irrigation tier 2 maximum value changed from 100,000 to 50,000.

^[12] Previously known as Fire Hydrant / Construction, it was removed from rate class status effective April 2012. It is now covered under the fees and charges table.

^[13] Beginning in 2012, base charge is determined by meter size.

^[14] 1 miners inch = 11.22 gallons per minute; 1 miners inch per day (MID)= 2,160 cubic feet.

^[15] No longer a part of the general District rate schedule. This rate is determined subject to ad-hoc negotiations with the City of Placerville.

Source: El Dorado Irrigation District Utility Billing Section

EL DORADO IRRIGATION DISTRICT
Table #16
Wastewater Rates
Last Ten Years
(in dollars)

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Small Farm / Recreational Turf / Domestic Irrigation (Flat Rate):										
Base Charge	\$135.98	\$129.50	\$112.61	\$95.43	\$115.44	\$111.00	\$104.72	\$96.93	\$93.20	\$90.49
Single Family Residential:										
Base Charge	65.26	77.33	67.24	56.98	54.79	52.68	49.70	46.00	44.23	42.94
Commodity Charge	3.52	2.90	2.52	2.14	2.05	1.98	1.86	1.72	1.66	1.16
Commercial / Industrial: ^[1]										
Base Charge	69.76	69.76	60.66	51.41	49.43	47.53	44.84	41.51	39.91	38.75
Laundromat / Commercial-Low	4.04	3.85	3.35	2.84	2.73	2.63	2.48	2.29	2.20	2.14
Market / Commercial-Medium/Low	5.83	5.80	5.04	4.27	5.90	5.67	5.35	4.95	4.76	4.62
Repair Shop / Service Station / Commercial-Medium	8.69	7.76	6.75	5.72	4.11	3.95	3.73	3.45	3.32	3.22
Light Industrial / Commercial-Medium/High	1.35	8.32	7.23	6.13	5.50	5.29	4.99	4.62	4.44	4.31
Restaurant / Commercial-High	29.44	10.73	9.33	7.91	7.60	7.31	6.90	6.38	6.14	5.96
Other / no longer exists	n/a	4.97	4.32	3.66	3.52	3.39	3.19	2.96	2.84	2.76
Commercial Without Water Service (Sewer Only):										
Base Charge	108.67	81.64	70.99	60.16	57.85	55.62	52.47	48.57	46.70	45.34
Each Additional Unit	108.67	93.16	81.01	68.65	66.01	63.47	59.88	55.42	53.29	51.74
School Wastewater, Yearly:										
Base Charge, Per Student	10.7	5.52	4.80	4.07	3.91	3.76	3.55	3.29	3.16	3.07
Septage Transfer:										
Base Charge, per 1,000 Gallons	n/a	197.14	171.43	145.28	139.70	134.32	126.72	117.29	112.78	109.59

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

All base charges are bi-monthly.

^[1] Beginning in 2012, all Commercial / Industrial classes changed pursuant to the cost of services study.

Source: El Dorado Irrigation District Utility Billing Section

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

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Dual Plumbed Residential:										
Base Charge:										
0 - 3,000 cf	\$0.58	\$0.57	\$0.50	\$0.42	\$0.44	\$0.44	\$0.39	\$0.36	\$0.34	\$0.31
3,001 - 4,500 cf	0.98	0.65	0.56	0.48	0.48	0.48	0.44	0.41	0.38	0.35
Over 4,500 cf	1.47	0.74	0.64	0.54	0.54	0.54	0.50	0.46	0.43	0.40
Commodity Charge	n/a	0.83	0.72	0.61	0.61	0.61	0.57	0.52	0.49	0.45
Commercial / Industrial:										
Base Charge ^[2] :										
All Meter Sizes	n/a	143.84	125.08	106.00	106.00	106.00	98.14	90.03	84.14	77.86
Base Charge, 3/4" - 5/8" Meter	27.02	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 1" Meter	39.24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 1 1/2" Meter ^[3]	79.37	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 2" Meter ^[3]	102.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 3" Meter ^[3]	213.72	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 4" Meter ^[3]	375.99	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 6" Meter ^[3]	824.41	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 8" Meter ^[3]	1,405.44	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 10" Meter ^[3]	2,225.86	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 12" Meter ^[3]	2,918.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge	0.79	0.83	0.72	0.61	0.61	0.61	0.57	0.52	0.49	0.45

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

All base charges are bi-monthly.

^[1] Temporary water use was removed from rate class status effective April 2012. It is now covered under the fees and charges table.

^[2] Recreational Turf base charge previously covered under Single Family, Commercial, Agricultural Irrigation, Small Farms, and Recreational Turf classifications.

^[3] Beginning in 2012, base charge is determined by meter size.

Source: El Dorado Irrigation District Utility Billing Section

EL DORADO IRRIGATION DISTRICT
 Table #17 (Continued)
 Recycled Water Rates
 Last Ten Years
 (in dollars)

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Recreational Turf:										
Base Charge ^[2] :										
All Meter Sizes	n/a	\$143.84	\$125.08	\$106.00	\$106.00	\$106.00	\$98.14	\$90.03	\$84.14	\$77.86
Base Charge, 3/4" - 5/8" Meter	\$27.02	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 1" Meter	39.24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 1 1/2" Meter ^[3]	79.37	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 2" Meter ^[3]	102.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 3" Meter ^[3]	213.72	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 4" Meter ^[3]	375.99	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 6" Meter ^[3]	824.41	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 8" Meter ^[3]	1,405.44	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 10" Meter ^[3]	2,225.86	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Base Charge, 12" Meter ^[3]	2,918.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity Charge	0.94	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire Hydrant / Temporary Water Use: ^[1]										
Base Charge	n/a	434.27	377.63	65.79	106.00	106.00	98.14	90.03	84.14	77.86
Commodity Charge	n/a	1.07	0.93	0.79	0.61	0.61	0.57	0.52	0.49	0.45

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

All base charges are bi-monthly.

^[1] Temporary water use was removed from rate class status effective April 2012. It is now covered under the fees and charges table.

^[2] Recreational Turf base charge previously covered under Single Family, Commercial, Agricultural Irrigation, Small Farms, and Recreational Turf classifications.

^[3] Beginning in 2012, base charge is determined by meter size.

Source: El Dorado Irrigation District Utility Billing Section

EL DORADO IRRIGATION DISTRICT

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 is 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.

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

Phase I water rate surcharges ended effective October 2009.

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.

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

^[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

EL DORADO IRRIGATION DISTRICT
Table #19
Water and Recycled Water
Facility Capacity Charges (FCC)
Last Eight Years^[1]
(in dollars per EDU)

Category	Year							
	2012	2011	2010	2009	2008	2007	2006	2005
El Dorado Hills / Cameron Park ^[2] Residential / Commercial and Retail Landscape (Potable Only):								
Potable Water FCC	\$15,751	\$15,751	\$15,751	\$15,751	\$15,751	\$11,954	\$11,954	\$11,954
Gabbro Soils	345	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	325	n/a	n/a	n/a
Total	16,539	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	6,631	5,977	5,977	5,977
Gabbro Soils	345	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	325	n/a	n/a	n/a
Recycled Water FCC	4,553	4,553	4,553	4,553	4,553	2,241	2,241	2,241
Total	11,972	11,972	11,972	11,972	12,073	8,782	8,782	8,782
El Dorado Hills / Cameron Park ^[2] Commercial / Industrial (Recycled Water):								
Recycled Water FCC	4,553	4,553	4,553	4,553	4,553	4,482	4,482	4,482
Total	4,553	4,553	4,553	4,553	4,553	4,482	4,482	4,482
El Dorado Hills Residential - AFA, with Entitlement (Potable Only):								
Potable Water FCC	12,361	12,361	12,361	12,361	12,361	7,865	7,865	7,865
Gabbro Soils	345	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	325	n/a	n/a	n/a
Total	13,149	13,149	13,149	13,149	13,250	8,429	8,429	8,429
El Dorado Hills Residential - AFA, with Entitlement (Dual Plumbed):								
Potable Water FCC	5,512	5,512	5,512	5,512	5,512	3,932	3,932	3,932
Gabbro Soils	345	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	325	n/a	n/a	n/a
Recycled Water FCC	4,553	4,553	4,553	4,553	4,553	2,241	2,241	2,241
Total	10,853	10,853	10,853	10,853	10,954	6,737	6,737	6,737
El Dorado Hills Residential - AFA, with No Entitlement (Potable Only): ^[4]								
Potable Water FCC	n/a	12,361	12,361	12,361	12,361	7,865	7,865	7,865
Gabbro Soils	n/a	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101	101
Line & Cover 2	n/a	118	118	118	118	118	118	118
Line & Cover 3	n/a	325	325	325	325	n/a	n/a	n/a
AFA / Weber Fee	n/a	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.

[4] AFA With No Entitlements agreement expired April 2011.

Source: El Dorado Irrigation District Customer Services Division

(Continued)

EL DORADO IRRIGATION DISTRICT
Table #19 (Continued)
Water and Recycled Water
Facility Capacity Charges (FCC)
Last Eight Years^[1]
(in dollars per EDU)

Category	Year							
	2012	2011	2010	2009	2008	2007	2006	2005
El Dorado Hills Residential - AFA With No Entitlement (Dual Plumbed): ^[4]								
Potable Water FCC	n/a	\$5,512	\$5,512	\$5,512	\$5,512	\$7,865	\$7,865	\$7,865
Gabbro Soils	n/a	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101	101
Line & Cover 2	n/a	118	118	118	118	118	118	118
Line & Cover 3	n/a	325	325	325	325	n/a	n/a	n/a
AFA / Weber Fee	n/a	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Recycled Water FCC	n/a	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	16,305	7,953	7,953	7,953
Gabbro Soils	345	345	345	345	345	345	345	345
Line & Cover 1 ^[3]	n/a	n/a	n/a	101	101	101	101	101
Line & Cover 2	118	118	118	118	118	118	118	118
Line & Cover 3	325	325	325	325	325	n/a	n/a	n/a
Total	17,093	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.

^[4] AFA With No Entitlements agreement expired April 2011.

Source: El Dorado Irrigation District Customer Services Division

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

Category	Year							
	2012	2011	2010	2009	2008	2007	2006	2005
El Dorado Hills:								
Wastewater Buy-in	\$4,967	\$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	1,538	1,412	1,412	1,412
Future Capital Projects	6,936	6,936	6,936	6,936	6,936	n/a	n/a	n/a
Total	13,441	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	7,425	4,418	4,418	4,418
Recycled Costs Share	1,538	1,538	1,538	1,538	1,538	1,412	1,412	1,412
Future Capital Projects	486	486	486	486	486	n/a	n/a	n/a
Total	9,449	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	10,114	6,246	6,246	6,246
Recycled Costs Share	1,538	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	1,751	n/a	n/a	n/a
Total	13,403	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	9,120	6,181	6,181	6,181
Future Capital Projects	777	777	777	777	777	0	0	0
Total	9,897	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

EL DORADO IRRIGATION DISTRICT
 Table #21
 Installation and Inspection Fees
 Last Eight Years^[1]
 (in dollars)

Category	Year							
	2012	2011 ^[2]	2010	2009	2008	2007	2006	2005
Water Meter Installation Fees:								
3/4" Meter, With Pressure Regulator	n/a	\$792	\$760	\$598	\$598	\$537	\$537	\$537
3/4" Meter, Without Pressure Regulator	\$560	560	521	464	464	428	428	428
1" Meter, With Pressure Regulator	n/a	979	920	670	670	653	653	653
1" Meter, Without Pressure Regulator	669	669	598	525	525	508	508	508
Recycled Water Meter Installation Fees:								
3/4" Commercial	594	594	792	545	545	545	545	545
3/4" Residential	594	594	792	545	545	545	545	545
Wastewater Inspection Fees:								
Commercial (Per Cleanout)	70	70	70	70	70	70	70	70
Residential	145	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	400	500	500
Front and Back Yard, Done by Developer (Per Lot)	325	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 1/1/2012.

Source: El Dorado Irrigation District Customer Services Division



Debt Capacity

EL DORADO IRRIGATION DISTRICT

Table #22

Ratios of Outstanding Debt by Type

Last Ten Years

(in thousands of dollars, except per capita)

	2012	2011	2010	2009	2008	Year 2007	2006	2005	2004	2003
State of California Loans	\$17,485	\$18,491	\$19,472	\$20,419	\$21,364	\$16,138	\$16,543	\$5,918	\$3,096	\$3,224
U.S. Government Loans	-	-	-	-	-	-	-	-	-	-
County of El Dorado Note	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533
COPs	298,182	358,046	364,940	367,940	243,830	240,220	244,165	248,000	249,545	165,825
GO Bonds	2,670	3,065	3,450	3,825	4,260	4,685	5,010	5,330	5,585	6,000
Refunding Revenue Bonds	50,685	-	-	-	-	-	-	-	-	68,885
LaSalle Bank Bridge Loan	-	-	-	-	-	-	-	-	-	15,000
Capital Leases	-	-	-	-	-	-	-	-	101	254
Total	\$370,555	\$381,135	\$389,395	\$393,717	\$270,987	\$262,576	\$267,251	\$260,781	\$259,860	\$260,721
Percentage of Personal										
Income ^[1]	n/a	4.19%	4.58%	4.51%	3.07%	3.04%	3.42%	3.56%	3.84%	4.18%
Per Capita	n/a	\$2,093.93	\$2,211.53	\$2,236.08	\$1,507.81	\$1,477.09	\$1,513.00	\$1,501.61	\$1,525.62	\$1,559.55
Personal Income, Per Capita ^[1]	n/a	\$49,967.00	\$48,240.00	\$49,590.00	\$49,091.00	\$48,606.00	\$44,283.00	\$42,147.00	\$39,723.00	\$37,350.00
Population	180,712	182,019	176,075	176,075	179,722	177,766	176,637	173,668	170,331	167,177

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

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

^[1] Personal income for years 2012 unavailable at time of report.

Source: El Dorado Irrigation District Accounting Division

EL DORADO IRRIGATION DISTRICT
 Table #23
 Debt Service Coverage
 Refunding Revenue and Certificates of Participation Outstanding Debt
 Water and Wastewater^[1]
 Last Ten Years
 (in dollars)

Category	Revenues ^[2]	Expenses ^[3]	Net Revenues	Principal	Debt Service Interest	Total	Coverage ^[4]
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 ^[5]	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 ^[6]	45,464,271	24,029,159	21,435,112	3,557,703	8,027,703	11,585,406	1.85
2012	41,643,945	24,518,620	17,125,325	1,724,532	7,808,629	9,533,161	1.80
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 ^[5]	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 ^[6]	27,092,724	15,640,269	11,452,455	2,308,769	5,971,052	8,279,821	1.38
2012	26,998,692	16,443,083	10,555,609	2,426,784	5,816,916	8,243,700	1.28
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 ^[5]	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 ^[6]	72,556,994	39,669,428	32,887,567	5,866,472	13,998,755	19,865,226	1.66
2012	68,642,637	40,961,703	27,680,934	4,151,316	13,625,545	17,776,861	1.56

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] 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.

^[3] Total expenses include both operating and non-operating expenses, except depreciation and interest expense.

^[4] Debt service coverage of 1.25 times is required for both water and wastewater for the Revenue COPs.

^[5] Revenues and expenses are restated for corrections to allocation of miscellaneous revenue and reclassification of FEMA expense.

^[6] Expenses are restated for prior period adjustment to correct year-end compensated balances liability.

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



Demographic and Economic Information

EL DORADO IRRIGATION DISTRICT
 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
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
2012	100,240	12,253	172	40	151	0	20

Source: El Dorado County Land Management Information System

EL DORADO IRRIGATION DISTRICT

Table #25

Principal Employers
of El Dorado County

Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Blue Shield of California	1,830	1	4.10%	1,307	3	2.34%
Red Hawk Casino	1,350	2	3.02%			
Marshall Medical Center	1,232	3	2.76%	806	4	1.44%
El Dorado County	1,200	4	2.69%	1,898	1	3.40%
Barton Healthcare Systems (Hospital)	947	5	2.12%			
DST Output	850	6	1.90%	1,400	2	2.51%
Sierra-at-Tahoe ^[1]	730	7	1.63%	523	7	0.94%
State of California	648	8	1.45%			
El Dorado County Office of Education	600	9	1.34%	515	6	0.92%
The Home Depot, Inc.	553	10	1.24%			
El Dorado Union High School District	536	11	1.20%			
Roebbelen Contracting, Inc. ^[1]	425	12	0.95%	420	9	0.75%
Lake Tahoe Unified School District	400	13	0.90%			
Camp Richardson Resort ^[1]	294	14	0.66%			
El Dorado Irrigation District	222	15	0.50%	262	11	0.47%
Raley's				724	5	1.30%
DST Innovis, Inc.				456	8	0.82%
Embassy Suites Lake Tahoe Resort				225	12	0.40%
Doug Veerkamp General Engineering, Inc. ^[1]				270	10	0.48%
Wal-mart Stores, Inc.				200	13	0.36%
Total	11,817		26.44%	9,006		16.15%

^[1] Peak season employment.

Source: Sacramento Business Journal, May 17, 2013 and Sacramento Business Journal, May 7, 2004

EL DORADO IRRIGATION DISTRICT
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 dollars)	School Enrollment
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%	8,738,665	48,240	29,601
2011	182,019	0.0%	91,000	80,300	11.8%	9,040,926	49,967	29,972
2012	180,712	-0.7%	90,700	81,400	10.3%	n/a ^[1]	n/a ^[1]	29,780

^[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.

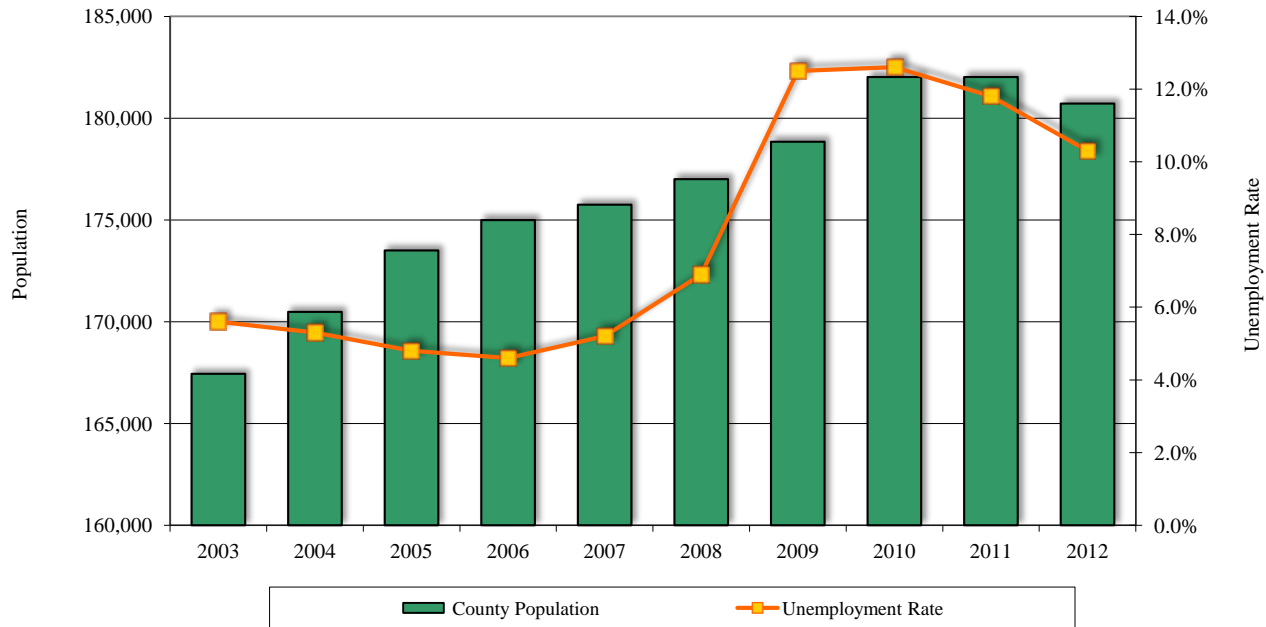
All annual numbers have been changed in the current year reporting to maintain consistency in trending.

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



Operating Information

EL DORADO IRRIGATION DISTRICT

Table #27

Water System

Demographics and Statistical Summary

Last Ten Years

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Facilities:										
Miles of Main Line (Estimated)	1,298	1,298	1,298	1,295	1,295	1,245	1,289	1,245	1,229	1,220
Miles of Ditches (Estimated)	27	27	27	27	27	27	27	27	37	40
Number of Treatment Plants	5	5	6	6	6	6	6	6	6	6
Total Plant Capacity (cfs)	184	184	184	184	184	184	184	177	177	164
# of Pumping Stations	38	38	38	38	38	37	38	38	38	36
# of Storage Tanks / Reservoirs	34	34	33	33	33	36	36	35	35	32
Supply Allocated (Acre Feet):										
Jenkinson Reservoir	20,920	20,920	20,920	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Reclamation-Folsom Lake ^[1]	29,110	29,110	29,110	24,500	24,500	24,500	24,500	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]	--	--	-	-	-	-	-	-	-	-
Total Water Allocations	65,110	65,110	65,110	62,580	62,580	62,580	62,580	45,630	45,630	45,630
Supply Delivered (Acre Feet):										
Jenkinson Reservoir	22,084	20,600	20,844	22,255	25,745	22,467	21,694	20,144	22,919	23,312
Reclamation-Folsom Lake	6,976	5,785	6,409	6,693	6,882	9,171	8,189	7,555	8,424	7,528
Forebay - Project 184	7,520	7,069	8,424	11,712	12,423	12,329	11,451	9,957	12,016	6,298
Crawford Ditch ^[2]	-	-	-	-	-	-	-	-	-	-
Total Water Deliveries	36,580	33,454	35,677	40,660	45,050	43,967	41,334	37,656	43,359	37,138
Consumption (Acre Feet) ^[3] :										
Residential ^[4]	19,006	17,215	18,147	22,099	23,322	23,341	22,190	20,319	22,559	20,169
Commercial and Industrial ^[5]	2,610	2,402	2,478	1,993	3,029	3,076	2,850	2,805	2,806	2,778
Agricultural ^[6]	5,385	4,307	4,896	5,690	5,581	5,262	4,963	4,712	6,433	6,074
Recreational Turf	1,144	973	1,073	1,238	1,398	1,364	1,387	1,235	1,605	1,112
Municipal	1,269	1,097	1,166	1,422	1,533	1,960	1,672	1,666	1,811	1,709
Total Water Consumption	29,414	25,994	27,760	32,442	34,863	35,003	33,062	30,737	35,214	31,842
Customer Services ^[3,7] :										
Residential ^[4]	37,126	36,738	36,882	36,464	36,449	36,223	35,825	35,221	34,180	33,184
Commercial and Industrial ^[5]	1,507	1,737	1,480	1,787	1,653	1,417	1,344	1,303	1,254	1,217
Agricultural ^[6]	648	479	497	486	477	390	389	391	380	397
Recreational Turf	107	112	112	108	110	109	108	104	101	97
Municipal	15	16	16	17	16	11	11	11	11	11
Total Water Services	39,403	39,082	38,987	38,862	38,705	38,150	37,677	37,030	35,926	34,906
Gallons Per Capita Daily (GPCD)^[8]	244	223	253	-	-	-	-	-	-	-

^[1] Folsom now includes Department of Reclamation (Reclamation) water service contract for 7,550 AF, Water Right permit 21112 for 17,000 AF, and Warren Act Contract for 4,560 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] Includes data for both the contiguous and satellite zones.

^[4] Includes Single Family Residential, Multi-family Residential, Dual Plumbed Residential, and Domestic Irrigation.

^[5] Includes commercial and commercial landscape services.

^[6] Includes Agricultural Metered Irrigation, Small Farm, and Ditches.

^[7] Services previously reported incorrectly as accounts.

^[8] As required by the Water Conservation Act of 2009, the District has established its water use target at 225 gpcd by 2020. Reporting was not required prior to 2010.

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

EL DORADO IRRIGATION DISTRICT

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]
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
2012	65,110	36,580	29,414	2,118	596	4,452

^[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.

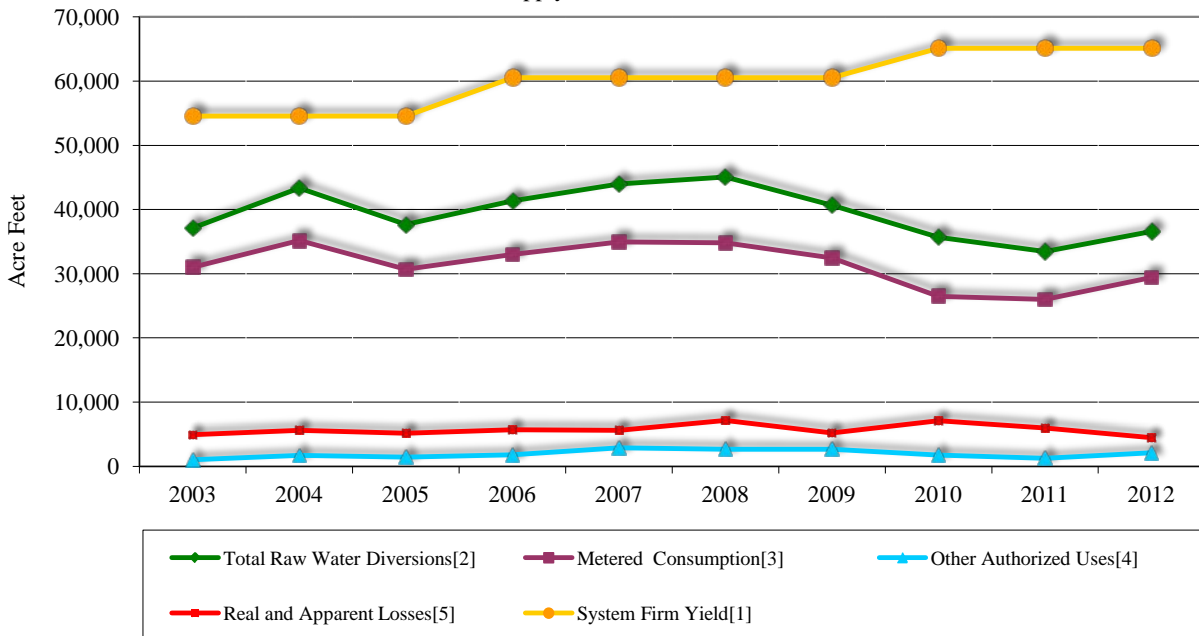
^[3] Authorized uses of potable water that are metered and billed to EID customers.

^[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



EL DORADO IRRIGATION DISTRICT
 Table #29
 Recycled Water System
 Demographics and Statistical Summary
 Last Ten Years

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Facilities:										
Miles of Recycled Pipe	79	79	54	54	54	49	49	46	44	37
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	5	4
Number of Pump Stations	5	5	5	5	5	5	5	5	5	4
Consumption (Acre Feet):										
Residential ^[1,2]	1,685	1,372	1,328	1,579	1,674	1,578	1,331	1,008	713	493
Commercial and Industrial ^[3]	624	538	546	654	716	789	725	669	547	441
Recreational Turf	544	337	189	361	513	571	726	456	721	756
Total Recycled Water Consumption	2,853	2,247	2,063	2,594	2,903	2,938	2,782	2,133	1,981	1,690
Customer Services^[4,5]:										
Residential ^[1,2]	3,918	3,928	3,924	3,663	3,714	3,513	3,277	3,010	2,420	1,978
Commercial and Industrial ^[3]	147	155	143	139	153	156	147	129	101	91
Recreational Turf	12	12	12	12	11	12	13	12	12	9
Total Recycled Water Services^[4]	4,077	4,095	4,079	3,814	3,878	3,681	3,437	3,151	2,533	2,078

[1] Residential includes both Single Family and Multi-family accounts.

[2] Beginning in the 1990's, 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 and 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 Resources & Service Reliability Report; and El Dorado Irrigation District Customer Services Division

EL DORADO IRRIGATION DISTRICT
Table #30
Wastewater System
Demographics and Statistical Summary
Last Ten Years

Category	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Facilities:										
Miles of Sewer Line	396	396	396	396	396	390	390	377	377	338
Number of Treatment Plants	4	4	4	4	4	5	5	5	5	5
Permitted Average Dry Weather Flow ^[1]	7.6	7.6	7.6	7.20	7.20	6.60	6.60	6.60	6.60	5.50
Plant Capacity Wet Weather ^[1]	23	23	23	23.00	23.00	22.40	22.40	22.40	22.40	7.50
Average Dry Weather Daily Plant Flow ^[1]	4.41	4.60	4.91	5.96	5.96	5.45	5.79	4.68	5.15	4.58
El Dorado Hills Plant ^[1]	2.17	2.119	2.23	2.93	2.93	2.68	2.69	2.28	2.44	2.08
Camino Heights Plant ^[1]	0.012	0.014	0.017	0.017	0.017	0.017	0.018	0.014	0.015	0.016
Deer Creek Plant ^[1]	2.23	2.469	2.67	3.01	3.01	2.77	3.10	2.40	2.71	2.50
Number of Lift Stations	64	64	64	64	64	63	63	60	60	60
Customer Services:^[2]										
Residential ^[3]	20,065	19,911	19,871	19,849	19,641	19,422	19,192	17,849	17,310	16,111
Commercial and Industrial	816	809	793	778	804	752	699	644	608	581
Schools	25	24	23	23	23	27	27	22	21	20
Total Wastewater Services	20,906	20,744	20,687	20,650	20,468	20,201	19,918	18,515	17,939	16,712

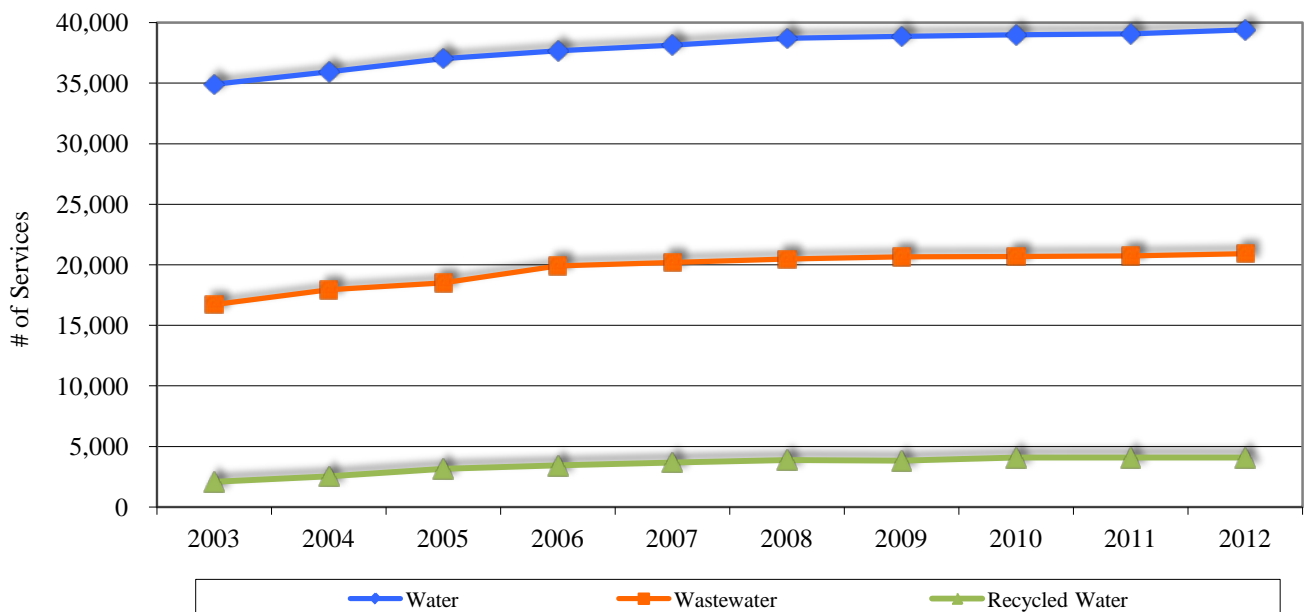
^[1] In millions of gallons per day.

^[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



EL DORADO IRRIGATION DISTRICT
Table #31
Recreation Demographics and Statistical Summary
Last Ten Years

	Year									
	2012 ^[3]	2011	2010	2009	2008	2007 ^[1]	2006 ^[2]	2005	2004	2003
Day Visitors	508,492	332,324	388,207	244,433	157,447	155,730	69,523	78,144	76,930	75,706
Overnight Campers	99,912	82,760	90,824	83,172	75,167	69,381	60,855	85,760	77,968	75,080
Boat Use	52,865	65,922	47,165	41,690	24,640	17,435	17,003	24,825	18,823	13,285
Museum Visitors	n/a	n/a	n/a	n/a	n/a	n/a	n/a	500	1,100	1,200
Guided Hikes	145	136	15	136	136	-	2	4	4	2
Fish Plants	8	1	5	1	5	8	5	7	9	9
Volunteer Hours	850	800	1,500	800	800	-	-	-	5,000	4,900
Museum Volunteer Hours	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	500	500

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

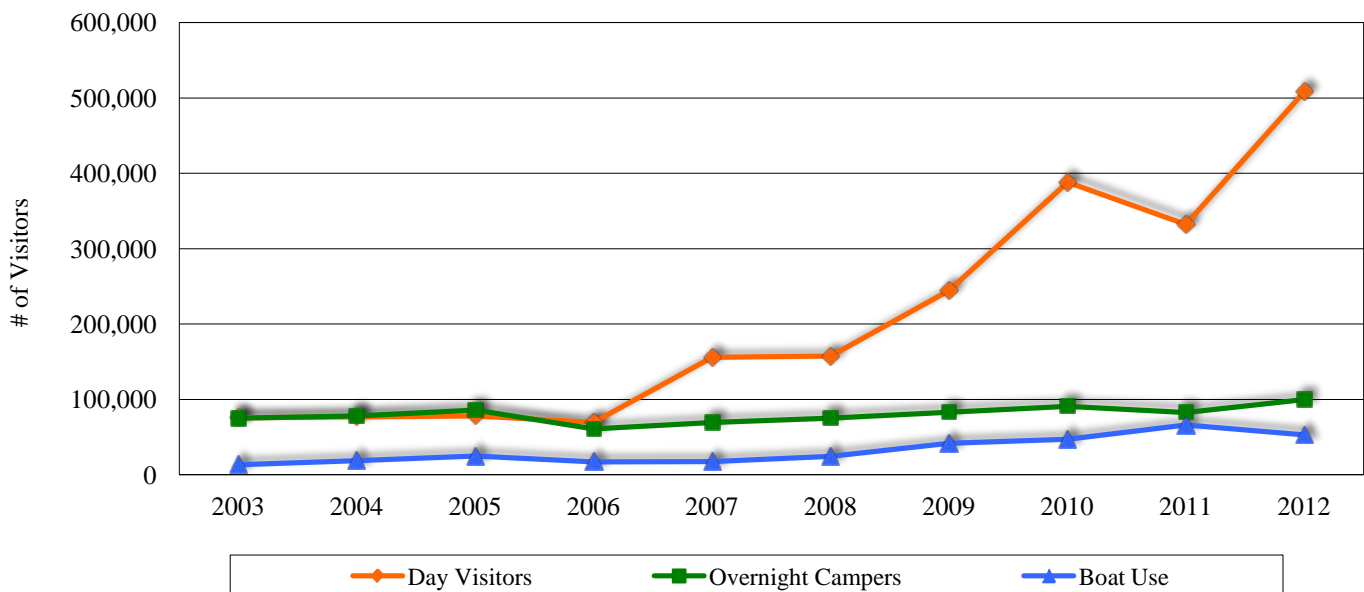
^[2] Decreased visitors due to waterline construction in 2006.

^[3] Beginning in 2012, data includes Silver Lake and Caples Lake, as well as Jenkinson Lake at Sly Park Recreation Area.
 Source: El Dorado Irrigation District Recreation Department

Facilities at Sly Park Recreation Area:

Jenkinson Lake Shoreline	9 miles
Boat Ramps	2
Individual Camp Areas	191
Adult Group Camping Areas	7
Youth Group Camping Areas	1
Equestrian Group Camping Areas	1
Hiking Trails	9 miles
Equestrian Trails	9 miles
Nature Trail	1/2 mile

Chart #11
 Recreation Visitor Statistics



EL DORADO IRRIGATION DISTRICT
 Table #32
 Full-time Equivalent Employees^[11] by Function / Program
 Last Nine Years^[1]

Function/Program	Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Office of the General Manager ^[2,10]	5.5	8	10	16	23	22	15	21	12
Information Technology	8	10	11	13	n/a	n/a	n/a	n/a	n/a
Facilities Management ^[3]	n/a	n/a	n/a	n/a	134	153	147	151	146
Operations ^[3,6]	125.5	119.5	121.5	124.5	n/a	n/a	n/a	n/a	n/a
Finance ^{[4][10]}	45	45	44	45	43	55	55	51	39
Human Resources ^[8]	5.5	6	6	8.5	n/a	n/a	n/a	n/a	n/a
Communications / Community Relations ^[5]	3	3	3	3	34	44	49	43	58
Recreation ^[6]	n/a	n/a	n/a	n/a	8	7	7	6	6
Engineering ^[3]	29	29.5	30.5	22	n/a	n/a	n/a	n/a	n/a
Policy ^[7]	n/a	n/a	n/a	n/a	18	24	24	23	14
Natural Resources ^[9]	n/a	n/a	n/a	21.5	n/a	n/a	n/a	n/a	n/a
Total	221.5	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, beginning in 2009.

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

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

^[6] Beginning in 2009, Recreation is 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, as well as 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.

^[11] Positions reported are actual filled positions and not budgeted positions.

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

EL DORADO IRRIGATION DISTRICT

Table #33
Rate Increase History
Last Ten Years

Year	Water	Wastewater
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]
2012	11% ^[7]	5% ^[7]

^[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 temporary 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.

^[7] In addition to the initial 5% rate increase, an additional 6% increase was approved based on a rate study, and a rate restructuring was done to move the District from a 70/30 revenue formula back to the 50/50 revenue formula used prior to 2008. The Recreational Turf class increases were deferred until January 1, 2013.

Source: El Dorado Irrigation District Customer Services Division





El Dorado Irrigation District



Folsom Lake

COMPLIANCE
REPORT

Compliance Report

Richardson & Company

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the El Dorado Irrigation District (the District) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 21, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

To the Board of Directors
El Dorado Irrigation District

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company

June 21, 2013



El Dorado Irrigation District



EL DORADO IRRIGATION DISTRICT

Since 1925