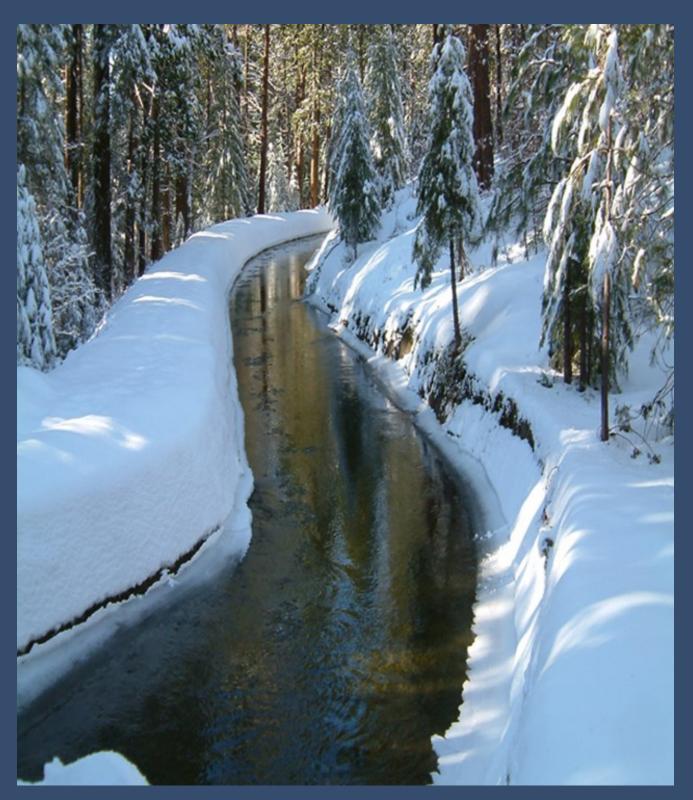
Comprehensive Annual Financial Report 2016

For the Years Ended December 31, 2016 and 2015



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 Years Ended December 31, 2016 and 2015



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) 642-4013; e-mail: adacoordinator@eid.org



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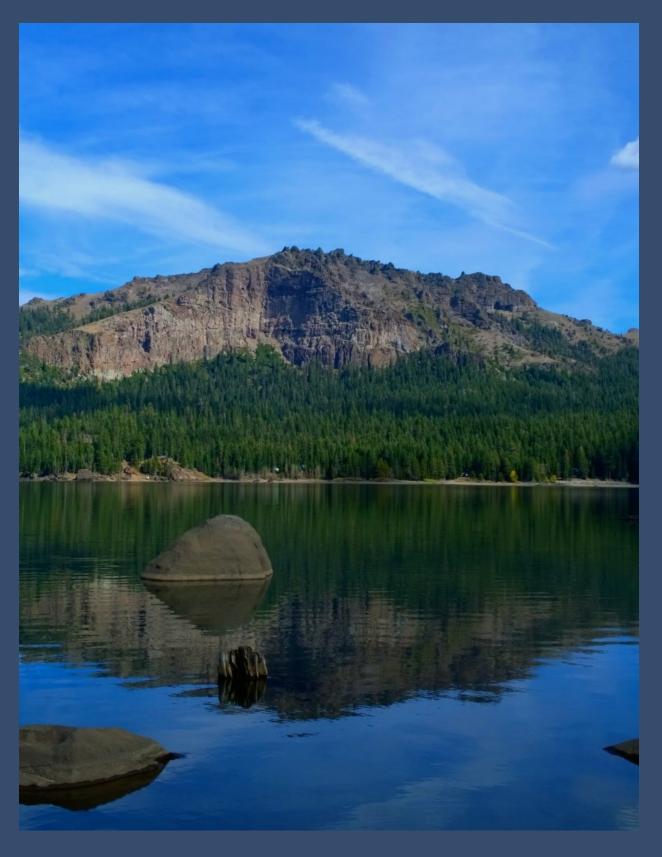
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INTRODUCTORY SECTION

| Introductory Section | |
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May 26, 2017

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, 2016. We are pleased to report that financial results show the District had an excess of operating revenues over operating expenses for the current year. This positive outcome for the year of \$10.8 million 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. This calculation of net operating revenues does not include any non-cash charges for depreciation, which accounts for estimated wear and tear on property, plant, and equipment. At the end of 2016, staffing was at approximately that of 1999, with 218 full-time filled positions, down from a high of 305 in 2007. Since 1999, customer accounts have increased by 64%.

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 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 Unites 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, LLP 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, 2016. 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 Law (Water Code §§20500, et seq.). The District provides water to a population of more than 115,000 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, largely 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 stream flows, 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 5,000 homes, as well as to commercial and public landscapes. The District's recycled water program utilizes recycled water to save almost a billion gallons each year of our precious drinking water.

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 182,000, and the District's service area has grown from 31,500 to 140,800 acres. 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.

As the District looks ahead, beginning its 91st year, there are still many challenges in dealing with water, Blue Gold, as it has been called. Going forward, the district is committed to continuing to provide our customers with high quality services and well-managed assets.

System Description

The District's contiguous service area spans 220 square miles and ranges from 500 feet in elevation, at the

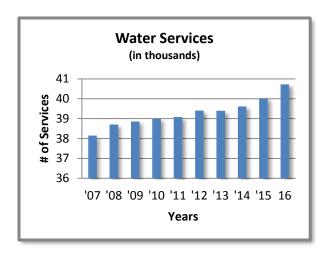


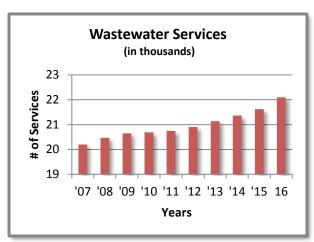
Sacramento County line, to more than 4,000 feet in elevation in the eastern part of the District. Reliable operation requires 200 pressure-regulating zones. The water system contains more than 1,314 miles of pipeline, 27 miles of ditches, 5 treatment plants, 36 storage tanks and reservoirs, and 38 pumping stations. The wastewater systems operate more than 445 miles of sewer lines, 61 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 93 miles of pipeline, 5 storage reservoirs / tanks, and 5 pump stations. EID's recycled water program is in 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.

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 with dams, including Echo Lake, Lake Aloha, Caples Lake, Silver Lake, and El Dorado Forebay; 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 almost 630,000 guests during 2016, 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, a water right permit (#21112) for an additional 17,000 acre-feet to serve the El Dorado Hills community, and Warren Act contracts with Reclamation for half of the Permit 21112 water right and for four historic pre-1914 ditch water rights and Weber Reservoir supplies totaling 4,560 acre-feet.

In December 2014, after nearly a decade of work, Reclamation and EID executed a five-year temporary Warren Act contract for 8,500 acre-feet per year out of a total of 17,000 acre-feet of the Permit 21112 water, which comes from Project 184 but is used for consumptive purposes. Project 184 operations will deliver the water to Folsom Reservoir, and it will be withdrawn at EID's raw water pump station. In August 2016, the Board approved a long-term Permit 21112 Warren Act Contract with Reclamation, which is renewable in 2030.

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. The District takes great pride in the high quality of the drinking water we supplied to its customers and strives to meet or exceed state and federal public health 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 5,000 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 (DCWWTP). 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.

Water Efficiency Program

The District's Water Efficiency Program offers assistance to customers through complimentary water surveys for businesses and residences; as well as various complimentary water saving devices; rebates for approved water saving upgrades, leak detection assistance using the water meter, and educational materials. The District's website offers a link to a sprinkler scheduler application to generate your own unique watering schedule and an interactive plant database of native and drought-tolerant plants. When available, EID offers water efficiency rebates and assists with customer access to such rebates offered and administered by other agencies.

To schedule an appointment for a complimentary on-site survey contact the District by mail at EID Office of Water Efficiency, 2890 Mosquito Road Placerville, CA 95667, by calling 530-642-4000.

Complimentary water saving devices can be obtained, in person, from our front desk staff in the headquarters building located at 2890 Mosquito Road Placerville, CA. While visiting headquarters many of the local drought-tolerant plants can be seen in the xeriscape garden at and near the front of the building.

Public Outreach

The District conducts regular board meetings that are open to the public and are normally held twice monthly on the second and fourth Monday. Meeting dates, agendas, and materials are posted to the District's website at www.eid.org. To access the website you can scan this QR image with your smart phone application.

The *Waterfront* newsletter is published six times per year and is mailed to EID 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 EID and its activities. EID also present the contraction of the customers' number one source of information about EID and its activities.

customers' number-one source of information about EID and its activities. EID also produces and publishes other publications to provide information to its customers regarding our programs and services.

The District's 2015 customer survey, which was sent electronically to 4,000 randomly-selected customers, showed that 93% 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 95% of respondents.

When the nature and timeline of construction and maintenance activities could have impact on the public, 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.

EID participates in educational programs that benefit local students by partnering and working closely with the Regional Water Authority, Newspaper's in Education, Be Water Smart, Water Education for Teachers (WET), Water Education Foundation, and El Dorado County & Georgetown Divide Resource District. Educational materials are 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.

Tours of the District's water and wastewater treatment plants may be arranged 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.

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 2013. 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 reduced its 2008 through 2011 operating budgets, again, with the intent of maintaining current service levels. The 2012 through 2016 budgets had minimal increases necessary to maintain current service levels.

The District continues to be affected by the overall 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 generally seen a steady increase in population growth that has spilled into the neighboring western El Dorado County area served by the District. From 2015 to 2016, the population has increased slightly at 183,750, and remained steady at 182,404 between 2014 and 2015. The projected population of 200,000 by 2023 is according to the El Dorado County Technical Assessment of Economic and Demographic Conditions dated February 23, 2015.

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.

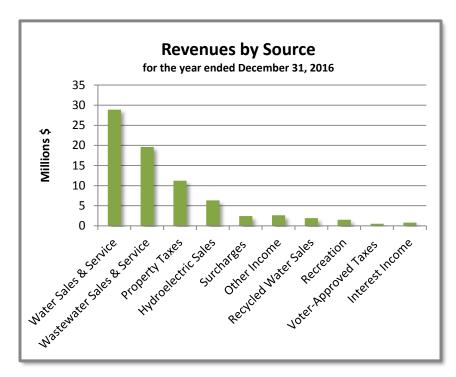
Most El Dorado County residents are within commuting distance of the greater Sacramento region, which offers employment in the defense and state government sectors, and more diversified employment opportunities such as computer technology, financial services, health care, and biotechnology. The largest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

The 2016 El Dorado County unemployment rate was 5.1%, a decrease from 5.5% in 2015, and from 7.1% in 2014.

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 is approximately \$5.6 billion in 2016 and \$5.2 billion in 2015. The District's property tax revenues have remained basically steady at between approximately \$9.3 million and \$11.2 million in 2010 to 2016.

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. After additional work with a community-based task force, they were finalized in 2013.

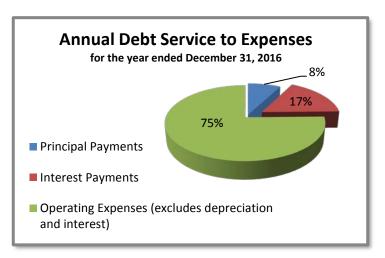
During 2011, a cost of services study was completed, with participation by community members, along with District staff, which culminated in a rate structure change being adopted by the Board. The majority of the rate changes



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 January 23, 2009, the District issued Revenue Certificates of Participation, Series 2009A in the amount of \$132.3 million. Proceeds from these certificates were used to acquire certain facilities for the District water system and wastewater system.

On February 17, 2010, the District issued Refunding Revenue Certificates of Participation, Series 2010A in the amount of \$14.8 million. Proceeds from these certificates were used to advance refund a portion of the 2003A Revenue Certificates of Participation.



On June 28, 2012, the District issued the Refunding Revenue Bonds, Series 2012A and 2012B in the amount of \$48.9 million and \$1.8 million, respectively. Proceeds from these bonds were used to advance refund the District's 2003A Revenue Certificates of Participation.

On February 13, 2014, the District issued the Refunding Revenue Bonds, Series 2014A in the amount of \$121.2 million. Proceeds from these bonds were used to advance refund all of the District's outstanding 2004A Refunding Revenue Certificates of Participation and a portion of the 2009A Revenue Certificates of Participation.

On July 12, 2016, the District issued the Refunding Revenue Bonds, Series 2016A in the amount of \$17.4 million. Proceeds from these bonds were used to advance refund a portion of the District's outstanding 2009A Revenue Certificates of Participation.

On July 12, 2016, the District issued the Revenue Certificates of Participation, Series 2016B in the amount of \$38.6 million. Proceeds from these bonds were used to finance the acquisition of certain facilities for the District's water system.

On September 20, 2016, the District issued the Revenue Certificates of Participation, Series 2016C in the amount of \$85.2 million. Proceeds from these bonds were used to advance refund the District's outstanding 2008A Revenue Certificates of Participation.

In 2016, Standard and Poor's and Moody's rating agencies enhanced the District's credit rating from A+ to AAand A1 to Aa3, respectively.

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 0.75, 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 utility rates, refinanced existing debt, cut operating expenses, deferred capital improvement projects, and entered into a new, more favorable hydroelectric power marketing agreement. As a result, the District's debt service coverage ratio has steadily increased to 2.74 in 2016.

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.

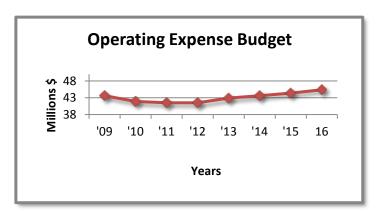
The District operates within a system of internal controls established and continually reviewed by management to provide reasonable assurance that assets are adequately safeguarded and transactions are recorded in accordance with District policies and procedures, and in accordance with sound accounting 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. The 2016 audit did not identify 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 2016, including rising costs for essential materials and supplies, persistently low housing starts, the poor economy, and the state-wide drought. For the period 2009 to 2016, the operating budget has increased 4%, with the 2016 budgeted change in operating expenses having increased 2%, compared to the prior year's budgeted operating expenses. The 2016 overall increase in expenses was mainly due to increases in repair, utilities, insurance, and professional service costs.



The Board approved the 2017 Budget and a 5-year Financial Plan and adopted rates for 2017-2021. The 2017 budget funds the highest priority functions 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 2017 budget ensures that financial goals and objectives are being met.

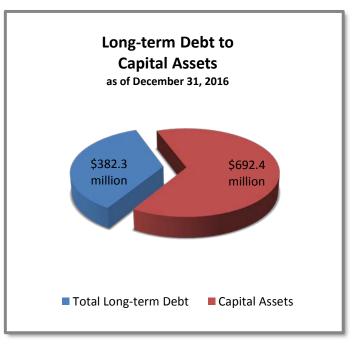
Department directors have the discretion to transfer appropriations between activities within their departments. Two consenting departments can transfer appropriations between their departments. The General Manager has the authority to approve CIP budgets and overall appropriations and transfers up to \$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. The District's General Portfolio yield at year-end 2016 increased slightly to 0.84%, from 0.67% in 2015, with 2016 being on average 0.11% higher than the District's benchmark one-year Treasury Note, due to the District's strategic investments made during the year.



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-lived capital projects. This enables future users to share in the costs without overburdening existing ratepayers.

For 2016, the District's ratio of total long-term debt to capital assets 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 from risk exposures, the District's risk management strategy is a combination of self-insurance and commercial insurance. The District continually evaluates its insurance programs for cost effectiveness and sufficient coverage. Additional specifics on insurance can be found in Note 8 on page 57 of the Financial Section of this CAFR.

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.

2017 Storm Events

The storms of January and February 2017 have severely affected many of the District's facilities, including, flumes, canals and bench systems; water transmission mains; water treatment plant; hydroelectric power generation; roads that are District owned, or maintained; and sewer lines. Excessive rain flows threatened sewer system overflows and necessitated significant additional pumping. To date the damage from the flooding and mudslides has been estimated to be \$21 million. These storms have been included in federal government emergency disaster declarations and application for financial assistance is available to the District. Claims are also being made under the District's insurance coverage. Expedited emergency repairs are being made in order to restore Project 184 water deliveries and power generation. This restoration is anticipated to occur during June of 2017. Additional information can be found in Note 10 on page 59.

Waterline Replacement Program

Waterline leaks in an aging infrastructure are expected and are prioritized for repair or replacement based on public health risks, severity of leak, property damage threat, and impact to customers. The frequency of leaks in the Polaris and Gilmore Road areas has become excessive and approximately 1.8 miles of small diameter waterline has been identified for replacement. The magnitude of water loss and level of customer impact make these waterlines the highest priority for replacement. Design continued in 2016 and construction will begin in 2017. This is an ongoing program that will systematically identify infrastructure that is approaching or has exceeded its useful life.

El Dorado/Shingle Springs and El Dorado Hills Service Areas

In 2016, the new Carson Creek 1 Lift Station was constructed to support the new Carson Creek development. As part of that project, the existing Business Park 2 Lift Station was demolished and sewer flows diverted to the new Carson Creek 1 Lift Station. The District eliminated the Mormon Island and Lake Ridge Oaks Lift Stations. The District also completed an extensive rehabilitation of the Bridlewood Lift Station located in the Deer Creek sewer basin. This rehabilitation included new pumps and controls, associated piping, flow meters, and an odor control system.

Esmeralda Tunnel Emergency Repair Project

The Esmeralda Tunnel is one of seven tunnels in Project 184 and was constructed in 1930. The tunnel is 1,506 feet in length, approximately 7½ feet in height, and varies in width from 7 to 9 feet. When the tunnel was constructed, approximately 40% of the tunnel was lined with heavy timber to support loose, unstable soil and



rock. The remaining tunnel sections were constructed in competent rock that does not require localized support of the surrounding geologic formation. During September, 2014, a heavily timbered section of the tunnel collapsed 47 feet downstream from the upstream portal, completely blocking the tunnel with earth and debris. The District's Board subsequently declared an emergency for repair of the Work started on this multi-phased project immediately, with interim and temporary repairs completed and the tunnel placed back into service in March of 2015. Phase 2 was completed during the scheduled canal outage in the fall of 2015, which consisted of replacing approximately 330 linear feet of degraded timber liner, immediately downstream of the 2014 failure, with a permanent reinforced shotcrete liner. The third and final phase of the project began in late 2016 and will be

completed in 2017, and will mainly consist of replacing the remaining degraded timber liner with a permanent liner between the upstream portal and the 2014 failure, installing compacted backfill in front of the temporary soil nail wall above the upstream portal, and grouting 15 foot high voids above the new permanent liner near the downstream portal. Improvements to the downstream portal include installation of a new cast-in-place concrete invert slab with a drainage sump and a new steel-reinforced concrete portal roof.

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 to support hydraulic mining. The system is more than 22 miles long and includes a series of in-ground canals, tunnels, and above-ground flume sections. To maintain reliability of this aging and complex conveyance system, the District annually conducts comprehensive inspections and assessments of the Canal to identify and prioritize needed repair and replacement projects.

Each flume is unique because of factors such as flume age, condition, location, access, landslide risks, construction methods, limited construction period (October 1 and mid-December), steep mountainous terrain, geologic conditions and considerations, regulatory constraints, 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.

Since 2005, the District has replaced Flumes 2, 2A, 3, 9, 31, 31A, 41, 42/43, 1,150 feet of Flume 45, 49/50, 51, and 52. Rock Crusher Road was improved in 2013 to provide construction and maintenance access to Flumes 41 and 42/43, which significantly reduced replacement costs by eliminating the need to extensively utilize helicopters that cost in excess of \$10,000 per hour.

Flume 30 Replacement Project: Flume 30 is approximately 475 feet in length and last replaced by PG&E in the early 1990's. The wood flume was reconstructed on an existing 145-year-old un-mortared, hand-stacked rock bench. Full replacement of Flume 30 is scheduled to occur between 2018 and 2020. As currently envisioned, the project will include in-place stabilization of the existing un-mortared hand-stacked rock bench, replacing the existing wood flume with precast flume sections, reline approximately 200 feet of canal between Flume 30 and 31, and replace the Bull Creek Diversion and stream gaging station. Due to the lack of vehicle and heavy equipment access, extensive utilization of helicopters will be required to construct this project.

Flume 38 and 39/40 Replacement Project: Flume 38 is a 26 year old elevated wood flume 202 feet in length and was last replaced by PG&E in 1990. When the flume was replaced, locally destabilized soils that the flume was constructed upon were not stabilized prior to reconstruction of the new flume. This has resulted in high maintenance costs and reduced life projections of the asset. Flume 39/40 is located approximately 200 feet west of Flume 38 and is 430 feet in length, of which 130 feet is elevated. The elevated flume section was constructed in 1948 and the east and west ground level fume sections were replaced with wood flume in 2010 and 2011. In 2016, District crews performed extensive interim improvements to the elevated section of Flume 39/40 to allow the District time to secure regulatory and environmental permits and approvals to replace both Flume 38 and 39/40 with a reinforced box culvert constructed on a new mechanically stabilized earth (MSE) bench. The design phase for the project began in spring 2016 with construction scheduled to occur between 2018 and 2019.



Flume 44 Replacement Project: Flume 44 is of wood timber construction, 475 feet in length, and was last replaced in 1948. Flume 44 is comprised of one ground level and three elevated flume segments with a maximum height of 34 feet that traverses a large active landslide. The District is currently in the design phase. The project will consist of widening the canal bench to provide heavy equipment and vehicle access, relining approximately 1,500 feet of canal, replacing approximately 181 feet of elevated and ground level flume with a new reinforced box culvert on a MSE bench, and constructing a small staging area and 10-wheel truck turnaround at the upstream end of Flume 44. In addition, the project will stabilize the landslide on which the flume is constructed and replacing the remaining 294 feet of elevated flume with reinforced box culvert constructed on a MSE bench, and a new canal transition at Flume 45. Construction is scheduled to occur in 2018.

Flume 47C Canal Conversion: Flume 47C is an elevated flume, approximately 150 feet in length, and constructed by PG&E in the mid 1950's. In 2016, District construction crews made interim repairs to ensure the continued safe operation until a complete replacement of the flume can occur. Until this flume can be replaced or converted to a canal section, it will continue to deteriorate. Additionally, one third of the District's water supply could be out of service for an extended period to make emergency repairs resulting in interruption of the reliable delivery of water for consumptive use and hydroelectric power generation. The geotechnical assessment and design for the project will occur in 2017 and 2018, with construction scheduled to begin in 2019.

Flume 48 Replacement Project: Flume 48 is a 68 year old wooden flume, 448 feet in length, and constructed on a 145-year-old un-mortared hand-stacked rock bench. The project consists of stabilizing in place the hand-stacked rock bench, replacing the wood flume with pre-cast flume sections, and replacing the wood spillway building with a new prefabricated metal structure. This project is located north of Highway 50 in very steep terrain and due to the lack of vehicle and heavy equipment access extensive utilization of helicopters will be required to construct this project. Design and construction costs are unknown at this time, and will be updated in 2017 after further alternatives analysis. Construction may need to be deferred until the next bond issuance.

Folsom Lake Raw Water Pump Station Improvements

The adopted 2013 Integrated Water Resources Master Plan recommends construction of a new raw water pump

station and firms the capacity of the EDHWTP to 26 million gallons per day (mgd). The existing raw water C-side pump station was designed as a temporary facility, in anticipation of a new raw water pump station with a temperature control device (TCD). The TCD, however, is no longer being contemplated. The A side intake pumps are nearing the end of their reliable life cycle and the C-side pumps have experienced numerous failures requiring very costly repairs. The existing raw water pump station needs to be upgraded for reliability and long-term operational needs. A concept evaluation was completed in December 2015 that considered alternatives for a permanent, efficient, and cost effective replacement to meet the



26 MGD firm capacity. The evaluation recommends a new facility with multiple submersible pumps on the inclined slope, with temperature selection capability, pumping directly to the El Dorado Hills Water Treatment Plant. Consultant selection began in late 2016 for the preparation of a Basis of Design Report (BODR) that will further develop the project, consider phasing, and refine project cost estimates by phase. Final design and environmental review will follow the BODR with first phase construction planned for 2018/19. Until a phasing plan is developed, one half of the estimated project expenditures are assumed to occur in this CIP planning horizon.

Pacific Tunnel Improvement Project

The Pacific Tunnel was constructed in the late 1920s and is approximately 200 feet in length. In 2002, the upstream and downstream portals of the Pacific tunnel were replaced with untreated wood that requires replacement. In addition, the tunnel and invert liners were removed prior to the acquisition of Project 184, which has resulted in significant erosion of the unlined portions of the tunnel. The District is planning to replace the Pacific tunnel portals and install permanent liner during the 2019 scheduled canal outage.



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 to the El Dorado Powerhouse for hydroelectric power generation. 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 and permitting of the project proceeded during 2016 and early 2017. The construction phase is expected to begin in 2017 with the timber harvest and preparation of the soil borrow area. Construction would continue in the late summer/fall seasons of both 2018 and 2019, and would include earth fill placement, installation of new intake gates for the power and water supply outlets, installation of new water supply control works, and improvements to the spillway and inlet channels.

Upper Main Ditch Piping Project

The Main Ditch is approximately three miles long and conveys a maximum of 15,080 acre-feet of raw water annually from Forebay Reservoir to the Reservoir 1 Water Treatment Plant. Piping the unlined mining era ditch will save on average 1,800 acre-feet of water per year that is currently lost to seepage and evapotranspiration. The benefits of the project include, improved water supply reliability; elimination of contamination potentials; reduced operations and maintenance costs; water rights protection from unreasonable use claims; reduction in Folsom Reservoir pumping costs in the long term; and on an interim basis, increased hydroelectric revenues. The Department of Water Resources and the United States Bureau of Reclamation have each awarded the District a \$1 million grant for construction of the project. Design, environmental review, and easement acquisition continued in 2016. Construction is planned to occur over two regularly scheduled ditch outage in 2018/19 and 2019/20.

Sly Park Intertie Improvements

The Sly Park Intertie is a key component of supply reliability in times of drought and during emergencies. It provides water delivery flexibility between Sly Park (Reservoir A) and Forebay (Reservoir 1) supplies. The Intertie includes approximately 3.4 miles of 22"/30" steel waterline built under emergency conditions just after the 1976-77 drought. The unlined pipeline has corroded significantly; resulting in periodic leaks, and is currently out of service. The Sly Park Intertie Improvements were identified as a supply reliability project in the 2013 Integrated Water Resources Master Plan. The project includes replacing and/or lining the pipeline which will extend the life of the facility and maintain reliability and delivery flexibility. With some operational changes, hydroelectric generation optimization and reduced pumping may also be possible to partially offset pipeline rehabilitation/replacement capital costs. An update of a 2006 Basis of Design Report continued in 2016. The BODR will include: a new condition assessment, rehabilitation alternatives, a hydroelectric optimization analysis, and an operations analysis that could reduce pumping costs. The ability to move water between Reservoir 1 and Reservoir A will also allow for a long overdue inspection of the 60 year old Camino Conduit between Sly Park Reservoir and Reservoir A.

Other District Projects

During 2016, the District continued upgrades to improve reliability and security of mission critical process control networks. Various items of equipment within the District's shared technology infrastructure, that had reached the end of its useful service life, were replaced to ensure secure and reliable information processing. And numerous

enhancements to software database applications essential to safe, reliable service delivery and the efficient operation of the District were performed.

Major Water and Wastewater Facilities

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

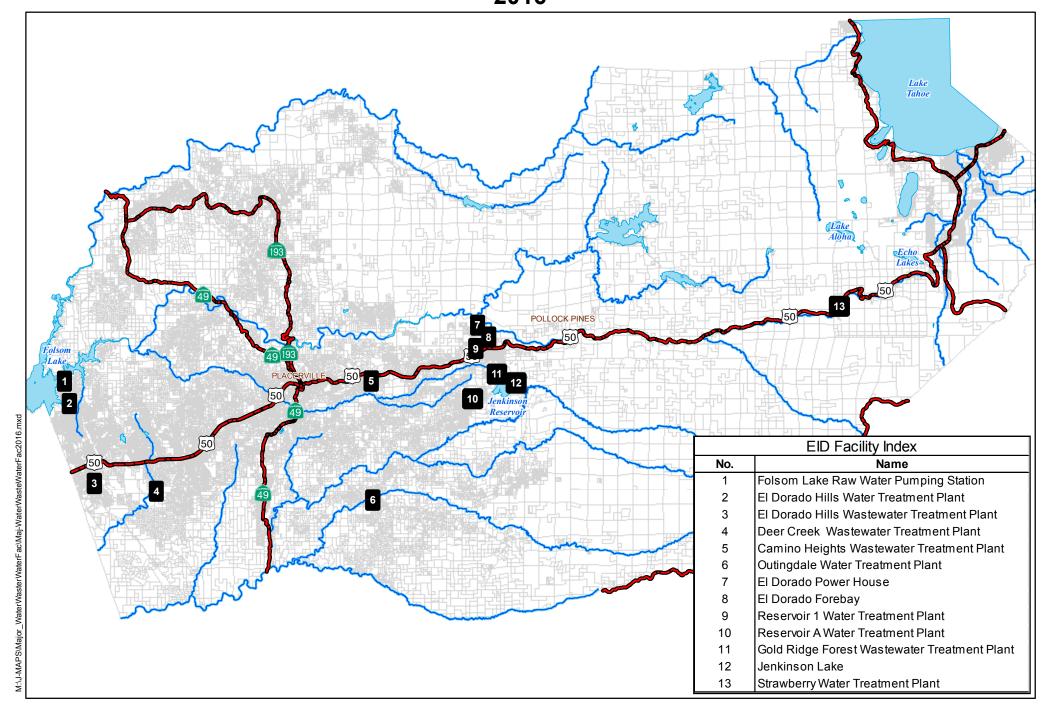








El Dorado Irrigation District Major Water and Wastewater Facilities 2016



AWARDS AND ACKNOWLEDGEMENTS

During 2016, 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, 2015. This was the 20th 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.

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Also during 2016, EID received the District Transparency Certificate of Excellence by the Special District Leadership Foundation (SDLF) in recognition of its "outstanding efforts to promote transparency and good governance." This is the second time the District has achieved this recognition. Each certification period covers two years and the current certification lasts through 2018.

In order to receive the award, a special district must demonstrate the completion of essential governance transparency requirements, including conducting ethics training for all board members, properly conducting open and public meetings, and filing financial transactions and compensation reports to the State Controller in a timely manner. EID also fulfilled over fifteen website requirements, including providing readily available information to the public, such as board agendas, past minutes, current district budget information, and the most recent financial audit. SDLF is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation, and other recognition programs.

In 2016, 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 was received for the District's design and implementation of a safer method for cleaning wastewater treatment plant equalization tanks.
- Mountain Democrat Newspaper 2016 Readers' Choice Award for "Best Recreational Facility" for EID's Sly Park Recreation Area.
- KCRA 3 A*list 2016 Readers' Choice 2nd place winner for "Camp Ground" for EID's Sly Park Recreation Area.

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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.

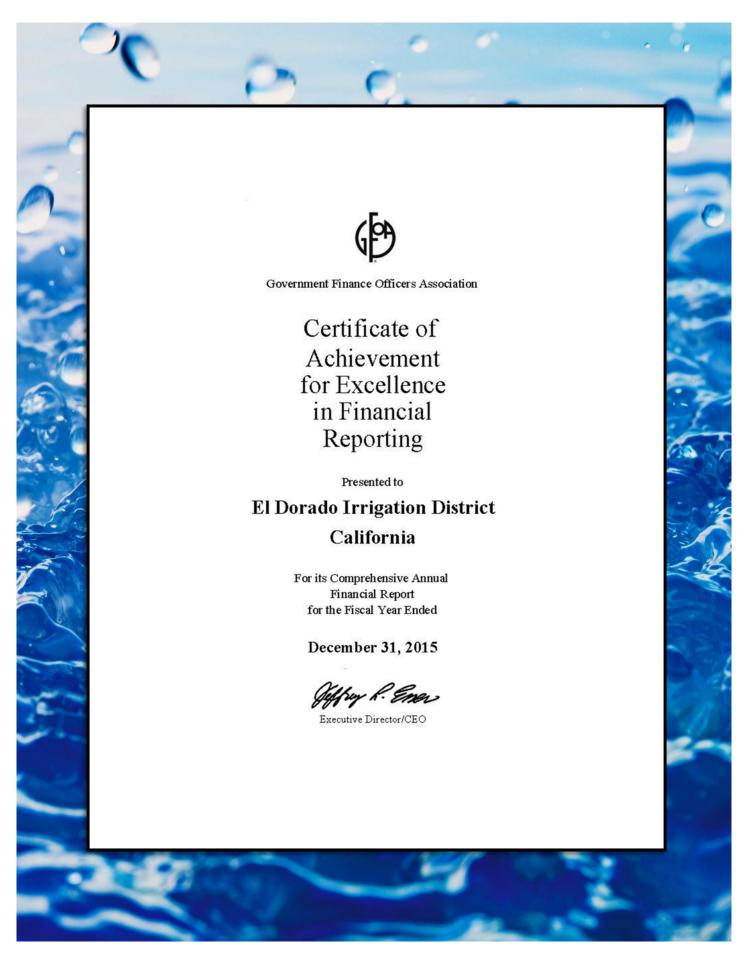
We thank each member of the Board of Directors and commend them for their dedication, leadership, and support toward achieving excellence in financial management that ultimately made the preparation of this report possible.

Respectfully submitted,

Jim Abercrombie General Manager Mark Price

Director of Finance

Male Thui, CPA



El Dorado Irrigation District



2016 Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

BOARD OF DIRECTORS

Division 1 – George W. Osborne - President
Division 2 – Greg Prada
Division 3 – William (Bill) L. George - President
Division 3 – Michael Raffety
Division 4 – Dale Coco, MD
Division 5 – Alan Day

DISTRICT OFFICIALS

Jim Abercrombie, General Manager
Thomas D. Cumpston, General Counsel
Jesse Saich, Public Information Officer
Mark T. Price, CPA, Director of Finance
Brian Mueller, Director of Engineering
Jose C. Perez, Manager, Human Resources
Tim Ranstrom, Director of Information Technology
Tom McKinney, Director of Operations (3)
Margaret Washko, Director of Operations (4)

ACKNOWLEDGMENTS

Prepared by the EID Finance Department

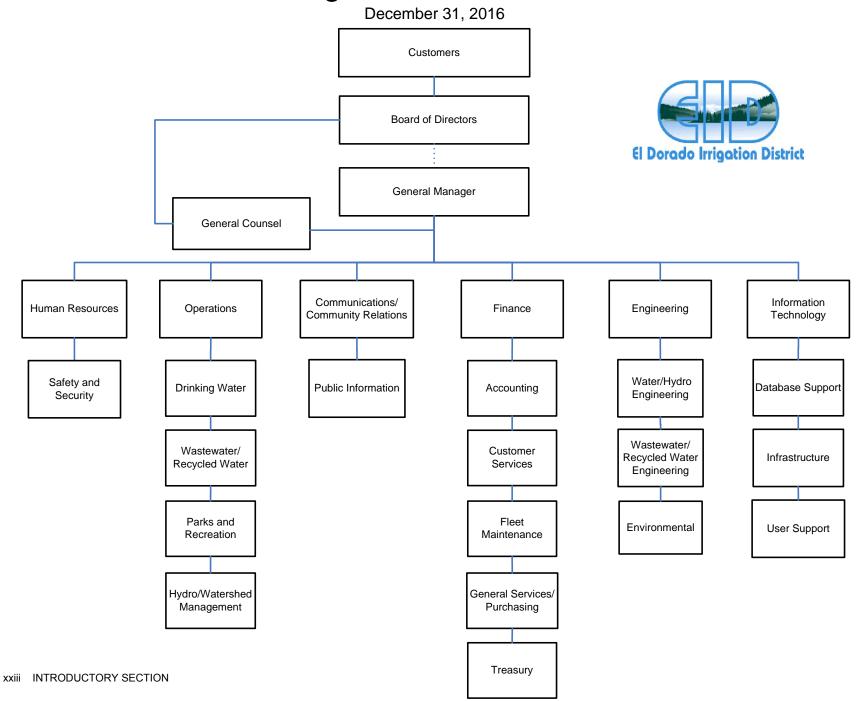
⁽¹⁾ Term ended December 7, 2016

⁽²⁾ Term began December 7, 2016

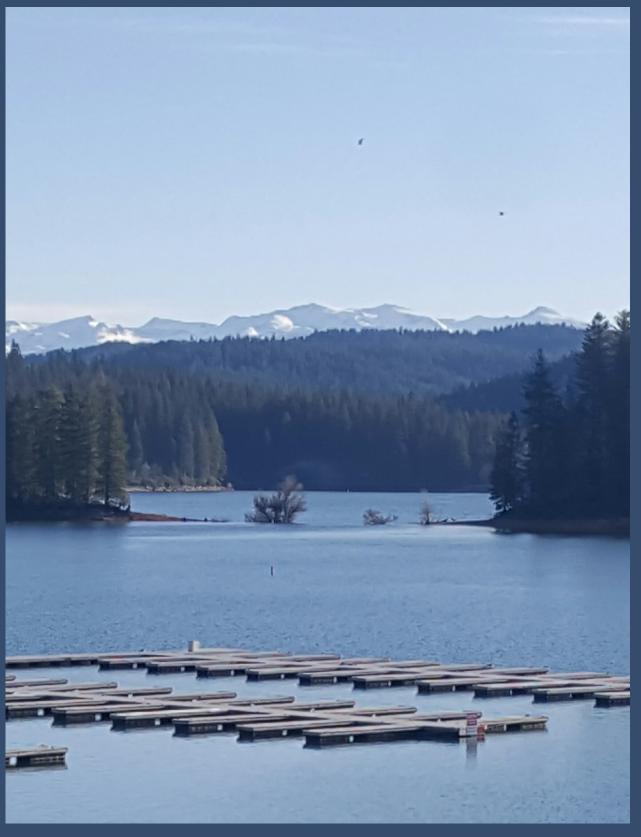
⁽³⁾ Retired October 29, 2016

⁽⁴⁾ Effective October 1, 2016

El Dorado Irrigation District Organizational Chart







FINANCIAL SECTION

| Independent Auditor's Report | | | | | |
|------------------------------|--|--|--|--|--|
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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) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 audits. We conducted our audits 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.

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, 2016 and 2015 and the results of its operations and cash flows for the years 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of contributions – pension plans 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 supplemental schedules 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 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

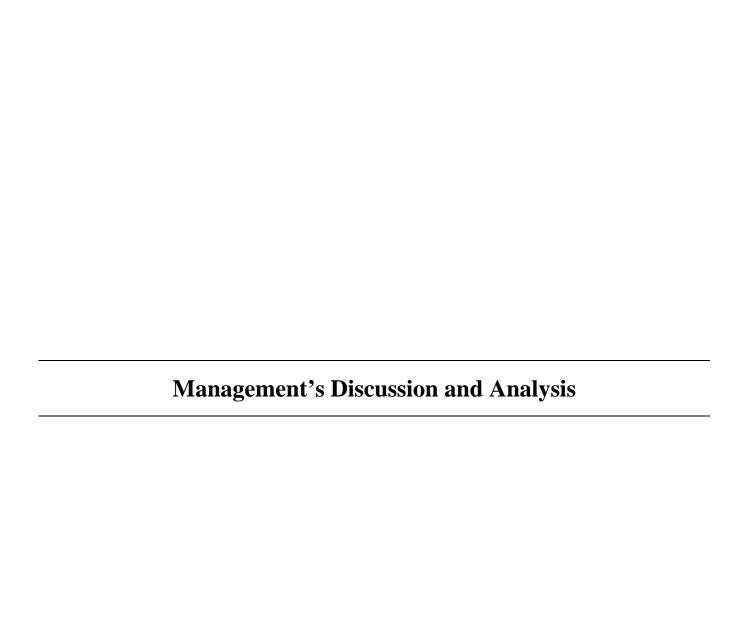
In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance

To the Board of Directors El Dorado Irrigation District

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.

Richardson & Company, LLP

May 26, 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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 years ended December 31, 2016 and 2015. This discussion and analysis should be read in conjunction with the basic financial statements and accompanying notes, which follow this section.

The information in this Management's Discussion and Analysis is presented under the following headings:

- Organization and Business
- Overview of the Basic Financial Statements
- Financial Analysis of the District
- Capital Assets and Debt Administration
- Economic Factors and Next Year's Budgets and Rates
- Requests for Information

ORGANIZATION AND BUSINESS

The District is a California irrigation district organized in 1925 under the provisions of the Irrigation District Law. The District has the powers under the Irrigation District Law to, among other things; provide water, wastewater, electricity, and water-related recreation services within its service area. In connection therewith, the District has the powers of eminent domain, to contract, to construct works, to fix rates and charges for commodities or services furnished and to incur indebtedness.

The District is the major water supplier located on the western slope of the Sierra Nevada Mountains in El Dorado County, midway between the cities of Sacramento and South Lake Tahoe, generally along the Highway 50 corridor. The contiguous service area of the District spans approximately 220 square miles and includes a variety of urban, suburban, and rural communities and land uses. The District operates over 1,314 miles of water pipe, 27 miles of ditches, 5 water treatment plants, 4 sewage treatment facilities, 445 miles of sewer lines, 61 lift stations, 36 storage and regulating reservoirs and 38 pump stations. The District provides water, and wastewater, and recycled water services to customers within the District, provides recreation services to the public, and sells hydroelectric power on the wholesale market.

The District provides water service to approximately 40,957 agricultural, domestic, commercial, and industrial accounts in several of the developed areas within the District's boundaries, including Cameron Park, Camino, Diamond Springs, El Dorado, El Dorado Hills, Placerville, Pollock Pines, Shingle Springs and other communities.

The District provides wastewater treatment, disposal, and reclamation services to approximately 22,041 domestic, commercial and industrial accounts in the suburban areas of Cameron Park, Diamond Springs, El Dorado, El Dorado Hills and Shingle Springs, recycled water to approximately 5,209 accounts in El Dorado Hills and operates satellite wastewater disposal systems in Camino Heights and Gold Ridge Forest.

The District also operates the Sly Park Recreation Area at Jenkinson Lake, one of the District's main reservoirs. The Sly Park Recreation Area includes 600 surface acres for water activities, 10 day use, 9 miles of shoreline, 2 boat ramps, and 191 individual and 9 group campsites. There are also 9 miles of hiking and equestrian trails.

The District also owns and operates a 21 megawatt hydroelectric generation project licensed by the Federal Energy Regulatory Commission ("FERC") which consists of 4 reservoirs (Echo Lake, Lake Aloha, Caples Lake

and Silver Lake), dams, a forebay, a penstock, a powerhouse, and approximately 22 miles of flumes, canals, siphons, and tunnels located through the Sierra Nevada Mountains east of Placerville in the counties of El Dorado, Alpine, and Amador. The District acquired the project from Pacific Gas & Electric ("PG&E") in 1999. The District operates the hydroelectric facilities, including recreational features, incidental to delivery of water through the Water System and sells power generated from such hydroelectric facilities on the wholesale market.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's Basic Financial Statements are designed to provide readers with a broad overview of the finances of the El Dorado Irrigation District. There are five components to the Basic Financial Statements: (1) Financial Statements, (2) Notes to the Basic Financial statements, (3) Required Supplementary Information, (4) Optional Supplemental Schedules, and (5) Compliance Report.

The El Dorado Irrigation District operates as a utility enterprise and maintains its accounting records in accordance with generally accepted accounting principles for proprietary funds as prescribed by the Government Accounting Standards Board (GASB). The required financial statements include the Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows. 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 Basic 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, liabilities, and deferred inflows, which provide information about the nature, and amounts, of investments in assets and obligations to District creditors. They also provide 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 *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures 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, facility capacity charges, 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 *Statement 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 non-cash 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 to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Basic Financial Statements are an integral part of, and can be found immediately following, the financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, the Basic Financial Statements also present certain required and optional supplementary information which follows the notes to the financial statements. This other information includes a retirement funding schedule and combining financial statements.

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 net position during the year. Net position may be a useful indicator over time as to the District's financial position. However, there may be other considerations: both financial and non-financial factors such as changes in economic conditions, population growth, zoning, new or changed government legislation, and others should also be evaluated.

Fiscal Year 2016 financial statements reflect a continued strong and stable fiscal position for the District.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2016

- At December 31, 2016, the District's total assets exceeded total liabilities by \$367.6 million. This figure, referred to as the net position, was \$15.7 million higher than the 2015 year-end balance.
- Capital assets, less accumulated depreciation, totaled \$692.4 million, which were \$1.4 million lower than the prior year. The decrease was primarily due to a \$23.0 million increase in capital asset additions within the water and wastewater utilities offset by annual accumulated depreciation of \$24.4 million.
- Operating revenue increased \$2.9 million or 5.2%, to \$58.2 million. The increase was primarily due to higher water sales and services and hydroelectric sales.
- Water sales and services revenue increased \$2.4 million or 9.1% from the prior year.
- Hydroelectric sales increased \$2.1 million or 50.0% from the prior year due to 2015 having abnormally low power generation as a result of the Esmeralda tunnel collapse.
- Property tax revenue remained relatively flat to the prior year with an increase of \$0.5 million or 4.7%.
- Facility Capacity Charges (FCCs) of \$12.4 million were lower than the prior year by \$1.5 million as a result of slightly lower economic development in the western region of El Dorado County.
- Operating expenses, not including depreciation and amortization, increased \$3.4 million or 7.7% to \$47.4 million from the prior year. Majority of the increase was due to higher personnel and repairs expenses.
- Total District debt service coverage ratio for 2016 was 2.74, an increase of 0.09 from the prior year, which exceeds the 1.25 level required by the bond investors.
- Taking advantage of low interest rates, the District entered into three financing activities in 2016:
 - o Refinanced \$18.4 million of the \$30.5 million outstanding 2009A bond issue at a true interest cost rate of 1.28%, which resulted in a net present value savings of \$1.7 million.
 - o Refinanced \$110.7 million of the 2008A variable rate debt into \$85.2 million of fixed-rate debt at a true interest cost rate of 3.21%; reducing the District's total outstanding debt by \$25.5 million.
 - o Issued \$38.6 million of new debt at a true interest cost rate of 2.02%. Proceeds of the bonds were used to finance the construction of assets for the District's water system.
- Standard & Poor's and Moody's rating agencies enhanced the District's credit rating from A+ to AA- and A1 to Aa3, respectively.

Operating and Nonoperating Results versus Budget

- Actual operating revenues of \$58.2 million were lower than budget by \$1.0 million or 1.6%. The unfavorable variance was primarily driven by lower than expected hydroelectric sales due to a quick snowpack runoff with significantly lower power generation in July and August versus original projections.
- Actual operating expenses of \$45.6 million, not including non-budgeted pension and postemployment benefits year-end accruals, were slightly more than the 2016 budget of \$45.4 million by \$0.2 million.
- Facility Capacity Charges (FCCs) revenue of \$12.4 million were \$7.4 million higher than the 2016 budget of \$5.0 million primarily due to development growth as a result of an improving real estate market.

BALANCE SHEETS

The District's Condensed Balance Sheets are displayed below.

Table A-1
Condensed Balance Sheets
(in millions)

| | | December 31, | |
|---|---------|--------------|---------|
| | 2016 | <u>2015</u> | 2014 |
| Current Assets | \$ 57.3 | \$ 51.2 | \$ 56.8 |
| Restricted and Other Noncurrent Assets | 89.3 | 48.4 | 37.4 |
| Capital Assets | 692.4 | 693.8 | 693.6 |
| Total Assets | 839.0 | 793.4 | 787.8 |
| Deferred Outflows ¹ | 15.5 | 8.7 | 8.4 |
| Total Assets and Deferred Outflows | \$854.5 | \$802.1 | \$796.2 |
| | | | |
| Current Liabilities | \$ 21.6 | \$ 18.9 | \$ 17.3 |
| Noncurrent Liabilities | 458.5 | 423.3 | 429.6 |
| Total Liabilities | 480.1 | 442.2 | 446.9 |
| Deferred Inflows ² | 6.8 | 8.0 | 11.3 |
| Net Position | 367.6 | 351.9 | 338.0 |
| Total Liabilities, Deferred Inflows, and Net Position | \$854.5 | \$802.1 | \$796.2 |
| Detail of Net Position: | | | |
| Net Investment in Capital Assets | \$333.8 | \$324.3 | \$315.8 |
| Restricted for New Facilities | 29.9 | 13.7 | 1.5 |
| Restricted for Debt Service | 4.4 | 13.6 | 13.4 |
| Unrestricted | (0.5) | 0.3 | 7.3 |
| Total Net Position | \$367.6 | \$351.9 | \$338.0 |

¹ Represents deferred amount on refunding of debt and deferred pension plan.

² Represents deferred property tax revenue and deferred pension plan.

Analytical Review of Current Assets

Current assets include cash, receivables, inventory, and prepaid expenses.

<u>Fiscal Year 2016 Compared to 2015</u>: At December 31, 2016, current assets totaled \$57.3 million and were \$6.1 million higher than the prior year. The primary driver to the increase is due to timing differences of receiving the first installment payment of property taxes from the El Dorado County Auditor-Controller Office. The first installment payment for fiscal year 2016 was received in January 2017 resulting in a higher receivable balance; whereas the first installment payment for fiscal year 2015 was received in December 2015.

<u>Fiscal Year 2015 Compared to 2014</u>: At December 31, 2015, current assets totaled \$51.2 million and were \$5.6 million lower than the prior year. The primary driver to the decrease can be attributed to property taxes receivable being lower at year-end by \$5.3 million after the District receiving its first installment payment at year-end as opposed to normally at the beginning of the following fiscal year.

Analytical Review of Restricted and Other Noncurrent Assets

Noncurrent assets include restricted cash, investments, and deposits.

<u>Fiscal Year 2016 Compared to 2015</u>: At December 31, 2016, restricted and other noncurrent assets totaled \$89.3 million and were \$40.9 million higher than the prior year primarily due to capital financing activities in which the District issued \$38.6 million of new debt to finance the construction of assets for the District's water system.

<u>Fiscal Year 2015 Compared to 2014</u>: At December 31, 2015, noncurrent assets totaled \$48.4 million and were \$11.0 million higher than the prior year primarily due to the District receiving more restricted facility capacity charges (FCCs) than in 2014.

Analytical Review of Net Capital Assets

Net Capital Assets include plant, land, water rights, FERC license, and construction in progress, net of accumulated depreciation and amortization.

<u>Fiscal Year 2016 Compared to 2015</u>: At December 31, 2016, net capital assets totaled \$692.4 million which were slightly lower than the prior year by 0.2%. Capital asset additions of \$23.0 million were offset by \$24.4 million increase in accumulated depreciation and amortization, resulting in a net capital asset reduction of \$1.4 million.

<u>Fiscal Year 2015 Compared to 2014</u>: At December 31, 2015, net capital assets totaled \$693.8 million which were relatively at the same level as the prior year. Capital asset additions of \$22.6 million equally offset the \$21.5 million increase in accumulated depreciation and amortization.

Analytical Review of Deferred Outflows of Resources

Deferred outflows of resources are classified as a consumption of net assets that are applicable to a future reporting period.

<u>Fiscal Year 2016 Compared to 2015</u>: At December 31, 2016, deferred outflows of resources totaled \$15.5 million, which was \$6.8 million higher than the prior year. Primary driver to the increase was due to a \$4.9 million net difference between projected and actual earnings on pension plan investments.

Fiscal Year 2015 Compared to 2014: At December 31, 2015, deferred outflows of resources totaled \$8.7 million, which was relatively flat compared to the prior year.

Analytical Review of Current Liabilities

Current liabilities are liabilities that are due within one year. They include accounts payable, accrued liabilities, unearned revenue, and the current portion of long-term liabilities.

Fiscal Year 2016 Compared to 2015: At December 31, 2016, current liabilities totaled \$21.6 million, which were \$2.7 million higher than the prior year, due primarily to an increase in debt principal payments due in 2017.

Fiscal Year 2015 Compared to 2014: At December 31, 2015, current liabilities totaled \$18.9 million, which were \$1.6 million higher than the prior year, due primarily to an increase in short-term FERC license obligations.

Analytical Review of Noncurrent Liabilities

Noncurrent liabilities are liabilities net of current portion. They include long-term debt and loans due after one year, net pension liability, postemployment benefits, and the noncurrent portion of the FERC license liability.

<u>Fiscal Year 2016 Compared to 2015</u>: At December 31, 2016, noncurrent liabilities totaled \$458.5 million and were \$35.2 million higher than the prior year. Primary drivers to the increase are due to issuance of new debt and an increase in net pension liability.

<u>Fiscal Year 2015 Compared to 2014</u>: At December 31, 2015, noncurrent liabilities totaled \$423.3 million and were \$6.3 million lower than the prior year. Primary drivers to the decrease are due to paydown of bond principal through debt service offset by an increase in net pension liability.

Analytical Review of Deferred Inflows of Resources

Deferred Inflows are classified as an acquisition of resources that is applicable to a future reporting period. For the District, they include deferred property taxes and deferred pension inflows.

<u>Fiscal Year 2016 Compared to 2015</u>: At December 31, 2016, deferred inflows of resources totaled \$6.8 million, which were \$1.2 million lower than the prior year. The primary driver is due to the recognition of the effects of changes in assumptions in the pension plan.

Fiscal Year 2015 Compared to 2014: At December 31, 2015, deferred inflows of resources totaled \$8.0 million, which were \$3.3 million lower than the prior year.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While the Balance Sheets show assets, deferred outflows, liabilities, deferred inflows, 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. The table below displays a condensed version of the Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2016, 2015, and 2014. The District's Net Position in 2016 increased by \$15.7 million to \$367.6 million, an indicator of another strong financial year.

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

| | December 31, | | |
|---------------------------------------|--------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Operating Revenues | \$ 58.2 | \$ 55.3 | \$ 55.0 |
| Nonoperating Revenues | 17.5 | 15.9 | 14.8 |
| Total Revenues | 75.7 | 71.2 | 69.8 |
| Operating Expenses | 47.4 | 44.0 | 44.1 |
| Depreciation and Amortization | 23.1 | 22.1 | 21.7 |
| Nonoperating Expenses | 14.3 | 12.1 | 14.0 |
| Total Expenses | 84.8 | 78.2 | 79.8 |
| Net Loss Before Capital Contributions | (9.1) | (7.0) | (10.0) |
| Capital Contributions | 24.8 | 20.9 | 14.8 |
| Change in Net Position | 15.7 | 13.9 | 4.8 |
| Net Position, Beginning of Year | 351.9 | 338.0 | 333.2 |
| Net Position, End of Year | \$367.6 | \$351.9 | \$338.0 |

Analytical Review of Operating Revenues

The District's principal source of revenue is from water sales, which typically accounts for approximately 40% - 50% of operating revenues.

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

| | December 31, | | |
|-----------------------------|--------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Water Sales & Services | \$28.9 | \$26.5 | \$27.1 |
| Water Transfer Sales | - | 1.8 | - |
| Wastewater Sales & Services | 19.6 | 19.9 | 19.8 |
| Reclaimed Water Sales | 1.9 | 1.6 | 1.6 |
| Recreational Revenues | 1.5 | 1.3 | 1.3 |
| Hydroelectric Revenues | 6.3 | 4.2 | 5.2 |
| Total Operating Revenues | \$58.2 | \$55.3 | \$55.0 |

<u>Fiscal Year 2016 Compared to 2015</u>: Fiscal year 2016 operating revenues were \$58.2 million or \$2.9 million higher than the prior year, primarily due to \$4.5 million higher water and hydroelectric sales offset by no water transfer sales in 2016 compared to \$1.8 million in 2015.

<u>Fiscal Year 2015 Compared to 2014</u>: Fiscal year 2015 operating revenues were \$55.3 million or \$0.3 million lower than the prior year, primarily due to \$1.8 million in water transfer sales offsetting lower water sales and hydroelectric sales as a result of the prolonged draught.

Analytical Review of Nonoperating Revenues

The District's primary sources of nonoperating revenues are property taxes and surcharges. The other income revenue types include development services, inspection fees, and federal/state grants.

Table A-4
Nonoperating Revenues
For the Years Ended
(in millions)

| | December 31, | | |
|-----------------------------|--------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Surcharges | \$ 2.4 | \$ 2.5 | \$ 2.3 |
| Voter-approved Taxes | 0.5 | 0.5 | 0.5 |
| Property Taxes | 11.2 | 10.7 | 10.0 |
| Interest Income | 0.8 | 0.3 | 0.5 |
| Other Income | 2.6 | 1.9 | 1.5 |
| Total Nonoperating Revenues | \$17.5 | \$15.9 | \$14.8 |

<u>Fiscal Year 2016 Compared to 2015</u>: Nonoperating revenues for fiscal year 2016 totaled \$17.5 million and were \$1.6 million higher than the prior year, primarily due to an increase in other income and property taxes.

Fiscal Year 2015 Compared to 2014: Nonoperating revenues for fiscal year 2015 totaled \$15.9 million and were \$1.1 million higher than the prior year, primarily due to an increase in property taxes and other income.

Analytical Review of Operating Expenses, Excluding Depreciation

The majority of the District's operating expenses are personnel expenses; accounting for approximately 61.0% of the total. Note that the personnel expenses below for 2016, 2015, and 2014 include a non-cash charge of \$1.8 million, \$0.01 million, and \$1.1 million, respectively, for pension and postemployment benefits year-end accruals.

Table A-5
Operating Expenses, Excluding Depreciation and Amortization
For the Years Ended
(in millions)

| | December 31, | | |
|---|--------------|-------------|-------------|
| | 2016 | <u>2015</u> | <u>2014</u> |
| Personnel Expense | \$28.9 | \$26.3 | \$26.9 |
| Operating Supplies | 3.9 | 3.9 | 4.0 |
| Chemicals | 0.8 | 0.7 | 0.8 |
| Administration | 3.5 | 3.2 | 3.2 |
| Utilities | 4.6 | 4.5 | 3.9 |
| Professional Services | 3.6 | 3.7 | 3.6 |
| Repair Services | 1.4 | 1.0 | 1.2 |
| Insurance | 0.7 | 0.7 | 0.5 |
| Total Operating Expenses, Excluding Depreciation and Amortization | \$47.4 | \$44.0 | \$44.1 |

<u>Fiscal Year 2016 Compared to 2015</u>: Total operating expenses, excluding depreciation and amortization for 2016 were \$47.4 million or \$3.4 million higher than the prior year, primarily due to an increase in personnel and repair expenses. Personnel expense increase of \$2.6 million is primarily due to \$1.2 million increase to the year-end pension accrual, and \$0.6 million increase to the year-end postemployment benefits accrual.

<u>Fiscal Year 2015 Compared to 2014</u>: Total operating expenses, excluding depreciation and amortization for 2015 were \$44.0 million or \$0.1 million lower than the prior year, primarily due to a reduction in personnel expenses offsetting higher electricity costs.

Analytical Review of Nonoperating Expenses

The District's primary nonoperating expense is debt service interest expense. The other expense category includes expenditures such as line of credit fees and remarketing fees for the variable debt, fiscal agent fees, and miscellaneous expenses.

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

| | | December 31, | | |
|-----------------------------|--------|--------------|--------|--|
| | 2016 | <u>2015</u> | 2014 | |
| Interest Expense | \$11.7 | \$10.7 | \$11.2 | |
| Debt Issuance Costs | 1.2 | - | 1.3 | |
| Other Expense | 1.4 | 1.4 | 1.5 | |
| Total Nonoperating Expenses | \$14.3 | \$12.1 | \$14.0 | |

<u>Fiscal Year 2016 Compared to 2015</u>: Fiscal year 2016 nonoperating expenses of \$14.3 million were \$2.2 million higher than the prior year, primarily due to incurring \$1.2 million of debt issuance costs in 2016 compared to zero in 2015, and higher variable rate interest expense on the 2008A debt issue in 2016.

<u>Fiscal Year 2015 Compared to 2014</u>: Fiscal year 2015 nonoperating expenses of \$12.1 million were \$1.9 million lower than the prior year, primarily due to no incurred debt issuance costs in 2015 compared to \$1.3 million in 2014 and lower interest expense.

Analytical Review of Net Operating Income, Excluding Depreciation and Amortization

Net operating income, excluding depreciation is an important measure of an organization's performance.

Table A-7
Net Operating Income, Excluding Depreciation and Amortization
For the Years Ended
(in millions)

| | December 31, | | |
|--|--------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Operating Revenues | \$58.2 | \$55.3 | \$55.0 |
| Operating Expenses | (47.4) | (44.0) | (44.1) |
| Net Operating Income, Excluding Depreciation and | | | |
| Amortization | \$10.8 | \$11.3 | \$10.9 |

<u>Fiscal Year 2016 Compared to 2015</u>: Fiscal year 2016 net operating income, excluding depreciation and amortization was \$10.8 million or \$0.5 million lower than the prior year.

<u>Fiscal Year 2015 Compared to 2014</u>: Fiscal year 2015 net operating income, excluding depreciation and amortization was \$11.3 million or \$0.4 million higher than the prior year, primarily due to an increase in operating revenues as discussed earlier. Operating expenses remained relatively flat to the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

Additions and deletions 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. 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 accumulated depreciation, are as follows:

Table A-8
Capital Assets, Net of Accumulated Depreciation
(in millions)

| | December 31, | | |
|---|--------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Capital Assets Not Being Depreciated: | | | |
| Land and Easements | \$ 7.2 | \$ 7.2 | \$ 7.1 |
| Water Rights | 5.6 | 2.5 | 2.5 |
| Construction in Progress | 29.6 | 30.3 | 39.9 |
| Total Capital Assets Not Being Depreciated | 42.4 | 40.0 | 49.5 |
| Capital Assets Being Depreciated: | | | |
| Water Plant in Service | 540.2 | 528.9 | 504.4 |
| Wastewater Plant in Service | 340.2 | 333.1 | 327.4 |
| General Plant | 37.4 | 37.4 | 37.6 |
| Recycled Water Facility | 34.6 | 32.4 | 31.4 |
| FERC License | 49.0 | 49.0 | 49.0 |
| Total Capital Assets Being Depreciated | 1,001.4 | 980.8 | 949.8 |
| Less Accumulated Depreciation | (351.4) | (327.0) | (305.7) |
| Net Capital Assets Being Depreciated | 650.0 | 653.8 | 644.1 |
| Total Capital Assets, Net of Accumulated Depreciation | \$ 692.4 | \$ 693.8 | \$ 693.6 |

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

<u>Fiscal Year 2016 Compared to 2015</u>: Total capital assets prior to depreciation totaled approximately \$1,043.8 million; an increase of 23.0 million from than the prior year. The increase was primarily due to water and wastewater capital asset additions.

The major capital asset additions for the current year included:

- \$11.0 million for developer capital contributions from West Valley Village, Carson Creek, Serrano Village and Promontory Village.
- \$3.1 million for perfecting 17,000 acre feet of Water Rights.
- \$2.5 million for replacement and improvements to flumes related to Project 184.
- \$1.9 million for rehabilitation of Esmeralda Tunnel.
- \$0.8 million for improvements to Hydroelectric's powerhouse.

<u>Fiscal Year 2015 Compared to 2014</u>: Net capital assets totaled approximately \$693.8 million and increased by \$0.2 million over the prior year, primarily due to water capital asset additions offset by \$22.5 million accumulated depreciation and amortization.

The major capital asset additions for the current year included:

- \$12.9 million for replacement and improvements to flumes related to Project 184.
- \$2.2 million for rehabilitation of Esmeralda Tunnel.
- \$2.1 million for Reservoir A Water Treatment Plant chlorine conversion.
- \$1.7 million for water tank improvements.

LONG-TERM DEBT AND LOANS

At December 31, 2016, the District had \$382.3 million long-term debt and loans outstanding net of bond premium, compared to \$351.2 million at the end of 2015.

An analysis of the activity in the District's debt and loans portfolio is as follows:

Table A-9
Debt and Loans Analysis
For the Years Ended
(in millions)

| | December 31, | | |
|---------------------------------------|--------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| State of California Loans | \$ 13.2 | \$ 14.3 | \$ 15.4 |
| Revenue Certificates of Participation | 62.6 | 155.9 | 158.7 |
| Refunding Revenue Bonds | 260.7 | 164.9 | 168.6 |
| General Obligation Bonds | 0.9 | 1.4 | 1.8 |
| Total Principal Outstanding | 337.4 | 336.5 | 344.5 |
| Bond Premium and Discounts | 44.9 | 14.7 | 15.5 |
| Total Debt and Loans | \$ 382.3 | \$ 351.2 | \$ 360.0 |
| Increase (Decrease) From Prior Year | \$ 31.1 | \$ (8.8) | \$ (9.3) |
| Percent Change | 8.9% | -2.4% | -2.5% |

Additional information on the District's debt and loans can be found in Note 4 of the financial statements.

<u>Fiscal Year 2016 Compared to 2015</u>: At December 31, 2016, there was \$382.3 million in debt and loans outstanding, a net increase of \$31.1 million or 8.9% from the prior year. The increase was due to issuance of \$38.6 million new debt less scheduled bond and loans principal debt payments and \$5.8 million prepayment on the 2012A and 2014A bond's March 1, 2017 debt service.

<u>Fiscal Year 2015 Compared to 2014</u>: At December 31, 2015, there was \$351.2 million in debt and loans outstanding, a net decrease of \$8.8 million or 2.4% from the prior year. The decrease was due to scheduled bond and loans principal debt payments and \$2.9 million prepayment on the 2014A bond's March 1, 2016 debt service.

COST OF CAPITAL

For fiscal year 2016, the District's cost of capital was approximately 3.59%. The District's outstanding debt and loan issues with varying maturities and interest rates are outlined below.

| | Balance at 12/31/16 | |
|---|---------------------|---------------------|
| Debt Issue | (millions) | Average Coupon Rate |
| State of California Loans | \$ 13.2 | 2.32% to 2.60% |
| 2003 General Obligation Bonds | 0.9 | 2.00% to 4.50% |
| 2008A Certificate of Participation ¹ | 0.0 | 0.25% |
| 2009A Certificate of Participation ² | 9.3 | 3.50% to 5.38% |
| 2010A Certificate of Participation | 14.8 | 4.25% to 5.75% |
| 2012A Refunding Revenue Bonds | 46.0 | 4.00% to 5.00% |
| 2012B Refunding Revenue Bonds | 1.0 | 1.125% to 3.625% |
| 2014A Refunding Revenue Bonds | 111.0 | 3.00% to 5.25% |
| 2016A Refunding Revenue Bonds | 17.4 | 4.00% to 5.00% |
| 2016B Certificate of Participation | 38.6 | 4.00% to 5.00% |
| 2016C Refunding Revenue Bonds | 85.2 | 4.00% to 5.00% |

¹ The 2008A variable rate bond issue was refunded with the 2016C bond issue proceeds on September 20, 2016.

NEXT YEAR'S BUDGETS AND RATES

The District closed the fiscal year in a positive financial position, with a \$15.7 million increase in net position. While the District remains in a positive position, the District continues to act in a fiscally responsible manner when budgeting and ensuring costs are managed to meet or exceed expectations.

- **2017 Operating Expenses**: The adopted 2017 operating budget of \$46.5 million is \$1.1 million or 2.4% higher than the 2016 adopted operating budget. The drivers of the increase are primarily due to higher employee benefits and planned repairs and maintenance costs.
- 2017 Rate Revenue: The Board of Directors reduced the previously adopted 2017 and 2018 rate increases for water, wastewater and recycled water of 5% and 4% respectively down to 3% for all three utilities. The District's revised 2017-2020 financial plan now contains annual 3% rate increases for all three utilities. 2017's Water Sales revenue is forecasted to be \$29.2 million, Wastewater Sales revenue is forecasted to be \$20.6 million, and Recycled Water is forecasted to be \$1.9 million.

2017 STORM EVENTS

During January and February of 2017, the District, like other entities throughout California, was affected by severe winter storms, flooding and mudslides. Because of these storms, the District incurred an estimated \$21 million in damages to its Project 184 water delivery system (flumes, canals and bench system), slide damages

² The 2009A bond issue was partially refunded with the 2016A bond issue proceeds on July 12, 2016.

around water transmission mains, severe erosion to various roads owned or maintained by the District, pumping of excessive flows within the sewer collection system to avoid sanitary sewer overflows (SSOs) and emergency sewer line repairs and replacement.

The federal government declared disaster emergencies in California for three different storm periods. These declarations allow the District to apply for assistance from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES) to help pay for the damages. Additionally, the District, as shown in Note 8, maintains insurance coverage for property damage and business income interruption. The insurance policy carries a \$50 million limit of liability with sub-limits of \$10 million for damage caused by earth movement and flood and deductibles of up to \$1 million. As of the date of this writing, the District has submitted a claim under its policy and the policy carrier is actively adjusting the claim. The carrier has made no final determination regarding coverage, but has indicated, based on its preliminary investigation, that generally, the District's loss is covered under the policy. On March 29, 2017, the District received an initial payment of \$1 million from its carrier. The District will seek FEMA and CalOES assistance for costs not covered by insurance payments. Expenditures not recoverable through insurance or the emergency agencies will be funded from District reserves.

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 Financia | al Stataments | |
|----------------|---------------|--|
| Dasic Financia | | |
| | | |
| | | |
| | | |

BALANCE SHEETS

December 31, 2016 and 2015

| | 2016 | 2015 |
|---|----------------------|------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| CV DD EVE A COPEC | | |
| CURRENT ASSETS | 4. 20.000.626 | 4. 20 51 6 25 0 |
| Cash and Cash Equivalents | \$ 39,088,626 | \$ 39,716,250 |
| Accounts Receivable, Net | 5,639,415 | 5,335,727 |
| Due from Other Governmental Agencies | 11,841 | 161,934 |
| Interest Receivable | 190,295 | 101,581 |
| Taxes Receivable | 11,542,210 | 5,125,411 |
| Inventory | 447,582 | 481,686 |
| Prepaid Expenses and Other Current Assets | 410,330 | 297,006 |
| Total Current Assets | 57,330,299 | 51,219,595 |
| NONCURRENT ASSETS | | |
| Restricted and Other Noncurrent Assets: | | |
| Restricted Cash and Cash Equivalents | 73,056,810 | 23,256,894 |
| Restricted Investments | 75,050,010 | 5,989,820 |
| Investments | 12,225,596 | 15,141,274 |
| Hydroelectric Deposit | 4,000,000 | 4,000,000 |
| Total Restricted and Other Noncurrent Assets | 89,282,406 | 48,387,988 |
| Capital Assets: | 69,262,400 | 40,307,900 |
| Nondepreciable | 42,380,920 | 40,022,361 |
| • | | · · |
| Depreciable, Net | 649,977,205 | 653,827,420 |
| Total Capital Assets, Net | 692,358,125 | 693,849,781 |
| Total Noncurrent Assets | 781,640,531 | 742,237,769 |
| TOTAL ASSETS | 838,970,830 | 793,457,364 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Amount on Refunding of Debt | 7,448,230 | 5,691,272 |
| Pension Plan | 8,064,220 | 2,983,288 |
| Pension Plan | 8,004,220 | 2,983,288 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 15,512,450 | 8,674,560 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 854,483,280 | \$ 802,131,924 |

BALANCE SHEETS (CONTINUED)

December 31, 2016 and 2015

| | 2016 | 2015 |
|---|----------------|----------------|
| LIABILITIES, DEFERRED INFLOWS OF | | |
| RESOURCES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 3,065,406 | \$ 2,351,940 |
| Deposits | 292,244 | 343,005 |
| Accrued Compensated Absences | 1,420,744 | 1,488,897 |
| Accrued Payroll and Benefits Payable | 814,662 | 736,937 |
| Unearned Revenue | 655,512 | 1,930,015 |
| Accrued Interest Payable | 4,919,857 | 3,617,983 |
| Reserve for Claims and Claims Expenses | 833,000 | 833,000 |
| Noncurrent Liabilities - Current Portion | 7,655,214 | 4,903,240 |
| FERC License Liability - Current Portion | 1,934,020 | 2,669,709 |
| Total Current Liabilities | 21,590,659 | 18,874,726 |
| | | |
| NONCURRENT LIABILITIES | | |
| Noncurrent Liabilities | 381,251,872 | 352,358,588 |
| FERC License Liability - Noncurrent Portion | 19,905,618 | 21,425,374 |
| Net Pension Liability | 57,353,580 | 49,558,356 |
| Total Noncurrent Liabilities | 458,511,070 | 423,342,318 |
| TOTAL LIABILITIES | 480,101,729 | 442,217,044 |
| DEFENDED INFLOWS OF DESCRIPTION | | |
| DEFERRED INFLOWS OF RESOURCES | 7,000,660 | 5 505 545 |
| Deferred Property Taxes | 5,898,660 | 5,597,545 |
| Pension Plan | 908,515 | 2,405,088 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 6,807,175 | 8,002,633 |
| | | |
| NET POSITION | | |
| Net Investment in Capital Assets | 333,736,952 | 324,250,149 |
| Restricted for New Facilities | 29,932,227 | 13,719,882 |
| Restricted for Debt Service | 4,433,653 | 13,596,817 |
| Unrestricted | (528,456) | 345,399 |
| TOTAL NET POSITION | 367,574,376 | 351,912,247 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF | | |
| RESOURCES AND NET POSITION | \$ 854,483,280 | \$ 802,131,924 |

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|--|----------------|----------------|
| OPERATING REVENUES | | |
| Water Sales | \$ 27,705,644 | \$ 25,344,067 |
| Water Services | 1,228,007 | 1,127,115 |
| Water Transfer Sales | | 1,849,860 |
| Reclaimed Water Reimbursements/Sales | 1,905,962 | 1,606,491 |
| Wastewater Sales | 19,504,473 | 19,836,033 |
| Wastewater Services | 63,169 | 75,214 |
| Recreation Fees | 1,532,912 | 1,349,431 |
| Hydroelectric Sales | 6,296,331 | 4,159,925 |
| Total Operating Revenues | 58,236,498 | 55,348,136 |
| OPERATING EXPENSES | | |
| Personnel Expenses | 28,875,456 | 26,296,791 |
| Operating Supplies | 3,932,226 | 3,853,426 |
| Chemicals | 748,650 | 732,046 |
| Administration | 3,538,714 | 3,200,110 |
| Utilities | 4,633,747 | 4,524,982 |
| Professional Services | 3,559,511 | 3,658,961 |
| Repair Services | 1,407,160 | 1,045,184 |
| Insurance | 695,552 | 667,551 |
| Depreciation and Amortization | 23,163,785 | 22,149,711 |
| Total Operating Expenses | 70,554,801 | 66,128,762 |
| NET LOSS FROM OPERATIONS | (12,318,303) | (10,780,626) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Surcharges | 2,412,032 | 2,447,917 |
| Voter-approved Taxes | 499,426 | 512,022 |
| Property Taxes | 11,233,975 | 10,715,130 |
| Interest Income | 813,864 | 331,316 |
| Other Income | 2,552,692 | 1,867,757 |
| Other Expenses | (1,372,331) | (1,397,212) |
| Debt Issuance Costs | (1,180,745) | |
| Interest Expense | (11,767,034) | (10,719,736) |
| Total Nonoperating Revenues (Expenses) | 3,191,879 | 3,757,194 |
| NET LOSS BEFORE CAPITAL CONTRIBUTIONS | (9,126,424) | (7,023,432) |
| CAPITAL CONTRIBUTIONS | | |
| Facility Capacity Charges | 12,416,595 | 13,924,346 |
| Developer Contributions | 12,371,958 | 7,024,823 |
| Total Capital Contributions | 24,788,553 | 20,949,169 |
| CHANGE IN NET POSITION | 15,662,129 | 13,925,737 |
| NET POSITION, BEGINNING OF YEAR | 351,912,247 | 337,986,510 |
| NET POSITION, END OF YEAR | \$ 367,574,376 | \$ 351,912,247 |

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

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|---|-------------------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Customers and Users | \$ 57,851,177 | \$ 54,986,711 |
| Payments to Suppliers | (18,663,400) | (18,504,358) |
| Payments to Employees | (27,074,276) | (26,326,637) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 12,113,501 | 10,155,716 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Property Taxes Received | 5,617,717 | 16,931,162 |
| Operating Grants and Reimbursements | 1,677,292 | 1,867,757 |
| NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES | 7,295,009 | 18,798,919 |
| | ., | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Long-term Debt Issued | 172,674,890 | |
| Advance Refunding of Long-term Debt | (131,427,252) | |
| Purchases of Capital Assets | (11,538,699) | (15,581,972) |
| Disposal of Capital Assets | 47,028 | 299,413 |
| Facility Capacity Charges Received | 12,132,186 | 13,918,774 |
| Interest Payments on Long-term Debt | (11,195,450) | (10,990,748) |
| Principal Payments on Long-term Debt | (11,202,937) | (8,041,272) |
| Surcharges Received | 2,412,032 | 2,447,917 |
| Debt Issuance Costs Paid | (1,885,696) | (876,662) |
| Hydroelectric Deposit Paid | | 170,000 |
| Capital Grants Received | 117,032 | (117,032) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED | | |
| FINANCING ACTIVITIES | 20,133,134 | (18,771,582) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Sales and Maturities of Investments | 20,992,000 | 19,018,420 |
| Purchases of Investments | (12,000,000) | (14,992,000) |
| Interest Received | 638,648 | 374,664 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 9,630,648 | 4,401,084 |
| | | |
| INCREASE IN CASH AND CASH EQUIVALENTS | 49,172,292 | 14,584,137 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 62,973,144 | 48,389,007 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF TEAR | 02,973,144 | 40,309,007 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 112,145,436 | \$ 62,973,144 |
| DECONOULLATION OF CACH AND CACH FOUND TO THE TO THE DAY | | |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANC | | Ф. 20.717.250 |
| Cash and Cash Equivalents | \$ 39,088,626 | \$ 39,716,250 |
| Restricted Cash and Cash Equivalents | 73,056,810 | 23,256,894 |
| TOTAL CASH AND CASH EQUIVALENTS | \$ 112 1 <i>45 4</i> 36 | \$ 62 973 144 |
| TO THE CHOILED CHOILE QUITHERING | \$ 112,145,436 | ψ 02,7/3,144 |

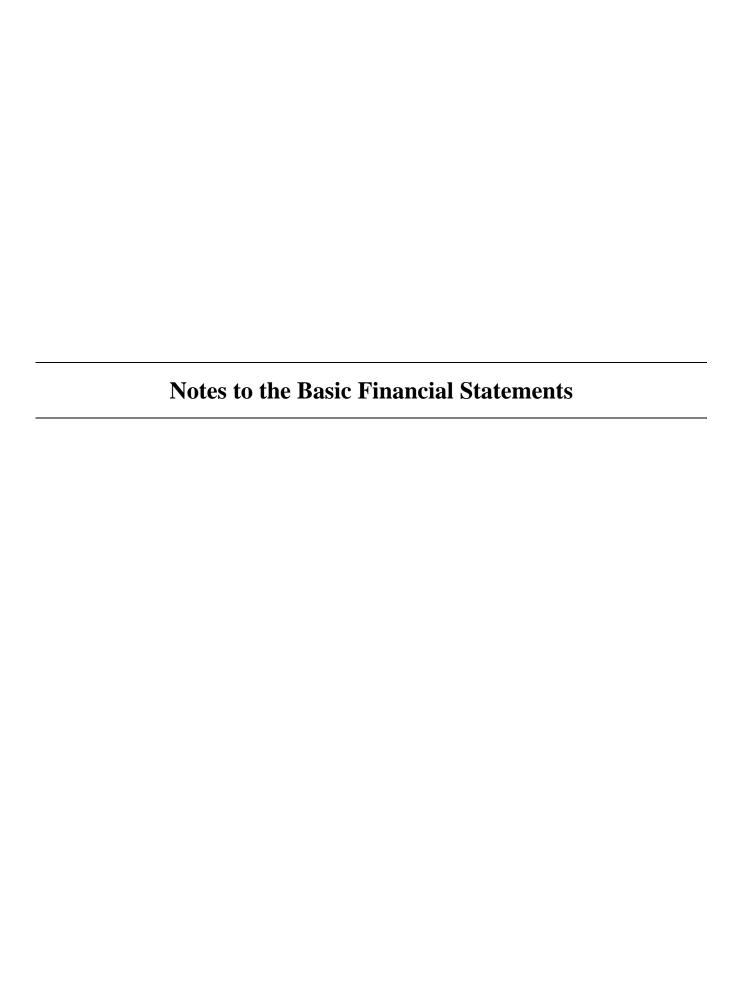
(Continued)

STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|---|-----------------|-----------------|
| RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Net Loss From Operations | \$ (12,318,303) | \$ (10,780,626) |
| Adjustments to Reconcile Net Loss From Operations | | |
| to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation and Amortization | 23,163,785 | 22,149,711 |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable, Net | (303,279) | (41,364) |
| Due from Other Governmental Agencies | 33,061 | (33,847) |
| Inventory | 34,104 | (75,628) |
| Prepaid Expenses and Other Current Assets | (113,324) | (65,174) |
| Change in Pension Obligation and Related Deferred Inflows/Outflows | 1,217,719 | (567,133) |
| Accounts Payable | 713,466 | (149,775) |
| Deposits | (50,761) | 60,462 |
| Accrued Compensated Absences | (68,153) | 20,437 |
| Accrued Payroll and Benefits Payable | 77,725 | (175,189) |
| Unearned Revenue | (115,103) | (286,214) |
| FERC License Liability | (731,325) | (591,983) |
| Other Postemployment Benefits Liability | 573,889 | 692,039 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 12,113,501 | \$ 10,155,716 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | |
| Changes in Estimates of FERC Liability | \$ 1,524,120 | \$ (613,019) |
| Receipt of Contributed Assets | 12,043,374 | 5,546,364 |
| Change in Fair Value of Investments | 86,502 | (52,558) |
| Abandoned Projects Written Off | (667,380) | (520,550) |
| | | |

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



NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The El Dorado Irrigation District (the District) was organized under the Irrigation District Law 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 Irrigation District Financing Corporation (the Corporation), 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 Corporation and the Corporation is governed by the District's Board of Directors. Debt issued by the Corporation is reflected as debt of the District in these financial statements. However, all debt issued by the Corporation was refunded in 2004. The Corporation has no other transactions and does not issue separate financial statements.

The District is a member of the El Dorado Water and Power Authority (the Authority), which was created under a Joint Powers Agreement between the District, El Dorado County and El Dorado County Water Agency. The District's Board of Directors serves as five of the sixteen members of the Authority's Board of Directors and, therefore, the District does not control the activities of the Authority. The District has only a residual equity interest in the Authority is not responsible for the liabilities of the Authority under the Agreement. The District made a contribution to the Authority for operations in 2015 of \$337,500. No contributions were made to the Authority in 2016. The Authority does not issue separate financial statements. More information about the Authority may be found at: http://www.edcgov.us/waterandpower/index.html.

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. 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 of resources, liabilities, deferred inflows of resources, 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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 water, wastewater, reclaimed water and recreation services, water transfer sales and hydroelectric sales. 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 of resources, liabilities, and deferred inflows of resources 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 at the date of acquisition, including restricted assets, and all pooled deposits.

G. Restricted Assets

The District's restricted assets consisted of the following at December 31:

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

| | 2016 | 2015 |
|--|-----------------------------|-------------------------|
| Facility Capacity Charges Restricted for New Facilities Unspent Debt Proceeds Restricted for New Facilities | \$ 29,932,226 38,037,420 | \$ 13,719,882 |
| Development Fees Restricted for Development Services | 653,512 | 770,615 |
| Development Fees Restricted for Webber Dam Improvements Restricted for Future Debt Service Payments | 4,433,652 | 1,159,400 13,596,817 |
| Total Restricted Cash and Investments | \$ 73,056,810 | \$ 29,246,714 |

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.

I. Hydroelectric Deposit

The District is required to maintain a performance deposit of \$4,000,000 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 are not considered 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 property taxes are generally levied and become a lien on the property on July 1 and are based on the assessed value of the property as of the previous January. Secured property taxes are levied on July 1 and are due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and are due in one installment by January 1. They become delinquent on August 31, approximately ten months after being levied. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District recognizes the full levy as property taxes receivable at the date of the levy, but recognizes property tax revenue evenly over the fiscal year to which the levy relates under GASB Statement No. 33. The portion of the levy related to January 1 to June 30 of the subsequent year is offset with deferred inflows of resources.

M. Inventory

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

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 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, 2016 | Additions | Payments | Balance at December 31, 2016 | Due Within One Year | | | |
|----------------------------------|--------------|----------------|------------------------------------|------------------------|--|--|--|
| \$ 1,488,897 | \$ 1,694,071 | \$ (1,762,224) | \$ 1,420,744 | \$ 1,420,744 | | | |
| Balance at January 1, 2015 | Additions | Payments | Balance at December 31, 2015 | Due Within One Year | | | |
| \$ 1,468,460 | \$ 1,681,077 | \$ (1,660,640) | \$ 1,488,897 | \$ 1,488,897 | | | |

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

Bond discounts, premiums, 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 are reported as deferred outflows of resources on the balance sheet. Issuance costs are expensed as incurred under GASB Statement No. 65.

P. Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension plan, and pension expense, information about the fiduciary net position of the

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Reserves for Claims and Claims Expense

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

R. 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.

S. New Pronouncements

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), replaces the requirements of GASB Statement No. 45 and requires governments responsible for OPEB liabilities related to their own employees to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments, on the face of the financial statements. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective for periods beginning after June 15, 2017.

In January 2016, the GASB issued Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14. This Statement amends the blending requirements for component units to add an additional criterion that requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This Statement is effective for periods beginning after June 15, 2016.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In March 2016, the GASB issued Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73.* This Statement clarifies certain accounting and reporting issues related to pension plans, including the presentation of payroll related measures in required supplementary information, clarifies the use of the term deviation for the selection of assumptions, and clarifies the classification of employer-paid member contributions and the period in which they should be recognized. This Statement is effective in the first reporting period in which the measurement date of the employer's pension liability is on or after June 15, 2017.

In November 2016, the GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's), which is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The timing and pattern of recognition of the liability and corresponding deferred outflow of resources recorded is defined in this Statement. This Statement is effective for periods beginning after June 15, 2018.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying and disclosing fiduciary activities of state and local governments. The focus of the criterial is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements of the government. Four fiduciary funds should be reported under this statement: Pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. This Statement is effective for periods beginning after December 15, 2018.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB statements, including issues related to blending component units, goodwill, fair value measurements and application, pensions and other postemployment benefits. This Statement is effective for periods beginning after June 15, 2017.

In May 2017, the GASB issued Statement No. 86, Certain Debt Extinguishment Issues. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for periods beginning after June 15, 2017.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

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:

| | | 2016 | | 2015 |
|---|----|-------------|----|-------------------------|
| Cash and Cash Equivalents | \$ | 39,088,626 | \$ | 39,716,250 |
| Restricted Cash and Cash Equivalents Restricted Investments | | 73,056,810 | | 23,256,894 5,989,820 |
| Investments | _ | 12,225,596 | _ | 15,141,274 |
| Total Cash and Investments | \$ | 124,371,032 | \$ | 84,104,238 |

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

| | 2016 | | | 2015 |
|---|------|---------------------------------|----|-----------------------------------|
| Cash on Hand Deposits with Financial Institutions Total Cash | \$ | 3,275 3,278,694 3,281,969 | \$ | 3,375 10,274,226 10,277,601 |
| California Local Agency Investment Fund (LAIF) U.S. Agency Securities | | 80,542,858 7,965,480 | | 40,324,036 16,871,880 |
| California Asset Management Program Money Market Mutual Funds | | 23,886,956 4,433,653 | | 4,764,510 7,606,997 |
| Medium Term Corporate Notes Certificates of Deposit | | 3,005,520 1,254,596 | | 3,000,920 1,258,294 |
| Total Investments | | 121,089,063 | _ | 73,826,637 |
| Total Cash and Investments | \$ | 124,371,032 | \$ | 84,104,238 |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

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.

| | | Minimum | Maximum | Maximum |
|--|----------|---------|--------------|---------------|
| | Maximum | Credit | Percentage | Investment |
| Authorized Investment Type | Maturity | Quality | of Portfolio | 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:

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

| | | | 2016 | | | | | | | | |
|-----------------------------|----|-------------|------|--------------------|------------------|-------------|--------|------------|--|--|--|
| | | | | Remaining Maturity | | | | | | | |
| | | | | 12 Months | | 13 to 24 | | 25 to 60 | | | |
| Investment Type | | Total | _ | or Less | _ | Months | Months | | | | |
| LAIF | \$ | 80,542,858 | \$ | 80,542,858 | | | | | | | |
| U.S. Agency Securities | | 7,965,480 | | | \$ | 1,988,660 | \$ | 5,976,820 | | | |
| CAMP | | 23,886,956 | | 23,886,956 | | , , | | , , | | | |
| Medium Term Corporate Notes | | 3,005,520 | | 2,006,380 | | 999,140 | | | | | |
| Certificates of Deposit | | 1,254,596 | | | | 1,254,596 | | | | | |
| Held by Trustee: | | | | | | | | | | | |
| Money Market Mutual Funds | | 4,433,653 | | 4,433,653 | _ | | | | | | |
| Total | \$ | 121,089,063 | \$ | 110,869,847 | \$ | 4,242,396 | \$ | 5,976,820 | | | |
| | | | | | | 2015 | | | | | |
| | | | | Re | emaining Maturit | | | | | | |
| | | | | 12 Months | | 13 to 24 | | 25 to 60 | | | |
| Investment Type | | Total | _ | or Less | | Months | | Months | | | |
| LAIF | \$ | 40,324,036 | \$ | 40,324,036 | | | | | | | |
| U.S. Agency Securities | | 10,882,060 | | | | | \$ | 10,882,060 | | | |
| CAMP | | 4,764,510 | | 4,764,510 | | | | | | | |
| Medium Term Corporate Notes | | 3,000,920 | | | 9 | 5 2,009,890 | | 991,030 | | | |
| Certificates of Deposit | | 1,258,294 | | | | | | 1,258,294 | | | |
| Held by Trustee: | | | | | | | | | | | |
| U.S. Agency Securities | | 5,989,820 | | | | | | 5,989,820 | | | |
| Money Market Mutual Funds | _ | 7,606,997 | - | 7,606,997 | | | | | | | |
| Total | \$ | 73,826,637 | \$ | 52,695,543 | 9 | 2,009,890 | \$ | 19,121,204 | | | |

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 for each investment type as of December 31:

| | Minimum | | | | | 2016 | | | | | | | | |
|-----------------------------|---------|----|-------------|------------------------|-----------|------|-----------|----|-----------|----|-----------|----|-------------|--|
| | Legal | | | Ratings as of Year-end | | | | | | | | | | |
| | Rating | | Total | | AAA/Aaa | | Aa1/AA+ | _ | A1/A+ | _ | A3/A- | | Unrated | |
| | | | | | | | | | | | | | | |
| LAIF | N/A | \$ | 80,542,858 | | | | | | | | | \$ | 80,542,858 | |
| U.S. Agency Securities | AAA/Aaa | | 7,965,480 | | | \$ | 7,965,480 | | | | | | | |
| CAMP | N/A | | 23,886,956 | | | | | | | | | | 23,886,956 | |
| Medium Term Corporate Notes | A/A2 | | 3,005,520 | | | | | \$ | 2,001,810 | \$ | 1,003,710 | | | |
| Certificates of Deposit | N/A | | 1,254,596 | | | | | | | | | | 1,254,596 | |
| Held by Trustee: | | | | | | | | | | | | | | |
| Money Market Mutual Funds | AAA/Aaa | _ | 4,433,653 | \$ | 4,433,653 | _ | | | | _ | | _ | | |
| Total | | \$ | 121,089,063 | \$ | 4,433,653 | \$ | 7,965,480 | \$ | 2,001,810 | \$ | 1,003,710 | \$ | 105,684,410 | |

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

| | M inimum | | 2015 | | | | | | |
|-----------------------------|----------|---------------|--------------|---------------|--------------|------------|--------------|---------------|--|
| | Legal | | | | | | | | |
| | Rating | Total | AAA/Aaa | Aal/AA+ | A1/A+ | A2/A | A3/A- | Unrated | |
| | | | | | | | | | |
| LAIF | N/A | \$ 40,324,036 | | | | | | \$ 40,324,036 | |
| U.S. Agency Securities | N/A | 10,882,060 | | \$ 10,882,060 | | | | | |
| CAMP | N/A | 4,764,510 | | | | | | 4,764,510 | |
| Medium Term Corporate Notes | A/A2 | 3,000,920 | | | \$ 1,006,500 | \$ 991,030 | \$ 1,003,390 | | |
| Certificates of Deposit | N/A | 1,258,294 | | | | | | 1,258,294 | |
| Held by Trustee: | | | | | | | | | |
| U.S. Agency Securities | AAA/Aaa | 5,989,820 | | 5,989,820 | | | | | |
| Money Market Mutual Funds | AAA/Aaa | 7,606,997 | \$ 7,606,997 | | | | | | |
| Total | | \$ 73,826,637 | \$ 7,606,997 | \$ 16,871,880 | \$ 1,006,500 | \$ 991,030 | \$ 1,003,390 | \$ 46,346,840 | |

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. 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) as of December 31:

| Issuer | Investment Type | 2016 | |
|--|------------------------|------|-----------|
| Federal Home Loan Mortgage Corporation | U.S. Agency Securities | \$ | 6,968,640 |
| Issuer | Investment Type | | 2015 |
| Federal Home Loan Mortgage Corporation | U.S. Agency Securities | \$ | 7,884,210 |
| Federal National Mortgage Association | U.S. Agency Securities | | 4,021,320 |

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 fair 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

At December 31, 2016 and 2015, the carrying amount of the District's deposits was \$3,278,694 and \$10,274,226 and the balance in financial institutions was \$4,095,669 and \$11,031,006, respectively. Of the balance in financial institutions, \$297,129 and \$349,787 was covered by federal depository insurance and \$3,798,540 and \$10,681,219 was collateralized by securities pledged by the financial institution, respectively.

As of December 31, 2016 and 2015, all of the District's securities were held by the District's agent in the District's name and were not exposed to custodial credit risk.

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 \$73,731,837,865 that is managed by the State Treasurer. Of that amount, 1.62 percent is invested in 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 District records on its books the fair value of its pro-rata share of the 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 171 and 179 days at December 31, 2016 and 2015, respectively.

<u>Investment in JPA Pool</u>: 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.

<u>Fair Value Measurement</u>: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

The District has the following recurring fair value measurements as of December 31, 2016:

| | | | 2016 | | | | 2015 | | | | | |
|--|-----|-------------|------|-------------------------------|--------------|--------------|--------------|-------------------------------|--------------|--------------|--|--|
| | | | | Fair Value Measurements Using | | | | Fair Value Measurements Using | | | | |
| | | | Q | uoted Prices in | Significant | | | Quoted Prices in | Significant | | | |
| | | | A | ctive Markets | Other | Significant | | Active Markets | Other | Significant | | |
| | | | | for Identical | Observable | Unobservable | | for Identical | Observable | Unobservable | | |
| | | | | Assets | Inputs | Inputs | | Assets | Inputs | Inputs | | |
| | | Amount | | (Level 1) | (Level 2) | (Level 3) | Amount | (Level 1) | (Level 2) | (Level 3) | | |
| Investments by Fair Value Level: | | | | | | | | | | | | |
| U.S. Agency Securities | \$ | 7,965,480 | | | \$ 7,965,480 | | \$16,871,880 | | \$16,871,880 | | | |
| Money Market Mutual Funds | | 4,433,653 | | | 4,433,653 | | 7,606,997 | | 7,606,997 | | | |
| Medium Term Corporate Notes | | 3,005,520 | | | 3,005,520 | | 3,000,920 | | 3,000,920 | | | |
| Certificates of Deposit | _ | 1,254,596 | | | 1,254,596 | | 1,258,294 | | 1,258,294 | | | |
| Total Investments by Fair Value Level | \$ | 16,659,249 | \$ | <u>-</u> | \$16,659,249 | \$ - | \$28,738,091 | \$ - | \$28,738,091 | \$ - | | |
| Investments Measured at Net Asset Valu | ıe: | | | | | | | | | | | |
| LAIF | \$ | 80,542,858 | | | | | \$40,324,036 | | | | | |
| CAMP | _ | 23,886,956 | - | | | | 4,764,510 | • | | | | |
| Total | \$ | 121,089,063 | | | | | \$73,826,637 | i | | | | |

All securities and certificates of deposits classified in Level 2 are valued using pricing models based in market data, such as matrix or model pricing from outside pricing services. These valuation techniques include matrix pricing, market corroborated pricing, inputs such as yield curves and indices and reference data including market research publications.

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. Easements with indefinite lives are capitalized as part of land and easements, which is not depreciable. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 3 – CAPITAL ASSETS (Continued)

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:

| Description | Estimated Life |
|-----------------------------|-----------------|
| Facilities and Improvements | 30 - 50 years |
| Buildings and Structures | 40 - 100 years |
| Equipment and Furniture | 5-10 years |
| FERC License | 40 years |

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 had a balance of \$41,120,059 at December 31, 2016 and 2015. 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 | | | Balance at | | |
|---------------|--------------|----------------|---------------|--------------|--|
| January 1, | | Change | December 31, | Current | |
| 2016 | Payments | in Estimate | 2016 | Portion | |
| \$ 24,095,083 | \$ (731,325) | \$ (1,524,120) | \$ 21,839,638 | \$ 1,934,020 | |
| Balance at | | | Balance at | | |
| January 1, | | Change | December 31, | Current | |
| 2015 | Payments | in Estimate | 2015 | Portion | |
| | | | | | |
| \$ 24,074,047 | \$ (591,983) | \$ 613,019 | \$ 24,095,083 | \$ 2,669,709 | |

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 3 – CAPITAL ASSETS (Continued)

C. Additions and Retirements

Capital assets balances and activity are summarized below:

| | Balance at January 1, | | | | D 1 .: | | T . 0 | I | Balance at December 31, |
|---------------------------------------|-----------------------|----|--------------|----|---------------|----|--------------|----|-------------------------|
| | 2016 | _ | Additions | | Deletions | _ | Transfers | | 2016 |
| Capital Assets not Being Depreciated: | | | | | | | | | |
| Land and Easements | \$ 7,167,866 | | | | | | | \$ | 7,167,866 |
| Water Rights | 2,516,865 | | | | | \$ | 3,076,714 | | 5,593,579 |
| Construction in Progress | 30,337,630 | \$ | 11,439,928 | \$ | (667,380) | | (11,490,703) | | 29,619,475 |
| Total Capital Assets | | | | | | | | | |
| not Being Depreciated | 40,022,361 | | 11,439,928 | _ | (667,380) | _ | (8,413,989) | _ | 42,380,920 |
| Capital Assets Being Depreciated: | | | | | | | | | |
| Water Plant in Service | 528,933,184 | | 4,656,358 | | (114,003) | | 6,769,561 | | 540,245,100 |
| Wastewater Plant in Service | 333,080,038 | | 5,506,072 | | (76,262) | | 1,644,428 | | 340,154,276 |
| General Plant | 37,403,349 | | 36,276 | | (5,561) | | | | 37,434,064 |
| Reclaimed Water Facility | 32,361,981 | | 2,272,024 | | | | | | 34,634,005 |
| FERC License | 48,976,204 | | | | | | | | 48,976,204 |
| Total Capital Assets | | | | | | | | | |
| Being Depreciated | 980,754,756 | | 12,470,730 | _ | (195,826) | _ | 8,413,989 | _ | 1,001,443,649 |
| Less Accumulated Depreciation | | | | | | | | | |
| and Amortization for: | | | | | | | | | |
| Water Plant in Service | (171,267,771) | | (11,496,781) | | 94,686 | | | | (182,669,866) |
| Wastewater Plant in Service | (105,649,418) | | (8,359,586) | | 48,550 | | | | (113,960,454) |
| General Plant | (21,545,034) | | (1,534,193) | | 5,561 | | | | (23,073,666) |
| Reclaimed Water Facility | (8,941,088) | | (823,155) | | | | | | (9,764,243) |
| FERC License | (19,524,025) | | (2,474,190) | | | | | | (21,998,215) |
| Total Accumulated Depreciation | (326,927,336) | | (24,687,905) | | 148,797 | | | | (351,466,444) |
| Total Capital Assets | | | | | | | | | |
| Being Depreciated, Net | 653,827,420 | _ | (12,217,175) | _ | (47,029) | _ | 8,413,989 | _ | 649,977,205 |
| Total Capital Assets, Net | \$ 693,849,781 | \$ | (777,247) | \$ | (714,409) | \$ | | \$ | 692,358,125 |

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 3 – CAPITAL ASSETS (Continued)

| | Balance at January 1, 2015 | Additions | Deletions | Transfers | Balance at December 31, 2015 |
|---------------------------------------|----------------------------------|---------------|--------------|--------------|------------------------------|
| Capital Assets not Being Depreciated: | | | | | |
| Land and Easements | \$ 7,127,285 | | \$ (8,419) | \$ 49,000 | \$ 7,167,866 |
| Water Rights | 2,516,865 | | | | 2,516,865 |
| Construction in Progress | 39,882,935 | \$ 16,783,030 | (789,995) | (25,538,340) | 30,337,630 |
| Total Capital Assets | | | | | |
| not Being Depreciated | 49,527,085 | 16,783,030 | (798,414) | (25,489,340) | 40,022,361 |
| Capital Assets Being Depreciated: | | | | | |
| Water Plant in Service | 504,430,902 | 2,514,683 | (68,637) | 22,056,236 | 528,933,184 |
| Wastewater Plant in Service | 327,354,362 | 2,292,572 | | 3,433,104 | 333,080,038 |
| General Plant | 37,592,354 | 49,681 | (238,686) | | 37,403,349 |
| Reclaimed Water Facility | 31,395,154 | 966,827 | | | 32,361,981 |
| FERC License | 48,976,204 | | | | 48,976,204 |
| Total Capital Assets | | | | | |
| Being Depreciated | 949,748,976 | 5,823,763 | (307,323) | 25,489,340 | 980,754,756 |
| Less Accumulated Depreciation | | | | | |
| and Amortization for: | | | | | |
| Water Plant in Service | (160,780,581) | (10,534,280) | 47,090 | | (171,267,771) |
| Wastewater Plant in Service | (97,514,177) | (8,135,241) | | | (105,649,418) |
| General Plant | (20,038,011) | (1,745,709) | 238,686 | | (21,545,034) |
| Reclaimed Water Facility | (8,161,366) | (779,722) | | | (8,941,088) |
| FERC License | (19,182,285) | (341,740) | | | (19,524,025) |
| Total Accumulated Depreciation | (305,676,420) | (21,536,692) | 285,776 | | (326,927,336) |
| Total Capital Assets | | | | | |
| Being Depreciated, Net | 644,072,556 | (15,712,929) | (21,547) | 25,489,340 | 653,827,420 |
| Total Capital Assets, Net | \$ 693,599,641 | \$ 1,070,101 | \$ (819,961) | \$ - | \$ 693,849,781 |

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

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 December 31, 2015 | | Incurred | | Retired | I | Balance at December 31, 2016 | | DueWithin One Year |
|---|----|-----------------------------|----|------------------------------------|----|-------------|----|---|----|------------------------------------|----|-----------------------|
| State of California Loans | \$ | 22,855,212 | \$ | 14,319,298 | | | \$ | (1,107,936) | \$ | 13,211,362 | \$ | 705,214 |
| Certificates of Participation: | - | ,,,,,,, | • | , , | | | | (-,, | - | ,, | - | , , , , , , , , |
| Adjustable Rate Revenue, Series 2008A | | 110,705,000 | | 110,705,000 | | | | (110,705,000) | | | | |
| Revenue, Series 2009A | | 132,285,000 | | 30,485,000 | | | | (21,210,000) | | 9,275,000 | | 2,970,000 |
| Refunding Revenue, Series 2010A | | 14,755,000 | | 14,755,000 | | | | , , , , | | 14,755,000 | | |
| Revenue, Series 2016B | | 38,600,000 | | | \$ | 38,600,000 | | | | 38,600,000 | | |
| Refunding Revenue Bonds: | | | | | | | | | | | | |
| Series 2012A | | 48,935,000 | | 48,935,000 | | | | (2,940,000) | | 45,995,000 | | 2,455,000 |
| Series 2012B (Taxable) | | 1,750,000 | | 1,205,000 | | | | (185,000) | | 1,020,000 | | 190,000 |
| Series 2014A | | 121,190,000 | | 114,705,000 | | | | (3,660,000) | | 111,045,000 | | 880,000 |
| Series 2016A | | 17,405,000 | | ,, | | 17,405,000 | | (-,,, | | 17,405,000 | | , |
| Series 2016C | | 85,195,000 | | | | 85,195,000 | | | | 85,195,000 | | |
| 2003 General Obligation Refunding Bonds | | 6,000,000 | | 1,395,000 | | ,, | | (455,000) | | 940,000 | | 455,000 |
| Total | | -,, | - | 336,504,298 | _ | 141,200,000 | | (140,262,936) | | 337,441,362 | \$ | 7,655,214 |
| | | | | | | | | , , , , | | | | |
| Bond Premiums and Discounts | | | | 14,691,523 | | 31,474,890 | | (1,340,585) | | 44,825,828 | | |
| Total Debt and Loans | | | | 351,195,821 | | 172,674,890 | | (141,603,521) | | 382,267,190 | | |
| Other Postemployment Benefits | | | | 6,066,007 | | 1,972,835 | | (1,398,946) | | 6,639,896 | | |
| Less: Due Within One Year | | | | (4,903,240) | | | | (,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | (7,655,214) | | |
| | | | _ | () / | _ | | _ | | _ | (1)1111 | | |
| Due in More Than One Year | | | \$ | 352,358,588 | \$ | 174,647,725 | \$ | (143,002,467) | \$ | 381,251,872 | | |
| | | | | | | | | | | | | |
| | | Original | | Balance at | | | | | | Balance at | | |
| | | Issue | | December 31, | | | | | ī | December 31, | | Due Within |
| | | Amount | | 2014 | | Incurred | | Retired | • | 2015 | | One Year |
| | _ | 7 Hillount | _ | 2011 | _ | mearrea | - | retired | _ | 2013 | _ | |
| State of California Loans | \$ | 22,855,212 | \$ | 15,400,570 | | | \$ | (1,081,272) | \$ | 14,319,298 | \$ | 688,240 |
| Certificates of Participation: | | | | | | | | | | | | |
| Adjustable Rate Revenue, Series 2008A | | 110,705,000 | | 110,705,000 | | | | | | 110,705,000 | | |
| Revenue, Series 2009A | | 132,285,000 | | 33,245,000 | | | | (2,760,000) | | 30,485,000 | | 2,855,000 |
| 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 (Taxable) | | 1,750,000 | | 1,390,000 | | | | (185,000) | | 1,205,000 | | 185,000 |
| Series 2014A | | 121,190,000 | | 118,280,000 | | | | (3,575,000) | | 114,705,000 | | 720,000 |
| 2003 General Obligation Refunding Bonds | | 6,000,000 | | 1,835,000 | | | | (440,000) | | 1,395,000 | | 455,000 |
| Total | | | | 344,545,570 | | | | (8,041,272) | | 336,504,298 | \$ | 4,903,240 |
| | | | | | | | | | | | | |
| Bond Premiums and Discounts | | | | 15,475,127 | | | | (783,604) | | 14,691,523 | | |
| Total Debt and Loans | | | | 360,020,697 | | | | (8,824,876) | | 351,195,821 | | |
| Other Postemployment Benefits | | | | 5,373,968 | \$ | 1,972,835 | | (1,280,796) | | 6,066,007 | | |
| Less: Due Within One Year | | | | (4,691,672) | _ | | | (211,568) | _ | (4,903,240) | | |
| Due in More Than One Year | | | \$ | 360,702,993 | \$ | 1,972,835 | \$ | (10,317,240) | \$ | 352,358,588 | | |

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

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, 2016, 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.

Adjustable Rate Revenue Certificates of Participation, Series 2008A

On April 30, 2008, the District issued Adjustable Refunding Revenue Certificates of Participation, Series 2008A 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 was 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 were variable and are based on weekly auction rates determined by the remarketing agent. Interest rates were capped at 12%. Principal payments ranging from \$14,020,000 to \$17,730,000 were payable annually on March 1 from March 1, 2030 through March 1, 2036, and interest payments were payable on the first Wednesday of each month, through March 1, 2036.

The 2008A bonds were supported with an irrevocable direct pay letter of credit ("DPLOC") issued by Citibank, N.A ("Citibank"). Upon presentation of required documentation, Citibank would be required to pay the Bond Trustee the amount necessary to pay the principal and accrued interest on the bonds. The certificates were advance refunded with the proceeds of the Refunding Revenue Bonds, Series 2016C as described below.

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.

Originally, interest rates ranged from 3.50% to 6.25%. Principal payments ranging from \$2,760,000 to \$9,515,000 were payable annually on August 1, from August 1, 2015 through August 1, 2039, and interest payments ranged from \$273,556 to \$3,652,459 were payable semi-

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 4 – LONG-TERM LIABILITIES (Continued)

annually on February 1 and August 1, through August 1, 2039. On February 13, 2014, the District issued Refunding Revenue Bonds, Series 2014A, of which a portion of the proceeds were used to advance refund \$99,040,000 of the 2009A certificates. After the 2014A refunding, interest rates ranged from 3.50% to 5.38%. Principal payments ranging from \$2,760,000 to \$4,035,000 were payable annually on August 1, from August 1, 2015 through August 1, 2024, and interest payments ranging from \$108,441 to \$744,859 were payable semi-annually on February 1 and August 1, through August 1, 2024. Subsequently, on July 12, 2016, the District issued Refunding Revenue Bonds, Series 2016A, of which a portion of the proceeds (\$17,405,000 original issue amount plus a portion of the premium) were used to advance refund an additional \$18,355,000 of the 2009A certificates. After the refunding, interest rates range from 4% to 4.25%. Principal payments ranging from \$2,970,000 to \$3,215,000 are payable annually on August 1, from August 1, 2016 to August 1, 2019, and interest payments ranging from \$136,638 to \$379,038 are payable semi-annually on February 1 and August 1, through August 1, 2019.

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.

Revenue Certificates of Participation, Series 2016B

On July 12, 2016, the District issued the Revenue Certificates of Participation, Series 2016B in the amount of \$38,600,000. Proceeds from these bonds were used to finance the acquisition of certain facilities for the District's water system. The bonds are payable from the District's net revenues. The District is required to collect rates and charges 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 \$635,000 to \$8,260,000 are payable annually on March 1, from March 1, 2021 through March 1, 2029, and interest payments ranging from \$206,500 to \$961,825 are payable semi-annually on March 1 and September 1, through March 1, 2029.

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 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

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 4 – LONG-TERM LIABILITIES (Continued)

\$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 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.

Refunding Revenue Bonds, Series 2014A

On February 13, 2014, the District issued the Refunding Revenue Bonds, Series 2014A in the amount of \$121,190,000. Proceeds from these bonds were used to advance refund all of the District's outstanding 2004A Refunding Revenue Certificates of Participation and a portion of the 2009A Revenue Certificates of Participation. The bonds are payable from the District's net revenues. The District is required to collect rates and charges which will be sufficient to yield net revenues equal to 125% of the debt service payments on this issuance and all other pre-existing debt. Interest rates range from 3% to 5.25%. Principal payments ranging from \$210,000 to \$8,915,000 are payable annually on March 1, from March 1, 2015 through March 1, 2039, and interest payments of \$234,019 to \$3,001,056 are payable semi-annually on March 1 and September 1, through March 1, 2039.

Refunding Revenue Bonds, Series 2016A

On July 12, 2016, the District issued the Refunding Revenue Bonds, Series 2016A in the amount of \$17,405,000. Proceeds from these bonds were used to advance refund a portion of the District's outstanding 2009A Revenue Certificates of Participation. The bonds are payable from the District's net revenues. The District is required to collect rates and charges 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 \$3,180,000 to \$3,825,000 are payable annually on March 1, from March 1, 2020 through March 1, 2024, and interest payments ranging from \$95,625 to \$402,700 are payable semi-annually on March 1 and September 1, through March 1, 2024.

Refunding Revenue Bonds, Series 2016C

On September 20, 2016, the District issued the Revenue Certificates of Participation, Series 2016C in the amount of \$85,195,000. Proceeds from these bonds were used to advance refund the District's outstanding 2008A Revenue Certificates of Participation. The bonds are payable from the District's net revenues. The District is required to collect rates and charges which will be sufficient

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 4 – LONG-TERM LIABILITIES (Continued)

to yield net revenues equal to 125% of the debt service payments on this issuance and all other preexisting debt. Interest rates range from 4% to 5%. Principal payments ranging from \$8,810,000 to \$15,905,000 are payable annually on March 1, from March 1, 2030 through March 1, 2036, and interest payments ranging from \$397,625 to \$2,003,675 are payable semi-annually on March 1 and September 1, through March 1, 2036.

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.

C. Debt Service Requirements

Annual debt service requirements are shown below for the above debt issues at December 31:

| | 2016 | | | | | 2015 | | | |
|--------------------|----------------|----|-------------|--------------------|-----------|--------------------------|----|-------------|--|
| For the Year Ended | Business-ty | | Activities | For the Year Ended | | Business-type Activities | | | |
| December 31 | Principal | | Interest | December 31 | Principal | | | Interest | |
| 2017 | \$ 7,655,214 | \$ | 15,508,042 | 2016 | \$ | 4,903,240 | \$ | 11,638,776 | |
| 2018 | 14,282,655 | | 15,560,437 | 2017 | | 13,954,912 | | 13,619,839 | |
| 2019 | 14,891,083 | | 14,935,828 | 2018 | | 14,282,655 | | 15,259,168 | |
| 2020 | 15,125,213 | | 14,196,498 | 2019 | | 14,891,083 | | 14,634,559 | |
| 2021 | 12,040,062 | | 13,595,130 | 2020 | | 15,295,213 | | 13,958,829 | |
| 2022-2026 | 68,749,322 | | 58,707,020 | 2021-2025 | | 57,751,686 | | 60,995,689 | |
| 2027-2031 | 78,297,813 | | 40,460,017 | 2026-2030 | | 52,980,509 | | 48,697,266 | |
| 2032-2036 | 101,000,000 | | 19,724,494 | 2031-2035 | | 111,695,000 | | 27,616,406 | |
| 2037-2039 | 25,400,000 | | 2,046,975 | 2036-2039 | | 50,750,000 | | 4,023,750 | |
| Total | \$ 337,441,362 | \$ | 194,734,441 | Total | \$ | 336,504,298 | \$ | 210,444,282 | |

The previous table for 2015 is based on an assumed interest rate of 1% in 2016, 3% in 2017, and 5% thereafter on the Adjustable Rate Revenue Certificates of Participation, Series 2008A.

D. Refunding of Debt

In 2016 and 2015, the District defeased \$2,940,000 of the Refunding Revenue Bonds, Series 2014A each year, and in 2016, the District defeased \$2,940,000 of the Refunding Revenue Bonds, Series 2012A by creating a separate irrevocable trust to prepay a portion of the subsequent year debt service payments. This was done to help meet the debt service coverage ratios for the Bonds. The amounts were placed in an escrow account from which principal and interest will be used to make the scheduled principal and interest payments on the defeased Bonds. For financial reporting purposes, the prepaid portion of the Bonds is considered defeased and has been removed from the District's financial statements.

On July 12, 2016, the District issued the Refunding Revenue Bonds, Series 2016A to advance

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 4 – LONG-TERM LIABILITIES (Continued)

refund a portion of the outstanding Revenue Certificates of Participation, Series 2009A. The net proceeds of the Bonds were used to purchase securites and these securities were deposited in an irrevocable trust with an escrow agent. The 2009A Certificates were repaid on July 28, 2016. The advance refunding resulted in a difference of \$2,437,904 between the reacquisition price and the net carrying amount of the old debt. The difference, reported in the accompanying financial statements as deferred outflows of resources, is being charged as an addition to interest expense through the year 2024 using the straight-line method. The District completed the advance refunding to reduce its total debt service payments by \$1,961,087, which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$1,717,084.

On September 20, 2016, the District issued the Refunding Revenue Bonds, Series 2016C to advance refund all of the outstanding Refunding Revenue Certificates of Participation, Series 2008A. The net proceeds of the Bonds were used to purchase securities and these securities were deposited in an irrevocable trust with an escrow agent. The principal of the 2008A Certificates were repaid on October 26, 2016. The advance refunding resulted in a difference of \$1,568,046 between the reacquisition price and the net carrying amount of the old debt. The difference, reported in the accompanying financial statements as deferred outflows of resources, is being charged as an addition to interest expense through the year 2036 using the straight-line method. The District completed the advance refunding to refinance the variable rate debt at fixed interest rates to protect against future interest rate increases. Due to the variable interest on the 2008A Certificates, the economic gain or loss could not be computed.

At December 31, 2016 and 2015, the amounts held in escrow (including interest earned) for the payment of outstanding Bonds that are considered defeased were as follows:

| | 2016 | 2015 | |
|--|---|-----------------|--|
| Refunding Revenue Bonds, Series 2014A Refunding Revenue Bonds, Series 2012A Revenue Certificates of Participation, Series 2009A Adjustable Rate Revenue Certificates of Participation, Series 2008A | 2,998,800 2,998,800 20,252,403 681,441 | \$ 2,998,800 | |

E. Pledged Revenues

The District has pledged future water and wastewater system revenues, net of specified operating expenses, to repay its 2009A, 2010A and 2016B Certificates of Participation in the original amounts of \$132,285,000, \$14,755,000 and \$38,600,000, respectively, and to repay its 2012A, 2012B, 2014A, 2016A and 2016C Refunding Revenue Bonds in the original amounts of \$48,935,000, \$1,750,000, \$121,190,000, \$17,405,000 and \$85,195,000, 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 March 1, 2039. Annual principal and interest payments on the Certificates and Bonds are expected to be 75% or less of net revenues as required by the Bond indentures. The December 31, 2016 and 2015 principal and interest payments were 38% of net revenues each year. Total principal and interest remaining to be paid on the Certificates and Bonds were \$516,064,334 and \$528,870,117 at

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 4 – LONG-TERM LIABILITIES (Continued)

December 31, 2016 and 2015, respectively. Cash basis principal and interest paid on the Certificates and Bonds were \$14,462,313 and \$14,433,550 (including parity debt payments, but not including defeased amounts), and total water and wastewater system net revenues calculated in accordance with the covenants were \$39,614,600 and \$38,303,928 at December 31, 2016 and 2015, respectively.

NOTE 5 – NET POSITION

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

Net 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. The FERC license liability also reduces the net investment in capital 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 reported as restricted cash and cash equivalents and restricted investments, less certain unearned revenues included in restricted assets.

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

NOTE 6 – EMPLOYEE RETIREMENT PLAN

<u>Plan Description</u>: All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues a publicly available report that includes a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. One agent plan is used for all three of the District's rate plans. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect for the years ended December 31, are summarized as follows for each rate plan:

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 6 – EMPLOYEE RETIREMENT PLAN (Continued)

| | | 2016 | | | 2015 | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Miscellaneous | Miscellaneous | Miscellaneous | Miscellaneous | Miscellaneous | Miscellaneous |
| | Plan | Plan | Plan | Plan | Plan | Plan |
| | (Prior to | (Prior to | (On or after | (Prior to | (Prior to | (On or after |
| Hire Date | January 1, 2010) | January 1, 2013) | January 1, 2013) | January 1, 2010) | January 1, 2013) | January 1, 2013) |
| Benefit Formula (at Full Retirement) | 2.7% @ 55 | 2.0% @ 55 | 2.0% @ 62 | 2.7% @ 55 | 2.0% @ 55 | 2.0% @ 62 |
| Benefit Vesting Schedule | 5 years service |
| Benefit Payments | monthly for life |
| Retirement Age | 50 - 63 | 50 - 63 | 52 - 67 | 50 - 63 | 50 - 63 | 52 - 67 |
| Monthly Benefits, as a % of | | | | | | |
| Eligible Compensation | 2.0% to 2.7% | 1.426% to 2.418% | 1.0% to 2.5% | 2.0% to 2.7% | 1.426% to 2.418% | 1.0% to 2.5% |
| Required Employee Contribution Rates: | | | | | | |
| July 1 to December 31 | 8.000% | 7.000% | 6.250% | 8.000% | 7.000% | 6.250% |
| January 1 to June 30 | 8.000% | 7.000% | 6.250% | 8.000% | 7.000% | 6.250% |
| Required Employer Contribution Rates: | | | | | | |
| July 1 to December 31 | 29.443% | 29.443% | 29.443% | 27.110% | 27.110% | 27.110% |
| January 1 to June 30 | 27.110% | 27.110% | 27.110% | 26.120% | 26.120% | 26.120% |

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires the 2.0% at 62 benefit to be used by any new participants that were not members of CalPERS on January 1, 2013.

Employees Covered: At the June 30, 2016 and 2015 measurement dates, the measurement dates used for the December 31, 2016 and 2015 pension liabilities, the following employees were covered by the benefit terms for the Plan:

| | 2016 | 2015 |
|---|------|------|
| Inactive Employees or Beneficiares Currently Receiving Benefits | 261 | 250 |
| Inactive Employees Entitled to but not yet Receiving Benefits | 144 | 149 |
| Active Employees | 213 | 213 |
| Total | 618 | 612 |

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability: The District's net pension liability for the Plan is measured as the total pension liability, less the plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016 and 2015, using an annual actuarial valuation as of June 30, 2015 and 2014 rolled forward to June 30, 2016 and 2015, respectively. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions: The total pension liability at the June 30, 2016 and 2015 measurement dates was determined using the following actuarial assumptions:

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 6 – EMPLOYEE RETIREMENT PLAN (Continued)

| | 2016 | 2015 | | |
|----------------------------|------------------------------|------------------------------|--|--|
| Valuation Date | June 30, 2015 | June 30, 2014 | | |
| Measurement Date | June 30, 2016 | June 30, 2015 | | |
| Actuarial Cost Method | Entry-Age Normal Cost Method | Entry-Age Normal Cost Method | | |
| Actuarial Assumptions: | | | | |
| Discount Rate | 7.65% | 7.65% | | |
| Inflation | 2.75% | 2.75% | | |
| Payroll Growth | 3.0% | 3.0% | | |
| Projected Salary Increase | 3.2% - 12.2% (1) | 3.2% - 12.2% (1) | | |
| Investment Rate of Return | 7.65% (2) | 7.65% (2) | | |
| Mortality - Pre-retirement | 0.020% to 0.99% | 0.020% to 0.99% | | |

- (1) Depending on entry age and service
- (2) Including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 and 2014 valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

<u>Discount Rate</u>: The discount rate used to measure the total pension liability was 7.65% in the June 30, 2016 and 2015 valuations for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65% investment return assumption used at the June 30, 2016 and 2015 measurement date(s) was corrected to no longer be reduced for administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate resulted in a slightly higher Total Pension Liability and Net Pension Liability at the June 30, 2014 measurement date. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 6 – EMPLOYEE RETIREMENT PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class for the Plan as of the measurement dates of June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| | | 2016 | | 2015 | | | | |
|-------------------------------|---------------|-----------------|--------------|---------------|-----------------|--------------|--|--|
| | New Strategic | Real Return | Real Return | New Strategic | Real Return | Real Return | | |
| Asset Class | Allocation | Years 1 - 10(a) | Years 11+(b) | Allocation | Years 1 - 10(a) | Years 11+(b) | | |
| Global Equity | 51.0% | 5.25% | 5.71% | 51.0% | 5.25% | 5.71% | | |
| Global Fixed Income | 20.0% | 0.99% | 2.43% | 19.0% | 0.99% | 2.43% | | |
| Inflation Sensitive | 6.0% | 0.45% | 3.36% | 6.0% | 0.45% | 3.36% | | |
| Private Equity | 10.0% | 6.83% | 6.95% | 10.0% | 6.83% | 6.95% | | |
| Real Estate | 10.0% | 4.50% | 5.13% | 10.0% | 4.50% | 5.13% | | |
| Infrastructure and Forestland | 2.0% | 4.50% | 5.09% | 2.0% | 4.50% | 5.09% | | |
| Liquidity | 1.0% | (0.55)% | (1.05)% | 2.0% | (0.55)% | (1.05)% | | |
| Total | 100.0% | | | 100.0% | | | | |

⁽a) An expected inflation of 2.5% used for this period.

<u>Changes in the Net Pension Liability:</u> The changes in Net Pension Liability for the Plan for the years ended December 31 are as follows:

⁽b) An expected inflation of 3.0% used for this period.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 6 – EMPLOYEE RETIREMENT PLAN (Continued)

| | Increase (Decrease) | | | | |
|---|---------------------|----------------|-------------------|--|--|
| | Total Pension | Plan Fiduciary | Net Pension | | |
| | Liability | Net Position | Liability/(Asset) | | |
| Balance at December 31, 2014 | \$ 134,517,555 | \$ 88,877,406 | \$ 45,640,149 | | |
| Changes in the Year: | | | | | |
| Service Cost | 2,888,487 | | 2,888,487 | | |
| Interest on the Total Pension Liability | 10,043,296 | | 10,043,296 | | |
| Changes in Assumptions | (2,422,709) | | (2,422,709) | | |
| Differences Between Actual and | | | | | |
| Expected Experience | 942,590 | | 942,590 | | |
| Plan to Plan Resource Movement | | 122,751 | (122,751) | | |
| Changes in Benefit Terms | | | | | |
| Contribution - Employer | | 4,215,653 | (4,215,653) | | |
| Contribution - Employee | | 1,303,549 | (1,303,549) | | |
| Net Investment Income | | 1,992,726 | (1,992,726) | | |
| Benefit Payments, Including Refunds of | | | | | |
| Employee Contributions | (6,393,532) | (6,393,532) | | | |
| Administrative Expenses | | (101,222) | 101,222 | | |
| Net Changes During 2015 | 5,058,132 | 1,139,925 | 3,918,207 | | |
| Balance at December 31, 2015 | 139,575,687 | 90,017,331 | 49,558,356 | | |
| Changes in the Year: | | | | | |
| Service Cost | 2,878,951 | | 2,878,951 | | |
| Interest on the Total Pension Liability | 10,560,122 | | 10,560,122 | | |
| Differences Between Actual and | | | | | |
| Expected Experience | 396,099 | | 396,099 | | |
| Contribution - Employer | | 4,362,691 | (4,362,691) | | |
| Contribution - Employee | | 1,238,756 | (1,238,756) | | |
| Net Investment Income | | 493,362 | (493,362) | | |
| Benefit Payments, Including Refunds of | | | | | |
| Employee Contributions | (6,740,877) | (6,740,877) | | | |
| Administrative Expenses | | (54,861) | 54,861 | | |
| Net Changes During 2016 | 7,094,295 | (700,929) | 7,795,224 | | |
| Balance at December 31, 2016 | \$ 146,669,982 | \$ 89,316,402 | \$ 57,353,580 | | |

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u>: The following presents the net pension liability of the District for the Plan, calculated using the discount rate for the Plan, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 6 – EMPLOYEE RETIREMENT PLAN (Continued)

| | 2016 | 2015 |
|-----------------------|---------------|---------------|
| | Miscellaneous | Miscellaneous |
| | Plan | Plan |
| 1% Decrease | 6.65% | 6.65% |
| Net Pension Liability | \$ 76,451,476 | \$ 67,950,209 |
| Current Discount Rate | 7.65% | 7.65% |
| Net Pension Liability | \$ 57,353,580 | \$ 49,558,356 |
| 1% Increase | 8.65% | 8.65% |
| Net Pension Liability | \$ 41,498,488 | \$ 34,295,232 |

<u>Pension Plan Fiduciary Net Position:</u> Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

For the years ended December 31, 2016 and 2015, the District recognized pension expense of \$5,815,622 and \$3,883,269, respectively. At December 31, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

| | 20 | 16 | 2015 | | |
|---|--------------|--------------|--------------|----------------|--|
| | Deferred | Deferred | Deferred | Deferred | |
| | Outflows | Inflows | Outflows | Inflows | |
| | of Resources | of Resources | of Resources | of Resources | |
| Pension Contributions Subsequent to Measurement Date | \$ 2,572,039 | | \$ 2,335,257 | | |
| Differences Between Actual and Expected Experience | 625,790 | | 648,031 | | |
| Changes in Assumptions | | \$ (908,515) | | \$ (1,665,612) | |
| Net Differences Between Projected and Actual Earnings | 3 | | | | |
| on Plan Investments | 4,866,391 | | | (739,476) | |
| Total | \$ 8,064,220 | \$ (908,515) | \$ 2,983,288 | \$ (2,405,088) | |

The \$2,572,039 and \$2,335,257 reported as deferred outflows of resources related to contributions subsequent to the measurement dates of June 30, 2016 and 2015 will be recognized as a reduction of the net pension liability in the years ended December 31, 2017 and 2016, respectively. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows as of December 31:

| Year Ended | | |
|-------------|--------------|---------------|
| December 31 | 2016 | 2015 |
| 2016 | | \$(1,024,183) |
| 2017 | \$ 360,654 | (1,024,183) |
| 2018 | 730,689 | (654,148) |
| 2019 | 2,231,269 | 945,457 |
| 2020 | 1,261,054 | |
| | | |
| | \$ 4,583,666 | \$(1,757,057) |

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 6 – EMPLOYEE RETIREMENT PLAN (Continued)

<u>Payables to the Pension Plan:</u> At December 31, 2016 and 2015, the District reported payables of \$231,573 and \$216,533, respectively, for the outstanding amounts of required contributions to the Plan.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN

<u>Plan Description</u>: The District's other postemployment benefits (OPEB) healthcare plan (the Plan), an agent multiple-employer 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. To be 100% vested in the District's retiree medical benefits, an employee hired before January 1, 2010 must have a minimum of five years of service with the District and/or other CalPERS member agencies. To be 50% vested in the District's retiree medical benefits, an employee hired on or after January 1, 2010 must have a minimum of ten years of service, of which a minimum of five years must be service with the District. Thereafter, the percentage of vesting increases by 5% each additional year of service through year 20 at which point an employee will be 100% vested. 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 in 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. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

<u>Funding Policy</u>: 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 December 31, 2016 and 2015, the District contributed approximately \$1,398,946 and \$1,280,796, 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 the 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

| | 2016 | 2015 |
|---|-----------------|-----------------|
| Annual Required Contribution (ARC) | \$ 1,963,271 | \$ 1,963,271 |
| Interest on Net OPEB Obligation | 376,178 | 376,178 |
| Adjustment to Annual Required Contribution | (366,614) | (366,614) |
| Annual OPEB Cost (Expense) | 1,972,835 | 1,972,835 |
| Contributions Made | (1,398,946) | (1,280,796) |
| Increase (Decrease) in Obligation | 573,889 | 692,039 |
| Net OPEB Obligation (Asset) - Beginning of Year | 6,066,007 | 5,373,968 |
| Net OPEB Obligation (Asset) - End of Year | \$ 6,639,896 | \$ 6,066,007 |

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

| | | | Percentage of | | |
|-------------------|------|-----------|-----------------|-----------|------------|
| Fiscal Year | Ann | ual OPEB | Annual OPEB | | Net OPEB |
| Ending | | Cost | Cost Contribute | 1 | Obligation |
| December 31, 2014 | \$ 2 | 2,185,342 | 50.29% | - 6 \$ | 5,373,968 |
| December 31, 2015 | | 1,972,835 | 64.92% | 6 | 6,066,007 |
| December 31, 2016 | | 1,972,835 | 70.91% | 6 | 6,639,896 |

<u>Funded Status and Funding Progress</u>: The funded status of the Plan for the two most recent years as of the July 1, 2015 and 2013 valuations, the Plan's most recent valuation dates, was as follows:

| | July 1, 2015 | July 1, 2013 |
|--|---|---|
| Actuarial Accrued Liability (AAL) Actuarial Value of Plan Assets | \$ 27,530,655 7,730,216 | \$ 22,454,000 6,600,000 |
| Unfunded Actuarial Accrued Liability (UAAL) Funded Ratio (Actuarial Value of Plan Assets/AAL) Covered Payroll (Active Plan Participants) | \$ 19,800,439 28.1% \$ 16,424,000 | \$\frac{\$ 15,854,000}{29.4\%}\$\$ 16,278,000 |
| UAAL as a Percentage of Covered Payroll | 120.6% | 97.4% |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

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, 2015 and 2013 actuarial valuations, the entry age normal and projected unit credit actuarial cost methods were used, respectively. The actuarial valuations used the rates of mortality, disability and other withdrawals used by CalPERS in the valuation of the District's pension plan. The July 1, 2015 and 2013 actuarial assumptions included a 7.0 and 7.5 percent investment rate of return, a 2.75 percent rate of inflation, 4.0 and 5.5 percent healthcare premium increases and a 2.75 and 3.00 percent increase in payroll, respectively. The July 1, 2015 valuation used a 5-year smoothing formula with a 20% corridor around market value. The UAAL is being amortized over a closed 30-year period. The remaining amortization period at July 1, 2015 and 2013 was 23 and 25 years, respectively.

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:

| | | | Deductibles |
|---|-------|----------------|----------------------|
| Type of Claim | Cov | erage Limits | (Per Occurrence) |
| General District and Hydroelectric Project 184: | | | |
| General Liability | \$ | 3,000,000 | \$ 10,000 |
| Property - Excluding Hydroelectric Project 184 | | 109,321,491 | 5,000 |
| Crime, Fraud, Forgery and Employee Theft | 5 | 5,000-250,000 | 1,000 |
| Public Officials and Management Liability | | 3,000,000 | 10,000 |
| Cyber Liability | 25,00 | 0-1,000,000 | 5,000 |
| Commercial Automobile | | 1,000,000 | 1,000 |
| Excess - Umbrella Liability | | 10,000,000 | None |
| Workers' Compensation | S | tatutory Limit | None |
| Hydroelectric Project 184: | | - | |
| Property (Declared Value - \$95,876,116) | | 95,876,116 | 10,000 to 1,000,000 |
| Business Interruption | | 7,249,289 | None |
| Boiler and Machinery Equipment | | 50,000,000 | 10,000 to 1,000,000 |

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

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 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, 2016 and 2015, the entire claims liability is reported as a current liability on the balance sheet. Changes in the District's claims liability amount in 2016 and 2015 were as follows:

| Reserve for Claims and Claims Expenses as of December 31, 2014 | \$ 833,000 |
|--|----------------------|
| Current Year Incurred Claims and Changes in Estimates Net (Payments) Recoveries | 479,277 (479,277) |
| Reserve for Claims and Claims Expenses as of December 31, 2015 | 833,000 |
| Current Year Incurred Claims and Changes in Estimates Net (Payments) Recoveries | 355,080 (355,080) |
| Reserve for Claims and Claims Expenses as of December 31, 2016 | \$ 833,000 |

NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES

A. Capital Project Commitments

The District had the following capital project commitments outstanding as of December 31, 2016:

| Tank 7 In-Conduit Hydro | \$ 1,896,111 |
|-------------------------------------|-----------------|
| Esmeralda Tunnel | 1,156,067 |
| Reservoir 3 Tank Recoating | 1,094,924 |
| Waterford 7 Lift Station Upgrade | 911,192 |
| Reservoir A Chemical Feed | 488,485 |
| Penstock Assessment | 327,553 |
| Sly Park Reservoir Intake | 295,851 |
| Main Ditch - Forebay to Reservoir 1 | 278,375 |
| Sly Park Intertie Improvements | 277,173 |
| Bridge Replacement Camp 2 | 208,390 |
| Total | \$ 6,934,121 |

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016 and 2015

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 for the potential development of the Texas Hill Reservoir. A contingent payment of \$3,378,360, consisting of \$1,533,000 in principal and \$1,845,360 of interest imputed at 5%, would be due if and when the District obtains construction financing for and commences construction of the Texas Hill Reservoir.

In March 2013, the District approved the Integrated Water Resources Master Plan that no longer includes this project in the District's future capital plans. As a result, the \$1,533,000 liability and related land was removed from the balance sheet in 2013. It is at least reasonably possible the project could be added back to the District's capital plan in the future and this liability could potentially need to be paid. Also, 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 would be restricted 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 would be due to the County.

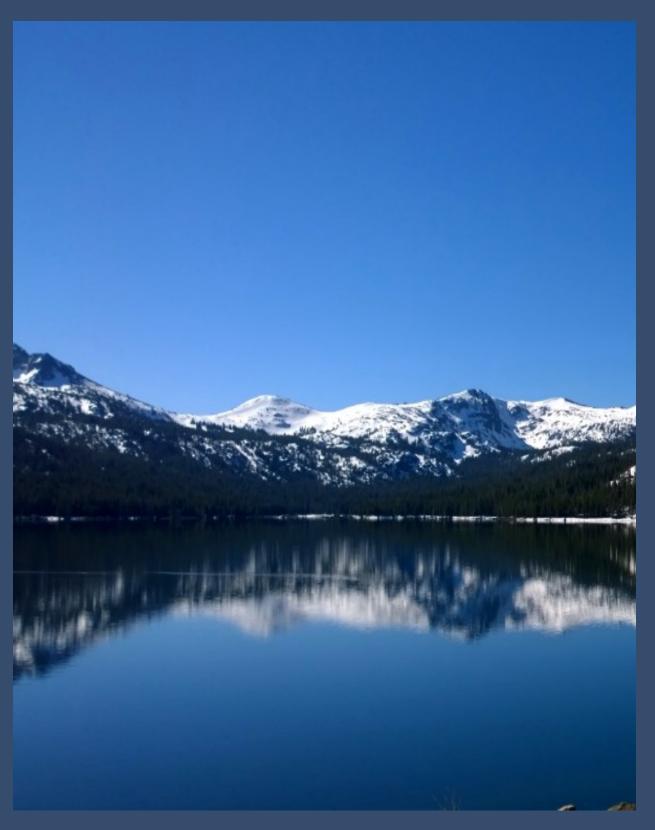
NOTE 10 – SUBSEQUENT EVENT

During January and February of 2017, the District, like other entities throughout California, was affected by severe winter storms, flooding and mudslides. Because of these storms the District incurred an estimated \$21 million in damages to its Project 184 water delivery system (flumes, canals and bench system), slide damages around water transmission mains, severe erosion to various roads owned or maintained by the District, pumping of excessive flows within the sewer collection system to avoid sanitary sewer overflows (SSOs) and emergency sewer line repairs and replacement.

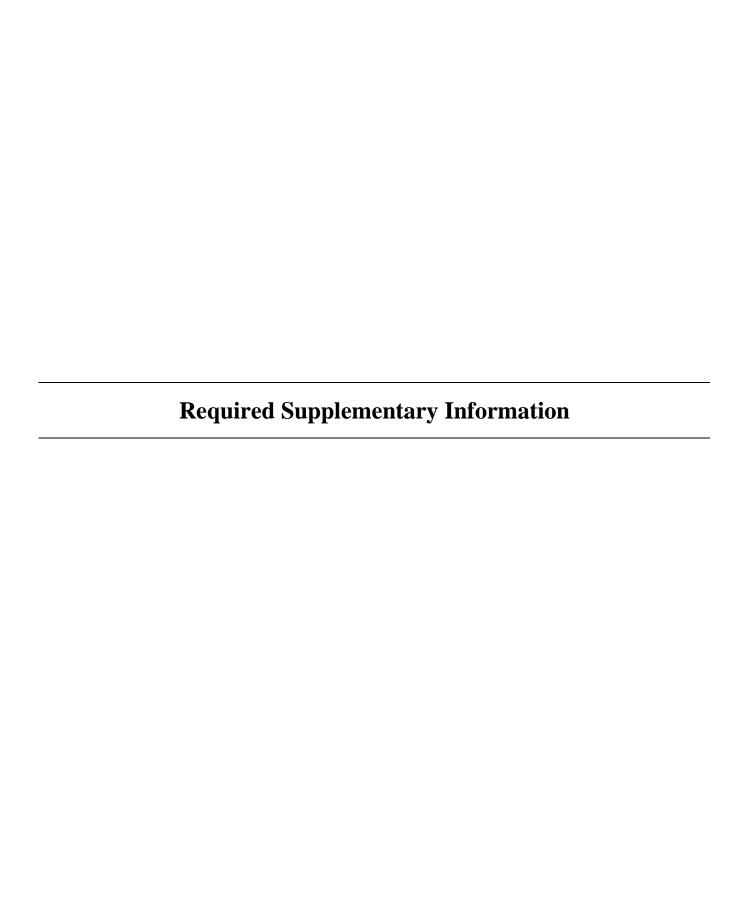
The federal government declared disaster emergencies in California for three different storm periods. These declarations allow the District to apply for assistance from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES) to help pay for the damages. Additionally, the District, as shown in Note 8, maintains insurance coverage for property damage and business income interruption. The insurance policy carries a \$50 million limit of liability with sub-limits of \$10 million for damage caused by earth movement and flood and deductibles of up to \$1 million. As of the date of this writing, the District has submitted a claim under its policy and the policy carrier is actively adjusting the claim. The carrier has made no final determination regarding coverage, but has indicated, based on its preliminary investigation, that generally, the District's loss is covered under the policy. On March 29, 2017, the District received an initial payment of \$1 million from its carrier. The District will seek FEMA and CalOES assistance for costs not covered by insurance payments. Expenditures not recoverable through insurance or the emergency agencies will be funded from District reserves.

Although Project 184 was impacted preventing water deliveries to the District's Reservoir 1 water treatment plant and to its El Dorado Power House, expedited emergency repairs are underway to restore water deliveries by June 1, 2017, to meet the consumptive water demands in the eastern part of the District which typically begin to increase in June and are unable to be met without the Reservoir 1 treatment plant in operation. With the restoration of water deliveries via Project 184 by June 1, 2017, the District estimates that water and power revenues will not be significantly different, for calendar year 2017, from original forecasted numbers.





REQUIRED
SUPPLEMENTARY
INFORMATION



For the Years Ended December 31, 2016 and 2015

Last 10 Years

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

| | 2016 | 2015 | 2014 |
|--|---------------|---------------|---------------|
| Total Pension Liability | | | |
| Service Cost | \$ 2,878,951 | \$ 2,888,487 | \$ 3,045,056 |
| Interest on Total Pension Liability | 10,560,122 | 10,043,296 | 9,474,913 |
| Changes in Assumptions | | (2,422,709) | |
| Differences Between Actual and Expected Experience | 396,099 | 942,590 | |
| Benefit Payments, Including Refunds of Employee Contributions | (6,740,877) | (6,393,532) | (5,624,104) |
| Net Change in Total Pension Liability | 7,094,295 | 5,058,132 | 6,895,865 |
| Total Pension Liability - Beginning | 139,575,687 | 134,517,555 | 127,621,690 |
| Total Pension Liability - Ending (a) | \$146,669,982 | \$139,575,687 | \$134,517,555 |
| Plan Fiduciary Net Position | | | |
| Contributions - Employer | \$ 4,362,691 | \$ 4,215,653 | \$ 4,192,549 |
| Contributions - Employee | 1,238,756 | 1,303,549 | 1,302,577 |
| Net Investment Income | 493,362 | 1,992,726 | 13,171,005 |
| Benefit Payments | (6,740,877) | (6,393,532) | (5,624,104) |
| Plan to Plan Resource Movement | | 122,751 | |
| Administrative Expenses | (54,861) | (101,222) | |
| Net Change in Plan Fiduciary Net Position | (700,929) | 1,139,925 | 13,042,027 |
| Plan Fiduciary Net Position - Beginning | 90,017,331 | 88,877,406 | 75,835,379 |
| Plan Fiduciary Net Position - Ending (b) | \$ 89,316,402 | \$ 90,017,331 | \$ 88,877,406 |
| Net Pension Liability - Ending (a) - (b) | \$ 57,353,580 | \$ 49,558,356 | \$ 45,640,149 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 60.90% | 64.49% | 66.07% |
| Covered - Employee Payroll - Plan Measurement Period | \$ 16,650,960 | \$ 16,423,990 | \$ 16,545,625 |
| Net Pension Liability as a Percentage of Covered Payroll | 344.45% | 301.74% | 275.84% |
| Notes to Schedule: | | | |
| Valuation Date: | June 30, 2015 | June 30, 2014 | June 30, 2013 |
| Measurement Date: | June 30, 2016 | June 30, 2015 | June 30, 2014 |

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after valuation dates. This applies for voluntary benefit changes as well as any offers of Two Years of Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2016 there were no changes in assumptions. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on a 7.5 percent discount rate, which was net of administrative

Omitted Years: GASB Statement No. 68 was implemented during the year ended December 31, 2014. No information was available prior to this date.

For the Years Ended December 31, 2016 and 2015

Last 10 Years

SCHEDULE OF CONTRIBUTIONS - PENSION PLAN

| | | 2016 | 2015 | 2014 |
|---|---|---|---|-------------------------------------|
| Contractually Required Contribution (Actuarially Determine Contributions in Relation to the Actuarially Determine Contribution Deficiency (Excess) | | \$ 4,597,903 (4,597,903) \$ - | \$ 4,459,329 (4,459,329) \$ - | \$ 4,175,916 (4,175,916) \$ - |
| Covered - Employee Payroll - District's Calendar Year | | \$ 16,299,704 | \$ 16,741,822 | \$ 16,165,740 |
| Contributions as a Percentage of Covered - Employee | Payroll | 28.21% | 26.64% | 25.83% |
| Notes to Schedule: Valuation Date: Measurement Date: | | June 30, 2015 June 30, 2016 | June 30, 2014 June 30, 2015 | June 30, 2013 June 30, 2014 |
| Methods and Assumptions Used to Determine Contrib Actuarial Cost Method Amortization Method Average Remaining Amortization Period Asset Valuation Method Inflation Salary Increases Payroll Growth Investment Rate of Return | Entry Age Norm Level Percentage 20 Years (2016), Market Value (20 2.75% 3.20% to 12.20 Depending on Er 3.00% | e of Payroll 21 Years (2015), 016), 15-year Smo % (2016 and 20 htry Age and Serv 1 2015) and 7.50% | oothed Market (20 015), 3.30% to ice. | 14.20% (2014) |
| Retirement Age Mortality | 50 to 67 years. CalPERS Experie | Probabilities of R ence Study for the CalPERS Experie | Period 1997 to 2 | 007. |

Omitted Years: GASB Statement No. 68 was implemented during the year ended December 31, 2014. No information was available prior to this date.

REQUIRED SUPPLEMENTARY INFORMATION

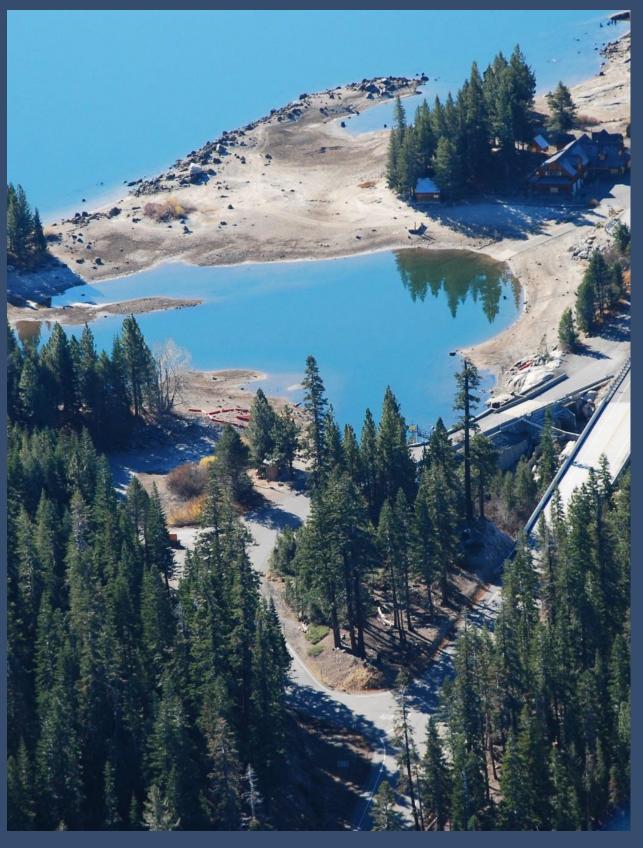
For the Years Ended December 31, 2016 and 2015

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

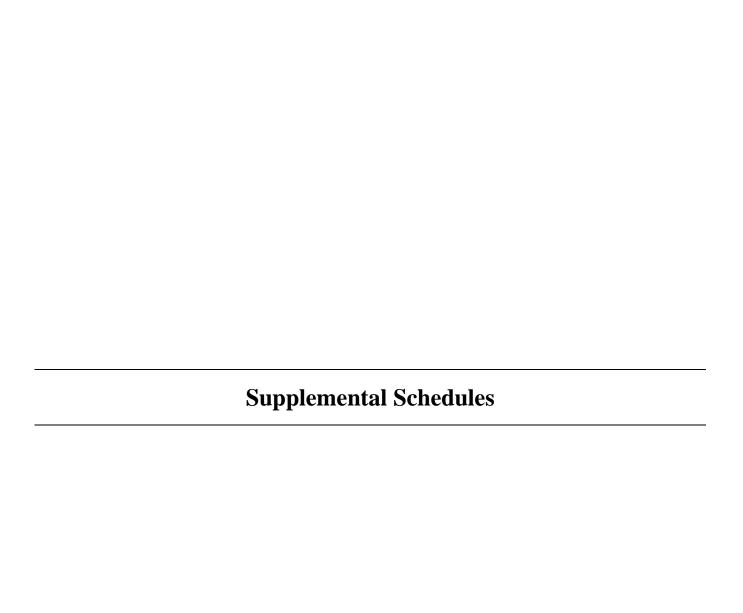
| | | Actuarial | | | | | | | U | AAL as a | | |
|----------------|-----------------|------------------|----|-------------|-------|-------|----|-----------------|-----------|-------------|--|--|
| | Actuarial | Accrued | | | | | | | Per | rcentage of | | |
| | Value of | Liability | Uı | nfunded AAL | Fui | nded | | | (| Covered | | |
| Actuarial | Assets | (AAL) | | (UAAL) | | Ratio | | Covered Payroll | | Payroll | | |
| Valuation Date | (a) | (b) | | (b-a) | (a/b) | | | (c) | ((b-a)/c) | | | |
| | | | | | | | | | | | | |
| July 1, 2012 | | \$ 22,225,000 | \$ | 22,225,000 | 0. | 0% | \$ | 17,296,000 | | 128.5% | | |
| July 1, 2013 | \$ 6,600,000 | 22,454,000 | | 15,854,000 | 29 | .4% | | 16,278,000 | | 97.4% | | |
| July 1, 2015 | 7,730,216 | 27,530,655 | | 19,800,439 | 28 | .1% | | 16,424,000 | | 120.6% | | |







SUPPLEMENTAL SCHEDULES



COMBINING BALANCE SHEET

December 31, 2016

| | | Capital | Debt | El Dorado Irrigation Distric Financing | | | |
|--|---|---------------|----------------------------|--|----------------------------------|---|---|
| ASSETS AND DEFERRED OUTFLOWS | Operating | Improvement | Service | Corporation | Recreation | Hydroelectric | Total |
| CURRENT ASSETS Cash and Cash Equivalents Accounts Receivable, Net | \$ 4,677,837 5,456,350 | \$ 25,598,449 | \$ 52,102 151,059 | \$ 198,097 | \$ 897,648 | \$ 7,664,493 32,006 | \$ 39,088,626 5,639,415 |
| Due from Other Governmental Agencies Interest Receivable Taxes Receivable Inventory Prepaid Expenses and Other Current Assets | 11,841 107,353 11,043,947 447,582 410,330 | | 67,868 498,263 | | | 15,074 | 11,841 190,295 11,542,210 447,582 410,330 |
| Total Current Assets | 22,155,240 | 25,598,449 | 769,292 | 198,097 | 897,648 | 7,711,573 | 57,330,299 |
| NONCURRENT ASSETS Restricted and Other Noncurrent Assets: Restricted Cash and Cash Equivalents Investments Hydroelectric Deposit | 30,585,738 12,225,596 | | 42,471,072 | | | 4,000,000 | 73,056,810 12,225,596 4,000,000 |
| Total Restricted and Other Noncurrent Assets Capital Assets: | 42,811,334 | | 42,471,072 | | | 4,000,000 | 89,282,406 |
| Nondepreciable Depreciable, Net Capital Assets, Net | 11,334,644 546,630,668 557,965,312 | 20,800,673 | | | 22,671 4,953,740 4,976,411 | 10,222,932 98,392,797 108,615,729 | 42,380,920 649,977,205 692,358,125 |
| Total Noncurrent Assets | 600,776,646 | 20,800,673 | 42,471,072 | | 4,976,411 | 112,615,729 | 781,640,531 |
| TOTAL ASSETS | 622,931,886 | 46,399,122 | 43,240,364 | 198,097 | 5,874,059 | 120,327,302 | 838,970,830 |
| DEFERRED OUTFLOWS Deferred Amount on Refunding of Debt Pensions | 8,064,220 | | 7,448,230 | | | | 7,448,230 8,064,220 |
| TOTAL DEFERRED OUTFLOWS | 8,064,220 | | 7,448,230 | | | | 15,512,450 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 630,996,106 | \$ 46,399,122 | \$ 50,688,594 | \$ 198,097 | \$ 5,874,059 | \$ 120,327,302 | \$ 854,483,280 |
| LIABILITIES, DEFERRED INFLOWS AND NET PO | SITION | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| Accounts Payable | \$ 3,065,294 | | | | \$ 112 | | \$ 3,065,406 |
| Deposits Accrued Compensated Absences Accrued Payroll and Benefits Payable Unearned Revenue Accrued Interest Payable | 290,359 1,245,021 771,494 655,512 | | \$ 4,919,857 | | 800 34,864 10,100 | \$ 1,085 140,859 33,068 | 292,244 1,420,744 814,662 655,512 4,919,857 |
| Reserve for Claims and Claims Expenses Noncurrent Liabilities - Current Portior FERC License Liability - Current Portior | 833,000 | | 7,655,214 | | | 1,934,020 | 833,000 7,655,214 1,934,020 |
| Total Current Liabilities | 6,860,680 | | 12,575,071 | | 45,876 | 2,109,032 | 21,590,659 |
| NONCURRENT LIABILITIES Noncurrent Liabilities FERC License Liability - Noncurrent Portion | 6,639,896 | | 374,611,976 | | | 19,905,618 | 381,251,872 19,905,618 |
| Net Pension Liability Total Noncurrent Liabilities | 57,353,580 63,993,476 | | 374,611,976 | · · | | 19,905,618 | 458,511,070 |
| TOTAL LIABILITIES | 70,854,156 | | 387,187,047 | | 45,876 | 22,014,650 | 480,101,729 |
| DEFERRED INFLOWS | | | | | | | |
| Deferred Property Taxes Pensions | 5,649,528 908,515 | | 249,132 | | | | 5,898,660 908,515 |
| TOTAL DEFERRED INFLOWS | 6,558,043 | | 249,132 | · | | | 6,807,175 |
| NET POSITION Net Investment in Capital Assets Restricted for New Facilities Restricted for Debt Service | 557,965,312 29,932,227 | \$ 20,800,673 | (336,781,535) 4,433,653 | | 4,976,411 | 86,776,091 | 333,736,952 29,932,227 4,433,653 |
| Unrestricted | (34,313,632) | 25,598,449 | (4,399,703) | \$ 198,097 | 851,772 | 11,536,561 | (528,456) |
| TOTAL NET POSITION (DEFICIT) | 553,583,907 | 46,399,122 | (336,747,585) | 198,097 | 5,828,183 | 98,312,652 | 367,574,376 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION | \$ 630,996,106 | \$ 46,399,122 | \$ 50,688,594 | \$ 198,097 | \$ 5,874,059 | \$ 120,327,302 | \$ 854,483,280 |

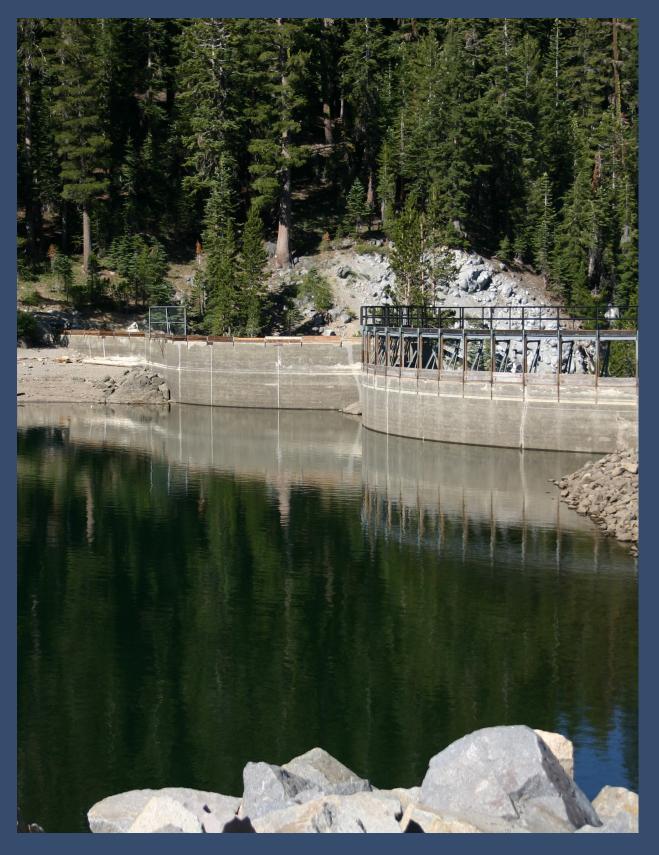
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended December 31, 2016

El Dorado Irrigation District

| | Оре | rating | Capital Improvement | Debt Service | Financing Corporation | R | ecreation | Н | lydroelectric | | Total |
|--|---------|----------|------------------------|------------------|-----------------------|----|-----------|----|---------------|------|-------------------------|
| OPERATING REVENUES | | | | | | | | | | | |
| Water Sales | | 705,644 | | | | | | | | \$ | 27,705,644 |
| Water Services | | 228,007 | | | | | | | | | 1,228,007 |
| Reclaimed Water Reimbursements/Sales | | 905,962 | | | | | | | | | 1,905,962 |
| Wastewater Sales | 19, | 504,473 | | | | | | | | | 19,504,473 |
| Wastewater Services Recreation Fees | | 63,169 | | | | \$ | 1,532,912 | | | | 63,169 |
| | | | | | | Э | 1,332,912 | \$ | 6,296,331 | | 1,532,912 |
| Hydroelectric Sales Total Operating Revenues | 50 | 107,255 | - | | | | 1,532,912 | Ф | 6,296,331 | | 6,296,331 58,236,498 |
| Total Operating Revenues | 30,2 | +07,233 | | | | | 1,332,912 | | 0,290,331 | | 36,230,496 |
| OPERATING EXPENSES | | | | | | | | | | | |
| Personnel Expenses | 25,0 | 560,174 | | | | | 714,684 | | 2,500,598 | | 28,875,456 |
| Operating Supplies | 3,4 | 465,151 | | | | | 92,658 | | 374,417 | | 3,932,226 |
| Chemicals | 1 | 748,650 | | | | | | | | | 748,650 |
| Administration | | 308,212 | | | | | 41,780 | | 188,722 | | 3,538,714 |
| Utilities | | 411,485 | | | | | 123,447 | | 98,815 | | 4,633,747 |
| Professional Services | | 904,009 | | \$ 8,051 | | | 378,067 | | 269,384 | | 3,559,511 |
| Repair Services | | 081,356 | | | | | 7,423 | | 318,381 | | 1,407,160 |
| Insurance | | 501,319 | | | | | | | 194,233 | | 695,552 |
| Depreciation and Amortization | | 527,513 | | | | | 273,356 | | 2,362,916 | | 23,163,785 |
| Total Operating Expenses | 62,6 | 607,869 | | 8,051 | | | 1,631,415 | | 6,307,466 | _ | 70,554,801 |
| NET INCOME (LOSS) FROM OPERATIONS | (12,2 | 200,614) | | (8,051) | | | (98,503) | | (11,135) | | (12,318,303) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | | | | |
| Surcharges | 9 | 994,506 | | 1,417,526 | | | | | | | 2,412,032 |
| Voter-approved Taxes | | | | 499,426 | | | | | | | 499,426 |
| Property Taxes | 11,2 | 233,975 | | | | | | | | | 11,233,975 |
| Interest Income | (| 507,125 | | 191,608 | | | 57 | | 15,074 | | 813,864 |
| Other Income | 2,5 | 536,675 | | 2,580 | | | 4,637 | | 8,800 | | 2,552,692 |
| Other Expenses | | | \$ (667,376) | (704,955) | | | | | | | (1,372,331) |
| Debt Issuance Costs | | | | (1,180,745) | | | | | | | (1,180,745) |
| Interest Expense | | | | (11,767,034) | | | | | | | (11,767,034) |
| Total Nonoperating Revenues (Expenses) | 15,3 | 372,281 | (667,376) | (11,541,594) | | | 4,694 | _ | 23,874 | _ | 3,191,879 |
| NET LOSS BEFORE CAPITAL | | | | | | | | | | | |
| CONTRIBUTIONS | 3, | 171,667 | (667,376) | (11,549,645) | | | (93,809) | | 12,739 | | (9,126,424) |
| CAPITAL CONTRIBUTIONS AND TRANSFERS | c | | | | | | | | | | |
| Facility Capacity Charges | | 116,595 | | | | | | | | | 12,416,595 |
| Developer Contributions | |)78,375 | 293,583 | | | | | | | | 12,410,393 |
| Transfers Out | | 578,992) | (11,936,978) | (149,368,978) | | | | | (973,579) | C | 200,958,527) |
| Transfers In | | 107,584 | 15,083,244 | 159,631,254 | | | | | 1,836,445 | | 200,958,527) |
| Total Capital Contributions | | 223,562 | 3,439,849 | 10,262,276 | | | | | 862,866 | | 24,788,553 |
| Total Capital Contitoutions | 10,2 | 223,302 | 3,437,049 | 10,202,270 | | | | | 002,000 | _ | 47,700,333 |
| CHANGE IN NET POSITION | 13,3 | 395,229 | 2,772,473 | (1,287,369) | | | (93,809) | _ | 875,605 | _ | 15,662,129 |
| NET POSITION, BEGINNING OF YEAR | 540, | 188,678 | 43,626,649 | (335,460,216) | \$ 198,097 | | 5,921,992 | | 97,437,047 | | 351,912,247 |
| NET POSITION, END OF YEAR | \$ 553, | 583,907 | \$ 46,399,122 | \$ (336,747,585) | \$ 198,097 | \$ | 5,828,183 | \$ | 98,312,652 | \$: | 367,574,376 |





STATISTICAL SECTION

| Statistical Section |
|---------------------|
| |
| |
| |
| |

INDEX TO STATISTICAL SECTION

December 31, 2016

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 73-79

These schedules contain financial trend information for assessing the District's financial performance and well-being over time.

Revenue Capacity 81-99

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 101-103

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

105-108

These schedules provide information on the demographic and economic environment in which the District conducts business.

Operating Information 109-116

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.

| Financial Trends | |
|------------------|--|
| | |
| | |
| | |

Table #1

Net Position^[2] by Component Last Ten Years (in dollars)

Year

| | | | | | 10 | aı | | | | |
|----------------------------------|---------------|---------------|---------------|---------------------|---------------|---------------------|---------------|---------------|---------------|---------------|
| | 2016 | 2015 | $2014^{[3]}$ | 2013 ^[3] | $2012^{[1]}$ | 2011 ^[1] | 2010 | 2009 | 2008 | 2007 |
| Net Investment in Capital Assets | \$333,736,952 | \$324,250,149 | \$315,736,927 | \$303,832,235 | \$297,207,090 | \$296,278,742 | \$296,835,538 | \$288,332,538 | \$364,373,560 | \$317,753,150 |
| Restricted for: | | | | | | | | | | |
| New Facilities | 29,932,227 | 13,719,882 | 1,495,929 | 896,777 | - | 285,336 | 9,800,219 | 29,413,607 | 36,619,698 | 65,688,381 |
| Debt Service | 4,433,653 | 13,596,817 | 13,436,279 | 20,153,611 | 20,024,282 | 19,797,900 | 12,792,796 | 11,119,734 | 10,932,328 | 10,932,328 |
| Unrestricted | (528,456) | 345,399 | 7,317,375 | 8,268,546 | 61,105,537 | 68,121,159 | 75,574,339 | 77,670,289 | 5,585,998 | 20,618,416 |
| | | | | | | | | | | |
| Total Net Position | \$367,574,376 | \$351,912,247 | \$337,986,510 | \$333,151,169 | \$378,336,909 | \$384,483,137 | \$395,002,892 | \$406,536,168 | \$417,511,584 | \$414,992,275 |

^[1] Balances shown for 2011 and 2012 were restated to reflect the implementation of GASB Statement No. 65. Information needed to restate years prior to 2011 was not readily available, so years prior to 2011 were not restated to reflect the implementation of GASB Statement No. 65.

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

^[3] Balances shown for 2013 and 2014 were restated to reflect the implementation of GASB 68. Information needed to restate years prior to 2013 was not readily available, so years prior to 2013 were not restated to reflect the implementation of GASB Statement No. 68.

Table #2

Change in Net Position Last Ten Years (in dollars)

| | Year | | | | | | | | | |
|--|--------------|--------------|--------------|-------------------------|---------------|---------------|----------------|----------------------|-------------------|--------------|
| | 2016 | 2015 | 2014[4] | 2013 ^[4] | $2012^{[3]}$ | $2011^{[3]}$ | 2010 | 2009 | 2008 | 2007 |
| Water Sales | \$27,705,644 | \$25,344,067 | \$26,170,261 | \$29,284,316 | \$24,091,130 | \$19,993,675 | \$17,553,889 | \$17,403,450 | \$18,008,367 | \$17,679,512 |
| Water Services | 1,228,007 | 1,127,115 | 977,583 | 1,100,849 | 367,528 | 2,325,803 | 1,741,830 | 755,971 | 993,358 | 1,236,112 |
| Water Transfer Sales | - | 1,849,860 | - | - | - | - | - | - | - | - |
| Reclaimed Water Reimb / Sales | 1,905,962 | 1,606,491 | 1,568,582 | 1,860,147 | 1,546,911 | 1,035,285 | 733,798 | 799,298 | 882,917 | 1,253,802 |
| Wastewater Sales | 19,504,473 | 19,836,033 | 19,715,764 | 19,309,506 | 18,226,984 | 19,432,294 | 17,271,272 | 15,329,043 | 15,270,725 | 14,518,927 |
| Wastewater Services | 63,169 | 75,214 | 74,421 | 74,959 | 76,857 | 72,811 | 53,574 | 47,466 | 9,720 | 25,810 |
| Recreation Fees | 1,532,912 | 1,349,431 | 1,301,719 | 1,266,333 | 1,147,811 | 1,061,795 | 1,062,062 | 954,321 | 941,681 | 746,517 |
| Hydroelectric Sales | 6,296,331 | 4,159,925 | 5,205,980 | 7,878,903 | 6,777,760 | 11,631,272 | 7,872,825 | 2,918,005 | 4,840,431 | 4,321,950 |
| Total Operating Revenues | 58,236,498 | 55,348,136 | 55,014,310 | 60,775,013 | 52,234,981 | 55,552,935 | 46,289,250 | 38,207,554 | 40,947,199 | 39,782,630 |
| Surcharges | 2,412,032 | 2,447,917 | 2,270,694 | 2,295,145 | 2,222,984 | 2,235,904 | 2,175,472 | 2,482,508 | 2,499,894 | 1,869,986 |
| Voter-approved Taxes | 499,426 | 512,022 | 512,896 | 477,766 | 442,743 | 505,570 | 449,169 | 499,757 | 588,363 | 604,711 |
| Property Taxes | 11,233,975 | 10,715,130 | 10,026,368 | 9,231,002 | 9,321,157 | 9,480,947 | 9,537,801 | 10,138,728 | 10,797,871 | 11,550,648 |
| Interest Income | 813,864 | 331,316 | 498,756 | 410,084 | 735,930 | 701,941 | 865,697 | 1,938,295 | 1,942,787 | 5,180,271 |
| Other Income | 2,552,692 | 1,867,757 | 1,528,538 | 1,028,939 | 1,826,466 | 1,807,085 | 1,362,001 | 1,616,491 | 2,352,937 | 1,280,428 |
| Flood Damage Reimbursements | | - | - | - | | - | 700,477 | - | 424,013 | 6,736,775 |
| Total Nonoperating Revenues | 17,511,989 | 15,874,142 | 14,837,252 | 13,442,936 | 14,549,280 | 14,731,447 | 15,090,617 | 16,675,779 | 18,605,865 | 27,222,819 |
| Total Revenues | 75,748,487 | 71,222,278 | 69,851,562 | 74,217,949 | 66,784,261 | 70,284,382 | 61,379,867 | 54,883,333 | 59,553,064 | 67,005,449 |
| Personnel Expenses | 28,875,456 | 26,296,791 | 26,928,489 | 26,892,273 | 26,600,446 | 25,571,376 | 26,140,768 | | | |
| Operating Supplies | 3,932,226 | 3,853,426 | 3,986,142 | 3,578,116 | 3,354,100 | 3,232,251 | 3,028,722 | | | |
| Chemicals | 748,650 | 732,046 | 849,371 | 963,165 | 891,785 | 838,018 | 1,075,182 | | | |
| Administration | 3,538,714 | 3,200,110 | 3,173,634 | 3,127,343 | 2,766,758 | 2,380,645 | 2,490,239 | | | |
| Utilities | 4,633,747 | 4,524,982 | 3,937,344 | 3,969,310 | 4,096,451 | 3,845,261 | 3,918,221 | | | |
| Pofessional Services | 3,559,511 | 3,658,961 | 3,551,502 | 3,283,652 | 2,750,275 | 3,255,915 | 2,301,952 | | | |
| Repair Services | 1,407,160 | 1,045,184 | 1,169,578 | 849,482 | 602,972 | 674,878 | 595,264 | | | |
| Insurance | 695,552 | 667,551 | 454,941 | 457,679 | 460,298 | 721,769 | 889,566 | | | |
| Depreciation and Amortization | 23,163,785 | 22,149,711 | 21,751,796 | 21,419,843 | 21,373,276 | 20,444,406 | 18,106,183 | | | |
| Bad Debt | - | - | - | - | - | - | 13,033 | | | |
| Office of the General Manager ^[1] | | | | | | | | 4,769,987 | 7,043,046 | 5,067,396 |
| Communications | | | | | | | | 561,468 | 4,024,697 | 3,828,204 |
| Natural Resources | | | | | | | | 3,891,728 | - | - |
| Human Resources | | | | | | | | 2,215,002 | - | - |
| Information Technology | | | | | | | | 2,511,958 | - | - |
| Engineering | | | | | | | | 934,312 | - | - |
| Water Operations | | | | | | | | 9,457,872 | - | - |
| Wastewater Operations | | | | | | | | 9,348,275 | - | - |
| Recycled Water Operations | | | | | | | | 577,220 3,363,285 | - | - |
| Hydroelectric Operations Water Policy | | | | | | | | 3,303,263 | 3,363,705 | 3,134,540 |
| Finance | | | | | | | | 6,574,235 | 7,716,723 | 6,620,751 |
| Facilities Management ^[2] | | | | | | | | 0,574,235 | 22,477,030 | 22,980,237 |
| Recreation | | | | | | | | _ | 1,706,536 | 1,561,225 |
| Developer Reimbursed Expenses | | | | | | | | _ | 1,700,550 | 750,589 |
| Depreciation and Amortization | | | | | | | | 15,640,615 | 17,121,236 | 13,126,446 |
| Total Operating Expenses | 70,554,801 | 66,128,762 | 65,802,797 | 64,540,863 | 62,896,361 | 60,964,519 | 58,546,097 | 59,845,957 | 63,452,973 | 57,069,388 |
| Other Expenses | 1,372,331 | 1,397,212 | 1,548,628 | 1,362,888 | 1,178,860 | 991,094 | | | | 333,710 |
| Debt Issuance Costs | 1,180,745 | 1,397,212 | 1,337,587 | 1,302,886 | 930,622 | 335,879 | _ | - | _ | - |
| Interest Expense | 11,767,034 | 10,719,736 | 11,182,611 | 12,812,463 | 13,331,964 | 14,380,913 | 15,390,421 | 13,988,053 | 11,989,897 | 10,941,162 |
| Debt Related Fees | | - | - | - | - | - | 491,372 | 725,997 | - | _ |
| Flood Damage Expenses | | - | - | - | - | - | - | 242,295 | - | - |
| Total Nonoperating Expenses | 14,320,110 | 12,116,948 | 14,068,826 | 14,175,351 | 15,441,446 | 15,707,886 | 15,881,793 | 14,956,345 | 11,989,897 | 11,274,872 |
| Total Expenses | 84,874,911 | 78,245,710 | 79,871,623 | 78,716,214 | 78,337,807 | 76,672,405 | 74,427,890 | 74,802,302 | 75,442,870 | 68,344,260 |
| Facility Capacity Charges | 12,416,595 | 13,924,346 | 4,543,463 | 5,453,083 | 2,301,118 | 1,565,273 | 577,294 | 1,099,015 | 11,453,468 | 15,236,576 |
| Developer Contributions | 12,371,958 | 7,024,823 | 10,311,939 | 3,474,909 | 3,106,200 | 3,584,751 | 950,486 | 7,844,538 | 6,955,646 | 4,299,975 |
| Total Capital Contributions | 24,788,553 | 20,949,169 | 14,855,402 | 8,927,992 | 5,407,318 | 5,150,024 | 1,527,780 | 8,943,553 | 18,409,114 | 19,536,551 |
| Change in Net Position | \$15,662,129 | \$13,925,737 | \$4,835,341 | \$4,429,727 | (\$6,146,228) | (\$1,237,999) | (\$11,520,243) | (\$10,975,416) | \$2,519,308 | \$18,197,740 |
| Change in 1901 I OSHIOII | \$15,002,129 | \$13,743,737 | φ+,035,341 | φ 4,4 49,141 | (φυ,140,44δ) | (\$1,437,779) | (\$11,520,243) | (\$10,7/5,410) | φ4,319,30δ | φ10,17/,/40 |

Note: District operating expenses were restated for new reporting format and presentation of Net Position supercedes previous presentation of Net Assets beginning 2010.

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

 $^{^{\}left[2\right]}$ Facilities Management includes Hydroelectric.

^[3] Balances shown for 2011 and 2012 were restated to reflect the implementaion of GASB Statement No. 65. Information needed to restate years prior to 2011 was not readily available, so years prior to 2011 were not restated to reflect the implementation of GASB Statement No. 65.

^[4] Balances shown for 2013 and 2014 were restated to reflect the implementation of GASB Statement No. 68. Information needed to restate years prior to 2013 was not readily available, so years prior to 2013 were not restated to reflect the implementation of GASB Statement No. 68. Source: El Dorado Irrigation District Accounting Division

Table #3

Operating Revenues by Source Last Ten Years (in dollars)

| T 7 | |
|------------|-----|
| Υ | ear |

| | | | | | 1, | cai | | | | |
|---------------------------------|--------------|--------------|---------------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2015 | 2014 ^[1] | 2013 ^[1] | 2012[1] | $2011^{[1]}$ | 2010 | $2009^{[1]}$ | 2008 | 2007 |
| Water Sales & Service | \$28,933,651 | \$26,471,182 | \$27,147,844 | \$30,385,165 | \$24,458,658 | \$22,319,478 | \$19,295,719 | \$18,159,421 | \$19,001,725 | \$18,915,624 |
| Water Transfer Sales | - | \$1,849,860 | - | - | - | - | - | - | - | - |
| Wastewater Sales & Service | 19,567,642 | 19,911,247 | 19,790,185 | 19,384,465 | 18,303,841 | 19,505,105 | 17,324,846 | 15,376,509 | 15,280,445 | 14,544,737 |
| Recycled Water Sales | 1,905,962 | 1,606,491 | 1,568,582 | 1,860,147 | 1,546,911 | 1,035,285 | 733,798 | 799,298 | 882,917 | 1,253,802 |
| Recreation | 1,532,912 | 1,349,431 | 1,301,719 | 1,266,333 | 1,147,811 | 1,061,795 | 1,062,062 | 954,321 | 941,681 | 746,517 |
| Hydroelectric Sales | 6,296,331 | 4,159,925 | 5,205,980 | 7,878,903 | 6,777,760 | 11,631,272 | 7,872,825 | 2,918,005 | 4,840,431 | 4,321,950 |
| | | | | | | | | | | |
| Total Operating Revenues | \$58,236,498 | \$55,348,136 | \$55,014,310 | \$60,775,013 | \$52,234,981 | \$55,552,935 | \$46,289,250 | \$38,207,554 | \$40,947,199 | \$39,782,630 |

[1] As restated.



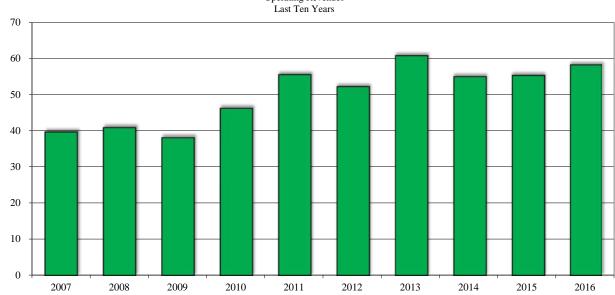


Table #4 Nonoperating Revenues by Source Last Ten Years (in dollars)

| | | Year | | | | | | | | |
|-----------------------------|--------------|--------------|---------------------|---------------------|---------------------|--------------|--------------|---------------------|--------------|--------------|
| | 2016 | 2015 | 2014 ^[1] | 2013 ^[1] | 2012 ^[1] | 2011[1] | 2010 | 2009 ^[1] | 2008 | 2007 |
| Surcharges | \$2,412,032 | \$2,447,917 | \$2,270,694 | \$2,295,145 | \$2,222,984 | \$2,235,904 | \$2,175,472 | \$2,482,508 | \$2,499,894 | \$1,869,986 |
| Voter-approved Taxes | 499,426 | 512,022 | 512,896 | 477,766 | 442,743 | 505,570 | 449,169 | 499,757 | 588,363 | 604,711 |
| Property Taxes | 11,233,975 | 10,715,130 | 10,026,368 | 9,231,002 | 9,321,157 | 9,480,947 | 9,537,801 | 10,138,728 | 10,797,871 | 11,550,648 |
| Interest Income | 813,864 | 331,316 | 498,756 | 410,084 | 735,930 | 701,941 | 865,697 | 1,938,295 | 1,942,787 | 5,180,271 |
| Other Income | 2,552,692 | 1,867,757 | 1,528,538 | 1,028,939 | 1,826,466 | 1,807,085 | 1,362,001 | 1,616,491 | 2,352,937 | 1,280,428 |
| Flood Damage Reimbursements | - | - | - | - | - | - | 700,477 | - | 424,013 | 6,736,775 |
| | | | | | | | | | | |
| Total Nonoperating Revenues | \$17,511,989 | \$15,874,142 | \$14,837,252 | \$13,442,936 | \$14,549,280 | \$14,731,447 | \$15,090,617 | \$16,675,779 | \$18,605,865 | \$27,222,819 |

^[1] As restated.

Chart #2 Nonoperating Revenues
Last Ten Years

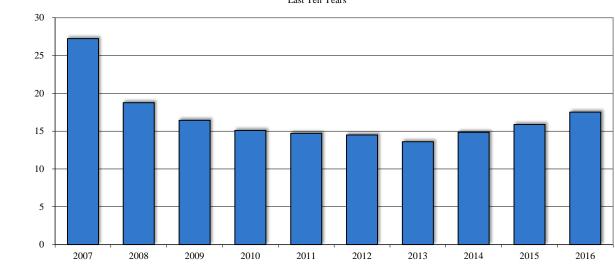


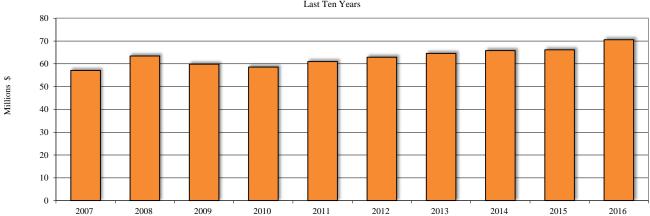
Table #5 Operating Expenses by Function Last Ten Years (in dollars)

| | | Year | | | | | | | | |
|---------------------------------|--------------|--------------|---------------------|---------------------|--------------|---------------------|--------------|--------------|--|--|
| | 2016 | 2015 | 2014 ^[3] | 2013 ^[3] | 2012 | 2011 ^[3] | 2010 | 2009 | | |
| Personnel Expense | \$28,875,456 | \$26,296,791 | \$26,928,489 | \$26,892,273 | \$26,600,446 | \$25,571,376 | \$26,140,768 | \$28,550,985 | | |
| Operating Supplies | 3,932,226 | 3,853,426 | 3,986,142 | 3,578,116 | 3,354,100 | 3,232,251 | 3,028,722 | 3,813,664 | | |
| Chemicals | 748,650 | 732,046 | 849,371 | 963,165 | 891,785 | 838,018 | 1,075,182 | 1,301,302 | | |
| Administration | 3,538,714 | 3,200,110 | 3,173,634 | 3,127,343 | 2,766,758 | 2,380,645 | 2,490,239 | 2,741,167 | | |
| Utilities | 4,633,747 | 4,524,982 | 3,937,344 | 3,969,310 | 4,096,451 | 3,845,261 | 3,918,221 | 3,564,522 | | |
| Professional Services | 3,559,511 | 3,658,961 | 3,551,502 | 3,283,652 | 2,750,275 | 3,255,915 | 2,301,952 | 2,406,305 | | |
| Repair Services | 1,407,160 | 1,045,184 | 1,169,578 | 849,482 | 602,972 | 674,878 | 595,264 | 1,154,423 | | |
| Insurance | 695,552 | 667,551 | 454,941 | 457,679 | 460,298 | 721,769 | 889,566 | 489,918 | | |
| Depreciation and Amortization | 23,163,785 | 22,149,711 | 21,751,796 | 21,419,843 | 21,373,276 | 20,444,406 | 18,106,183 | 15,640,614 | | |
| Bad Debt | - | - | - | - | - | - | 13,033 | 183,057 | | |
| Total Operating Expenses | \$70,554,801 | \$66,128,762 | \$65,802,797 | \$64,540,863 | \$62,896,361 | \$60,964,519 | \$58,546,097 | \$59,662,900 | | |

| | | Year | |
|--|--------------|--------------|--------------|
| | 2009 | 2008 | 2007 |
| Office of the General Manager ^[1] | \$4,769,987 | \$7,043,046 | \$5,067,396 |
| Communications | 561,468 | 4,024,697 | 3,828,204 |
| Natural Resources | 3,891,728 | - | - |
| Human Resources | 2,215,002 | - | - |
| Information Technology | 2,511,958 | - | - |
| Engineering | 934,312 | - | - |
| Water Operations | 9,457,872 | - | - |
| Wastewater Operations | 9,348,275 | - | - |
| Recycled Water Operations | 577,220 | - | - |
| Hydroelectric Operations | 3,363,285 | - | - |
| Water Policy | - | 3,363,705 | 3,134,540 |
| Finance | 6,574,235 | 7,716,723 | 6,620,751 |
| Facilities Management ^[2] | - | 22,477,030 | 22,980,237 |
| Recreation | - | 1,706,536 | 1,561,225 |
| Developer Reimbursed Expenses | - | - | 750,589 |
| Depreciation and Amortization | 15,640,615 | 17,121,236 | 13,126,446 |
| Total Operating Expenses | \$59,845,957 | \$63,452,973 | \$57,069,388 |

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

Chart #3 Total Operating Expenses Last Ten Years



 $^{^{\}left[1\right]}$ Office of the General Manager includes Human Resources.

 $^{^{\}left[2\right]}$ Facilities Management includes Hydroelectric.

^[3] As restated.

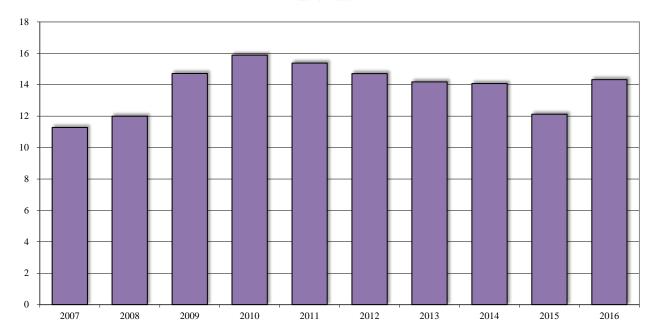
Table #6 Nonoperating Expenses by Function Last Ten Years (in dollars)

| | | | | | Ye | ear | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2015 | 2014[1] | 2013[1] | 2012[1] | 2011[1] | 2010 | 2009[1] | 2008 | 2007 |
| Other Expenses | \$1,372,331 | \$1,397,212 | \$1,548,628 | \$1,362,888 | \$1,178,860 | \$991,094 | \$ - | \$ - | \$ - | \$333,710 |
| Debt Issuance Costs | 1,180,745 | - | 1,337,587 | - | 930,622 | 335,879 | - | - | - | - |
| Interest Expense | 11,767,034 | 10,719,736 | 11,182,611 | 12,812,463 | 13,331,964 | 14,380,913 | 15,390,421 | 13,988,053 | 11,989,897 | 10,941,162 |
| Debt Related Fees | - | - | - | - | - | - | 491,372 | 725,997 | - | - |
| Flood Damage Expenses | - | - | - | - | - | - | - | 242,295 | - | - |
| _ | | | | | | | | | | |
| Total Nonoperating Expenses | \$14,320,110 | \$12,116,948 | \$14,068,826 | \$14,175,351 | \$15,441,446 | \$15,707,886 | \$15,881,793 | \$14,956,345 | \$11,989,897 | \$11,274,872 |

^[1] As restated.

Source: El Dorado Irrigation District Accounting Division

Chart #4 Total Nonoperating Expense Last Ten Years



Fillions &



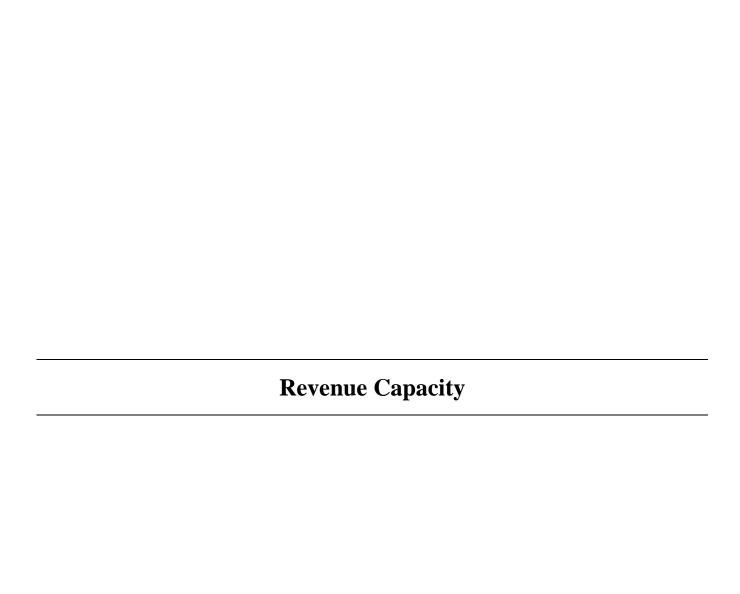


Table #7

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

i

| | Cou | inty-wide Property T | Гах | District Voter-approved ^[1] | | | | |
|-------------|-------------------|----------------------|--------------------|--|----------------|----------------------|--|--|
| | County-wide Total | | County Tax Rate | Secured Land | | Tax Rate per | | |
| | Secured Assessed | Secured Property | per \$100 Assessed | Assessed Value | Voter-approved | \$100 Assessed | | |
| Fiscal Year | Valuation | Tax Levy | Value | District Boundaries | Levy | Value ^[2] | | |
| 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% | | |
| 2013-14 | 24,954,567,951 | 298,952,871 | 1.1980% | 4,726,463,343 | 511,524 | 0.0108% | | |
| 2014-15 | 26,253,588,168 | 311,387,894 | 1.1861% | 5,001,658,217 | 509,209 | 0.0102% | | |
| 2015-16 | 27,332,536,500 | 327,292,636 | 1.1974% | 5,287,236,238 | 494,310 | 0.0093% | | |
| 2016-17 | 28,831,601,540 | 347,302,227 | 1.2046% | 5,594,057,377 | 498,263 | 0.0089% | | |

^[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. The District receives 100% of its general property tax allocation as a result of the tax distribution system.

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

^[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.

Table #8

Direct and Overlapping Property Tax Rates Last Ten County Fiscal Years

(rate per \$100 of assessed value)

| | General Property | State Assessed Unitary | School | Special | EID Voter- | |
|-------------|------------------|------------------------|-----------|-----------|-----------------------------|----------------------|
| Fiscal Year | Tax Levy | Value Properties | Districts | Districts | approved Tax ^[2] | Total ^[1] |
| 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% |
| 2013-14 | 1.0000% | 0.3090% | 0.0556% | 0.0263% | 0.0108% | 1.4017% |
| 2014-15 | 1.0000% | 0.3081% | 0.0523% | 0.0238% | 0.0102% | 1.3944% |
| 2015-16 | 1.0000% | 0.2863% | 0.0517% | 0.0231% | 0.0093% | 1.3704% |
| 2016-17 | 1.0000% | 0.3225% | 0.0498% | 0.0241% | 0.0089% | 1.4053% |

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.

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

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

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.

Table #9

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

| | | 20 | 16 | | 2007 | | |
|---|-------------------------|---------------|------|----------------------|---------------|------|----------------------|
| | • | 2016-2017 | | | 2007-2008 | | |
| | | Assessed | | % of | Assessed | | % of |
| Property Owner | Primary Land Use | Valuation | Rank | Total ⁽²⁾ | Valuation | Rank | Total ⁽²⁾ |
| Lennar Homes of California | Residential Development | \$80,316,269 | 1 | 1.44% | | | |
| Toll CA X / Toll Brothers Development Co. | Residential Development | 27,240,572 | 2 | 0.49% | \$48,450,110 | 1 | 0.90% |
| Serrano Associates, LLC | Residential Development | 24,318,342 | 3 | 0.43% | 31,812,868 | 2 | 0.59% |
| K. Hovnanian Blackstone | Residential Development | 13,095,416 | 4 | 0.23% | | | |
| Standard Pacific Corp. | Residential Development | 12,524,641 | 5 | 0.22% | | | |
| Taylor Morrison, LLC | Residential Development | 11,813,638 | 6 | 0.21% | | | |
| El Dorado Land Ventures | Residential Development | 10,251,795 | 7 | 0.18% | | | |
| Valley View Investors, LLC | Residential Development | 9,951,488 | 8 | 0.18% | | | |
| Min Nan Tseng, Trust / Min Nan Tseng | Residential Development | 9,597,034 | 9 | 0.17% | 8,479,645 | 8 | 0.16% |
| PUC EDH Lands Fund, LP | Undeveloped | 9,512,869 | 10 | 0.17% | | | |
| Marble Valley Company, LLC | Residential Development | 9,062,654 | 11 | 0.16% | | | |
| East Ridge Investors | Residential Development | 8,791,688 | 12 | 0.16% | | | |
| Safeway, Inc. | Commercial | 6,763,592 | 13 | 0.12% | 6,202,050 | 13 | 0.11% |
| Target Corporation | Commercial | 6,094,256 | 14 | 0.11% | | | |
| WRI Golden State, LLC | Commercial | 6,000,000 | 15 | 0.11% | 5,836,225 | 15 | 0.11% |
| Lesarra Owner, LLC | Residential Development | 5,914,755 | 16 | 0.11% | | | |
| Town Center East LP | Commercial | 5,804,349 | 17 | 0.10% | 5,686,741 | 16 | 0.11% |
| Silver Springs, LLC | Residential Development | 5,569,553 | 18 | 0.10% | | | |
| WFC Cameron Park, LLC | Commercial | 5,274,400 | 19 | 0.09% | | | |
| RREF II RD Willows, LLC | Residential Development | 5,107,164 | 20 | 0.09% | | | |
| Western Pacific Housing Inc. | Residential Development | | | | 25,030,800 | 3 | 0.46% |
| GHC Company 5, LLC/Greenbriar Homes | Residential Development | | | | 14,458,600 | 4 | 0.27% |
| Pulte Home Corp. | Residential Development | | | | 12,615,056 | 5 | 0.23% |
| Shea Homes, LP | Residential Development | | | | 12,148,671 | 6 | 0.22% |
| Richmond American Homes | Residential Development | | | | 10,711,932 | 7 | 0.20% |
| Orchard Hills Est II | Residential Development | | | | 7,702,000 | 9 | 0.14% |
| PAC/SIB LLC | Undeveloped | | | | 7,043,265 | 10 | 0.13% |
| K. Hovnanian Forecast Homes | Residential Development | | | | 6,878,109 | 11 | 0.13% |
| Edward Mackay | Undeveloped | | | | 6,206,470 | 12 | 0.11% |
| RPA, Inc. | Vacant Land | | | | 6,196,247 | 14 | 0.11% |
| Syers Properties III, LLC | Commercial | | | | 5,661,661 | 17 | 0.10% |
| AKT Development / AKT Promontory, LLC | Residential Development | | | | 5,241,866 | 18 | 0.10% |
| Lakes Kar Shingle Springs | Residential Development | | | | 5,171,452 | 19 | 0.10% |
| Russell-Promontory, LLC | Residential Development | | | | 4,797,056 | 20 | 0.09% |
| | | | | | | | |
| Total | - | \$273,004,475 | | 4.88% | \$236,330,824 | • | 4.37% |

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

Source: California Municipal Statistics, Inc.

^[2] The Total Assessed Value used for this calculation is \$5.6 mill per California Municipal Statistics, Inc. and \$5.4 mill per EID CAFR for 2016 and 2007, respectively.

Table #10

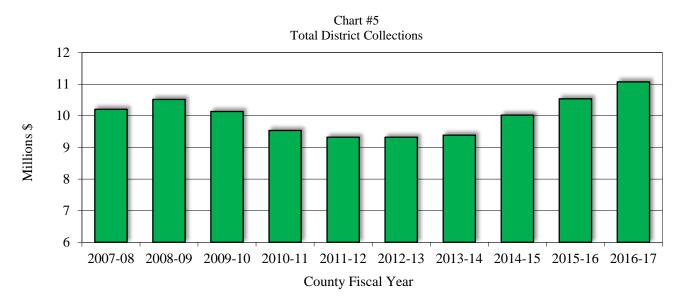
Property Tax Levies and Collections Last Ten County Fiscal Years

(in dollars)

| | Levy | Collections | | | | | | | | | |
|---------|-------------------|--------------------------------|----------------------------|----------------------------|-----------------------|-------------|--|--|--|--|--|
| | | | Maintenance | | | | | | | | |
| Fiscal | County Secured | District's Share of | District | Miscellaneous | Total District | % of County | | | | | |
| Year | Property Tax Levy | 1% Property Tax ^[1] | Collections ^[2] | Collections ^[3] | Collections | Levy | | | | | |
| 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% | | | | | |
| 2013-14 | 298,952,871 | 9,321,650 | 6,800 | 63,072 | 9,391,522 | 3.14% | | | | | |
| 2014-15 | 311,387,894 | 9,954,542 | 6,841 | 60,884 | 10,022,267 | 3.22% | | | | | |
| 2015-16 | 327,292,636 | 10,477,222 | 326 | 64,580 | 10,542,128 | 3.22% | | | | | |
| 2016-17 | 347,302,227 | 11,031,860 | 326 | 45,657 | 11,077,843 | 3.19% | | | | | |

^[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.

Source: El Dorado Irrigation District Accounting Division and El Dorado County Auditor - Controller - Secured / Unsecured Tax Collection System SCJ302P / SCB160



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

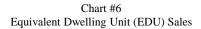
^[3] Miscellaneous Collections: Swansboro Surcharge, Water Accounts, Wastewater Accounts, Bond Segregations, Sundry, and Lien Release Fees.

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

Last Ten Years

| | | | | New Dwelling Units |
|------|--------|------------|----------------|--------------------|
| Year | Water | Wastewater | Recycled Water | Issued Permits |
| 2007 | 621.75 | 941.00 | 465.50 | 537.0 |
| 2008 | 482.50 | 211.75 | 9.00 | 336.0 |
| 2009 | 27.50 | 19.00 | 1.00 | 95.0 |
| 2010 | 32.50 | 12.00 | 0.00 | 69.0 |
| 2011 | 40.00 | 19.00 | 22.00 | 92.0 |
| 2012 | 63.00 | 67.00 | 17.00 | 212.0 |
| 2013 | 138.00 | 218.50 | 96.50 | 288.0 |
| 2014 | 78.50 | 127.00 | 68.00 | 291.0 |
| 2015 | 454.25 | 492.50 | 83.00 | 493.0 |
| 2016 | 298.00 | 317.00 | 90.50 | 627.0 |

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



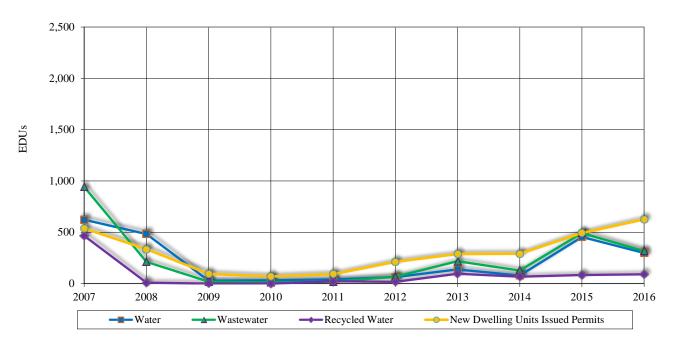
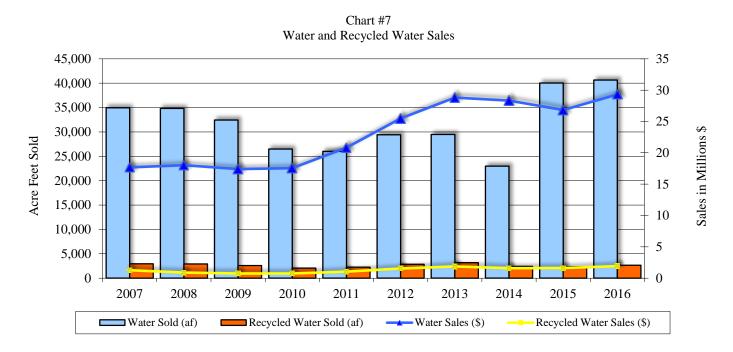


Table #12 Water and Recycled Water Sales by Type of Customer Last Ten Years

| | Year | | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--|
| Type of Customer | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| Potable Water Sold (Acre Feet): | | | | | | | | | | | |
| Residential ^[1] | 13,740 | 12,460 | 13,983 | 18,318 | 19,006 | 17,215 | 18,147 | 22,099 | 23,276 | 23,288 | |
| Commercial and Industrial | 2,183 | 2,040 | 2,236 | 2,662 | 2,610 | 2,402 | 2,478 | 1,993 | 3,024 | 3,065 | |
| Agriculture | 4,552 | 4,358 | 4,766 | 5,954 | 5,385 | 4,307 | 4,896 | 5,690 | 5,581 | 5,262 | |
| Recreational Turf | 844 | 812 | 867 | 1,207 | 1,144 | 973 | 1,073 | 1,238 | 1,398 | 1,364 | |
| Municipal | 1,307 | 909 | 1,114 | 1,331 | 1,269 | 1,097 | 1,166 | 1,422 | 1,533 | 1,960 | |
| Total | 22,626 | 20,579 | 22,966 | 29,472 | 29,414 | 25,994 | 27,760 | 32,442 | 34,812 | 34,939 | |
| (in millions \$) ^[4] | \$29.314 | \$26.814 | \$28.315 | \$28.791 | \$25.469 | \$20.816 | \$17.554 | \$17.403 | \$18.008 | \$17.680 | |
| Recycled Water Sold (Acre Feet): | | | | | | | | | | | |
| Residential ^[2] | 1,576 | 1,393 | 1,374 | 1,850 | 1,685 | 1,372 | 1,328 | 1,578 | 1,674 | 1,578 | |
| Commercial and Industrial ^[3] | 608 | 530 | 542 | 737 | 624 | 538 | 546 | 654 | 716 | 789 | |
| Recreational Turf | 450 | 426 | 497 | 588 | 544 | 337 | 189 | 361 | 513 | 571 | |
| Total | 2,634 | 2,349 | 2,413 | 3,175 | 2,853 | 2,247 | 2,063 | 2,593 | 2,903 | 2,938 | |
| (in millions \$) ^[4] | \$1.909 | \$1.605 | \$1.577 | \$1.854 | \$1.521 | \$1.029 | \$0.734 | \$0.799 | \$0.883 | \$1.254 | |

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

Source: El Dorado Irrigation District Engineering Department - Annual Consumption Report and Water Resources & Service Reliability Report and Customer Service Division BMP1.4_AWWA Audit RandR.xlsx



^[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.

Table #13

Largest Water Customers Current Year and Nine Years Ago

(in dollars)

| | | | | 2007 | | |
|--|-------------------|------|---------------------------|-------------------|------|---------------------------|
| Water Customers | Annual Revenue | Rank | % of Total Water Sales | Annual Revenue | Rank | % of Total Water Sales |
| City of Placerville | 507,268 | 1 | 1.75% | \$343,633 | 1 | 1.95% |
| Cameron Park Golf Course | 188,804 | 2 | 0.65% | 52,127 | 4 | 0.29% |
| El Dorado Hills CSD | 142,603 | 3 | 0.49% | | | |
| El Dorado Union High School District | 128,406 | 4 | 0.44% | | | |
| Buckeye Union School District | 90,877 | 5 | 0.31% | | | |
| Red Hawk Casino | 79,192 | 6 | 0.27% | | | |
| Hoover Barbara & Chris | 9,089 | 7 | 0.03% | | | |
| Visman Bros | 8,271 | 8 | 0.03% | | | |
| Battjes H J Trust of 1/10/05 | 7,055 | 9 | 0.02% | | | |
| Jivanov Peter | 6,581 | 10 | 0.02% | | | |
| Sierra Pacific Industries | | | | 99,777 | 2 | 0.56% |
| Serrano Country Club ^[1] | | | | 93,106 | 3 | 0.53% |
| Lake Oaks Mobile Home Park | | | | 45,877 | 5 | 0.26% |
| Serrano Associates, LLC ^[1] | | | | 34,632 | 6 | 0.20% |
| Cameron Park Mobile Home Park | | | | 31,576 | 7 | 0.18% |
| Diamond Springs Mobile Home Park | | | | 31,434 | 8 | 0.18% |
| Cameron Oaks Investment Company | | | | 28,802 | 9 | 0.16% |
| Gliksman, George | | | | 26,860 | 10 | 0.15% |
| Largest Customers Total | \$1,168,146 | | 4.04% | \$787,824 | | 4.46% |

^[1]Includes recycled water revenue.

^[2]Beginning in 2015 the ranking of water customers is based on annual revenue and is no longer based on consumption. Source: El Dorado Irrigation District Customer Service Division

Table #14

Largest Wastewater Customers Current and Nine Years Ago

(in dollars)

| | | $2016^{[1]}$ | | 2007 | | | | |
|--------------------------------------|-----------|--------------|--------------------------|-----------|----------|--------------------------|--|--|
| | Annual | | % of Total Wastewater | Annual | | % of Total Wastewater | | |
| Wastewater Customers | Revenue | Rank | Sales | Revenue | Rank | Sales | | |
| Lake Oaks Mobile Home Park | \$138,302 | 1 | 0.71% | \$105,611 | 1 | 0.73% | | |
| Vineyards at Valleyview | 131,744 | 2 | 0.67% | | | | | |
| Cameron Park Senior Living, A CA LLC | 98,730 | 3 | 0.50% | | | | | |
| Lake Forest Apts, LLC | 81,187 | 4 | 0.41% | | | | | |
| Mercy Housing Calif XXII LP | 67,624 | 5 | 0.35% | | | | | |
| Cameron Park Mobile Home Park | 63,431 | 6 | 0.32% | 89,311 | 2 | 0.61% | | |
| Fuller-Sunset Mobile Home Park | 59,292 | 7 | 0.30% | 52,593 | 7 | 0.36% | | |
| Cameron Oaks Investment Company | 58,583 | 8 | 0.30% | 77,503 | 3 | 0.53% | | |
| RU ITW Sky Park LLC | 53,496 | 9 | 0.27% | | | | | |
| Diamond Springs Mobile Home Park | 52,205 | 10 | 0.27% | 71,304 | 6 | 0.49% | | |
| Bridge-Cameron Park LP | | | | 77,139 | 4 | 0.53% | | |
| PW Eagle, Inc. | | | | 72,928 | 5 | 0.50% | | |
| Crestview Mobile Home Park | | | | 52,160 | 8 | 0.36% | | |
| RPA Inc | | | | 45,817 | 9 | 0.32% | | |
| Best/SCV Cameron Park PTSP | | | | 43,784 | 10 | 0.30% | | |
| | | _ | | | - | | | |
| Largest Customers Total | \$804,594 | = | 4.11% | \$688,150 | . | 4.73% | | |

^[1]Beginning in 2015, the ranking of Wastewater customers is based on annual revenue and is no longer based on consumption. Source: El Dorado Irrigation District Customer Service Division

Table #15

Water Rates^[1] Last Ten Years

(in dollars)

| | | | | | Yea | ar | | | | |
|--|----------|----------|----------|----------|----------|---------|---------|---------|---------|---------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Single Family Residential: ^[2] | | | | | | | | | | |
| Base Charge: | | | | | | | | | | |
| 5/8"- 3/4" Meter | \$58.14 | \$55.37 | \$55.37 | \$52.73 | \$47.50 | \$25.89 | \$22.51 | \$19.08 | \$30.74 | \$30.74 |
| 1" Meter | 85.14 | 81.09 | 81.09 | 77.23 | 69.58 | 30.06 | 26.14 | 22.15 | 30.74 | 30.74 |
| 1 1/2" Meter | 173.93 | 165.65 | 165.65 | 157.76 | 120.05 | 40.51 | 30.35 | 25.72 | 32.27 | 32.27 |
| 2" Meter | 224.10 | 213.43 | 213.43 | 203.27 | 183.13 | 54.60 | 47.48 | 34.66 | 33.81 | 33.81 |
| 3" Meter | 471.16 | 448.72 | 448.72 | 427.35 | 385.00 | 73.60 | 64.00 | 46.72 | 37.19 | 37.19 |
| 4" Meter | 830.14 | 790.61 | 790.61 | 752.96 | 678.34 | 99.20 | 86.26 | 62.96 | 40.90 | 40.90 |
| 6" Meter | 1,822.17 | 1,735.40 | 1,735.40 | 1,652.76 | 1,488.97 | 133.70 | 116.26 | 84.86 | 45.00 | 45.00 |
| 8" Meter | 3,121.48 | 2,972.84 | 2,972.84 | 2,831.28 | 2,550.70 | 155.22 | 134.97 | 114.38 | 54.46 | 54.46 |
| 10" Meter | 4,943.65 | 4,708.24 | 4,708.24 | 4,484.04 | 4,039.68 | 180.19 | 156.69 | 132.79 | 65.90 | 65.90 |
| 12" Meter | 6,504.39 | 6,194.66 | 6,194.66 | 5,899.68 | 5,315.03 | 209.20 | 181.91 | 154.16 | 79.73 | 79.73 |
| Single Family Dual Plumbed Residential | 34.99 | 33.32 | 33.32 | 31.73 | 27.50 | n/a | n/a | n/a | n/a | n/a |
| Commodity Charge: | | | | | | | | | | |
| All Meter Sizes, 0 - 1,800 cf ^[4] | 1.41 | 1.35 | 1.35 | 1.28 | 1.15 | n/a | n/a | n/a | n/a | n/a |
| All Meter Sizes, 1,801 - 4,500 cf [4] | 1.70 | 1.62 | 1.62 | 1.55 | 1.39 | n/a | n/a | n/a | n/a | n/a |
| All Meter Sizes, Over 4,500 cf ^[4] | 1.99 | 1.90 | 1.90 | 1.81 | 1.63 | n/a | n/a | n/a | n/a | n/a |
| All Meter Sizes, 0 - 1,500 cf ^[3] | n/a | n/a | n/a | n/a | n/a | 1.31 | 1.14 | 0.96 | n/a | n/a |
| All Meter Sizes, 1,501 - 4,500 cf ^[3] | n/a | n/a | n/a | n/a | n/a | 1.58 | 1.37 | 1.16 | n/a | n/a |
| All Meter Sizes, Over 4,500 cf [3] | n/a | n/a | n/a | n/a | n/a | 1.85 | 1.61 | 1.36 | n/a | n/a |
| 5/8"- 3/4" Meter, 0 - 1,500 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.75 | 0.75 |
| 5/8"- 3/4" Meter, 1,501 - 4,500 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.80 | 0.80 |
| 5/8"- 3/4" Meter, Over 4,500 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.94 | 0.94 |
| 1"- 1 1/2" Meter, 0 - 7,800 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.75 | 0.75 |
| 1"- 1 1/2" Meter, 7,801 - 100,000 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.80 | 0.80 |
| 1"- 1 1/2" Meter, Over 100,000 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.94 | 0.94 |
| 2"and Larger Meter, 0 - 25,000 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.75 | 0.75 |
| 2"and Larger Meter, 25,001 - 133,000 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.80 | 0.80 |
| 2"and Larger Meter, Over 133,000 cf | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.94 | 0.94 |
| Commercial and Retail Landscape: [5] | | | | | | | | | | |
| Base Charge: [6] | | | | | | | | | | |
| Base Charge, All Meter Sizes | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 54.66 | 54.66 |
| 5/8" - 3/4" Meter | 61.14 | 58.23 | 58.23 | 55.46 | 49.96 | 25.89 | 22.51 | 19.08 | 30.74 | 30.74 |
| 1" Meter | 90.26 | 85.96 | 85.96 | 81.87 | 73.76 | 30.06 | 26.14 | 22.15 | 30.74 | 30.74 |
| 1 1/2" Meter | 185.98 | 177.12 | 177.12 | 168.69 | 151.97 | 40.51 | 30.35 | 25.72 | 32.27 | 32.27 |
| 2" Meter | 240.08 | 228.65 | 228.65 | 217.76 | 196.18 | 54.60 | 47.48 | 34.66 | 33.81 | 33.81 |
| 3" Meter | 506.40 | 482.29 | 482.29 | 459.32 | 413.80 | 73.60 | 64.00 | 46.72 | 37.19 | 37.19 |
| 4" Meter | 893.40 | 850.86 | 850.86 | 810.34 | 730.04 | 99.20 | 86.26 | 62.96 | 40.90 | 40.90 |
| 6" Meter | 1,681.48 | 1,601.41 | 1,601.41 | 1,525.15 | 1,374.01 | 133.70 | 116.26 | 84.86 | 45.00 | 45.00 |
| 8" Meter | 3,348.57 | 3,189.11 | 3,189.11 | 3,037.25 | 2,736.26 | 155.22 | 134.97 | 114.38 | 54.46 | 54.46 |
| 10" Meter | 5,303.29 | 5,050.75 | 5,050.75 | 4,810.24 | 4,333.55 | 180.19 | 156.69 | 132.79 | 65.90 | 65.90 |
| 12" Meter | 6,956.40 | 6,625.14 | 6,625.14 | 6,309.66 | 5,684.38 | 209.20 | 181.91 | 154.16 | 79.73 | 79.73 |
| Commodity Charge: ^[2] | -, | -, | -, | -, | -, | | | | | |
| All Water Consumed | 1.68 | 1.60 | 1.60 | 1.53 | 1.37 | 1.43 | 1.24 | 1.05 | n/a | n/a |
| | 1.00 | | | | | | | | | |

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 [17]}. Can be found at the end of Table #15.

Table #15 (Continued)

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

| | (in dollars) | | | | | | | | | |
|---|--------------|------------|------------|------------|-------------|------------|---------|---------|---------|---------|
| Category | 2016 | 2015 | 2014 | 2013 | Yea 2012 | ar 2011 | 2010 | 2009 | 2008 | 2007 |
| Small Farms: | | | - | | - | | | | | |
| Base Charge: [6] | | | | | | | | | | |
| All Meter Sizes | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$54.66 | \$54.66 |
| 3/4" - 5/8" Meter | \$58.14 | \$55.37 | \$55.37 | \$52.73 | \$47.50 | \$25.89 | \$22.51 | \$19.08 | n/a | n/a |
| 1" Meter | 72.86 | 69.39 | 69.39 | 66.09 | 59.54 | 30.06 | 26.14 | 22.15 | n/a | n/a |
| 1 1/2" Meter | 92.02 | 87.64 | 87.64 | 83.47 | 75.20 | 40.51 | 30.35 | 25.72 | n/a | n/a |
| 2" Meter | 102.88 | 97.98 | 97.98 | 93.31 | 84.06 | 54.60 | 47.48 | 34.66 | n/a | n/a |
| 3" Meter | 156.21 | 148.77 | 148.77 | 141.69 | 127.65 | 73.60 | 64.00 | 46.72 | n/a | n/a |
| 4" Meter | 233.73 | 222.60 | 222.60 | 212.00 | 190.99 | 99.20 | 86.26 | 62.96 | n/a | n/a |
| 6" Meter | 447.95 | 426.62 | 426.62 | 406.30 | 366.04 | 133.70 | 116.26 | 84.86 | n/a | n/a |
| 8" Meter | 725.50 | 690.95 | 690.95 | 658.05 | 592.84 | 155.22 | 134.97 | 114.38 | n/a | n/a |
| 10" Meter | 1,149.03 | 1,094.31 | 1,094.31 | 1,042.20 | 938.92 | 180.19 | 156.69 | 132.79 | n/a | n/a |
| 12" Meter | 1,448.18 | 1,379.22 | 1,379.22 | 1,313.54 | 1,183.37 | 209.20 | 181.91 | 154.16 | n/a | n/a |
| Commodity Charge: ^[7] | 1,110.10 | 1,575.22 | 1,577.22 | 1,515.5 | 1,100.07 | 207.20 | 101.71 | 1010 | 11/4 | 12.4 |
| 0 - 1,800 cf | 1.41 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 1,801 - 4,500 cf | 1.70 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Over 4,501cf | 0.12 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 0-1,800 cf | n/a | 1.35 | 1.35 | 1.28 | 1.15 | n/a | n/a | n/a | n/a | n/a |
| Over 1,801 cf | n/a | 0.11 | 0.11 | 0.11 | 0.10 | n/a | n/a | n/a | n/a | n/a |
| 0 - 1,760 cf | n/a | n/a | n/a | n/a | n/a | 1.31 | 1.14 | 0.96 | 0.80 | 0.80 |
| 1,761 - 6,500 cf / 1,801-6,500 cf | n/a | | n/a | n/a | | 0.12 | 0.10 | 0.90 | 0.80 | 0.08 |
| 6,501 - 100,000 cf / 6,501-50,000 cf | n/a | n/a n/a | n/a n/a | n/a n/a | n/a n/a | 0.12 | 0.10 | 0.09 | 0.08 | 0.08 |
| Over 100,000 cf / Over 50,000 cf | | | | | | 0.14 | 0.12 | | 0.10 | 0.10 |
| Domestic Irrigation: ^[11] | n/a | n/a | n/a | n/a | n/a | 0.10 | 0.14 | 0.12 | 0.11 | 0.11 |
| Base Charge: | | | | | | | | | | |
| 2 | /- | | / - | | 74.66 | 71.10 | C1 02 | 52.40 | 52.00 | 52.00 |
| All Meter Sizes | n/a | n/a | n/a | n/a | 74.66 | 71.10 | 61.83 | 52.40 | 52.00 | 52.00 |
| Commodity Charge: 0 - 6,500 cf | /- | | / - | | 0.17 | 0.16 | 0.14 | 0.12 | 0.11 | 0.11 |
| | n/a | n/a | n/a | n/a | 0.17 | 0.16 | | | | |
| 6,501 - 50,000 cf | n/a | n/a | n/a | n/a | 0.19 | 0.18 | 0.16 | 0.13 | 0.12 | 0.12 |
| Over 50,000 cf | n/a | n/a | n/a | n/a | 0.25 | 0.24 | 0.21 | 0.18 | 0.16 | 0.16 |
| Agriculture Metered Irrigation, With Residence: | | | | | | | | | | |
| Base Charge: [6] | , | | , | , | , | , | , | , | | |
| All Meter Sizes | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 54.66 | 54.66 |
| 5/8" - 3/4" Meter | 58.14 | 55.37 | 55.37 | 52.73 | 47.50 | 25.89 | 22.51 | 19.08 | n/a | n/a |
| 1" Meter | 72.86 | 69.39 | 69.39 | 66.09 | 59.54 | 30.06 | 26.14 | 22.15 | n/a | n/a |
| 1 1/2" Meter | 92.02 | 87.64 | 87.64 | 83.47 | 75.20 | 40.51 | 30.35 | 25.72 | n/a | n/a |
| 2" Meter | 102.88 | 97.98 | 97.98 | 93.31 | 84.06 | 54.60 | 47.48 | 34.66 | n/a | n/a |
| 3" Meter | 156.21 | 148.77 | 148.77 | 141.69 | 127.65 | 73.60 | 64.00 | 46.72 | n/a | n/a |
| 4" Meter | 233.73 | 222.60 | 222.60 | 212.00 | 190.99 | 99.20 | 86.26 | 62.96 | n/a | n/a |
| 6" Meter | 447.95 | 426.62 | 426.62 | 406.30 | 366.04 | 133.70 | 116.26 | 84.86 | n/a | n/a |
| 8" Meter | 725.50 | 690.95 | 690.95 | 658.05 | 592.84 | 155.22 | 134.97 | 114.38 | n/a | n/a |
| 10" Meter | 1,149.03 | 1,094.31 | 1,094.31 | 1,042.20 | 938.92 | 180.19 | 156.69 | 132.79 | n/a | n/a |
| 12" Meter | 1,448.18 | 1,379.22 | 1,379.22 | 1,313.54 | 1,183.37 | 209.20 | 181.91 | 154.16 | n/a | n/a |
| Commodity Charge: [8] | | | | | | | | | | |
| 0 - 1,800 cf | 1.41 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 1,801 - 4,500 cf | 1.70 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Over 4,501cf | 0.12 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 0-1,800 cf | n/a | 1.35 | 1.35 | 1.28 | 1.15 | 1.31 | 1.14 | 0.96 | 0.80 | 0.80 |
| Over 1,801 cf | n/a | 0.11 | 0.11 | 0.11 | 0.10 | n/a | n/a | n/a | n/a | n/a |
| 1,801-30,000 cf ^[10] | n/a | n/a | n/a | n/a | n/a | 0.14 | 0.12 | 0.09 | 0.08 | 0.08 |
| 30,001-58,200 cf ^[10] | n/a | n/a | n/a | n/a | n/a | 0.16 | 0.14 | 0.10 | 0.10 | 0.10 |

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.

n/a

n/a

n/a

n/a

n/a

n/a

n/a

0.12

0.11

0.11

All base charges are bi-monthly.

Over 58,201 cf^[10]

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

Footnotes^{[1] to [17]}: Can be found at the end of Table #15.

Table #15 (Continued)

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

| | | (111) | | Year | | | | | | |
|---|----------|----------|------------|----------|----------|----------|--------------|----------|----------|----------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Agriculture Metered Irrigation, Without Residence: | | | | | * | | | | | |
| Base Charge: ^[6] | | | | | | | | | | |
| All Meter Sizes | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$ 54.66 | \$ 54.66 |
| 5/8" - 3/4" Meter | \$ 16.58 | \$ 15.79 | \$ 15.79 | \$ 15.04 | \$ 13.55 | \$ 25.89 | \$ 22.51 | \$ 19.08 | n/a | n/a |
| 1" Meter | 22.43 | 21.36 | 21.36 | 20.34 | 18.32 | 30.06 | 26.14 | 22.15 | n/a | n/a |
| 1 1/2" Meter | 41.59 | 39.61 | 39.61 | 37.72 | 33.98 | 40.51 | 30.35 | 25.72 | n/a | n/a |
| 2" Meter | 52.43 | 49.93 | 49.93 | 47.55 | 42.84 | 54.60 | 47.48 | 34.66 | n/a | n/a |
| 3" Meter | 105.78 | 100.74 | 100.74 | 95.94 | 86.43 | 73.60 | 64.00 | 46.72 | n/a | n/a |
| 4" Meter | 183.28 | 174.55 | 174.55 | 166.24 | 149.77 | 99.20 | 86.26 | 62.96 | n/a | n/a |
| 6" Meter | 397.51 | 378.58 | 378.58 | 360.55 | 324.82 | 133.70 | 116.26 | 84.86 | n/a | n/a |
| 8" Meter | 675.08 | 642.93 | 642.93 | 612.31 | 551.63 | 155.22 | 134.97 | 114.38 | n/a | n/a |
| 10" Meter | 1,069.14 | 1,018.23 | 1,018.23 | 969.74 | 873.64 | 180.19 | 156.69 | 132.79 | n/a | n/a |
| 12" Meter | 1,397.74 | 1,331.18 | 1,331.18 | 1,267.79 | 1,142.15 | 209.20 | 181.91 | 154.16 | n/a | n/a |
| Commodity Charge: ^[9] | 1,377.74 | 1,551.10 | 1,551.10 | 1,207.77 | 1,142.13 | 207.20 | 101.71 | 154.10 | 10 4 | 11/4 |
| All Water Consumed | 0.12 | 0.11 | 0.11 | 0.11 | 0.10 | n/a | n/a | n/a | n/a | n/a |
| 0-58,200 cf ^[8] | n/a | n/a | n/a | n/a | n/a | 0.14 | 0.12 | n/a | n/a | n/a |
| 0-30,000 cf ^[8] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.09 | 0.08 | 0.08 |
| 30,001-58,200 ^[8] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.10 | 0.10 | 0.10 |
| Over 58,201 cf ^[8] | n/a | n/a | n/a | n/a | n/a | 0.16 | 0.14 | 0.10 | 0.10 | 0.10 |
| Agriculture Metered Irrigation, IMS Participant: [17] | 11/ d | 11/а | 11/ d | 11/ a | 11/ d | 0.10 | 0.14 | 0.12 | 0.11 | 0.11 |
| Base Charge: [6] | | | | | | | | | | |
| All Meter Sizes | /- | -/- | /o | /- | / | / | /- | /- | 5166 | E1 66 |
| 5/8" - 3/4" Meter | n/a | n/a | n/a n/a | n/a | n/a | n/a | n/a 22.51 | n/a | 54.66 | 54.66 |
| 1" Meter | n/a | n/a | | n/a | n/a | 25.89 | | n/a | n/a | n/a |
| | n/a | n/a | n/a | n/a | n/a | 30.06 | 26.14 | n/a | n/a | n/a |
| 1 1/2" Meter | n/a | n/a | n/a | n/a | n/a | 40.51 | 30.35 | n/a | n/a | n/a |
| 2" Meter | n/a | n/a | n/a | n/a | n/a | 54.60 | 47.48 | n/a | n/a | n/a |
| 3" Meter | n/a | n/a | n/a | n/a | n/a | 73.60 | 64.00 | n/a | n/a | n/a |
| 4" Meter | n/a | n/a | n/a | n/a | n/a | 99.20 | 86.26 | n/a | n/a | n/a |
| 6" Meter | n/a | n/a | n/a | n/a | n/a | 133.70 | 116.26 | n/a | n/a | n/a |
| 8" Meter | n/a | n/a | n/a | n/a | n/a | 155.22 | 134.97 | n/a | n/a | n/a |
| 10" Meter | n/a | n/a | n/a | n/a | n/a | 180.19 | 156.69 | n/a | n/a | n/a |
| 12" Meter | n/a | n/a | n/a | n/a | n/a | 209.20 | 181.91 | n/a | n/a | n/a |
| Commodity Charge: | | | | | | | | | | |
| 0-1,800 cf, With Residence | n/a | n/a | n/a | n/a | n/a | 1.31 | 1.14 | \$0.96 | 0.80 | 0.80 |
| 1,801-30,000 cf, With Residence | n/a | n/a | n/a | n/a | n/a | 0.12 | 0.10 | 0.09 | 0.08 | 0.08 |
| 0-30,000 cf, Without Residence | n/a | n/a | n/a | n/a | n/a | 0.09 | 0.08 | 0.08 | 0.08 | 0.08 |
| 30,001-58,200 cf, With or Without Residence | n/a | n/a | n/a | n/a | n/a | 0.14 | 0.12 | 0.10 | 0.10 | 0.09 |
| Over 58,200 cf, With or Without Residence | n/a | n/a | n/a | n/a | n/a | 0.16 | 0.14 | 0.12 | 0.11 | 0.11 |
| Multi-family Residential: | | | | | | | | | | |
| Base Charge: [6] | | | | | | | | | | |
| All Meter Sizes | n/a | n/a | n/a | n/a | n/a | 12.82 | 11.15 | 9.45 | 15.28 | 15.28 |
| 5/8" - 3/4" Meter | 61.14 | 58.23 | 58.23 | 55.46 | 49.96 | n/a | n/a | n/a | n/a | n/a |
| 1" Meter | 90.26 | 85.96 | 85.96 | 81.87 | 73.76 | n/a | n/a | n/a | n/a | n/a |
| 1 1/2" Meter | 185.98 | 177.12 | 177.12 | 168.69 | 151.97 | n/a | n/a | n/a | n/a | n/a |
| 2" Meter | 240.08 | 228.65 | 228.65 | 217.76 | 196.18 | n/a | n/a | n/a | n/a | n/a |
| 3" Meter | 506.40 | 482.29 | 482.29 | 459.32 | 413.80 | n/a | n/a | n/a | n/a | n/a |
| 4" Meter | 893.40 | 850.86 | 850.86 | 810.34 | 730.04 | n/a | n/a | n/a | n/a | n/a |
| 6" Meter | 1,681.48 | 1,601.41 | 1,601.41 | 1,525.15 | 1,374.01 | n/a | n/a | n/a | n/a | n/a |
| 8" Meter | 3,348.57 | 3,189.11 | 3,189.11 | 3,037.25 | 2,736.26 | n/a | n/a | n/a | n/a | n/a |
| 10" Meter | 5,303.29 | 5,050.75 | 5,050.75 | 4,810.24 | 4,333.55 | n/a | n/a | n/a | n/a | n/a |
| 12" Meter | 6,956.40 | 6,625.14 | 6,625.14 | 6,309.66 | 5,684.38 | n/a | n/a | n/a | n/a | n/a |
| Commodity Charge: [9] | | | | | | | | | | |
| All Water Consumed | 1.68 | 1.60 | 1.60 | 1.53 | 1.37 | n/a | n/a | n/a | n/a | n/a |
| 0-1,500 cf | n/a | n/a | n/a | n/a | n/a | 1.43 | 1.24 | 1.05 | 0.75 | 0.75 |
| 1,501 - 20,000 cf | n/a | n/a | n/a | n/a | n/a | 1.43 | 1.24 | 1.05 | 0.80 | 0.80 |
| Over 20,000 cf | n/a | n/a | n/a | n/a | n/a | 1.43 | 1.24 | 1.05 | 0.94 | 0.94 |

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 $^{[17]}$: Can be found at the end of Table #15.

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

(in dollars)

| | | (III C | ionars) | | Year | | | | | | |
|--|----------|----------|----------|------------|----------|---------|---------|---------|----------|----------|--|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| Recreational Turf | | | | | | | | | | | |
| Base Charge: [6] | | | | | | | | | | | |
| 3/4" - 5/8" Meter | \$55.11 | \$52.49 | \$52.49 | \$49.99 | \$49.96 | \$25.89 | \$22.51 | \$19.08 | n/a | n/a | |
| 1" Meter | 80.02 | 76.21 | 76.21 | 72.58 | 73.76 | 30.06 | 26.14 | 22.15 | n/a | n/a | |
| 1 1/2" Meter | 161.88 | 154.17 | 154.17 | 146.83 | 151.97 | 40.51 | 30.35 | 25.72 | n/a | n/a | |
| 2" Meter | 208.14 | 198.23 | 198.23 | 188.79 | 196.18 | 54.60 | 47.48 | 34.66 | n/a | n/a | |
| 3" Meter | 435.91 | 415.15 | 415.15 | 395.38 | 413.80 | 73.60 | 64.00 | 46.72 | n/a | n/a | |
| 4" Meter | 766.88 | 730.36 | 730.36 | 695.58 | 730.04 | 99.20 | 86.26 | 62.96 | n/a | n/a | |
| 6" Meter | 1,681.48 | 1,601.41 | 1,601.41 | 1,525.15 | 1,374.01 | 133.70 | 116.26 | 84.86 | n/a | n/a | |
| 8" Meter | 2,866.55 | 2,730.05 | 2,730.05 | 2,600.05 | 2,736.26 | 155.22 | 134.97 | 114.38 | n/a | n/a | |
| 10" Meter | 4,539.91 | 4,323.72 | 4,323.72 | 4,117.83 | 4,333.55 | 180.19 | 156.69 | 132.79 | n/a | n/a | |
| 12" Meter | 5,952.03 | 5,668.60 | 5,668.60 | 5,398.67 | 5,684.38 | 209.20 | 181.91 | 154.16 | n/a | n/a | |
| 5/8" - 1 1/2" Meter | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$104.15 | \$104.15 | |
| 2" - 3" Meter | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 104.15 | 104.15 | |
| 4"and Larger Meter | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 104.15 | 104.15 | |
| Commodity Charge: [16] | 11/ 4 | 11/4 | 11/4 | 11/ 4 | II/ U | 11/4 | 11/4 | 10 0 | 104.13 | 104.13 | |
| All Water Consumed | 1.68 | 1.60 | 1.60 | 1.53 | n/a | n/a | n/a | n/a | n/a | n/a | |
| 0 - 13,300 cf | n/a | n/a | n/a | n/a | 0.75 | 0.72 | 0.62 | 0.53 | 0.38 | 0.38 | |
| 13,301 - 75,000 cf | n/a | n/a | n/a | n/a n/a | 0.77 | 0.74 | 0.64 | 0.54 | 0.39 | 0.39 | |
| Over 75,000 cf | n/a | n/a | n/a | n/a | 0.77 | 0.92 | 0.80 | 0.68 | 0.49 | 0.49 | |
| Wholesale (City of Placerville): ^[15] | 11/ d | II/ a | 11/ a | 11/ а | 0.90 | 0.92 | 0.80 | 0.08 | 0.49 | 0.49 | |
| Base Charge: | | | | | | | | | | | |
| 2" Meter | 218.33 | 207.94 | 207.94 | 198.04 | 178.41 | n/a | n/a | n/a | n/a | n/a | |
| 3" Meter | 464.42 | 442.31 | 442.31 | 421.25 | 379.50 | n/a | n/a | n/a | n/a | n/a | |
| 4" Meter | 825.19 | 785.90 | 785.90 | 748.47 | 674.30 | n/a | n/a | n/a | n/a | n/a | |
| 6" Meter | 1,818.58 | 1,731.98 | 1,731.98 | 1,649.50 | 1,486.04 | n/a | n/a | n/a | n/a | n/a | |
| 8" Meter | 3,105.72 | 2,957.83 | 2,957.83 | 2,816.98 | 2,537.82 | n/a | n/a | n/a | n/a | n/a | |
| 10" Meter | 4,845.11 | 4,614.39 | 4,614.39 | 4,394.66 | 3,959.15 | n/a | n/a | n/a | n/a | n/a | |
| 14" Meter | 8,162.84 | 7,774.14 | 7,774.14 | 7,403.94 | 6,670.21 | n/a | n/a | n/a | n/a | n/a | |
| Commodity Charge: [9] | 6,102.64 | 7,774.14 | 7,774.14 | 7,403.94 | 0,070.21 | II/ a | 11/ a | 11/а | II/ a | II/a | |
| All Water Consumed | 0.57 | 0.54 | 0.54 | 0.52 | 0.47 | n/a | n/a | n/a | n/a | n/a | |
| 0 - 295,500 cf | n/a | n/a | n/a | n/a | n/a | 0.57 | 0.50 | 0.42 | 0.44 | 0.44 | |
| 295,501 - 12,160,000 cf | n/a | n/a | n/a | n/a | n/a | 0.65 | 0.56 | 0.48 | 0.48 | 0.48 | |
| Over 12,160,000 cf | n/a | n/a | n/a | n/a | n/a | 0.74 | 0.64 | 0.54 | 0.54 | 0.54 | |
| Temporary Water Use: ^[12] | 11/ 4 | II/ U | 11/4 | 11/ U | II/ U | 0.7-1 | 0.04 | 0.54 | 0.54 | 0.51 | |
| Base Charge | n/a | n/a | n/a | n/a | n/a | 402.52 | 350.02 | 42.39 | 68.26 | 68.26 | |
| Commodity Charge | n/a | n/a | n/a | n/a | n/a | 2.37 | 2.06 | 1.75 | 1.36 | 1.36 | |
| Ditches (Raw Water): ^[14] | | | | | | | | | | | |
| Base Charge, Metered Lands. Irrig. All Meter Sizes [13]: | n/a | n/a | n/a | n/a | n/a | 80.38 | 70.29 | 59.57 | 59.57 | 59.57 | |
| 5/8" - 3/4" Meter | 16.58 | 15.79 | 15.79 | 15.04 | 13.55 | n/a | n/a | n/a | n/a | n/a | |
| 1" Meter | 22.43 | 21.36 | 21.36 | 20.34 | 18.32 | n/a | n/a | n/a | n/a | n/a | |
| 1 1/2" Meter | 41.59 | 39.61 | 39.61 | 37.72 | 33.98 | n/a | n/a | n/a | n/a | n/a | |
| 2" Meter | 52.43 | 49.93 | 49.93 | 47.55 | 42.84 | n/a | n/a | n/a | n/a | n/a | |
| 3" Meter | 105.78 | 100.74 | 100.74 | 95.94 | 86.43 | n/a | n/a | n/a | n/a | n/a | |
| 4" Meter | 183.28 | 174.55 | 174.55 | 166.24 | 149.77 | n/a | n/a | n/a | n/a | n/a | |
| 6" Meter | 397.51 | 378.58 | 378.58 | 360.55 | 324.82 | n/a | n/a | n/a | n/a | n/a | |
| 8" Meter | 675.08 | 642.93 | 642.93 | 612.31 | 551.63 | | | | | | |
| | | | | 969.74 | | n/a | n/a | n/a | n/a | n/a | |
| 10" Meter | 1,069.14 | 1,018.23 | 1,018.23 | | 873.64 | n/a | n/a | n/a | n/a | n/a | |
| 12" Meter | 1,397.74 | 1,331.18 | 1,331.18 | 1,267.79 | 1142.15 | n/a | n/a | n/a | n/a | n/a | |
| Commodity Charge, Metered - All Water Consumed | 0.12 | 0.11 | 0.11 | 0.11 | 0.10 | 0.15 | 0.13 | 0.11 | 0.11 | 0.1 | |

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 $^{[17]}$: Can be found at the end of Table #15.

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

| | Year | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Ditches (Raw Water):[14] | | | | | | | | | | |
| Base Charge, Non-metered: | | | | | | | | | | |
| 1/2" Flow | \$76.13 | \$72.50 | \$72.50 | \$69.05 | \$62.21 | \$74.51 | \$64.79 | \$54.91 | \$54.91 | \$54.91 |
| 1" Flow | 152.27 | 145.02 | 145.02 | 138.11 | 124.42 | 165.49 | 143.90 | 121.95 | 121.95 | 121.95 |
| 2" Flow | 304.52 | 290.02 | 290.02 | 276.21 | 248.84 | 330.98 | 287.81 | 243.91 | 243.91 | 243.91 |
| 4" Flow | 609.04 | 580.04 | 580.04 | 552.42 | 497.68 | 661.94 | 575.60 | 487.80 | 487.80 | 487.80 |
| Commodity Charge, Non-metered - All Water Consumed | 0.12 | 0.11 | 0.11 | 0.11 | 0.10 | 0.09 | 0.08 | 0.07 | 0.07 | 0.07 |

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] Begininng in 2009, gravity and pumped rates are the same, pages that previously had shown pumped rates have been omitted.
- 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 Resdiential tier 1 maximum use was increased.
- ^[5] Beginning in 2009, Commercial and Retail Landscape was 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. Beginning in 2016, tier 3 was added back in.
- [8] Beginning in April 2009, Agriculture Metered Irrigation tier quantities changed. Beginning in 2016, tier 3 was added back in.
- [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. Effective 1/1/2013 this rate class was eliminated.
- [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.
- [16] Beginning in 2013, tierd use rates were changed to one rate for all water consumed.
- [17] Beginning in 2012, this rate class was eliminated.

Source: El Dorado Irrigation District Customer Service Division

EL DORADO IRRIGATION DISTRICT

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

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| | Year | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|---------|----------|----------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Small Farm / Recreational Turf / Domestic Irrigation (Flat Rate): | | | | | | | | | | |
| Base Charge | \$134.00 | \$141.75 | \$141.75 | \$135.00 | \$135.98 | \$129.50 | \$112.61 | \$95.43 | \$115.44 | \$111.00 |
| Single Family Residential: | | | | | | | | | | |
| Base Charge | 71.95 | 71.95 | 71.95 | 68.52 | 65.26 | 77.33 | 67.24 | 56.98 | 54.79 | 52.68 |
| Commodity Charge | 3.88 | 3.88 | 3.88 | 3.69 | 3.52 | 2.90 | 2.52 | 2.14 | 2.05 | 1.98 |
| Commercial / Industrial: [1] | | | | | | | | | | |
| Base Charge | 76.91 | 76.91 | 76.91 | 73.25 | 69.76 | 69.76 | 60.66 | 51.41 | 49.43 | 47.53 |
| Laundromat / Commercial-Low | 4.46 | 4.46 | 4.46 | 4.25 | 4.04 | 3.85 | 3.35 | 2.84 | 2.73 | 2.63 |
| Market / Commercial-Medium/Low | 6.42 | 6.42 | 6.42 | 6.12 | 5.83 | 5.80 | 5.04 | 4.27 | 5.90 | 5.67 |
| Repair Shop / Service Station / Commercial-Medium | 9.58 | 9.58 | 9.58 | 9.12 | 8.69 | 7.76 | 6.75 | 5.72 | 4.11 | 3.95 |
| Light Industrial / Commercial-Medium/High | 14.90 | 14.90 | 14.90 | 14.19 | 13.50 | 8.32 | 7.23 | 6.13 | 5.50 | 5.29 |
| Restaurant / Commercial-High | 32.45 | 32.45 | 32.45 | 30.91 | 29.44 | 10.73 | 9.33 | 7.91 | 7.60 | 7.31 |
| Other (No Longer Exists) | n/a | n/a | n/a | n/a | n/a | 4.97 | 4.32 | 3.66 | 3.52 | 3.39 |
| Commercial Without Water Service (Sewer Only): | | | | | | | | | | |
| Base Charge | 119.81 | 119.81 | 119.81 | 114.10 | 108.67 | 81.64 | 70.99 | 60.16 | 57.85 | 55.62 |
| Each Additional Unit | 119.81 | 119.81 | 119.81 | 114.10 | 108.67 | 93.16 | 81.01 | 68.65 | 66.01 | 63.47 |
| School Wastewater, Yearly: | | | | | | | | | | |
| Base Charge, Per Student | 11.80 | 11.80 | 11.80 | 11.24 | 10.70 | 5.52 | 4.80 | 4.07 | 3.91 | 3.76 |
| Septage Transfer: | | | | | | | | | | |
| Base Charge, per 1,000 Gallons | n/a | n/a | n/a | n/a | n/a | 197.14 | 171.43 | 145.28 | 139.70 | 134.32 |
| N . C . I'. 1 | 40 11 \ | | | | | | | | | |

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

All base charges are bi-monthly.

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

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

| | (in donais) Year | | | | | | | | | | |
|---|------------------|----------|----------|----------|----------|------------|--------|--------|--------|--------|--|
| Catanami | 2016 | 2015 | 2014 | 2012 | 2012 | ar 2011 | 2010 | 2009 | 2008 | 2007 | |
| Category Dual Plumbed Residential: ^[2] | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| | e22.15 | ¢22.05 | ¢22.05 | ¢21.00 | £20.00 | | / | / - | | | |
| Base Charge: | \$23.15 | \$22.05 | \$22.05 | \$21.00 | \$20.00 | n/a | n/a | n/a | n/a | n/a | |
| 0 - 3,000 cf | 0.67 | 0.64 | 0.64 | 0.61 | 0.58 | \$0.57 | \$0.50 | \$0.42 | \$0.44 | \$0.44 | |
| 3,001 - 4,500 cf | 1.13 | 1.08 | 1.08 | 1.02 | 0.98 | 0.65 | 0.56 | 0.48 | 0.48 | 0.48 | |
| Over 4,500 cf | 1.70 | 1.62 | 1.62 | 1.54 | 1.47 | 0.74 | 0.64 | 0.54 | 0.54 | 0.54 | |
| Commodity Charge | n/a | n/a | n/a | n/a | n/a | 0.83 | 0.72 | 0.61 | 0.61 | 0.61 | |
| Commercial / Industrial: ^[2] | | | | | | | | | | | |
| Base Charge ^[3] : | | | | | | | | | | | |
| All Meter Sizes | n/a | n/a | n/a | n/a | n/a | 143.84 | 125.08 | 106.00 | 106.00 | 106.00 | |
| Base Charge, 3/4" - 5/8" Meter | 31.28 | 29.79 | 29.79 | 28.37 | 27.02 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 1" Meter | 45.42 | 43.26 | 43.26 | 41.20 | 39.24 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 1 1/2" Meter | 91.89 | 87.51 | 87.51 | 83.34 | 79.37 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 2" Meter | 118.14 | 112.51 | 112.51 | 107.15 | 102.05 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 3" Meter | 247.41 | 235.63 | 235.63 | 224.41 | 213.72 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 4" Meter | 435.26 | 414.53 | 414.53 | 394.79 | 375.99 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 6" Meter | 954.36 | 908.91 | 908.91 | 865.63 | 824.41 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 8" Meter | 1,626.98 | 1,549.50 | 1,549.50 | 1,475.71 | 1,405.44 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 10" Meter | 2,576.71 | 2,454.01 | 2,454.01 | 2,337.15 | 2,225.86 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 12" Meter | 3,378.19 | 3,217.32 | 3,217.32 | 3,064.11 | 2,918.20 | n/a | n/a | n/a | n/a | n/a | |
| Commodity Charge | 0.92 | 0.88 | 0.88 | 0.83 | 0.79 | 0.83 | 0.72 | 0.61 | 0.61 | 0.61 | |
| Recreational Turf: ^[2] | | | | | | | | | | | |
| Base Charge ^[3] : | | | | | | | | | | | |
| All Meter Sizes | n/a | n/a | n/a | n/a | n/a | 143.84 | 125.08 | 106.00 | 106.00 | 106.00 | |
| Base Charge, 3/4" - 5/8" Meter | 31.28 | 29.79 | 29.79 | 28.37 | 27.02 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 1" Meter | 45.42 | 43.26 | 43.26 | 41.20 | 39.24 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 1 1/2" Meter | 91.89 | 87.51 | 87.51 | 83.34 | 79.37 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 2" Meter | 118.14 | 112.51 | 112.51 | 107.15 | 102.05 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 3" Meter | 247.41 | 235.63 | 235.63 | 224.41 | 213.72 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 4" Meter | 435.26 | 414.53 | 414.53 | 394.79 | 375.99 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 6" Meter | 954.36 | 908.91 | 908.91 | 865.63 | 824.41 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 8" Meter | 1,626.98 | 1,549.50 | 1,549.50 | 1,475.71 | 1,405.44 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 10" Meter | 2,576.71 | 2,454.01 | 2,454.01 | 2,337.15 | 2,225.86 | n/a | n/a | n/a | n/a | n/a | |
| Base Charge, 12" Meter | 3,378.19 | 3,217.32 | 3,217.32 | 3,064.11 | 2,918.20 | n/a | n/a | n/a | n/a | n/a | |
| Commodity Charge | 1.09 | 1.03 | 1.03 | 0.99 | 0.94 | n/a | n/a | n/a | n/a | n/a | |
| Fire Hydrant / Temporary Water Use:[1] | | | | | | | | | | | |
| Base Charge | n/a | n/a | n/a | n/a | n/a | 434.27 | 377.63 | 65.79 | 106.00 | 106.00 | |
| Commodity Charge | n/a | n/a | n/a | n/a | n/a | 1.07 | 0.93 | 0.79 | 0.61 | 0.61 | |
| | 74011 | | | | | | | | | | |

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] Single Family, Commercial, Agricuttural Irrigation, Small Farms, and Recreational Turf classifications were previously combined in one class.

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

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

Water Line and Cover Surcharge^[1]

| Meter Size | Meter Type | EDUs | Phase I (LCS) | Phase II (LCS2) | Phase III (LCS3) | Wastewater Surcharge ^[2] |
|-------------|------------|------|---------------|-----------------|------------------|-------------------------------------|
| 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.

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.

 $^{\left[2\right]}$ 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.

^[1] Water rate surcharges for Phase I and II remained the same for years 2001 through October 2009.

Table #19

Water and Recycled Water

Facility Capacity Charges (FCC)

Last Ten Years (in dollars per EDU)

| | | | | | Year | | | | | |
|--|--------------------------|-------------------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| El Dorado Hills / Cameron Park ^{[1} | Residential / Commerc | ial and Retail Lan | dscape (Potable | Only): | | | | | | |
| Potable Water FCC | \$18,369 | \$17,930 | \$17,578 | \$17,578 | \$15,751 | \$15,751 | \$15,751 | \$15,751 | \$15,751 | \$11,954 |
| Gabbro Soils | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 |
| Line & Cover 1 ^[2] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 101 | 101 | 101 |
| Line & Cover 2 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 |
| Line & Cover 3 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | n/a |
| Total | \$19,157 | \$18,718 | \$18,366 | \$18,366 | \$16,539 | \$16,539 | \$16,539 | \$16,539 | \$16,640 | \$12,518 |
| El Dorado Hills / Cameron Park ^{[1} | Residential (Dual Plum | bed): | | | | | · | | | |
| Potable Water FCC | \$11,988 | \$11,700 | \$11,471 | \$11,471 | \$6,631 | \$6,631 | \$6,631 | \$6,631 | \$6,631 | \$5,977 |
| Gabbro Soils | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 |
| Line & Cover 1 ^[2] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 101 | 101 | 101 |
| Line & Cover 2 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 |
| Line & Cover 3 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | n/a |
| Recycled Water FCC | 3,183 | 3,107 | 3,046 | 3,046 | 4,553 | 4,553 | 4,553 | 4,553 | 4,553 | 2,241 |
| Total | \$15,959 | \$15,595 | \$15,305 | \$15,305 | \$11,972 | \$11,972 | \$11,972 | \$11,972 | \$12,073 | \$8,782 |
| El Dorado Hills / Cameron Park ^{[1} | Commercial / Industria | l (Recycled Wate | r): | | | | | | | |
| Recycled Water FCC | \$3,183 | \$3,107 | \$3,046 | \$3,046 | \$4,553 | \$4,553 | \$4,553 | \$4,553 | \$4,553 | \$4,482 |
| Total | \$3,107 | \$3,107 | \$3,046 | \$3,046 | \$4,553 | \$4,553 | \$4,553 | \$4,553 | \$4,553 | \$4,482 |
| El Dorado Hills Residential - AFA | A, with Entitlement (Pot | able Only): | * | · | | · | | | | |
| Potable Water FCC | \$15,038 | \$14,679 | \$14,391 | \$14,391 | \$12,361 | \$12,361 | \$12,361 | \$12,361 | \$12,361 | \$7,865 |
| Gabbro Soils | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 |
| Line & Cover 1 ^[2] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 101 | 101 | 101 |
| Line & Cover 2 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 |
| Line & Cover 3 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | n/a |
| Total | \$15,826 | \$15,467 | \$15,179 | \$15,179 | \$13,149 | \$13,149 | \$13,149 | \$13,149 | \$13,250 | \$8,429 |
| El Dorado Hills Residential - AFA | A, with Entitlement (Dua | ıl Plumbed): | | | | | | | | |
| Potable Water FCC | \$10,655 | \$10,400 | \$10,196 | \$10,196 | \$5,512 | \$5,512 | \$5,512 | \$5,512 | \$5,512 | \$3,932 |
| Gabbro Soils | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 |
| Line & Cover 1 ^[2] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 101 | 101 | 101 |
| Line & Cover 2 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 |
| Line & Cover 3 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | n/a |
| Recycled Water FCC | 3,183 | 3,107 | 3,046 | 3,046 | 4,553 | 4,553 | 4,553 | 4,553 | 4,553 | 2,241 |
| Total | \$14,626 | \$14,295 | \$14,030 | \$14,030 | \$10,853 | \$10,853 | \$10,853 | \$10,853 | \$10,954 | \$6,737 |
| El Dorado Hills Residential - AFA | A, with No Entitlement (| Potable Only): ^[3] | | | | | | | | |
| Potable Water FCC | n/a | n/a | n/a | n/a | n/a | \$12,361 | \$12,361 | \$12,361 | \$12,361 | \$7,865 |
| Gabbro Soils | n/a | n/a | n/a | n/a | n/a | 345 | 345 | 345 | 345 | 345 |
| Line & Cover 1 ^[2] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 101 | 101 | 101 |
| Line & Cover 2 | n/a | n/a | n/a | n/a | n/a | 118 | 118 | 118 | 118 | 118 |
| Line & Cover 3 | n/a | n/a | n/a | n/a | n/a | 325 | 325 | 325 | 325 | n/a |
| AFA / Weber Fee | n/a | n/a | n/a | n/a | n/a | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Total | n/a | n/a | n/a | n/a | n/a | \$17,149 | \$17,149 | \$17,149 | \$17,250 | \$12,429 |

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

Source: El Dorado Irrigation Engineering Department

 $^{^{\}left[1\right]}$ Cameron Park included with El Dorado Hill FCC effective February 25, 2008.

^[2] Line & Cover 1 ended effective October, 2009.

 $^{^{\}mbox{\scriptsize [3]}}$ AFA With No Entitlements agreement expired April 2011.

Table #19 (Continued) Water and Recycled Water Facility Capacity Charges (FCC) Last Ten Years

(in dollars per EDU)

| | | | | | Year | | | | | |
|-------------------------------------|--------------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| El Dorado Hills Residential - AF | FA With No Entitlement (| Dual Plumbed):[3] | | | | | | | | |
| Potable Water FCC | n/a | n/a | n/a | n/a | n/a | \$5,512 | \$5,512 | \$5,512 | \$5,512 | \$7,865 |
| Gabbro Soils | n/a | n/a | n/a | n/a | n/a | 345 | 345 | 345 | 345 | 345 |
| Line & Cover 1 ^[2] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 101 | 101 | 101 |
| Line & Cover 2 | n/a | n/a | n/a | n/a | n/a | 118 | 118 | 118 | 118 | 118 |
| Line & Cover 3 | n/a | n/a | n/a | n/a | n/a | 325 | 325 | 325 | 325 | n/a |
| AFA / Weber Fee | n/a | n/a | n/a | n/a | n/a | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Recycled Water FCC | n/a | n/a | n/a | n/a | n/a | 4,553 | 4,553 | 4,553 | 4,553 | - |
| Total | n/a | n/a | n/a | n/a | n/a | \$12,853 | \$12,853 | \$12,853 | \$12,954 | \$10,429 |
| General District / Satellites (Pota | able Only): | | | | | | | | | |
| Potable Water FCC | \$18,369 | \$17,930 | \$17,578 | \$17,578 | \$16,305 | \$16,305 | \$16,305 | \$16,305 | \$16,305 | \$7,953 |
| Gabbro Soils | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 |
| Line & Cover 1 ^[2] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 101 | 101 | 101 |
| Line & Cover 2 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 |
| Line & Cover 3 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | n/a |
| Total | \$19,157 | \$18,718 | \$18,366 | \$18,366 | \$17,093 | \$17,093 | \$17,093 | \$17,093 | \$17,194 | \$8,517 |

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

Source: El Dorado Irrigation Engineering Department

Table #20 Wastewater Facility Capacity Charges (FCC) Last Ten Years (in dollars per EDU)

| | | | | | Year | | | | | |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| El Dorado Hills: | | | | | | | | | | |
| Wastewater Buy-in | \$6,290 | \$6,140 | \$6,020 | \$6,020 | \$4,967 | \$4,967 | \$4,967 | \$4,967 | \$4,967 | \$8,443 |
| Recycled Costs Share | - | - | - | - | 1,538 | 1,538 | 1,538 | 1,538 | 1,538 | 1,412 |
| Future Capital Projects | 7,150 | 6,979 | 6,842 | 6,842 | 6,936 | 6,936 | 6,936 | 6,936 | 6,936 | n/a |
| Total | \$13,440 | \$13,119 | \$12,862 | \$12,862 | \$13,441 | \$13,441 | \$13,441 | \$13,441 | \$13,441 | \$9,855 |
| Cameron Park: | | | | | | | | | | |
| Wastewater Buy-in | \$6,290 | \$6,140 | \$6,020 | \$6,020 | \$7,425 | \$7,425 | \$7,425 | \$7,425 | \$7,425 | \$4,418 |
| Recycled Costs Share | - | - | - | - | 1,538 | 1,538 | 1,538 | 1,538 | 1,538 | 1,412 |
| Future Capital Projects | 7,150 | 6,979 | 6,842 | 6,842 | 486 | 486 | 486 | 486 | 486 | n/a |
| Total | \$13,440 | \$13,119 | \$12,862 | \$12,862 | \$9,449 | \$9,449 | \$9,449 | \$9,449 | \$9,449 | \$5,830 |
| Motherlode: | | | | | | | | | | |
| Wastewater Buy-in | \$6,290 | \$6,140 | \$6,020 | \$6,020 | \$10,114 | \$10,114 | \$10,114 | \$10,114 | \$10,114 | \$6,246 |
| Recycled Costs Share | - | - | - | - | 1,538 | 1,538 | 1,538 | 1,538 | 1,538 | 1,412 |
| Future Capital Projects | 7,150 | 6,979 | 6,842 | 6,842 | 1,751 | 1,751 | 1,751 | 1,751 | 1,751 | n/a |
| Total | \$13,440 | \$13,119 | \$12,862 | \$12,862 | \$13,403 | \$13,403 | \$13,403 | \$13,403 | \$13,403 | \$7,658 |
| Satellite Areas: | | | | | | | | | | |
| Wastewater Buy-in | \$6,290 | \$6,140 | \$6,020 | \$6,020 | \$9,120 | \$9,120 | \$9,120 | \$9,120 | \$9,120 | \$6,181 |
| Future Capital Projects | 7,150 | 6,979 | 6,842 | 6,842 | 777 | 777 | 777 | 777 | 777 | - |
| Total | \$13,440 | \$13,119 | \$12,862 | \$12,862 | \$9,897 | \$9,897 | \$9,897 | \$9,897 | \$9,897 | \$6,181 |

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

 $^{^{\}left[1\right]}$ Cameron Park included with El Dorado Hill FCC effective February 25, 2008.

^[2] Line & Cover 1 ended effective October, 2009.

 $^{^{\}left[3\right] }$ AFA With No Entitlements agreement expired April 2011.

Table #21

Installation and Inspection Fees Last Ten Years

(in dollars)

Year

| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 ^[1] | 2010 | 2009 | 2008 | 2007 |
|--|-------|-------|-------|-------|-------|---------------------|-------|-------|-------|-------|
| Water Meter Installation Fees: | | | | | | | | | | |
| 3/4" Meter, With Pressure Regulator | n/a | n/a | n/a | n/a | n/a | \$792 | \$760 | \$598 | \$598 | \$537 |
| 3/4" Meter, Without Pressure Regulator | \$605 | \$607 | \$605 | \$609 | \$560 | 560 | 521 | 464 | 464 | 428 |
| 1" Meter, With Pressure Regulator | n/a | n/a | n/a | n/a | n/a | 979 | 920 | 670 | 670 | 653 |
| 1" Meter, Without Pressure Regulator | 788 | 789 | 704 | 704 | 669 | 669 | 598 | 525 | 525 | 508 |
| Recycled Water Meter Installation Fees: | | | | | | | | | | |
| 3/4" Commercial and Residential | 612 | 613 | 612 | 615 | 594 | 594 | 792 | 545 | 545 | 545 |
| Wastewater Inspection Fees: | | | | | | | | | | |
| Commercial (Per Cleanout) | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Residential | 145 | 145 | 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 | 400 | 400 | 400 | 400 |
| Front and Back Yard, Done by Developer (Per Lot) | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 |

 $^{^{\}left[1\right]}$ Pressure regulators not included in price effective January 1. 2012.

Source: El Dorado Irrigation Engineering Department



| Debt Capacity | |
|---------------|--|
| | |
| | |

Table #22

Ratios of Outstanding Debt by Type

Last Ten Years
(in thousands of dollars, except per capita and population)

| | Year | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|--|
| | 2016 | 2015 | 2014 [2] | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | | |
| State of California Loans | \$13,211 | \$14,319 | \$15,401 | \$16,456 | \$17,485 | \$18,491 | \$19,472 | \$20,419 | \$21,364 | \$16,138 | | |
| County of El Dorado Note | - | - | - | - | 1,533 | 1,533 | 1,533 | 1,533 | 1,533 | 1,533 | | |
| COPs | 62,630 | 155,958 | 158,719 | 293,005 | 298,182 | 358,046 | 364,940 | 367,940 | 243,830 | 240,220 | | |
| GO Bonds | 940 | 1,406 | 1,850 | 2,260 | 2,670 | 3,065 | 3,450 | 3,825 | 4,260 | 4,685 | | |
| Refunding Revenue Bonds | 305,486 | 179,513 | 184,051 | 50,505 | 50,685 | - | - | - | - | - | | |
| Total | \$382,267 | \$351,196 | \$360,021 | \$362,226 | \$370,555 | \$381,135 | \$389,395 | \$393,717 | \$270,987 | \$262,576 | | |
| | | | | | | | | | | | | |
| Percentage of Personal Income ^[1] | n/a | 3.26% | 3.46% | 3.48% | 3.76% | 4.19% | 4.58% | 4.51% | 3.07% | 3.04% | | |
| Per Capita | \$2,080 | \$1,925 | \$1,974 | \$2,004 | \$2,051 | \$2,094 | \$2,212 | \$2,236 | \$1,508 | \$1,477 | | |
| Personal Income, Per Capita ^[1] | n/a | \$59,145 | \$56,965 | \$57,520 | \$54,533 | \$49,967 | \$48,240 | \$49,590 | \$49,091 | \$48,606 | | |
| Population | 183,750 | 182,404 | 182,404 | 180,712 | 180,712 | 182,019 | 176,075 | 176,075 | 179,722 | 177,766 | | |

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 year 2016 unavailable at time of report.

^[2] Beginning in 2014, outstanding debt by type is stated net of related premiums, discounts, and adjustments.

Table #23

Debt Service Coverage

Refunding Revenue and Certificates of Participation Outstanding Debt

Water and Wastewater^[1]

Last Ten Years (in dollars)

| Catanana | Revenues ^[2] | Expenses ^[3] | Not Dominion | Pre-existing Obligations (State Loans) ^[7] | Net Revenues Available for | Senior Daha Samina | Senior Debt Service Coverage ^[4] |
|---------------------|-------------------------|-------------------------|--------------|---|----------------------------|-----------------------|---|
| Category Water | Revenues | Expenses | Net Revenues | (State Loans) | Debt Service | Debt Service | Coverage |
| 2007 | \$39,495,917 | \$24,823,282 | \$14,672,635 | | \$14,672,635 | \$6,453,793 | 2.27 |
| 2008 | 41,744,079 | 25,813,634 | 15,930,445 | | 15,930,445 | 10,976,564 | 1.45 |
| 2009 ^[5] | 31,766,675 | 24,888,540 | 6,878,135 | \$1,079,200 | 5,798,935 | 8,262,592 | 0.70 |
| 2010 | 36,473,001 | 22,352,243 | 14,120,758 | 1,067,395 | 13,053,363 | 8,608,947 | 1.52 |
| 2011 ^[6] | 45,464,271 | 24,029,159 | 21,435,112 | 1,079,317 | 20,355,795 | 10,506,089 | 1.94 |
| 2012 | 41,643,945 | 24,518,620 | 17,125,325 | 1,079,317 | 16,046,008 | 8,453,844 | 1.90 |
| 2013 | 49,455,360 | 27,218,400 | 22,236,960 | 1,079,317 | 21,157,643 | 8,657,235 | 2.44 |
| 2014 | 44,472,670 | 27,511,675 | 16,960,995 | 1,079,317 | 15,881,678 | 7,995,712 | 1.99 |
| 2015 | 50,398,717 | 27,958,179 | 22,440,538 | 1,079,317 | 21,361,221 | 8,239,745 | 2.59 |
| 2016 | 54,259,570 | 29,023,156 | 25,236,414 | 1,079,317 | 24,157,097 | 8,345,725 | 2.89 |
| Wastewater | | | | | | | |
| 2007 | 32,180,773 | 19,504,007 | 12,676,766 | | 12,676,766 | 8,822,552 | 1.44 |
| 2008 | 28,674,087 | 18,685,105 | 9,988,982 | | 9,988,982 | 6,815,175 | 1.47 |
| 2009 ^[5] | 23,715,902 | 18,468,735 | 5,247,167 | | 5,247,167 | 6,492,037 | 0.81 |
| 2010 | 25,034,969 | 16,931,624 | 8,103,345 | | 8,103,345 | 6,456,346 | 1.26 |
| $2011^{[6]}$ | 27,092,724 | 15,640,269 | 11,452,455 | | 11,452,455 | 8,279,821 | 1.38 |
| 2012 | 26,998,692 | 16,443,083 | 10,555,609 | | 10,555,609 | 8,243,700 | 1.28 |
| 2013 | 29,857,466 | 16,208,390 | 13,649,076 | | 13,649,076 | 6,669,813 | 2.05 |
| 2014 | 29,409,459 | 17,069,712 | 12,339,747 | | 12,339,747 | 6,114,269 | 2.02 |
| 2015 | 34,235,885 | 17,293,178 | 16,942,707 | | 16,942,707 | 6,193,805 | 2.74 |
| 2016 | 33,406,086 | 17,948,583 | 15,457,503 | | 15,457,503 | 6,116,588 | 2.53 |
| Total | | | | | | | |
| 2007 | 71,676,690 | 44,327,289 | 27,349,401 | | 27,349,401 | 15,276,345 | 1.79 |
| 2008 | 70,418,166 | 44,498,739 | 25,919,427 | | 25,919,427 | 17,791,739 | 1.46 |
| 2009 ^[5] | 55,482,577 | 43,357,275 | 12,125,302 | 1,079,200 | 11,046,102 | 14,754,629 | 0.75 |
| 2010 | 61,507,970 | 39,283,867 | 22,224,103 | 1,067,395 | 21,156,708 | 15,065,293 | 1.40 |
| 2011 ^[6] | 72,556,995 | 39,669,428 | 32,887,567 | 1,079,317 | 31,808,250 | 18,785,910 | 1.69 |
| 2012 | 68,642,637 | 40,961,703 | 27,680,934 | 1,079,317 | 26,601,617 | 16,697,544 | 1.59 |
| 2013 | 79,312,826 | 43,426,790 | 35,886,036 | 1,079,317 | 34,806,719 | 15,327,048 | 2.27 |
| 2014 | 73,882,129 | 44,581,387 | 29,300,742 | 1,079,317 | 28,221,425 | 14,109,981 | 2.00 |
| 2015 | 84,634,602 | 45,251,357 | 39,383,245 | 1,079,317 | 38,303,928 | 14,433,550 | 2.65 |
| 2016 | 87,665,656 | 46,971,739 | 40,693,917 | 1,079,317 | 39,614,600 | 14,462,313 | 2.74 |
| | | | | | | | |

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.

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 miscellenoeus revenue and reclassification of FEMA expense.

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

^[7] During the year-ended December 31, 2013, the debt service coverage calculation was changed to match the calculation methodology per the bond covenants as presented in the Official Statements. The State Revolving Fund loans are pre-existing indebtedness payable from net Revenues prior to the District's senior debt. Revised calculations are restated back to 2009. Source: El Dorado Irrigation District Accounting Division - COP Coverage Requirement Analysis



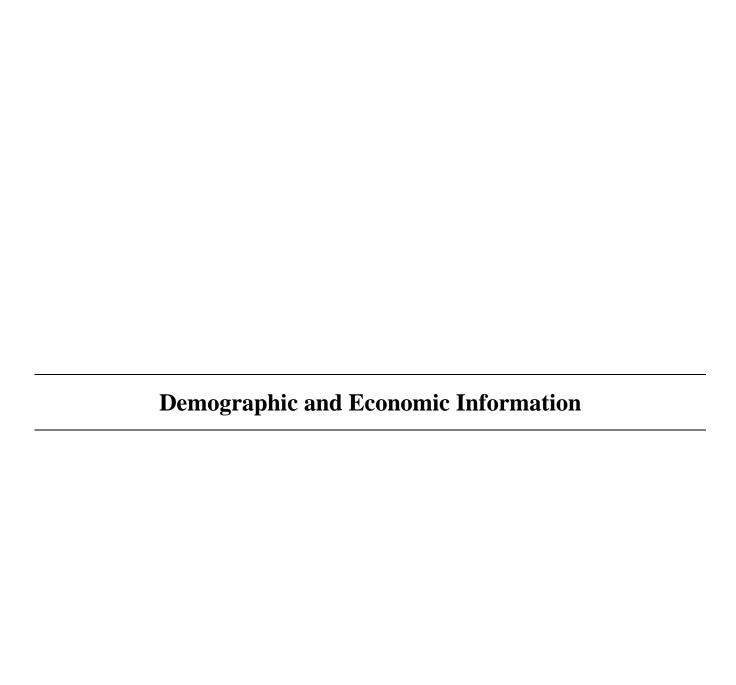


Table #24

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

| | | nit Valuations ds of dollars) | | relling Units d Permits | New C | New Construction Finals Issued | | | | |
|------|-------------|----------------------------------|------------------|-------------------------|------------------|--------------------------------|------------|--|--|--|
| Year | Residential | Non- residential | Single Family | Multi-family | Single Family | Multi-family | Commercial | | | |
| 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 | - | 188 | 119 | 57 | | | |
| 2010 | 49,309 | 13,825 | 69 | - | 79 | - | 28 | | | |
| 2011 | 63,164 | 26,016 | 92 | - | 60 | - | 24 | | | |
| 2012 | 100,240 | 12,253 | 172 | 40 | 151 | - | 20 | | | |
| 2013 | 153,178 | 22,230 | 282 | 6 | 246 | 145 | 30 | | | |
| 2014 | 159,466 | 14,659 | 287 | 4 | 265 | - | 34 | | | |
| 2015 | 251,472 | 30,149 | 491 | 2 | 304 | 4 | 27 | | | |
| 2016 | 283,080 | 21,020 | 627 | - | 527 | - | 34 | | | |

Source: El Dorado County Land Management Information System

Table #25

Principal Employers of El Dorado County

Current Year and Nine Years Ago

| | | 2015 ^{[2} | 2] | 2007 | | | |
|---|-----------|--------------------|-------------------------|-----------|------|----------------------------|--|
| | | | Percent of Total County | | | Percent of Total County | |
| Employer | Employees | Rank | Employment | Employees | Rank | Employment | |
| El Dorado County | 1,860 | 1 | 2.25% | 2,057 | 1 | 2.18% | |
| Blue Shield of California | 1,341 | 2 | 1.62% | 1,434 | 2 | 1.52% | |
| Red Hawk Casino | 1,300 | 3 | 1.57% | | | | |
| Marshall Medical Center | 1,202 | 4 | 1.46% | 979 | 4 | 1.04% | |
| DST Output | 850 | 5 | 1.03% | 1,200 | 3 | 1.27% | |
| Barton Healthcare Systems (Hospital) | 840 | 6 | 1.02% | | | | |
| U.S. Government | 788 | 7 | 0.95% | | | | |
| State of California | 743 | 8 | 0.90% | 703 | 5 | 0.74% | |
| Safeway, Inc. | 694 | 9 | 0.84% | 434 | 8 | 0.46% | |
| El Dorado County Office of Education | 669 | 10 | 0.81% | 528 | 7 | 0.56% | |
| El Dorado Union High School District | 650 | 11 | 0.79% | | | | |
| Raley's, Inc. | 507 | 12 | 0.61% | | | | |
| Sierra-at-Tahoe ^[1] | 500 | 13 | 0.61% | 635 | 6 | 0.67% | |
| Lake Tahoe Unified School District | 417 | 14 | 0.50% | | | | |
| Buckeye Union Elementary School District | 363 | 15 | 0.44% | | | | |
| Roebbelen Contracting, Inc. ^[1] | 240 | 16 | 0.29% | 375 | 9 | 0.40% | |
| El Dorado Irrigation District | 217 | 17 | 0.26% | 340 | 10 | 0.36% | |
| Lake Tahoe Resort Hotel | 214 | 18 | 0.26% | | | | |
| City of South Lake Tahoe | 175 | 19 | 0.21% | | | | |
| Doug Veerkamp General Engineering, Inc. [1] | 165 | 20 | 0.20% | | | | |
| | | | | | | | |
| Total | 13,735 | | 16.12% | 8,685 | | 10.13% | |

^[1] Peak season employment.

^[2] Information for the current year was not available yet as of the publication of this document. Source: Sacramento Business Journal, May 13, 2015 and April 18, 2008, for 2015 and 2007, respectively

Table #26

El Dorado County Demographic and Economic Statistics Last Ten Years

| | | | | | | Personal Income | | |
|------|------------|----------|----------------|----------|--------------|----------------------------|---------------------|------------|
| | County | Annual % | Civilian Labor | | Unemployment | (in thousands of dollars - | Per Capita Personal | School |
| Year | Population | Change | Force | Employed | Rate | estimated) | Income (in dollars) | Enrollment |
| 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% | 9,846,504 | 54,533 | 29,780 |
| 2013 | 180,712 | 0.0% | 89,300 | 81,700 | 8.5% | 10,458,523 | 57,520 | 29,441 |
| 2014 | 182,404 | 0.9% | 84,900 | 83,100 | 7.1% | 10,429,619 | 56,965 | 27,237 |
| 2015 | 182,404 | 0.9% | 89,200 | 84,300 | 5.5% | 10,909,324 | 59,145 | 26,960 |
| 2016 | 183,750 | 0.7% | 89,700 | 85.200 | 5.1% | n/a ^[1] | $n/a^{[1]}$ | 26.987 |

^[1] Information unavailable at time of report.

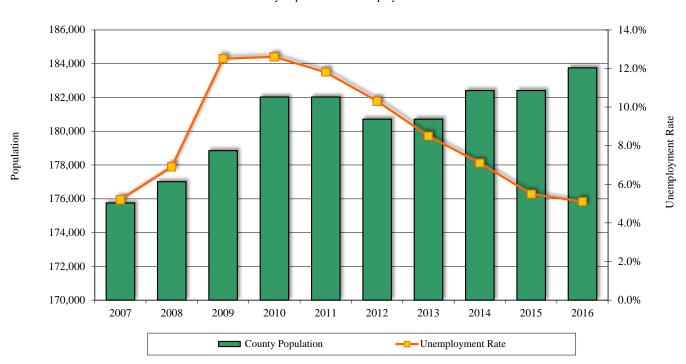
Source: Bureau of Economic Analysis, Regional Economic Information System beginning in 2009 due to the unavailability of current data for population, personal income, and per capita personal income from the Labor Market Information Division. This change reflected in an inaccurate decrease in annual %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

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

California Employment Development Department, Labor Market Information Division for civilian labor force, employed, and unemployment rate California Department of Education, Educational Demographics Unit for school enrollment

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

Chart #8 County Population vs. Unemployment Rate



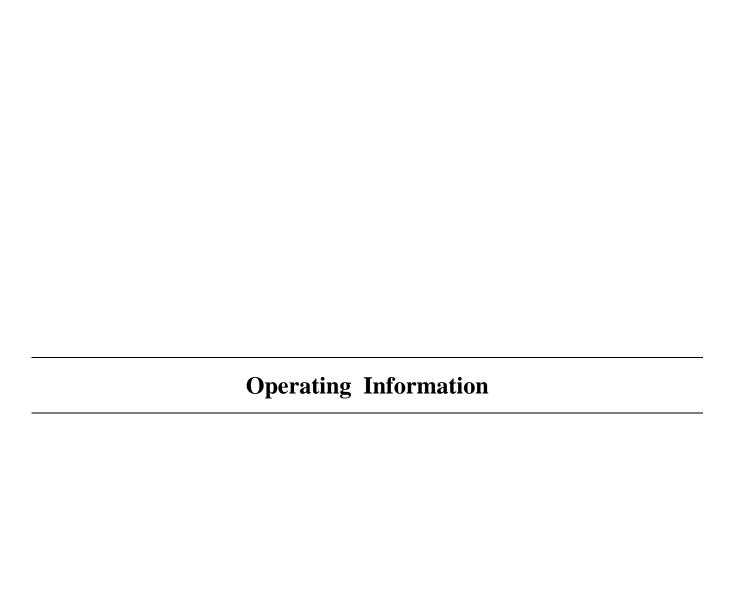


Table #27

Water System

Demographics and Statistical Summary

Last Ten Years

| | | | | | Year | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Facilities: | | | | | | | | | | |
| Miles of Main Line (Estimated) | 1314 | 1298 | 1298 | 1298 | 1298 | 1298 | 1298 | 1295 | 1295 | 1245 |
| Miles of Ditches (Estimated) | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Number of Treatment Plants | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 |
| Total Plant Capacity (mgd) | 102.59 | 102.59 | 102.59 | 102.59 | 102.59 | 102.59 | 102.59 | 102.59 | 102.59 | 102.59 |
| # of Pumping Stations | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 37 |
| # of Storage Tanks / Reservoirs | 36 | 36 | 34 | 34 | 34 | 34 | 33 | 33 | 33 | 36 |
| Supply Allocated (Acre Feet): | | | | | | | | | | |
| Jenkinson Reservoir | 20,920 | 20,920 | 20,920 | 20,920 | 20,920 | 20,920 | 20,920 | 23,000 | 23,000 | 23,000 |
| Reclamation-Folsom Lake ^[1] | 29,110 | 29,110 | 29,110 | 29,110 | 29,110 | 29,110 | 29,110 | 24,500 | 24,500 | 24,500 |
| Forebay - Project 184 | 15,080 | 15,080 | 15,080 | 15,080 | 15,080 | 15,080 | 15,080 | 15,080 | 15,080 | 15,080 |
| Total Water Allocations | 65,110 | 65,110 | 65,110 | 65,110 | 65,110 | 65,110 | 65,110 | 62,580 | 62,580 | 62,580 |
| Supply Delivered (Acre Feet): | | | | | | | | | | |
| Jenkinson Reservoir | 18,668 | 16,532 | 15,876 | 21,975 | 22,084 | 20,600 | 20,844 | 22,255 | 25,745 | 22,467 |
| Reclamation-Folsom Lake | 5,956 | 5,666 | 5,203 | 5,700 | 6,976 | 5,785 | 6,409 | 6,693 | 6,882 | 9,171 |
| Forebay - Project 184 | 5,511 | 5,612 | 8,705 | 11,807 | 7,520 | 7,069 | 8,424 | 11,712 | 12,423 | 12,329 |
| Total Water Deliveries | 30,135 | 27,810 | 29,784 | 39,482 | 36,580 | 33,454 | 35,677 | 40,660 | 45,050 | 43,967 |
| Consumption (Acre Feet) ^[2] : | | | | | | | | | | |
| Residential ^[3] | 13,774 | 12,460 | 13,983 | 18,318 | 19,006 | 17,215 | 18,147 | 22,099 | 23,322 | 23,341 |
| Commercial and Industrial ^[4] | 2,199 | 2,040 | 2,236 | 2,662 | 2,610 | 2,402 | 2,478 | 1,993 | 3,029 | 3,076 |
| Agricultural ^[5] | 4,552 | 4,358 | 4,766 | 5,954 | 5,385 | 4,307 | 4,896 | 5,690 | 5,581 | 5,262 |
| Recreational Turf | 844 | 812 | 867 | 1,207 | 1,144 | 973 | 1,073 | 1,238 | 1,398 | 1,364 |
| Municipal | 1,307 | 909 | 1,114 | 1,331 | 1,269 | 1,097 | 1,166 | 1,422 | 1,533 | 1,960 |
| Total Water Consumption | 22,676 | 20,579 | 22,966 | 29,473 | 29,414 | 25,994 | 27,760 | 32,442 | 34,863 | 35,003 |
| Customer Services ^[2,6] : | | | | | | | | | | |
| Residential ^[3] | 38,329 | 37,270 | 36,805 | 36,509 | 37,126 | 36,738 | 36,882 | 36,464 | 36,449 | 36,223 |
| Commercial and Industrial ^[4] | 1,756 | 1,734 | 1,738 | 1,779 | 1,507 | 1,737 | 1,480 | 1,787 | 1,653 | 1,417 |
| Agricultural ^[5] | 745 | 897 | 944 | 978 | 648 | 479 | 497 | 486 | 477 | 390 |
| Recreational Turf | 113 | 113 | 115 | 117 | 107 | 112 | 112 | 108 | 110 | 109 |
| Municipal | 14 | 14 | 14 | 15 | 15 | 16 | 16 | 17 | 16 | 11 |
| Total Water Services | 40,957 | 40,028 | 39,616 | 39,398 | 39,403 | 39,082 | 38,987 | 38,862 | 38,705 | 38,150 |
| Gallons Per Capita Daily (GPCD) ^[7] | 200 | 195 | 209 | 243 | 244 | 223 | 253 | - | - | - |

^[1] Folsom now includes Bureau 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.

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

^[2] Includes data for both the contiguous and satellite zones.

^[3] Includes Single Family Residential, Multi-family Residential, and Dual Plumbed Residential.

^[4] Includes commercial and commercial landscape services.

^[5] Includes Agricultural Metered Irrigation, Small Farm, and Potable Ditches.

^[6] Connections previously reported incorrectly as accounts. (Rev. 11/19/15)

Per the 2015 Urban Water Management Plan (UWMP) the District's water use target has been established at 241GPCD by 2020. Beginning in 2016, the methodology used to determine the GPCD was changed to be consistent with the 2015 UWMP. This change includes the use of a 1.03% average inter-annual growth estimate. Reporting of the GPCD was not required prior to 2010.

Table #28

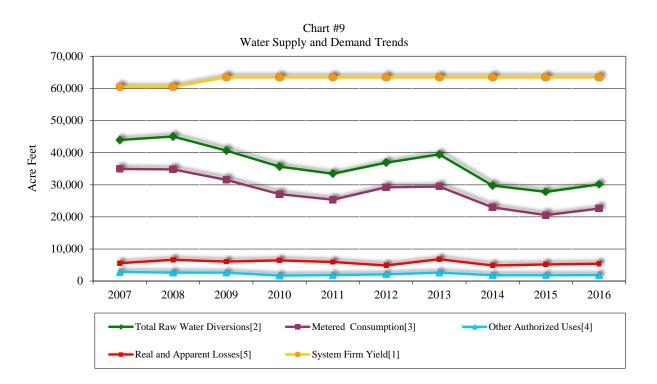
Water Supply and Demand Data Last Ten Years

(in acre feet)

| | System | Total Raw | Metered | Other Authorized | Supplement to | Real and Apparent |
|------|---------------------------|---------------------------------|----------------------------|---------------------|-----------------|-----------------------|
| Year | Firm Yield ^[1] | Water Diversions ^[2] | Consumption ^[3] | Uses ^[4] | Recycled System | Losses ^[5] |
| 2007 | 60,550 | 43,967 | 34,938 | 2,857 | 595 | 5,577 |
| 2008 | 60,550 | 45,051 | 34,813 | 2,653 | 963 | 6,622 |
| 2009 | 63,500 | 40,660 | 31,557 | 2,629 | 393 | 6,081 |
| 2010 | 63,500 | 35,677 | 27,099 | 1,740 | 379 | 6,459 |
| 2011 | 63,500 | 33,453 | 25,358 | 1,861 | 277 | 5,957 |
| 2012 | 63,500 | 36,906 | 29,254 | 2,118 | 596 | 4,938 |
| 2013 | 63,500 | 39,482 | 29,473 | 2,664 | 534 | 6,811 |
| 2014 | 63,500 | 29,784 | 22,966 | 1,818 | 117 | 4,883 |
| 2015 | 63,500 | 27,810 | 20,571 | 1,828 | 198 | 5,213 |
| 2016 | 63,500 | 30,134 | 22,626 | 1,900 | 198 | 5,410 |

^[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.

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



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.

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. Real and apparent losses can be attributed to 1,295 miles of pipeline, 3 miles of open ditch, and over 39,000 service connections.

Table #29

Recycled Water System Demographics and Statistical Summary Last Ten Years

| | | | | | Year | • | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Facilities: | | | | | | | | | | |
| Miles of Recycled Mains | 93 | 79 | 79 | 79 | 79 | 79 | 54 | 54 | 54 | 49 |
| Number of Treatment Plants | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Plant Capacity (mgd) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Storage Reservoirs / Tanks | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of Pump Stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Consumption (Acre Feet): | | | | | | | | | | |
| Residential ^[1,2] | 1,576 | 1,393 | 1,374 | 1,850 | 1,685 | 1,372 | 1,328 | 1,579 | 1,674 | 1,578 |
| Commercial and Industrial ^[3] | 608 | 530 | 542 | 737 | 624 | 538 | 546 | 654 | 716 | 789 |
| Recreational Turf | 450 | 426 | 497 | 588 | 544 | 337 | 189 | 361 | 513 | 571 |
| Total Recycled Water Consumption | 2,634 | 2,349 | 2,413 | 3,175 | 2,853 | 2,247 | 2,063 | 2,594 | 2,903 | 2,938 |
| Customer Services ^[4,5] : | | | | | | | | | | |
| Residential ^[1,2] | 5,030 | 4,744 | 4,403 | 4,167 | 3,918 | 3,928 | 3,924 | 3,663 | 3,714 | 3,513 |
| Commercial and Industrial ^[3] | 167 | 160 | 153 | 152 | 147 | 155 | 143 | 139 | 153 | 156 |
| Recreational Turf | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 11 | 12 |
| Total Recycled Water Services ^[4] | 5,209 | 4,916 | 4,568 | 4,331 | 4,077 | 4,095 | 4,079 | 3,814 | 3,878 | 3,681 |

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

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

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] Connections previously reported incorrectly as accounts.

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

Table #30

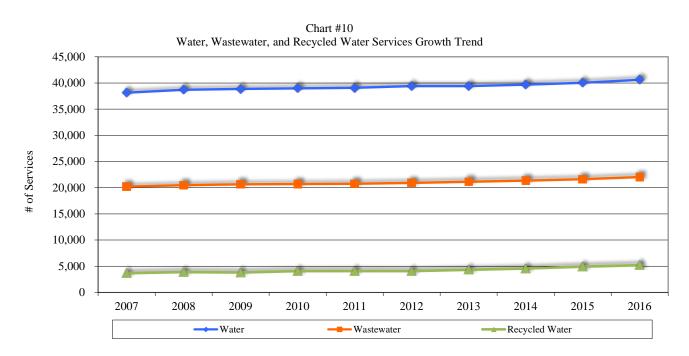
Wastewater System

Demographics and Statistical Summary Last Ten Years

| | | | | | Year | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Category | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Facilities: | | | | | | | | | | |
| Miles of Sewer Mains [6] | 445 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 390 |
| Number of Treatment Plants | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 |
| Permitted Average Dry Weather Flow (mgd) ^[2] | 7.6 | 7.6 | 7.6 | 7.60 | 7.60 | 7.60 | 7.60 | 7.20 | 7.20 | 6.60 |
| Total Plant Capacity (mgd) | 23 | 23 | 23 | 23.00 | 23.00 | 23.00 | 23.00 | 23.00 | 23.00 | 22.40 |
| Average Dry Weather Daily Plant Flow ^{[1][3]} | 3.71 | 3.71 | 3.93 | 4.27 | 4.41 | 4.61 | 4.91 | 5.96 | 5.96 | 5.38 |
| El Dorado Hills Plant ^[1] | 1.80 | 1.80 | 1.85 | 2.07 | 2.17 | 2.12 | 2.13 | 2.42 | 2.74 | 2.69 |
| Camino Heights Plant ^[1] | 0.009 | 0.009 | 0.011 | 0.012 | 0.014 | 0.015 | 0.018 | 0.017 | 0.017 | 0.018 |
| Deer Creek Plant ^[1] | 1.90 | 1.90 | 2.07 | 2.19 | 2.23 | 2.47 | 2.45 | 2.39 | 2.60 | 2.69 |
| Number of Lift Stations | 61 | 61 | 63 | 64 | 64 | 64 | 64 | 64 | 64 | 63 |
| Customer Services: ^[4] | | | | | | | | | | |
| Residential ^[5] | 21,189 | 20,767 | 20,506 | 20,285 | 20,065 | 19,911 | 19,871 | 19,849 | 19,641 | 19,422 |
| Commercial and Industrial | 827 | 828 | 834 | 827 | 816 | 809 | 793 | 778 | 804 | 752 |
| Schools | 25 | 25 | 25 | 25 | 25 | 24 | 23 | 23 | 23 | 27 |
| Total Wastewater Services | 22,041 | 21,620 | 21,365 | 21,137 | 20,906 | 20,744 | 20,687 | 20,650 | 20,468 | 20,201 |

^[1] In 2015, changes were made to reflect District owned laterals. To remain consistant with other reporting requirements effective in 2016 the District has returned to reporting only main line length. Increased accuracy using a new GIS database has resulted in minor recalculations for the 2016 values.

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



^[2] The Permitted Average Dry Weather Flow includes the flow for EDHWWTP and DCWWTP only.

^[3] The Average Dry Weather Daily Plant Flow is the flow recorded in the months of July - September.

Connections previously reported as accounts.

^[5] Residential includes multi-family accounts.

Table #31

Recreation Demographics and Statistical Summary

Last Ten Years

Year

| | 2016 | 2015 | 2014 | 2013 | $2012^{[1]}$ | 2011 | 2010 | 2009 | 2008 | 2007 |
|------------------------|---------|---------|---------|---------|--------------|---------|---------|---------|---------|---------|
| Day Visitors | 527,299 | 497,584 | 547,870 | 538,358 | 508,492 | 332,324 | 388,207 | 244,433 | 157,447 | 155,730 |
| Overnight Campers | 105,839 | 102,657 | 101,515 | 107,218 | 99,912 | 82,760 | 90,824 | 83,172 | 75,167 | 69,381 |
| Boat Use | 37,843 | 36,920 | 41,172 | 50,408 | 52,865 | 65,922 | 47,165 | 41,690 | 24,640 | 17,435 |
| Guided Hikes | n/a | n/a | 244 | 98 | 145 | 136 | 15 | 136 | 136 | - |
| Fish Plants | 4 | 1 | 4 | 15 | 8 | 1 | 5 | 1 | 5 | 8 |
| Volunteer Hours | 1,000 | 1,000 | 1,000 | 4,040 | 850 | 800 | 1,500 | 800 | 800 | - |
| Museum Volunteer Hours | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

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 |
| Day Use Areas | 10 |
| 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

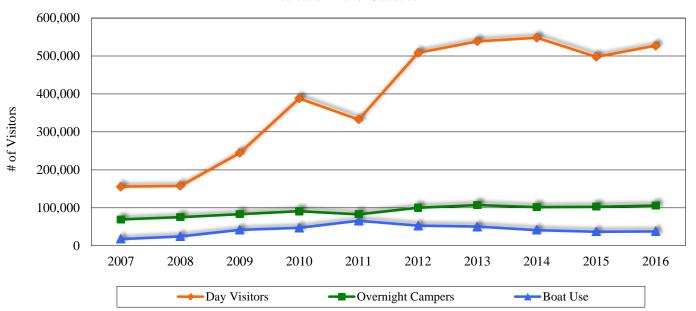


Table #32

Full-time Equivalent Employees^[1] by Function / Program

Last Ten Years

| | | | | | Y | ear | | | | |
|---|------|-------|-------|-------|-------|-------|-------|-------|------|------|
| Function/Program | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Office of the General Manager ^[2,10,11,12] | 9 | 9.5 | 9 | 5.5 | 5.5 | 8 | 10 | 16 | 23 | 22 |
| Information Technology | 6.5 | 7 | 7 | 7 | 8 | 10 | 11 | 13 | n/a | n/a |
| Facilities Management ^[3] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 134 | 153 |
| Operations ^[3,6] | 125 | 124.5 | 123.5 | 118.5 | 125.5 | 119.5 | 121.5 | 124.5 | n/a | n/a |
| Finance ^[4,10,12,13] | 39.5 | 40.5 | 42.5 | 45 | 45 | 45 | 44 | 45 | 43 | 55 |
| Human Resources ^[8] | 5 | 4.5 | 4 | 5.5 | 5.5 | 6 | 6 | 8.5 | n/a | n/a |
| Communications / Community Relations ^[5] | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 34 | 44 |
| Recreation ^[6] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 8 | 7 |
| Engineering ^[3,11,13] | 31 | 29 | 27 | 29 | 29 | 29.5 | 30.5 | 22 | n/a | n/a |
| Policy ^[7] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 18 | 24 |
| Natural Resources ^[9] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 21.5 | n/a | n/a |
| Total | 218 | 217 | 215 | 213.5 | 221.5 | 221 | 226 | 253.5 | 260 | 305 |

^[1] Positions reported are actual filled positions and not budgeted positions.

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

^[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] Records Management was moved from Engineering to Office of General Manager 2014.

^[12] Contracts Administration was moved from Finance to Office of General Manager in 2014.

^[13] A portion of Development Services was moved from Finance to Engineering in 2015.

Table #33 Rate Increase History Last Ten Years

| Year | Water | Wastewater |
|------|--------------------|--------------------|
| 2007 | 7%[1] | 4% ^[2] |
| 2008 | 0% | 4% ^[2] |
| 2009 | 0% | 0% |
| 2010 | 18% ^[3] | 18% ^[3] |
| 2011 | 15%[4] | 15% ^[4] |
| 2012 | 11% ^[5] | 5% ^[5] |
| 2013 | 11% | 5% |
| 2014 | 5% | 5% |
| 2015 | 0% ^[6] | $0\%^{[6]}$ |
| 2016 | 3% ^[7] | 3% ^[7] |

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

Source: El Dorado Irrigation District Customer Service Division

^[2] In addition to the 4% rate increase, a 2% increase was established to help offset lost property tax revenues.

^[3] An 18% rate increase was applied to all services.

^[4] A 15% rate increase was applied to all services.

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 not implemented until January 1, 2013.

^[6] A 5% rate increase that had been approved during the 2012 Proposition 218 notice was not adopted.

^[7] A 3% rate increase was adopted instead of the 5% rate increase that had been approved during the 2012 Proposition 218 notice.







COMPLIANCE REPORT

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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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 26, 2017.

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 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, LLP

May 26, 2017



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