



Calaveras County Water District Quarterly Financial Report

Fiscal Year 2009-10 Second Quarter

January 27, 2010

Prepared by the Finance Department

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EXECUTIVE SUMMARY

The Quarterly Financial Report is a financial and management report showing the relationship between budgeted and actual revenues, expenditures and encumbrances on a quarterly basis. The report is an analysis of the financial status of the District's major funds for the second quarter of Fiscal Year (FY) 2009-10, covering the six month period from July 1, 2009 through December 31, 2009. The report provides an analysis of each fund's actual revenues, expenditures and fund balance as compared to the FY 2009-10 budget. Please refer to the Appendices for detailed schedules of the District's key funds for the period ending December 31, 2009, including cumulative fund balances from prior years. The document includes an analysis of the unaudited revenue and expenditure activity for the District's:

- Operating Fund
- Outstanding Debt
- Expansion Funds
- Capital Improvement Program
- Investment Portfolio
- Interest Reserve Fund

CURRENT FINANCIAL CONDITION

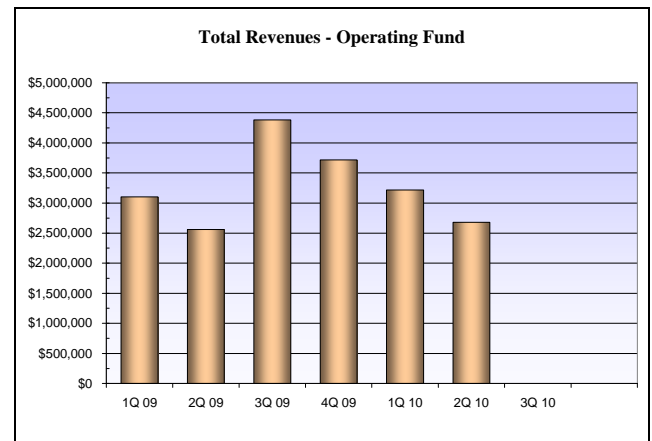
Even though the "experts" have determined that the recession has ended, the ongoing effects continue to impede growth at both the local and State level. The State budget crisis continues, and now includes projected annual general fund deficits of \$20 billion through Fiscal Year 2014-15. However, despite the State's woes, the District's financial condition remains sound. This condition can be attributed to aggressive measures taken by the District in response to the economic downturn, including its adoption of a balanced fiscal year 2009-10 budget.

The 2008-09 fiscal year cost reduction effort, along with an increase in one-time revenues, enabled the District to reduce its 2008-09 budgeted operating deficit of \$1.4 million to an actual deficit of \$800,000. This effort was extremely important as it not only reduced the year-end transfer from the Interest Reserve Fund to the Operating Fund by \$600,000, it ensured the interest reserve balance remained above the limit as adopted by the Board of Directors. Preservation of capital is critical to the

District's ongoing effort to withstand the continued effects of the economic downturn and the State's own budget crisis. Confirmation of the District's efforts came when the State's recent suspension of Proposition 1A (2004), which required the District to absorb the State's borrowing of eight percent (8%) of the FY 2009-10 property tax revenues, took place without requiring further cuts to the District's operating budget.

OPERATING FUND REVENUE

The Operating Fund is the District's main fund. For financial reporting purposes this fund contains both water and wastewater operations. Revenues in this fund are further delineated by operating revenues and non-operating revenues. Although budgeted as part of the Operating Fund, Debt Service and its corresponding funding will be presented in a separate section. After six months of operations, total unaudited Operating Fund revenues were \$5,599,955, or 54.4% of budget (Appendix A). Last year at this time, \$5,333,540 or 56.5% of the total annual revenue estimate had been received.



Operating Revenues:

- Water rate revenues were \$3,580,723 or 55.9% of budget through December 31, 2009. Compared to last year at December 31, 2008 water rate revenue is up \$166,875 or 4.9%. This increase is due in part to the monthly base rate increase effective July 1, 2009. The residential base rate increased from \$29.00 per month to \$32.50 per month. There was no increase in the consumptive rate.



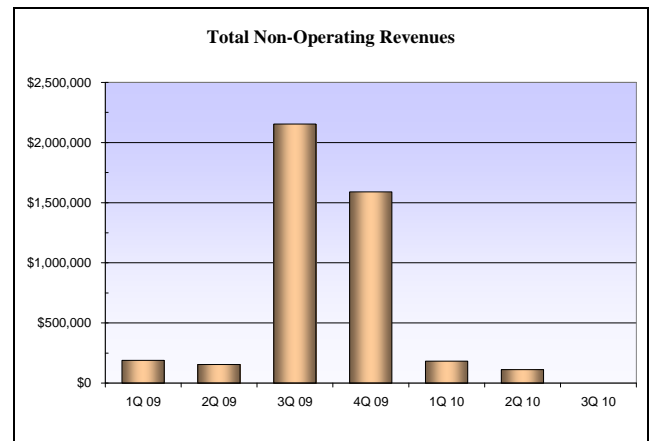
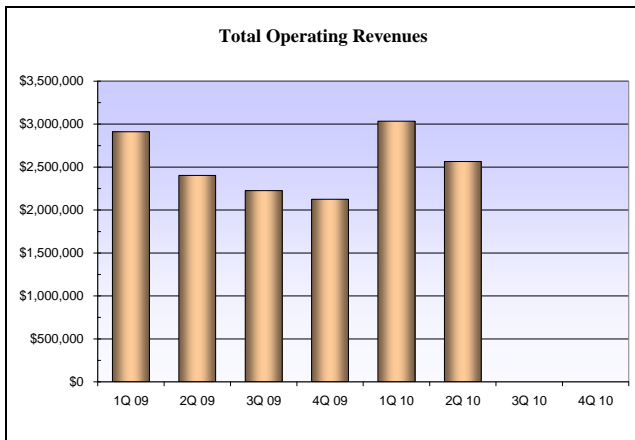
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- Wastewater rate revenues were \$1,742,641 or 53.9% of budget through December 31, 2009. Compared to last year at December 31, 2008 wastewater rate revenue has increased 9.2%, or \$146,636. The revenue increase is attributed to the increase in the monthly residential base rate, effective July 1, 2009. Rates were increased from \$54.00 per month to \$58.50 per month.
- Other Operating revenues totaled \$276,591 through December 31, 2009, or 42.2% of budget. This is a 14.5% decrease compared to the first quarter of 2008, or -\$47,096. Other Operating revenues include account establishment fees, delinquent account fees, inspection fees, plan check fees, backflow certification fees, repairs and reimbursements, developer reimbursements, and wholesale, irrigation and hydrant sales.

- Grant revenues are collected in arrears. The \$32,000 in grant revenue budgeted in FY 2009-10 is currently on hold until the District decides whether or not to proceed with the project. If the project is canceled; the corresponding budgeted expenditures will not be incurred.
- Other Non-Operating revenues were at 27.3% of budget, or \$173,126, a decrease of 3.3% over prior year. Non-Operating revenues are comprised of power sales, both North Folk and New Hogan, cellular tower rental fees, interest earned on loan-receivables, and other district reimbursements.



Non-Operating Revenues:

- Property tax revenues are distributed in January, May and August, with August's distribution accrued in the prior fiscal year. The District will not receive a property tax distribution until the third quarter of the fiscal year.
- Stand-By fees are also distributed in January, May and August. The District will not receive stand-by fee revenue until the third and fourth quarters of the fiscal year.
- Investment income ended the quarter at 53.4% of budget, or \$16,016. Compared to the prior year, revenues increased slightly by \$3,355, or 26.5%. Declining yields in the market have contributed greatly to the drop in investment income.

OPERATING FUND EXPENDITURES

The FY 2009-10 Operating expenditure budget includes approximately \$7,677,319 in salaries and benefits, \$5,036,800 for services and supplies, and \$332,000 for capital outlay and projects. At the end of the second quarter it is expected that on average, 50.0% of the allocated budget has been expended.

Through the end of the second quarter, Operating Fund unaudited expenditures were at 45.3% of budget. In total, expenditures decreased 11.0%, or \$730,579, from FY 2008-09 (See Appendix B). This decrease is largely due to the cost reduction program implemented as part of the 2009-10 fiscal year budget process, with savings in both salaries and benefits, and services and supplies.



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Operating Fund Expenditures - By Category

| | Budget FY 2009-10 | Actual Dec 31, 2009 | Percent of | |
|---------------------------|----------------------|------------------------|--------------|---------------|
| | | | Budget | Total Exp |
| Salaries and Benefits | \$ 7,677,319 | \$ 3,380,173 | 44.0% | 57.2% |
| Services and Supplies | 5,036,800 | 2,249,198 | 44.7% | 38.1% |
| Capital Outlay | 332,000 | 278,275 | 83.8% | 4.7% |
| Total Expenditures | \$ 13,046,119 | \$ 5,907,646 | 45.3% | 100.0% |

- Salaries and Benefits expenditures are \$3,380,173 or 44.0% of budget through December 31, 2009. Compared to the second quarter of FY 2008-09, salaries and benefits have decreased by \$265,198 or -7.3%. The decrease is a result of current vacancies and the reduction in force that decreased the number of funded positions from 71 to 67. This reduction occurred in June 2009 and was part of the FY 2009-10 budget process.
- Services and Supplies expenditures are 44.7% of budget, or \$5,629,372. Compared to last year at December 31, 2008 service and supplies expenditures have decreased by 19.5%, or \$545,538. Even though overall expenditures are less than 45%, there are four line items that require attention and continued monitoring:
 - Recruiting – Budgeted in Administration, year to date expenditures are \$5,082, or 181.5% of a \$2,800 budget. Human Resources has processed three recruitments, with at least one more, the General Manager’s position, to be completed this fiscal year.
 - Bad Debt Expense – Part of the Finance Department, currently \$59,202; or 98.7% of a \$60,000 budget. Foreclosures and the economy are still having a negative effect on collections and we do not see a change in the foreseeable future. At the current rate, we estimate an additional \$60,000 in Bad Debt Expense during the remainder of the fiscal year, or double the budgeted amount of \$120,000.
 - Chemicals – Expended as part of Utility Services operations. Currently \$187,809 out of a \$275,000 budget, or 68.3%. The District will continue to monitor this activity.

- Laboratory Services – Utilities budgeted \$200,000 for laboratory services in FY 2009-10. Current expenditures are \$120,553, or 60.3% of budget. These expenditures will be monitored for the balance of the fiscal year.
- Outside Legal Services – Included in the Administrative and Water Resources budget, Outside Legal Service covers general counsel, human resources, water rights, and other legal needs as required. The District has no in-house legal counsel. The combined budget for the District is \$262,000. To date legal expenditures total \$78,600, or 30.0% of budget. Compared to last fiscal year legal costs have decreased \$95,288, or -54.8%. However it must be noted that there is only four months of fees in the total for 2009-10 whereas five months are included in the 2008-09 amount. Payment of legal fees often lag 1-2 months from the date of actual work.
- Capital Outlay – Includes the purchase of capital equipment, vehicles, and capital maintenance projects that are not part of the Capital Improvement Program (CIP). The \$332,000 FY 2009-10 capital outlay budget is as follows:

Operating Fund Expenditures - Capital Outlay

| | Budget FY 2009-10 | Actual Dec 31, 2009 | Percent of | |
|---------------------------|----------------------|------------------------|--------------|---------------|
| | | | Budget | Total Exp |
| VOIP Telephone System | \$ 52,000 | \$ 47,639 | 91.6% | 17.1% |
| SCADA Upgrades | 80,000 | 12,336 | 15.4% | 4.4% |
| Electrical Panels | 37,000 | - | 0.0% | 0.0% |
| Pressure Relief Valves | 37,000 | - | 0.0% | 0.0% |
| Pump Station Upgrade, | 100,000 | 86,269 | 86.3% | 31.0% |
| Pickup Truck | 26,000 | - | 0.0% | 0.0% |
| Pumper Truck * | - | 132,031 | 0.0% | 47.4% |
| Total Expenditures | \$ 332,000 | \$ 278,275 | 83.8% | 100.0% |

* Ordered in FY 2008-09, delivered to District in FY 2009-10

The purchase of the pumper truck for Utilities was included in the FY 2008-09 budget and ordered in the 2008-09 fiscal year. However the truck was delivered after the end of the fiscal year and was thus recorded as a FY 2009-10 expenditure. A mid-year budget adjustment increasing the capital outlay budget will have to be approved so that funding will



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be available for the balance of the FY 2009-10 budgeted capital outlay purchases and projects.

Each department is responsible for monitoring and adhering to their adopted budget. These budgets include salaries and benefits, services and supplies, and when appropriate, capital outlay. Currently, only Administration is above the 50% second quarter average. This is due in part to the annual insurance premiums being paid “in full” in the first quarter.

Operating Fund Expenditures - By Department

| | Budget FY 2009-10 | Actual Dec 31, 2009 | Percent of | |
|---------------------------|----------------------|------------------------|--------------|---------------|
| | | | Budget | Total Exp |
| Board of Directors | \$ 181,668 | \$ 82,265 | 45.3% | 1.4% |
| Administration | 1,337,421 | 685,028 | 51.2% | 11.6% |
| Engineering/Tech Svcs | 1,007,104 | 302,949 | 30.1% | 5.1% |
| Finance/Customer Svc | 964,266 | 485,827 | 50.4% | 8.2% |
| Utilities | 8,455,647 | 4,049,004 | 47.9% | 68.5% |
| Water Resources | 634,513 | 192,727 | 30.4% | 3.3% |
| Non-Departmental | 465,500 | 109,846 | 23.6% | 1.9% |
| Total Expenditures | \$ 13,046,119 | \$ 5,907,646 | 45.3% | 100.0% |

Non-Departmental is a new department in 2009-10, and includes the budgets for costs and services that are not related to any one department, but benefit the entire District. The program includes the budget for payment of current retirees’ health insurance benefits (\$345,500), Federal and State dam administration fees, and debt service. Debt Service is included in the operating budget (\$2,122,183); however for reporting purposes the debt service quarterly data is presented in a separate section.

The District’s Annual Required Contribution (ARC) under GASB 45 is \$865,650. This includes the “pay-as-you-go” portion for current retirees, and the prefunding portion for current employees’ future retiree health costs. The prefunding portion of approximately \$520,150 was not included the 2009-10 budget, nor is the budget for the 2008-09 funding deficiency (\$34,991). The funds for prefunding are available in the Interest Reserve Fund and staff will be proposing a budget adjustment at mid-year.

OUTSTANDING DEBT

As authorized by State Water Code, the District can use debt financing for purposes that promote public

health and safety. The District generally incurs long-term debt to finance projects or purchase assets, and build the infrastructure required to provide water and wastewater services to a rapidly growing community. Long term debt can also be used to comply with mandated governmental health and safety standards and regulations. The debt is backed by the full faith and credit of the District and by rates, connection fees and property taxes.

The District has used various debt financing instruments to help meet these challenges, including those listed below. At the end of the second quarter of FY 2009-10, the District had approximately \$13 million of outstanding debt. Debt Service is budgeted in Non-Departmental and totals \$2,122,183. This includes \$1,510,756 in principal and \$511,121 in interest. It also includes \$100,306 of new debt service associated with the upcoming CIP, the West Point Distribution System. Second quarter debt service payments of \$1,683,351, or 79.3% of budget, include the principal payment (\$1,400,000) and approximately half the interest payment (\$260,157) for the 2004 Enterprise Refunding Revenue Bonds.

The District’s long term debt includes:

- 2004 Enterprise Refunding Revenue Bonds (matures 2018) – Outstanding balance as of July 1, 2009 is \$13,285,000. Debt service for 2009-10 is \$1,902,814, including \$1,400,000 for principal and \$502,814 for interest.
- Vallecito Sewer Loan (matures 2012) – a California State Water Resources Control Board loan with a balance of \$25,023. The debt service payment is \$7,761. This includes a principal payment of \$7,003 and interest of \$758.
- West Point Water Treatment Facilities Loan (matures 2041) – A USDA loan with an outstanding balance of \$91,230. The FY 2009-10 debt service of \$5,435 includes principal of \$1,330 and interest of \$4,105.
- Vehicle Equipment Loan (matures 2012) – A loan for the purchase of a Kenworth truck. The outstanding balance as of July 1, 2009 is \$85,941. The 2009-10 loan payment is \$30,866, including a principal payment of \$27,423 and interest of \$3,443.



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- U.S. Bureau of Reclamation Note (matures 2025) – New Hogan Dam. The outstanding balance is \$970,024, requiring annual payments of \$69,732. Loan terms are principal only through 2010, with no interest incurred. Any unpaid balance in 2010 will begin to bear 4.5% interest. The District has chosen to make annual payments of \$75,000 to reduce the outstanding balance and to smooth payments once interest is charged.

A complete list of the District’s outstanding debt is included in Appendix D.

EXPANSION FUNDS

The District has ten designated service areas, four water and six wastewater. Each service area has an associated expansion fund that is used to accumulate revenues, such as capacity charges, and uses those funds to finance CIP projects and to pay for any applicable debt service. Three water expansion funds and one wastewater fund contribute to the annual debt service payments for the 2004 Enterprise Refunding Revenue Bonds, which mature in 2018.

For these expansion funds, debt service is the first priority. If the fund’s current balance plus projected capacity charge revenues are not sufficient to pay for all future debt service obligations, no capital projects will be financed by the fund. A financial analysis of each expansion fund is performed as part of the development of the annual CIP budget.

As of December 31, 2009, the Jenny Lind Water Expansion Fund (Fund 364) shows a severe deficiency in its funding level. The Jenny Lind service area would need approximately 330 new connections over the next nine years (an average of 37 connections per year) to generate enough capacity charge revenues to fund the approximate \$2.9 million in remaining debt service obligation. Any shortfall in this fund will have to be backfilled by a loan from reserves until such time that loan can be repaid.

The Ebbetts Pass Water Expansion Fund (Fund 354) currently shows a projected deficit of \$618,000 in 2018. However, this projection excludes any future investment and capacity fee revenue that will be earned over the next nine years. Staff estimates that that either of these revenues will be adequate to make

the fund whole, especially since this fund received approximately \$150,000 in investment income in FY 2008-09, and would only need capacity fees equivalent to 55 new connections, or an average of 6 per year. Although there has only been one new connection in the Ebbetts Pass service area this year, there were eleven new connections in FY 2008-09.

All other expansion funds have adequate reserves and revenue streams to fulfill the debt service obligation through maturity (2018). However, until additional connections and the related capacity fee revenues are received, no additional capital projects can be financed from these funds. The near-term outlook for additional capacity revenues is not promising as new home construction in the service areas has come to a virtual standstill.

For the first three months of the fiscal year, there have been 10 new connections, 6 for water service and 4 for wastewater service. The FY 2009-10 budget estimated 20 new connections for the year, 10 each for water and wastewater. Last year at this time there were 18 water connections and 14 wastewater connections. For this fiscal year the 4 new wastewater connections and 4 of the water connections were in the Copper Cove service area, while there was one new water connection in the Ebbetts Pass and West Point service areas.

New Connections

| | Actual Dec 31, 2008 | Actual Dec 31, 2009 | Budget FY 2009-10 | Percent of Budget |
|--------------------|------------------------|------------------------|----------------------|----------------------|
| Water | | | | |
| Copper Cove | 7 | 5 | 5 | 100.0% |
| Ebbetts Pass | 3 | 3 | - | 300.0% |
| Jenny Lind | 11 | 2 | 5 | 40.0% |
| West Point | - | 1 | - | 100.0% |
| Total Water | 21 | 11 | 10 | 110.0% |
| Wastewater | | | | |
| Copper Cove | 5 | 5 | 5 | 100.0% |
| La Contenta | 11 | 1 | 5 | 20.0% |
| Total Water | 16 | 6 | 10 | 60.0% |
| Total - All | 37 | 17 | 20 | 85.0% |

The District also maintains an Administrative Building Fund (Fund 104) for the construction of a new Administration and Maintenance facility. Revenues for this fund are derived from rental income, a percentage of the capacity fees collected, and investment income. The Administrative Building Fund earned \$13,347 in income during the second quarter, and has an estimated balance of \$909,132.



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A complete list of the District's expansion funds and their status as of December 31, 2009 is included in Appendix E.

CAPITAL IMPROVEMENT PROGRAM (CIP)

This section presents a summary of all CIP projects adopted with the passage of the FY 2009-10 budget. Capital improvements are projects that contribute to providing essential water and wastewater services to the District's customers. The CIP section of the annual District budget has detailed information about CIP projects and funding sources. Some funds may only be used for specific types of projects, and there is a backlog of projects with no funding at all.

At the end of the first quarter of FY 2009-10, the District's twenty-one budgeted projects had a remaining total project cost of \$23,559,352. During the current quarter, progress was made on the following projects:

Water:

- West Point Water Treatment Plant Clearwell
- Ebbetts Pass Hunters Water Treatment Plant Surge Tank
- Copper Cove Transmission Main

Wastewater:

- Forest Meadows Wastewater Treatment Plant Expansion – Phase I
- La Contenta Wastewater Treatment Plant Discharge Permit
- Copper Cove Wastewater Treatment Plant Expansion Design
- Copper Cove Pond 6 Expansion

The complete list of CIP projects, including an expenditure and cash flow summary, a listing of open purchase orders and encumbrances by project, is included in Appendix F.

INVESTMENT PORTFOLIO

Section 7.18 of the District's *Annual Investment Policy* requires the Finance Director to submit a quarterly investment report to the Board of Directors. The investment report for the second quarter of FY 2009-10 is attached and made part of Appendix G.

As of December 31, 2009 the District's investment portfolio had a market value of \$22,130,400. The District has investments in the Local Agency Investment Fund (LAIF), Wells Fargo, Umpqua Bank, and Municipal and Corporate Bonds.

Per Section 7.15 of the policy, no investment may be made with maturity greater than five (5) years. The weighted average final maturity of the District's portfolio shall at no time exceed two (2) years. For the second quarter, the Weighted Average Maturity was 149 days.

Also per policy, the District's Authorized Investment List (Appendix C) sets guidelines and limits on the types of investments the District can purchase. For the quarter ending December 31, 2009, the District was in compliance for all types of investments.

The investment portfolio does include a Lehman Brothers Holdings Medium Term Note, which had a maturity date of November 10, 2009. The investment amount is \$1,404,195. But due to Lehman Brothers bankruptcy filing in September 2008, the market value is listed as \$277,875. The District has filed a claim with the Federal Bankruptcy Court in New York. However resolution of that case is not expected this fiscal year. The District is working with other local government agencies and representatives in Congress to get the Secretary of the Treasury to release already approved Troubled Asset Relief Program (TARP) funds to local governments harmed by the Lehman Brothers bankruptcy. That effort is still pending.

INTEREST RESERVE FUND

As per the District's Reserve Policies, as stated in the *Budget and Fiscal Policies*:

"The District will establish, dedicate and maintain, as appropriate, reserves annually to meet known and estimated future obligations."

The Reserve Policy established criteria for five reserves:

- Operating Reserves
- Contingency/Emergency Reserves
- Asset Recovery Rate Reserve
- Debt Service Reserve
- Rate Stabilization Reserve



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Although established by policy, the District has not yet funded the Contingency/Emergency Reserves, the Asset Recovery Rate Reserve, and the Rate Stabilization Reserve. The Debt Service Reserve is funded in part by restricting fund balance in those expansion funds required to fund debt service (see Expansion Fund section).

The District has established and funded three Operating Reserves, one each in the Water and Wastewater Operating Funds, and one in the Interest Reserve Fund (Fund 108). The reserve level for the Water and Wastewater Operating Funds has been set at \$500,000 each. The Interest Reserve Fund's 90 Day Operating Reserve has been set at \$4 million.

Each of these reserve limits were met or exceeded at the beginning of the 2009-10 fiscal year. As cash flow fluctuates throughout the year, individual reserves may at some point be either above or below guidelines. However, the initial FY 2009-10 budget as well as current projections estimate these reserves to be at or above thresholds by fiscal year-end.

In addition to these reserves the District's Board of Directors established four other reserve accounts within the Interest Reserve Fund (Fund 108). These reserves and their targets are as follows:

- Water Rights (\$3 million)
- CIP Cash Flow Reserve (\$2 million)
- Special Projects (15% of Property Tax Revenues)
- GASB 45/Retiree Health (\$500,000)

The Special Projects Reserve is funded from the District's Property Tax revenues, scheduled at 15% of total property tax receipts in FY 2009-10. This amount increases by an additional 5% each year until FY 2011-12 when 25% of all property taxes will be allocated to the reserve fund.

The projected fiscal year 2009-10 contribution to the Special Projects Reserve of \$450,000 may be reduced by approximately \$250,000 as a result of the State's suspension of Proposition 1A (2004). The State's "borrowing" of eight percent (8%) of the District's

FY 2009-10 property tax revenues will come from this reserve. The District was not able to participate in the California Communities Proposition 1A Securitization program, therefore it will receive its

entire property tax allocation in this fiscal year instead of waiting until 2013 when the State is obligated to payoff the "loan."

The GASB 45/Retiree Health reserve will be significantly reduced by the end of this fiscal year. Originally set at \$1 million, these funds were designated to assist funding the first two years of the District's Retiree Health program (FY 2008-09 and FY 2009-10). Starting in FY 2010-11, the majority funding of this program will be included in the operating budget.

The Interest Reserve Fund summary is included in Appendix H.

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APPENDIX A

Calaveras County Water District

Calaveras County Water District
 Revenue Summary - Operating Fund
 Quarter Ending December 31, 2009

| REVENUES | Revenue through | | Variance | | Budget FY 2009-10 | Percent of 09-10 Budget |
|--|------------------|------------------|---------------------|-------------------|----------------------|----------------------------|
| | 12/31/2008 | 12/31/2009 | FY 2009 vs. 2010 | Percent Change | | |
| Operating Revenue | | | | | | |
| Water Sales | 3,413,848 | 3,580,723 | 166,875 | 4.9% | 6,406,959 | 55.9% |
| Wastewater Sales | 1,596,005 | 1,742,641 | 146,636 | 9.2% | 3,230,766 | 53.9% |
| Other Operating | | | | | | |
| Account Establishment Fees | 22,813 | 26,502 | 3,689 | 16.2% | 45,000 | 58.9% |
| Delinquent Account Fees | 123,839 | 124,629 | 790 | 0.6% | 250,000 | 49.9% |
| Repairs/Reimbursements | 14,378 | 10,056 | (4,321) | -30.1% | 26,000 | 38.7% |
| Install Water Meter | 7,460 | 4,405 | (3,055) | -41.0% | 13,000 | 33.9% |
| Other Installation Charges | 447 | 157 | (290) | 100.0% | 3,600 | 4.4% |
| Inspection Fees | 12,681 | 9,978 | (2,703) | -21.3% | 25,000 | 39.9% |
| Plan Check Fee | 6,365 | 3,028 | (3,337) | -52.4% | 10,200 | 29.7% |
| Backflow Certification | 8,470 | 1,960 | (6,510) | 0.0% | 15,000 | 13.1% |
| Copies | 398 | 139 | (259) | -65.0% | 725 | 19.2% |
| Miscellaneous Operating | 78 | 242 | 164 | 210.3% | 7,000 | 3.5% |
| Wholesale/Irrigation/Hydrant Sales | 109,312 | 81,749 | (27,563) | -25.2% | 200,000 | 40.9% |
| Developer Reimbursements | 6,236 | - | (6,236) | -100.0% | 20,000 | 0.0% |
| Rental Income per Schedule | 10,710 | 13,245 | 2,535 | 23.7% | 6,736 | 196.6% |
| Other | 500 | 500 | - | 0.0% | 33,000 | 1.5% |
| Total Other Operating | 323,687 | 276,591 | (47,096) | -14.5% | 655,261 | 42.2% |
| Total Operating Revenue | 5,333,540 | 5,599,955 | 266,415 | 5.0% | 10,292,986 | 54.4% |
| Non-Operating Revenue | | | | | | |
| Stand-By Fees* | - | - | - | 0.0% | 130,000 | 0.0% |
| Property Taxes * | - | - | - | 0.0% | 2,550,000 | 0.0% |
| Investment Income | 12,661 | 16,016 | 3,355 | 26.5% | 30,000 | 53.4% |
| Grant Revenue | - | - | - | 0.0% | 32,000 | 0.0% |
| Other Non-Operating | | | | | | |
| Power Sales, North Fork | 237,039 | 227,006 | (10,033) | -4.2% | 466,464 | 48.7% |
| Power Sales, New Hogan (net) | 55,554 | 30,018 | (25,536) | -46.0% | 75,000 | 40.0% |
| Interest on Loans Receivable | - | 2,398 | 2,398 | 0.0% | 2,515 | 95.4% |
| Bear Valley Contract | - | - | - | 0.0% | 30,000 | 0.0% |
| Rentals Cell Towers/Other | - | 4,301 | 4,301 | 100.0% | 25,200 | 17.1% |
| Other District Reimbursements | 21,820 | 14,904 | (6,916) | -31.7% | 35,000 | 42.6% |
| Total Other Non-Operating | 314,413 | 278,628 | (35,785) | -11.4% | 634,179 | 43.9% |
| Total Non-Operating Revenue | 327,074 | 294,644 | (32,430) | -9.9% | 3,376,179 | 8.7% |
| Operating Transfers In | 1,112,304 | 1,107,071 | (5,233) | -0.5% | 1,499,885 | 73.8% |
| Total Revenues - Operating Fund | 6,772,917 | 7,001,669 | 228,752 | 3.4% | 15,169,050 | 46.2% |

*Distributed in Jan 2010, May 2010, and Aug 2010

APPENDIX B

Calaveras County Water District

**Calaveras County Water District
Expenditure Summary - Operating Fund
Quarter Ending December 31, 2009**

50% of Year Elapsed

| EXPENDITURES | Expenditures through | | Variance | | | |
|--------------------------------------|----------------------|------------------|---------------------|-------------------|----------------------|----------------------------|
| | 12/31/2008 | 12/31/2009 | FY 2009 vs. 2010 | Percent Change | Budget FY 2009-10 | Percent of 09-10 Budget |
| Salaries and Benefits | | | | | | |
| Salaries/Wages | 2,191,797 | 2,178,550 | (13,246) | -0.6% | 4,670,901 | 46.6% |
| Overtime | 104,937 | 62,261 | (42,675) | -40.7% | 182,661 | 34.1% |
| Benefits | 1,324,322 | 1,115,902 | (208,420) | -15.7% | 2,735,357 | 40.8% |
| Medical/Dental Reimbursement | 24,316 | 23,459 | (857) | -3.5% | 88,400 | 26.5% |
| Total Salaries and Benefits | 3,645,371 | 3,380,173 | (265,198) | -7.3% | 7,677,319 | 44.0% |
| Services and Supplies | | | | | | |
| Utilities | 289,511 | 393,891 | 104,380 | 36.1% | 821,970 | 47.9% |
| Materials & Supplies | 501,752 | 407,282 | (94,470) | -18.8% | 877,820 | 46.4% |
| Safety Materials & Supplies | - | 9,338 | 9,338 | 9338.0% | 30,000 | 31.1% |
| Administrative Technology | 58,224 | 4,258 | (53,966) | -92.7% | 33,920 | 12.6% |
| Chemicals | 144,917 | 187,809 | 42,892 | 29.6% | 275,000 | 68.3% |
| Outside Services/Repairs | 407,073 | 156,291 | (250,782) | -61.6% | 380,900 | 41.0% |
| Service Maintenance Contracts | 32,095 | 31,528 | (567) | -1.8% | 47,300 | 66.7% |
| Drug & Alcohol Testing | 2,045 | 1,060 | (985) | -48.2% | 4,800 | 22.1% |
| Building Repairs | - | 5,705 | 5,705 | 5705.0% | 3,400 | 167.8% |
| Recruiting | 2,717 | 5,082 | 2,365 | 87.0% | 2,800 | 181.5% |
| Claims/Damages | - | 105 | 105 | 105.0% | 7,500 | 1.4% |
| Computer Licenses and Maint Agreeeme | - | 10,054 | 10,054 | 10054.0% | 24,630 | 40.8% |
| Janitorial Services | 5,835 | 5,850 | 15 | 0.3% | 15,200 | 38.5% |
| Laboratory Services | 77,142 | 120,553 | 43,411 | 56.3% | 200,000 | 60.3% |
| Outside Legal Fees | 173,888 | 78,600 | (95,288) | -54.8% | 262,000 | 30.0% |
| Accounting/Auditing | 32,000 | 32,000 | - | 0.0% | 32,000 | 100.0% |
| Advertising/Publicity | 1,063 | 62 | (1,001) | -94.2% | 2,800 | 2.2% |
| Professional Services | 89,975 | 87,176 | (2,799) | -3.1% | 270,510 | 32.2% |
| Vehicles & Equipment | 227,626 | 146,562 | (81,064) | -35.6% | 345,000 | 42.5% |
| Forms and Supplies | 2,968 | 3,513 | 545 | 18.4% | 11,100 | 31.6% |
| Postage | 9,926 | 9,929 | 3 | 0.0% | 23,000 | 43.2% |
| Publications and Subscriptions | 5,348 | 6,398 | 1,050 | 19.6% | 13,420 | 47.7% |
| Dues and Memberships | 30,617 | 33,594 | 2,977 | 9.7% | 40,030 | 83.9% |
| Printing | - | 1,216 | 1,216 | 1216.0% | 2,500 | 48.6% |
| Training, Conferences and Travel | 45,203 | 13,042 | (32,161) | -71.1% | 53,300 | 24.5% |
| Other Travel Costs | 11,469 | 10,227 | (1,242) | -10.8% | 31,700 | 32.3% |
| Hogan Payment-Purchased Power | - | - | - | 0.0% | 105,000 | 0.0% |
| Purchased Water | - | 1,001 | 1,001 | 1001.0% | 5,000 | 20.0% |
| Retired Employee Costs | 158,142 | 98,560 | (59,582) | -37.7% | 345,500 | 28.5% |
| Bad Debt Expense | 59,723 | 59,202 | (521) | -0.9% | 60,000 | 98.7% |
| Unemployment Insurance | 19,261 | 11,873 | (7,388) | -38.4% | 25,000 | 47.5% |
| Insurance | 124,204 | 203,272 | 79,068 | 63.7% | 218,000 | 93.2% |
| Fed, State & County Wtr/Swr Fees | 111,798 | 38,530 | (73,268) | -65.5% | 125,000 | 30.8% |
| Federal Dam & Admin Fees | 12,790 | 11,286 | (1,504) | -11.8% | 15,000 | 75.2% |
| State Water Right Fees | 30,089 | 11,233 | (18,856) | -62.7% | 35,000 | 32.1% |
| Mandated Plans | 43,122 | - | (43,122) | -100.0% | 10,000 | 0.0% |
| Strategic Plans/Updates. | 74,708 | 29,704 | (45,004) | -60.2% | 206,300 | 14.4% |
| Water Conservation | 367 | 3,336 | 2,969 | 809.0% | 55,000 | 6.1% |
| Misc. Operating/Maint. Exp. | 7,139 | 18,077 | 10,938 | 153.2% | 15,200 | 118.9% |
| Agent Fees | 2,000 | 2,000 | - | 0.0% | 4,200 | 47.6% |
| Total Services and Supplies | 2,794,737 | 2,249,199 | (545,538) | -19.5% | 5,036,800 | 44.7% |
| Total - Operations | 6,440,108 | 5,629,372 | (810,736) | -12.6% | 12,714,119 | 44.3% |

APPENDIX B

Calaveras County Water District

**Calaveras County Water District
Expenditure Summary - Operating Fund
Quarter Ending December 31, 2009**

50% of Year Elapsed

| EXPENDITURES | Expenditures through | | Variance | | | |
|--|----------------------|------------------|---------------------|-------------------|----------------------|----------------------------|
| | 12/31/2008 | 12/31/2009 | FY 2009 vs. 2010 | Percent Change | Budget FY 2009-10 | Percent of 09-10 Budget |
| Capital Outlay | | | | | | |
| Equipment | 188,720 | 179,670 | (9,050) | -4.8% | 52,000 | 345.52% |
| Projects | 9,398 | 98,605 | 89,207 | 949.2% | 280,000 | 35.22% |
| Total Capital Outlay | 198,118 | 278,275 | 80,157 | 40.5% | 332,000 | 83.8% |
| Total Operations & Capital Outlay | 6,638,226 | 5,907,647 | (730,579) | -11.0% | 13,046,119 | 45.3% |
| Debt Service | | | | | | |
| Interest - Revenue Bonds | 277,344 | 260,157 | (17,187) | -6.2% | 502,814 | 51.74% |
| Principal - Revenue Bonds | 1,375,000 | 1,400,000 | 25,000 | 1.8% | 1,400,000 | 100.00% |
| Interest - USDA (301) | - | - | - | 0.0% | 4,105 | 0.00% |
| Principal - USDA (301) | - | - | - | 0.0% | 1,330 | 0.00% |
| Interest - SWRCB (531) | 964 | 758 | (206) | -21.4% | 758 | 100.00% |
| Principal - SWRCB (531) | 6,797 | 7,003 | 206 | 3.0% | 7,003 | 100.00% |
| Interest - Lease Purchase, Kenworth | 2,441 | 1,869 | (572) | -23.4% | 3,443 | 54.28% |
| Principal - Lease Purchase, Kenworth | 12,993 | 13,564 | 571 | 4.4% | 27,423 | 49.46% |
| Principal - New Hogan | - | - | - | 0.0% | 75,000 | 0.00% |
| New Debt Service - West Point | - | - | - | 0.0% | 100,306 | 0.00% |
| Total Debt Service | 1,675,538 | 1,683,351 | 7,813 | 0.5% | 2,122,183 | 79.32% |
| Total Operations & Debt Service | 8,313,764 | 7,590,998 | (722,766) | -8.7% | 15,168,302 | 50.0% |

APPENDIX C

Calaveras County Water District

Calaveras County Water District
 Revenue and Expense Statement - Operating Fund
 Quarter Ending December 31, 2009

50% of Year Elapsed

| REVENUES | FY 2008-09 | FY 2009-10 | FY 2009 vs. 2010 | Budget FY 2009-10 | VARIANCE | |
|---|---------------------|---------------------|---------------------|----------------------|--------------------|--------------|
| | As of 12/31/2008 | As of 12/31/2009 | | | FY 2009-10 | |
| | | | | | \$ | % |
| Operating Revenue | | | | | | |
| Water Sales | \$ 3,413,848 | \$ 3,580,723 | \$ 166,875 | \$ 6,406,959 | \$ (2,826,236) | 55.9% |
| Wastewater Sales | 1,596,005 | 1,742,641 | 146,636 | 3,230,766 | (1,488,125) | 53.9% |
| Other Operating | 305,765 | 262,464 | (28,486) | 655,261 | (392,797) | 40.1% |
| Non-Operating Revenue | | | | | | |
| Stand-By Fees * | - | - | - | 130,000 | (130,000) | 0.0% |
| Property Taxes * | - | - | - | 2,550,000 | (2,550,000) | 0.0% |
| Investment Income | 12,661 | 16,016 | 3,355 | 30,000 | (13,984) | 53.4% |
| Grant Revenue | - | - | - | 32,000 | (32,000) | 0.0% |
| Other Non-Operating | 332,335 | 292,754 | (652) | 634,179 | (341,425) | 46.2% |
| Operating Transfers In | 1,112,304 | 1,107,071 | (5,233) | 1,499,885 | (392,814) | 73.8% |
| Total Revenues | 6,772,918 | 7,001,669 | 282,495 | 15,169,050 | (8,167,381) | 46.2% |
| EXPENDITURES | | | | | | |
| Salaries and Benefits | 3,645,371 | 3,380,173 | (265,198) | 7,677,319 | (4,297,146) | 44.0% |
| Services and Supplies | 2,794,737 | 2,249,199 | (545,538) | 5,036,800 | (2,787,601) | 44.7% |
| Capital Outlay | 198,118 | 278,275 | 80,157 | 332,000 | (53,725) | 83.8% |
| Debt Service | 1,675,538 | 1,683,351 | 7,813 | 2,122,183 | (438,832) | 79.3% |
| Total Expenditures | 8,313,764 | 7,590,998 | (722,766) | 15,168,302 | (7,577,304) | 50.0% |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | (1,540,846) | (589,329) | 1,005,262 | 748 | | |
| FUND BALANCE, JULY 1 | | | | | | |
| As Previously Reported ** | 1,000,000 | 1,000,000 | - | 1,000,000 | | |
| Prior Period Adjustment | - | - | - | - | | |
| As Restated | 1,000,000 | 1,000,000 | - | 1,000,000 | | |
| FUND BALANCE | (540,846) | 410,671 | 1,005,262 | 1,000,748 | | |
| RESTRICTED FUND BALANCE | - | - | - | - | | |
| UNRESTRICTED FUND BALANCE | (540,846) | 410,671 | 1,005,262 | 1,000,748 | | |

* Distributed in Jan 2010, May 2010, and Aug 2010

** Per policy, the District strives to maintain reserves of \$500,000 in both the Water and Wastewater Operating Funds

APPENDIX D

Calaveras County Water District

Calaveras County Water District
 Outstanding Debt
 Quarter Ending December 31, 2009

50% of Year Elapsed

| | Original Issue Amount | Balance As of 06/30/2009 | Principal Retirement | Projected Balance 06/30/2010 | Variance | |
|--|-----------------------|--------------------------|----------------------|------------------------------|---------------------------------|-------------------------|
| | | | | | Expenditures through 12/31/2009 | Percent of 09-10 Budget |
| Summary of Debt Position | | | | | | |
| Enterprise Funding Revenue Bond | \$ 19,625,000 | \$ 13,285,000 | \$ 1,400,000 | \$ 11,885,000 | \$ 1,400,000 | 100.0% |
| Vallecito Sewer Bond | 105,515 | 25,023 | 7,003 | 18,020 | 7,003 | 100.0% |
| West Point Water Treatment Facilities Loan | 100,000 | 91,230 | 1,330 | 89,900 | - | 0.0% |
| Equipment Loan | 188,573 | 85,941 | 27,423 | 58,518 | 13,564 | 49.5% |
| U.S. Bureau of Reclamation | 2,414,154 | 970,204 | 69,732 | 900,472 | - | 0.0% |
| Total | 22,433,242 | 14,457,398 | 1,505,488 | 12,951,910 | 1,420,567 | 94.4% |

Debt Service Requirements

| Year Ending June 30, | Principal | Interest | Total |
|----------------------|----------------------|---------------------|----------------------|
| 2010 | \$ 1,505,488 | \$ 511,120 | \$ 2,016,608 |
| 2011 | 1,541,965 | 470,619 | 2,012,584 |
| 2012 | 1,583,506 | 410,678 | 1,994,184 |
| 2013 | 1,629,621 | 331,657 | 1,961,278 |
| 2014 - 2018 | 7,702,335 | 680,391 | 8,382,726 |
| 2019 - 2023 | 353,426 | 16,365 | 369,791 |
| 2024 - 2028 | 13,471 | 13,704 | 27,175 |
| 2029 - 2033 | 16,788 | 10,387 | 27,175 |
| 2034 - 2038 | 20,920 | 6,255 | 27,175 |
| 2039 - 2041 | 14,878 | 1,355 | 16,233 |
| | \$ 14,382,398 | \$ 2,452,531 | \$ 16,834,929 |

APPENDIX E

Calaveras County Water District

**Calaveras County Water District
Cash Availability Summary - Water Expansion Funds
Quarter Ending December 31, 2009**

50% of Year Elapsed

| REVENUES | Water CIP 120/121 | WPW Expansion Fund 304 | EPW Expansion Fund 354 | JLW Expansion Fund 364 | CCW Expansion Fund 374 |
|--|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Balance as of July 1, 2009 | (150,656) | 525,067 | 4,508,497 | 470,078 | 3,450,818 |
| Revenues | | | | | |
| Investment Income | - | 8,321 | 65,312 | 3,984 | 51,385 |
| Capacity Fee Revenue | - | 10,641 | 33,453 | 22,683 | 58,791 |
| Other Revenue | 494 | - | - | - | - |
| Total Revenues | 494 | 18,962 | 98,765 | 26,667 | 110,177 |
| Expenditures | | | | | |
| Disbursements | 665,236 | - | - | - | 1,955 |
| Transfers Out (Debt Service) | - | - | 493,196 | 347,039 | 226,020 |
| Total Expenditures | 665,236 | - | 493,196 | 347,039 | 227,975 |
| Balance as of December 31, 2009 | (815,398) | 544,029 | 4,114,066 | 149,705 | 3,333,020 |
| Project Commitments | | | | | |
| 11016 WP WTP Clearwell* | - | - | - | - | - |
| 11053 WP Distribution System* | - | - | - | - | - |
| 11036 EP/Reach 1 Transmission Line | - | - | 144,700 | - | - |
| 11043 EP Techite Line Replacement | - | - | 5,000 | - | - |
| 11057 EP Hunters Surge Tank | - | - | 320,000 | - | - |
| 11068R JL WTP Flood Protection** | - | - | - | 232,000 | - |
| 11035 CC C Tank Trans Line | - | - | - | - | 1,500,000 |
| 11051 CC Clearwell Improvement | - | - | - | - | 100,000 |
| 11065 W Co GW Monitoring* | - | - | - | - | - |
| 11064C CC Master Plan Update | - | - | - | - | 32,000 |
| 11064E EP Master Plan Update | - | - | 50,000 | - | - |
| 11066 Pipeline Replacement*** | - | - | - | - | - |
| Total Project Commitments | - | - | 519,700 | 232,000 | 1,632,000 |
| Balance after Project Commitments | (815,398) | 544,029 | 3,594,366 | (82,295) | 1,701,020 |
| Debt Service Obligation | | | | | |
| FY 2009-10 | - | - | 72,088 | 50,725 | 33,037 |
| FY 2010-11 through FY 2017-18 | - | - | 4,082,970 | 2,872,997 | 1,871,131 |
| Total Debt Service Obligations | - | - | 4,155,058 | 2,923,722 | 1,904,168 |
| Estimated Unrestricted Cash | (815,398) | 544,029 | (560,692) | (3,006,017) | (203,148) |

- * Designated as Outside Funding
- ** Designated with Partial Outside Funding
- *** Funded from Reserves

APPENDIX E

Calaveras County Water District

Calaveras County Water District
Cash Availability Summary - Wastewater Expansion Funds
Quarter Ending December 31, 2009

50% of Year Elapsed

| | Wastewater CIP Fund 130 | FMS Expansion Fund 524 | VAS Expansion Fund 534 | ARS Expansion Fund 544 | LCS Expansion Fund 564 | CCS Expansion Fund 584 | WPS Expansion Fund 624 |
|--|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| REVENUES | | | | | | | |
| Balance as of July 1, 2009 | - | 532,786 | 1,253,482 | 693,151 | 882,172 | 799,204 | 651,514 |
| Revenues | | | | | | | |
| Investment Income | - | 4,716 | 13,776 | 10,854 | 18,051 | 15,165 | 10,000 |
| Capacity Fee Revenue | - | - | - | - | 10,707 | 51,728 | - |
| Other Revenue | - | - | - | - | - | - | - |
| Total Revenues | - | 4,716 | 13,776 | 10,854 | 28,758 | 66,893 | 10,000 |
| Expenditures | | | | | | | |
| Disbursements | 227,340 | - | - | - | - | 1,765 | - |
| Transfers Out (Debt Service) | - | - | - | - | - | 46,049 | - |
| Total Expenditures | 227,340 | - | - | - | - | 47,814 | - |
| Balance as of December 31, 2009 | (227,340) | 537,502 | 1,267,258 | 704,004 | 910,930 | 818,283 | 661,514 |
| Project Commitments | | | | | | | |
| 15044 FM WWTP Phase 1 Expansion | - | 50,000 | - | - | - | - | - |
| 15063 AR WWTP Improvements | - | - | - | 208,000 | - | - | - |
| 15056 LC WWTP Discharge Permit | - | - | - | - | 50,000 | - | - |
| 15047 CCS Pond 6 Expansion | - | - | - | - | - | 164,000 | - |
| 15059C CC Wastewater Master Plan | - | - | - | - | - | 16,000 | - |
| 15059L LC Wastewater Master Plan | - | - | - | - | 15,000 | - | - |
| 15060 Pipeline Replacement* | - | - | - | - | - | - | - |
| 15060H LC Huckleberry LS* | - | - | - | - | - | - | - |
| Prior Commitment La Contenta Sewer | - | - | - | - | 126,524 | - | - |
| Total Project Commitments | - | 50,000 | - | 208,000 | 191,524 | 180,000 | - |
| Balance after Project Commitments | (227,340) | 487,502 | 1,267,258 | 496,004 | 719,406 | 638,283 | 661,514 |
| Debt Service Obligation | | | | | | | |
| FY 2009-10 | - | - | - | - | - | 6,731 | - |
| FY 2010-11 through FY 2017-18 | - | - | - | - | - | 381,225 | - |
| Total Debt Service Obligations | - | - | - | - | - | 387,956 | - |
| Estimated Unrestricted Cash | (227,340) | 487,502 | 1,267,258 | 496,004 | 719,406 | 250,327 | 661,514 |

* Funded from Reserves

APPENDIX F

Calaveras County Water District

Calaveras County Water District

Capital Improvement Program Cash Flow/Expenditure Summary

Quarter Ending December 31, 2009

50% of Year Elapsed

| Project Number | Project Description | Total Project Cost | FY 09-10 Cash Flow | Prior Years Expenditures | FY 09-10 Expenditures | Encumbrances | Remaining Cash Flow FY 09-10 | Remaining Total Proj Cost |
|---|---|----------------------|---------------------|--------------------------|-----------------------|---------------------|------------------------------|---------------------------|
| Fund 120 - Water Projects | | | | | | | | |
| West Point | | | | | | | | |
| 11016 | West Point WTP Clearwell | \$ 1,700,000 | \$ 460,000 | \$ 65,359 | \$ 251,899 | \$ 1,212,774 | \$ 208,101 | \$ 169,968 |
| 11053 | WP Downtown Distribution System | 4,290,000 | 65,000 | 85,297 | 1,262 | 688 | 63,738 | 4,202,753 |
| sub-total West Point Projects | | 5,990,000 | 525,000 | 150,656 | 253,161 | 1,213,462 | 271,839 | 4,372,722 |
| Ebbetts Pass | | | | | | | | |
| 11036 | EP/Reach 1 Transmission Main Replacement | 2,845,000 | 144,700 | 16,290 | - | - | 144,700 | 2,828,710 |
| 11043 | EPW Techite Line Replacement | 728,000 | 5,000 | 561 | - | - | 5,000 | 727,439 |
| 11057 | EP Hunters WTP Surge Tank* | 626,000 | 320,000 | 127,305 | 399,100 | 58,370 | (79,100) | 41,225 |
| sub-total Ebbetts Pass Projects | | 4,199,000 | 469,700 | 144,156 | 399,100 | 58,370 | 70,600 | 3,597,374 |
| Jenny Lind | | | | | | | | |
| 11068R | JL Water Treatment Plant/Flood Protection | 832,000 | 832,000 | 64,712 | - | 1,078 | 832,000 | 766,210 |
| sub-total Jenny Lind Projects | | 832,000 | 832,000 | 64,712 | - | 1,078 | 832,000 | 766,210 |
| Copper Cove | | | | | | | | |
| 11035 | CC C-Tank Transmission Main | 1,500,000 | 1,500,000 | 664,154 | 11,149 | 55,256 | 1,488,851 | 769,441 |
| 11051 | CC Clearwell Improvements | 930,000 | 100,000 | - | - | - | 100,000 | 930,000 |
| sub-total Copper Cove Projects | | 2,430,000 | 1,600,000 | 664,154 | 11,149 | 55,256 | 1,588,851 | 1,699,441 |
| Other Water Projects | | | | | | | | |
| 11065 | West County GW Monitoring | 345,000 | 345,000 | - | - | - | 345,000 | 345,000 |
| 11064C | Master Plans Update - Copper Cove | 50,000 | 32,000 | 6,759 | - | - | 32,000 | 43,241 |
| 11064E | Master Plans Update - Ebbetts Pass | 50,000 | 50,000 | - | - | - | 50,000 | 50,000 |
| 11066 | Pipeline Replacement Program | 5,000,000 | 66,000 | 221,982 | - | 1,828 | 66,000 | 4,776,190 |
| sub-total Other Projects | | 5,445,000 | 493,000 | 228,741 | - | 1,828 | 493,000 | 5,214,431 |
| Total Fund 120 - Water Projects | | \$ 18,896,000 | \$ 3,919,700 | \$ 1,252,418 | \$ 663,410 | \$ 1,329,994 | \$ 3,256,290 | \$ 15,650,178 |
| * Total Project Cost increased by \$120K; resolution 2009-48 to be funded by Ebbetts Pass expansion fund. | | | | | | | | |

APPENDIX F

Calaveras County Water District

Calaveras County Water District

Capital Improvement Program Cash Flow/Expenditure Summary

Quarter Ending December 31, 2009

50% of Year Elapsed

| Project Number | Project Description | Total Project Cost | FY 09-10 Cash Flow | Prior Years Expenditures | FY 09-10 Expenditures | Encumbrances | Remaining Cash Flow FY 09-10 | Remaining Total Proj Cost |
|--|------------------------------------|----------------------|---------------------|--------------------------|-----------------------|---------------------|------------------------------|---------------------------|
| Fund 130 - Sewer Projects | | | | | | | | |
| Forest Meadows | | | | | | | | |
| 15044 | FMWWTP Phase 1 Expansion | \$ 2,845,000 | \$ 50,000 | \$ 184,984 | \$ 36,207 | \$ 27,399 | \$ 13,793 | \$ 2,596,410 |
| sub-total Forest Meadows Projects | | 2,845,000 | 50,000 | 184,984 | 36,207 | 27,399 | 13,793 | 2,596,410 |
| Arnold | | | | | | | | |
| 15063 | AR WWTP Improvements | 208,000 | 208,000 | - | 157 | - | 207,843 | 207,843 |
| sub-total Arnold Projects | | 208,000 | 208,000 | - | 157 | - | 207,843 | 207,843 |
| La Contenta | | | | | | | | |
| 15056 | LC WWTP Discharge Permit | 100,000 | 50,000 | 49,838 | 21,619 | 9,562 | 28,381 | 18,981 |
| sub-total La Contenta Projects | | 100,000 | 50,000 | 49,838 | 21,619 | 9,562 | 28,381 | 18,981 |
| Copper Cove | | | | | | | | |
| 15034 | CC WWTP Expansion Design** | - | - | - | 142,429 | 88,373 | (142,429) | - |
| 15047 | CCS Pond 6 Expansion | 306,000 | 164,000 | 172,053 | 26,929 | 5,519 | 137,071 | 101,499 |
| sub-total Copper Cove Projects | | 306,000 | 164,000 | 172,053 | 169,358 | 93,892 | (5,358) | 101,499 |
| Other Sewer Projects | | | | | | | | |
| 15059C | Copper Cove Wastewater Master Plan | 75,000 | 16,000 | 39,726 | - | - | 16,000 | 35,274 |
| 15059L | La Contenta Wastewater Master Plan | 143,000 | 15,000 | 19,022 | - | - | 15,000 | 123,978 |
| 15060 | Pipeline Replacement Program | 5,000,000 | 92,954 | 174,645 | - | 166 | 92,954 | 4,825,189 |
| 15060H | LC Huckleberry LS | - | 57,046 | - | 183 | 60,823 | 56,863 | - |
| sub-total Other Projects | | 5,218,000 | 181,000 | 233,393 | 183 | 60,989 | 180,817 | 4,984,441 |
| Total Fund 130 - Sewer Projects | | \$ 8,677,000 | \$ 653,000 | \$ 640,268 | \$ 227,524 | \$ 191,842 | \$ 425,476 | \$ 7,909,174 |
| ** No budget for Project 15034 in FY 09-10 | | | | | | | | |
| Total Project Management | | \$ 27,573,000 | \$ 4,572,700 | \$ 1,892,686 | \$ 890,933 | \$ 1,521,836 | \$ 3,681,767 | \$ 23,559,352 |

APPENDIX G

Calaveras County Water District

**Calaveras County Water District
Quarterly Report on Investments
Quarter Ending December 31, 2009**

| Investment Cost | Market Value | Coupon Rate | Date Invested | Date of Maturity | Days to Maturity | % of Portfolio | Invested with |
|------------------------|----------------------|------------------------------|----------------------|-------------------------|-------------------------|-----------------------|--|
| \$ 4,979,939 | \$ 4,979,939 | 0.560% | Open | Open | 1 | 21.55% | Local Agency Investment Fund |
| 121,888 | 121,888 | 0.010% | Open | Open | 1 | 0.53% | Wells Fargo Money Market |
| 1,359,345 | 1,359,345 | 1.190% | June 14, 2007 | Open | 1 | 5.88% | Umpqua Bank Money Market |
| 2,000,000 | 2,000,000 | 1.750% | August 13, 2009 | February 11, 2010 | 42 | 8.66% | Umpqua Bank CDARS Program |
| 2,000,000 | 2,000,000 | 1.500% | September 3, 2009 | March 4, 2010 | 63 | 8.66% | Umpqua Bank CDARS Program |
| 1,500,000 | 1,500,000 | 2.750% | September 12, 2009 | March 12, 2010 | 70 | 6.49% | Umpqua Bank CDARS Program |
| 2,000,000 | 2,000,000 | 1.350% | December 17, 2009 | December 16, 2010 | 350 | 8.66% | Umpqua Bank CDARS Program |
| 1,404,195 | 277,875 | 3.950% | May 5, 2008 | November 10, 2009 | DEF | 6.08% | Lehman Bros Hldgs Med Term Note CUSIP 52517PXT3 |
| 1,533,060 | 1,531,607 | 4.850% | December 12, 2007 | January 15, 2010 | 15 | 6.64% | Solano County CA Pension Oblig CUSIP 83413QAC3 |
| 1,140,000 | 1,172,957 | 4.361% | August 14, 2008 | April 1, 2011 | 456 | 4.93% | Fresno CA JT Pwrs Auth CUSIP 358184LT4 |
| 1,679,889 | 1,735,836 | 4.390% | October 24, 2007 | May 1, 2011 | 486 | 7.27% | San Francisco CA Airport CUSIP 79765AC46 |
| 1,866,641 | 1,932,588 | 3.860% | February 28, 2008 | July 1, 2011 | 547 | 8.08% | Southern CA Public Power Auth CUSIP 842471CD4 |
| 1,166,238 | 1,165,845 | 5.200% | May 5, 2008 | July 1, 2012 | 913 | 5.05% | Sacramento Cnty CA Airport Ser C CUSIP 786107JS2 |
| 352,521 | 352,521 | (Trustees funds from page 2) | | | | 1.53% | |
| <u>\$ 23,103,716</u> | <u>\$ 22,130,400</u> | | | | | <u>100.00%</u> | |

I certify that all of the investments reported herein are in accordance with the District's Financial Management Policy 7, "Investment Policy Guidelines", the law and other contractual agreements. I further certify the investments reported herein provide for the ability of the District to meet cash flow needs as specified in Financial Management Policy 7.

Jeffrey L. Meyer, Finance Director

APPENDIX G

Calaveras County Water District

**Calaveras County Water District
Quarterly Report On Investments
Quarter Ending December 31, 2009**

Trusteed Funds:

| Cost | Market Value | Percent Yield | Date Invested | Date of Maturity | Days to Maturity | Percent of Portfolio | Trustee | INVESTED FOR |
|-------------------|-------------------|---------------|---------------|------------------|------------------|----------------------|---------|--------------------------------------|
| \$ 39,748 | \$ 39,748 | 0.05% | Mar 03, 98 | Open | 1 | 11.28% | USBank | AD604-Federated Treasury Obligations |
| <u>312,773</u> | <u>312,773</u> | 0.00% | Aug 16, 06 | Open | 1 | <u>88.72%</u> | USBank | 2006 Saddle Creek Ltd, Reserve |
| <u>\$ 352,521</u> | <u>\$ 352,521</u> | | | | | <u>100.00%</u> | | |

| Maturity Analysis | Maturity Time Frames | Weighted Average Maturity (The average life in days following the last day of the month) |
|----------------------|-------------------------------------|---|
| \$ 6,461,171 | LAIF/Money Market | |
| 277,875 | Maturity in Default | |
| 9,031,607 | Scheduled Maturities in 2010 | |
| 4,841,381 | Scheduled Maturities in 2011 | |
| 1,165,845 | Scheduled Maturities in 2012 | |
| <u>\$ 21,777,879</u> | Total | |
| 352,521 | Trustees Investments | |
| \$ 22,130,400 | Total Investments | |
| | | <u>149</u> |
| | | <u>0.41</u> |
| | | <u>1</u> |
| \$ 572,775 | Checking Account Balance | |
| 600 | Petty Cash + Change Fund | |
| <u>\$ 22,703,775</u> | Total Cash & Investments | |

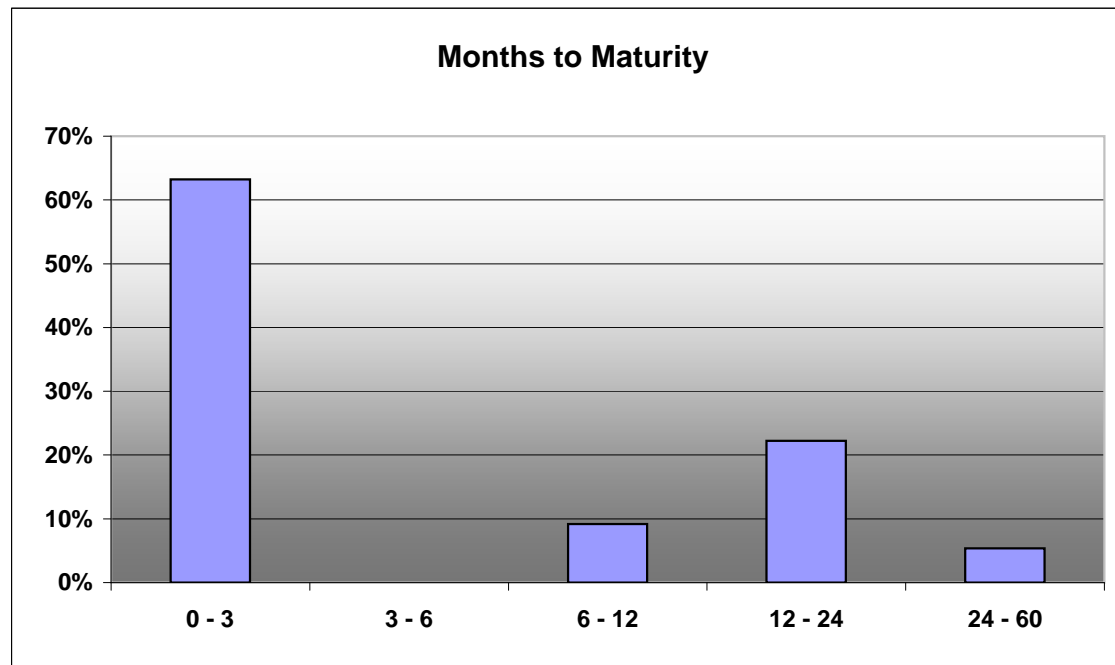
APPENDIX G

Calaveras County Water District

Calaveras County Water District

Monthly Maturity Distribution (Market Value)

Quarter Ending December 31, 2009



| Months to Maturity | Maturity Distribution | Market Value |
|--------------------|-----------------------|---------------|
| 0 - 3 | 63% | \$ 13,770,653 |
| 3 - 6 | 0% | - |
| 6 - 12 | 9% | 2,000,000 |
| 12 - 24 | 22% | 4,841,381 |
| 24 - 60 | 5% | 1,165,845 |

Months to maturity chart includes LAIF balance of \$4,979,939 as of December 31, 2009.

APPENDIX G

Calaveras County Water District

Calaveras County Water District

Portfolio Summary

Quarter Ending December 31, 2009

| Investments | Par Value | Market Value | Book Value | Percent of Portfolio | Days to Maturity | Yield to Maturity |
|--|-------------------|---------------------|-------------------|-----------------------------|-------------------------|--------------------------|
| California Local District Bonds | 7,390,000 | 7,538,833 | 7,385,828 | 32% | 529 | 4.53% |
| Medium Term Notes | 1,425,000 | 277,875 | 1,404,195 | 6% | Default | 5.49% |
| Local Agency Investment Fund (LAIF) | 4,979,939 | 4,979,939 | 4,979,939 | 22% | 222 | 0.56% |
| Money Market Funds | 121,888 | 121,888 | 121,888 | 1% | 5 | 0.003% |
| Collateralized Demand Bank Deposits | 1,359,345 | 1,359,345 | 1,359,345 | 6% | 2 | 1.39% |
| Collateralized Certificates of Deposit (CDARS) | 7,500,000 | 7,500,000 | 7,500,000 | 33% | 135 | 1.78% |
| Total Investments | 22,776,171 | 21,777,879 | 22,751,194 | 100% | | |
| Ending Accrued Interest | | 132,086 | 132,086 | | | |
| Total Investments & Accrued Interest: | 22,776,171 | 21,909,965 | 22,883,280 | | | |

APPENDIX G

Calaveras County Water District

Calaveras County Water District
Investment Compliance Checklist
Quarter Ending December 31, 2009

| California Government Code Section | Investment Category | Maximum Maturity | Authorized Investment Limits (Percent of Portfolio) | Percentage Held in Portfolio | Credit Rating Limits | Compliance |
|--|--|---------------------|--|------------------------------------|----------------------------|------------|
| 53601(d) | California Local District Bonds | 5 years | 50% | 32% | AA | Yes |
| 53601(j) | Medium Term Notes | 5 years | 30% | 6% | A | Yes |
| 53601(k) | Money Market Funds | None | 20% | 1% | AAA | Yes |
| 53601(m) | Collateralized Bank Deposits | 5 years | 20% | 6% | n/a | Yes |
| 16429.1 | Local Agency Investment Fund (LAIF) | None | * | 22% | n/a | Yes |
| 53651 | Non Negotiable Certificates of Deposit | 5 years | 40% | 33% | n/a | Yes |
| | | | | 100% | | |

*LAIF currently allows a maximum of \$40 million per account.

APPENDIX H

Calaveras County Water District

**Calaveras County Water District
Cash Balance Summary - Interest Reserve Fund
Quarter Ending December 31, 2009**

| | Interest Reserve Fund 108 |
|--|--|
| | <hr/> |
| Beginning Balance per General Ledger as of July 1, 2009 | \$ 9,419,880 |
| Revenues | |
| Investment Income | 150,484 |
| Property Tax Revenue (prior year disbursement) | 25,285 |
| Other Revenue | - |
| Total Revenues | <hr/> 175,768 |
| Expenditures | |
| Disbursements | - |
| Transfers Out | - |
| Total Expenditures | <hr/> - |
| Balance as of December 31, 2009 | \$ 9,595,648 |

| <u>Recommended Reserve Allocations for Interest Reserve Fund</u> | |
|---|-------------------------------|
| Emergency /90 Day Operating Reserve | \$ 4,000,000 |
| Reserve for Water Rights Projects | 3,000,000 |
| CIP Cash Flow Reserve | 1,500,000 |
| Reserve for Special Projects | 511,935 |
| Reserve for GASB 45 (Post Employment Retirement Benefits) | 583,713 |
| Total Recommended Reserve Allocation | <hr/><hr/>\$ 9,595,648 |