

2019 ADOPTED BUDGET



Directors

Tom Orvis , President, Division 3
Gail Altieri, Vice President, Division 1
Herman Doornenbal, Division 2
Linda Santos, Division 4
Brad DeBoer, Division 5

Officers

Steven R. Knell, General Manager and Secretary
Sharon Cisneros, Treasurer

2019 Budget Prepared by:

Steven R. Knell, General Manager
Sharon Cisneros, Chief Financial Officer
Jason Jones, Support Services Manager
Eric Thorburn, Water Operations Manager and Engineer

OAKDALE IRRIGATION DISTRICT MISSION STATEMENT

“To protect and develop Oakdale Irrigation District water resources for the maximum benefit of the Oakdale Irrigation District community by providing excellent irrigation and domestic water service.”

METHODS TO ACCOMPLISH THE DISTRICT’S MISSION

The Oakdale Irrigation District will achieve its mission as follows:

- By providing prompt, courteous service;
- By encouraging public participation at meetings of the Board of Directors;
- By developing a public information program;
- By developing and implementing long-term beneficial strategic plans for efficient resource management;
- By protecting water rights and the ability to utilize other natural resources;
- By encouraging conservation and implementation of “Best Management Practices;”
- By ensuring that all District operations are in compliance with existing regulatory requirements;
- By proactively seeking solutions to balance the needs of its constituents with the environment while preserving the integrity of its water and power systems;
- By instituting and following sound financial practices;
- By using the latest technology to efficiently operate, maintain preserve, and improve District works and facilities;
- By developing employees to their fullest, recognizing that “people” are the District’s greatest resource; and
- By promoting employee safety.

GENERAL INFORMATION

Oakdale Irrigation District (the District) was formed November 1, 1909, pursuant to provisions of the California Water Code. Geographically, the District encompasses parts of San Joaquin and Stanislaus Counties. The Oakdale Irrigation District is a special district governed by an elected five-member Board of Directors. As required by accounting principles generally accepted in the United States of America, these financial statements represent the District and its component unit.

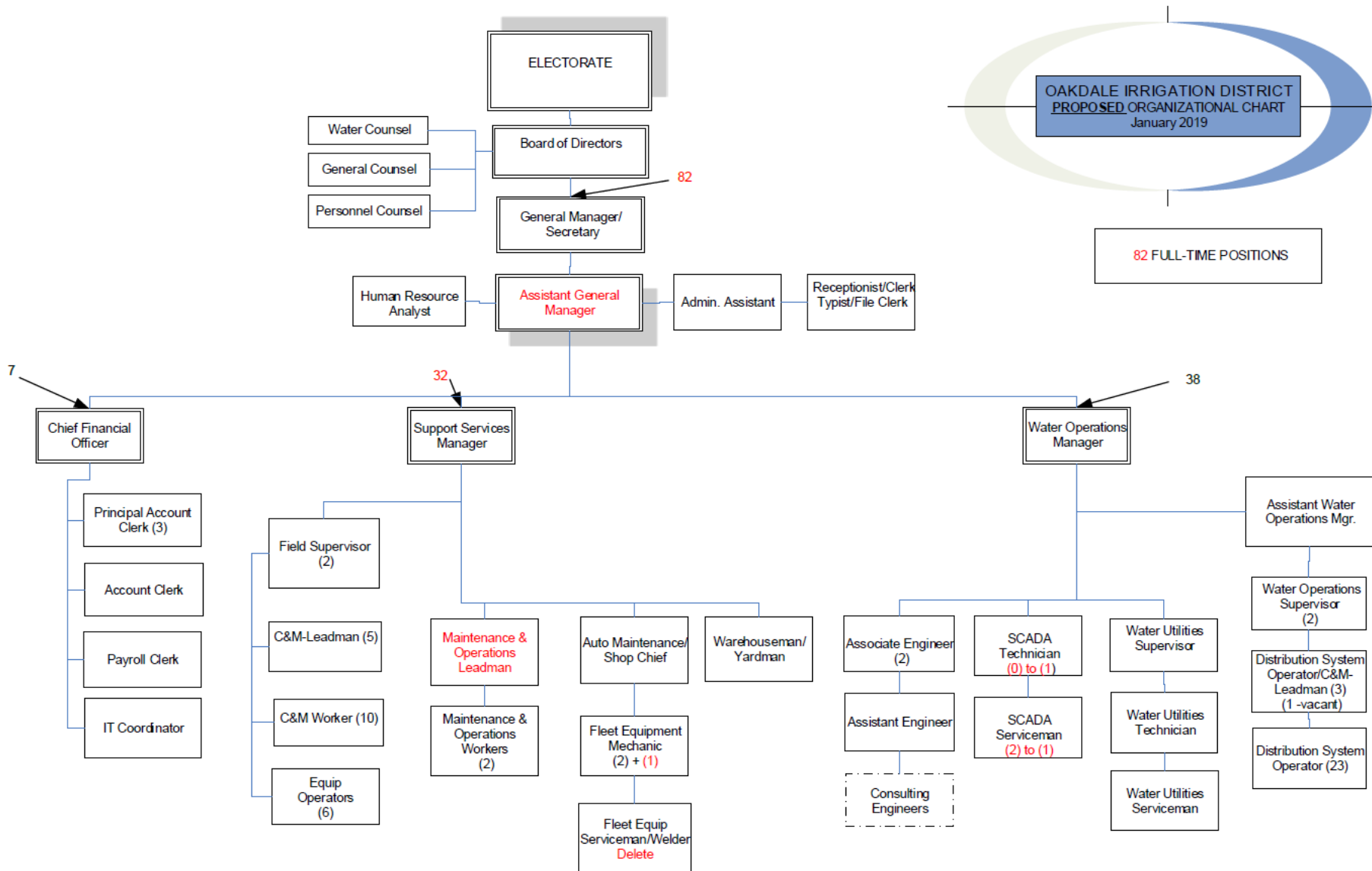
The District's distribution system includes the Goodwin Diversion Dam (Goodwin Dam) on the Stanislaus River below the New Melones Dam, at which water is diverted into the District's main canals. In addition to such surface water facilities, the District owns and operates laterals, canals, deep well and water reclamation pumps and provides domestic water service. The District provides irrigation water to approximately 3,000 customers and domestic water to 766 customers (inclusive of Improvement Districts' customers). In addition, the District sells water and hydropower on the wholesale market.

The District, along with South San Joaquin Irrigation, ("the Districts") have an operations agreement with the United States Bureau of Reclamation (USBR) that recognizes and confirms the District's senior water rights and requires USBR to make available to the Districts the first 600,000 acre feet of inflow to New Melones Reservoir each year.

The District in 1955 issued Tri-Dam revenue bonds to finance its one-half share of the costs of constructing the Tri-Dam Project on the Stanislaus River. The project consisted of building the Donnell, Beardsley, and Tulloch Dams and Reservoirs, together with associated hydro-electric plants. The Tri-Dam Project is managed by the District and South San Joaquin Irrigation District ("the Districts") through a joint board of directors comprised of all directors from each district being represented.

In 1982, the District and the South San Joaquin Irrigation District entered into a joint exercise of powers agreement in order to form the Tri-Dam Power Authority (Authority) for the purposes of exercising common powers in constructing, owning, operating, and maintaining facilities for the generation of electric power. In 1984, the Authority issued \$62 million in Sand Bar Project Hydro Electric Revenue Bonds.

Organizational Chart



2019 ADOPTED BUDGET OVERVIEW

- 3% base rate and 1.5% volumetric water rate increase
- Normal year hydroelectric revenues (Year 5 of 10 Year Agreement)
- Local Out-of-District and Out-of-Area Water sales
- Manpower increase (2)
- Moderate wage & benefit increases
- Remaining Potential Settlements (On-Farm Conservation Program)
- Includes Bond P&I payment
- Projects debt service coverage ratio of 7.0x (requirement: 1.1.x)
- Positive cash flow and strong financial reserves
- Continued implementation of the Water Resources Plan
- Continue TCC Implementation with State matching funds
- Two-Mile Bar Tunnel Project completion
- South Main – Segment Four Project

2019 PROPOSED MANPOWER

	2019 Organizational Chart	2018 Organizational Chart	2018 Org. Chart vs. 2019 Proposed Org. Chart
Administration			
General Manager	1.0	1.0	0.0
Assistant General Manager	1.0	0.0	1.0
Administrative Assistant	1.0	1.0	0.0
Human Resource Analyst	1.0	0.0	1.0
Public Relations Assistant	0.0	1.0	-1.0
Receptionist / Clerk Typist / File Clerk	1.0	1.0	0.0
Total Administration	5.0	4.0	1.0
Finance			
Chief Financial Officer	1.0	1.0	0.0
Principal Account Clerk	3.0	3.0	0.0
Payroll Clerk	1.0	1.0	0.0
Account Clerk	1.0	1.0	0.0
IT Coordinator	1.0	1.0	0.0
Total Finance	7.0	7.0	0.0
Support Services			
Support Services Manager	1.0	1.0	0.0
Support Services - Field Supervisor	2.0	2.0	0.0
Construction/Maintenance	10.0	10.0	0.0
Construction/Maintenance - Leadman	5.0	5.0	0.0
Equipment Operator	6.0	6.0	0.0
Maintenance & Operations Leadman	1.0	0.0	1.0
Maintenance & Operations Worker	2.0	2.0	0.0
Warehouseman	1.0	1.0	0.0
Auto Maintenance Chief	1.0	1.0	0.0
Fleet / Equipment Mechanic	3.0	2.0	1.0
Fleet Eq. /Serviceman/Welder	0.0	1.0	-1.0
Total Support Services	32.0	31.0	1.0
Water Operations			
Water Operations Manager / District Engineer	1.0	1.0	0.0
Assistant Engineer	1.0	1.0	0.0
Assistant Water Operations Manager	1.0	1.0	0.0
Associate Engineer	2.0	2.0	0.0
DSO / Construction & Maint	24.0	24.0	0.0
DSO / Construction & Maint - Leadman	2.0	2.0	0.0
SCADA Technician	1.0	0.0	1.0
SCADA Serviceman	1.0	2.0	-1.0
Water Operations Supervisors - Ag. Water	2.0	2.0	0.0
Water Utilities / SCADA Supervisor	1.0	1.0	0.0
Water Utilities Serviceman	1.0	1.0	0.0
Water Utilities Technician	1.0	1.0	0.0
Total Water Operations	38.0	38.0	0.0
TOTAL STAFFING	82.0	80.0	2.0

COMPARATIVE REVENUES, EXPENSES, AND CHANGE IN NET POSITION

	2018		2019 ADOPTED BUDGET	CHANGE FROM 2018		CHANGE FROM 2018	
	PROJECTED ACTUALS	2018 BUDGET		PROJECTED ACTUALS	BUDGET		
OPERATING REVENUES							
Agricultural Water Delivery Charges (base rate)	\$ 1,942,300	\$ 1,982,800	\$ 1,992,000	\$ 49,700	3%	\$ 9,200	0%
Water Sales	7,969,700	7,539,600	6,726,400	(1,243,300)	-16%	(813,200)	-11%
Annexation Fees	-	5,200,000	-	-	0%	(5,200,000)	-100%
Domestic Water	225,000	205,000	248,000	23,000	10%	43,000	21%
Improvement District Fees	60,000	60,500	60,500	500	1%	-	0%
Miscellaneous Revenues	113,900	58,100	58,900	(55,000)	-48%	800	1%
Total Operating Revenue	10,310,900	15,046,000	9,085,800	(1,225,100)	-12%	(5,960,200)	-40%
OPERATING EXPENSES							
Operations and Maintenance	5,091,790	5,859,902	6,030,400	938,610	18%	(170,498)	-3%
Water Operations	2,989,410	2,636,171	2,863,600	(125,810)	-4%	(227,429)	-9%
General and Administrative	4,533,245	5,732,500	4,835,300	302,055	7%	897,200	16%
Depreciation and Amortization	2,444,800	2,446,500	2,600,000	155,200	6%	(153,500)	-6%
Total Operating Expenses	15,059,245	16,675,073	16,329,300	1,270,055	8%	345,773	2%
Net Income (loss) From Operations	(4,748,345)	(1,629,073)	(7,243,500)	44,955	101%	(5,614,427)	345%
NONOPERATING REVENUES (EXPENSE)							
County Property Tax Appropriations	2,542,000	2,600,000	2,550,000	8,000	0%	(50,000)	-2%
Investment Earnings	1,584,200	881,000	1,540,000	(44,200)	-3%	659,000	75%
Interest Expense	(1,217,476)	(1,087,100)	(1,055,500)	161,976	-13%	31,600	-3%
Tri-Dam Project Distributions	10,559,500	12,200,000	11,500,000	940,500	9%	(700,000)	-6%
Tri-Dam Power Authority Distributions	3,691,500	5,400,000	2,000,000	(1,691,500)	-46%	(3,400,000)	-63%
Total Nonoperating Revenues (Expenses)	17,159,724	19,993,900	16,534,500	(625,224)	-4%	(3,459,400)	-17%
Income (loss) before Capital Contributions	12,411,379	18,364,827	9,291,000	(580,269)	-5%	(9,073,827)	-49%
Capital Contributions	1,500,000	-	1,472,800	1,500,000	100%	1,472,800	100%
Change in Net Position	\$ 13,911,379	\$ 18,364,827	\$ 10,763,800	\$ 919,731	7%	\$ (7,601,027)	-41%
Note: Capital expenditures and debt obligations	\$ 9,758,200	\$ 17,765,950	\$ 12,189,700	\$ 2,431,500	25%	\$ (5,576,250)	-31%

COMPARATIVE DETAILED OPERATING AND NONOPERATING REVENUES

	2018		2019	CHANGE FROM 2018		CHANGE FROM 2018	
	PROJECTED ACTUALS	2018 BUDGET	ADOPTED BUDGET	PROJECTED ACTUALS		BUDGET	
OPERATING REVENUES							
Agricultural water delivery charges (base rate)							
Tier 1	\$ 1,719,300	\$ 1,701,900	\$ 1,760,000	\$ 40,700	2%	\$ 58,100	3.4%
Tier 2	223,000	225,300	232,000	9,000	4%	6,700	3%
Tier 3	-	55,600	-	-	0%	(55,600)	-100%
Water Sales							
Tier 1	563,100	511,000	566,800	3,700	1%	55,800	11%
Tier 2	775,000	653,600	759,600	(15,400)	-2%	106,000	16%
Tier 3	-	875,000	-	-	0%	(875,000)	-100%
Local out-of-district	350,000	500,000	400,000	50,000	14%	(100,000)	-20%
Out-of-area	6,281,600	5,000,000	5,000,000	(1,281,600)	100%	-	0%
Annexation fees (<i>one-time</i>)	-	5,200,000	-	-	0%	(5,200,000)	-100%
Domestic water	225,000	205,000	248,000	23,000	10%	43,000	21%
Improvement District fees	60,000	60,500	60,500	500	1%	-	0%
Miscellaneous revenues							
Penalties	28,700	21,500	22,300	(6,400)	-22%	800	4%
Transfer Fees	3,600	6,000	6,000	2,400	67%	-	0%
District Rental Properties	6,000	15,600	15,600	9,600	160%	-	0%
Miscellaneous Revenue	75,600	15,000	15,000	(60,600)	-80%	-	0%
Total Operating Revenue	<u>10,310,900</u>	<u>15,046,000</u>	<u>9,085,800</u>	<u>(1,225,100)</u>	<u>-12%</u>	<u>(5,960,200)</u>	<u>-40%</u>
NONOPERATING REVENUES							
County property tax appropriations	2,542,000	2,600,000	2,550,000	8,000	0.3%	(50,000)	-2%
Investment earnings							
Investment earnings	1,110,000	400,000	1,095,000	(15,000)	-1%	695,000	174%
General interest (notes)	474,200	481,000	445,000	(29,200)	-6%	(36,000)	-7%
Tri-Dam Project distributions	10,559,500	12,200,000	11,500,000	940,500	9%	(700,000)	-6%
Tri-Dam Power Authority distributions	3,691,500	5,400,000	2,000,000	(1,691,500)	-46%	(3,400,000)	-63%
Total Nonoperating Revenues	<u>18,377,200</u>	<u>21,081,000</u>	<u>17,590,000</u>	<u>(787,200)</u>	<u>-4%</u>	<u>(3,491,000)</u>	<u>-17%</u>
TOTAL REVENUES	<u>\$ 28,688,100</u>	<u>\$ 36,127,000</u>	<u>\$ 26,675,800</u>	<u>\$ (2,012,300)</u>	<u>-7%</u>	<u>\$ (9,451,200)</u>	<u>-26%</u>

COMPARATIVE OPERATING AND NON-OPERATING EXPENSES

	2018		2019 ADOPTED BUDGET	CHANGE FROM 2018		CHANGE FROM 2018	
	PROJECTED ACTUALS	2018 BUDGET		PROJECTED ACTUALS	BUDGET		
OPERATING EXPENSES							
MAINTENANCE							
SSJID Main Supply Diversion Works	\$ 38,200	\$ 38,000	\$ 40,000	\$ 1,800	5%	\$ (2,000)	-5%
North Main Canal Maintenance	407,050	472,500	489,700	82,650	20%	(17,200)	-4%
South Main Canal Maintenance	227,800	351,400	389,400	161,600	71%	(38,000)	-11%
Irrigation Water Lateral Maintenance - North Side	1,511,047	1,870,700	1,951,900	440,853	29%	(81,200)	-4%
Irrigation Water Lateral Maintenance - South Side	1,263,300	1,507,700	1,580,800	317,500	25%	(73,100)	-5%
Pumping Plant Operations and Maintenance	387,643	533,654	426,900	39,257	10%	106,754	20%
Drainage System Maintenance	270,200	305,100	317,900	47,700	18%	(12,800)	-4%
Building and Grounds Maintenance	412,400	255,500	270,500	(141,900)	-34%	(15,000)	-6%
Vehicle and Equipment Maintenance	574,150	525,348	563,300	(10,850)	-2%	(37,952)	-7%
<i>TOTAL MAINTENANCE</i>	<u>5,091,790</u>	<u>5,859,902</u>	<u>6,030,400</u>	<u>938,610</u>	<u>18%</u>	<u>(170,498)</u>	<u>-3%</u>
WATER OPERATIONS							
Domestic Water System Maintenance	220,200	291,471	290,900	70,700	32%	571	0%
Irrigation Water Operations - North Division	1,397,200	1,135,400	1,248,200	(149,000)	-11%	(112,800)	-10%
Irrigation Water Operations - South Division	1,315,700	1,132,900	1,248,100	(67,600)	-5%	(115,200)	-10%
Drainage Water Operations	15,610	18,600	18,600	2,990	19%	-	0%
Water Measurement Management	40,700	57,800	57,800	17,100	42%	-	0%
<i>TOTAL WATER OPERATIONS</i>	<u>2,989,410</u>	<u>2,636,171</u>	<u>2,863,600</u>	<u>(125,810)</u>	<u>-4%</u>	<u>(227,429)</u>	<u>-9%</u>
GENERAL, ADMINISTRATION, AND DEPRECIATION							
General and Administration	4,533,245	5,732,500	\$4,835,300	302,055	7%	897,200	16%
Depreciation and Amortization	2,444,800	2,446,500	2,600,000	155,200	6%	(153,500)	-6%
<i>TOTAL GENERAL, ADMINISTRATION, AND DEPR.</i>	<u>6,978,045</u>	<u>8,179,000</u>	<u>7,435,300</u>	<u>457,255</u>	<u>7%</u>	<u>743,700</u>	<u>9%</u>
TOTAL OPERATING EXPENSES	<u>\$15,059,245</u>	<u>\$16,675,073</u>	<u>16,329,300</u>	<u>1,270,055</u>	<u>8%</u>	<u>345,773</u>	<u>2%</u>
NONOPERATING EXPENSES							
Interest expense	1,217,476	1,087,100	1,055,500	161,976	13%	(31,600)	-3%
TOTAL NONOPERATING EXPENSES	<u>1,217,476</u>	<u>1,087,100</u>	<u>1,055,500</u>	<u>161,976</u>	<u>13%</u>	<u>(31,600)</u>	<u>-3%</u>
TOTAL OPERATING AND NONOPERATING EXPENSES	<u>\$ 16,276,721</u>	<u>\$ 17,762,173</u>	<u>\$ 17,384,800</u>	<u>\$ 1,432,031</u>	<u>9%</u>	<u>\$ 314,173</u>	<u>2%</u>

**PROPOSED
CAPITAL
& DEBT**

OID

GL ACCOUNT NO.	GL DESCRIPTION	PROJECT DESCRIPTION	2019 BUDGET	PURPOSE
00-000-15200-00	Capital Work	Capital construction projects as per WRP (baseline CIP)	\$ 2,100,000	Replacement
		Capital construction projects as per WRP (modernization)	3,000,000	Modernization
		Two-Mile Bar Tunnel	1,500,000	New/replacement
		South Main Canal - Segment Four	3,000,000	Replacement
00-000-15150-00	Ag Pumping Plants	Major repairs	50,000	Replacement
00-000-15174-00	Joint Main Canal	Stabilization project (OID 28%)	168,000	Replacement
00-000-15181-00	Backhoes / Heavy Equipment	Kobelco SK210 54" cleaning bucket	5,500	New
		Demolition hammer excavator attachment	54,500	New
		Compact Excavator	81,500	Replacement
		Dozer	175,000	Replacement
		Kobelco SK140 Excavator w/attachments	206,000	New
		Knuckle Boom Truck	250,000	New
00-000-15183-00	Miscellaneous	Trash pump, 2"	1,700	Replacement
	Construction Equipment	Trash pump, 3"	2,000	Replacement
		Cut-off saw (2)	2,200	New/replacement
		Welder/generator, gas	6,400	Replacement
		Skidsteer auger drive unit	6,500	New
		Pressure washer, electric	6,500	Replacement
		Flammable storage cabinets (7)	7,900	New
		Skidsteer post driver	8,000	New
		Generator, 5.6 KW with electric start (3)	8,100	New/replacement
		Air compressor, 175 PSI with electric start (3)	9,000	New/replacement
		Walk-behind heavy duty trencher w/trailer	21,800	New

**PROPOSED
CAPITAL
& DEBT**

OID

GL ACCOUNT NO.	GL DESCRIPTION	PROJECT DESCRIPTION	2019 BUDGET	PURPOSE
00-000-15184-00	Autos/Pickups/Trucks/ Trailers	Electric/hydraulic truck mounted crane	16,000	New
		Tilt-bed trailer	17,000	New
		Auxiliary diesel powered engine assembly (truck #26)	17,500	Replacement
		1/2-ton pickup for DSOs	28,500	Replacement
		1/2-ton 4 wheel drive pickup for DSOs	32,000	Replacement
		1-ton utility service truck	45,500	Replacement
		3/4-ton 4 wheel drive pickup (2)	81,000	Replacement
		2-ton service truck for auto/welding shop (diesel)	130,000	Replacement
00-000-15186-00	Shop/Warehouse/ Yard Equipment	Diagnostic scanner for class 1-5 vehicles	3,800	Replacement
		Diagnostic scanner for class 6-8 vehicles	4,300	Replacement
00-000-15187-00	Office and Engineering Equipment	Ergonomic Workstation Furniture CFO	6,500	Replacement
		Firewall network security device	8,000	Replacement
		Computer workstations	14,000	Replacement
		Finance software upgrade	30,000	Replacement
00-000-15188-00	Office Building/Yard	Backup power generator for network servers	35,000	New
		Boardroom audio/visual system	55,000	Replacement
00-000-15189-00	Office and Yard Property	Headquarter project design	200,000	New
TOTAL CAPITAL PROJECTS AND PURCHASES EXPENDITURES			11,394,700	
00-000-22320-00	Current portion - COP Debt	Principal payment of Series 2016 COP	795,000	Installment payment
TOTAL CAPITAL AND DEBT EXPENDITURES			\$12,189,700	

DEBT SERVICE COVERAGE

	2019 ADOPTED BUDGET
REVENUES	
Agricultural Water Delivery Charges (base rate)	\$ 3,718,400
Water Sales	5,000,000
Domestic Water	248,000
Improvement District Fees	60,500
Miscellaneous Revenues	58,900
County Property Tax Appropriations	2,550,000
Investment Earnings	1,540,000
Tri-Dam Project Distributions	11,500,000
Tri-Dam Power Authority Distributions	<u>2,000,000</u>
Total Revenue	<u>26,675,800</u>
OPERATING EXPENSES	
Operations and Maintenance	6,030,400
Water Operations	2,863,600
General and Administrative	<u>4,835,300</u>
Total Operating Expenses	<u>13,729,300</u>
Net Revenues	<u>\$ 12,946,500</u>
Debt Service 2016 Bonds	
2019 Interest	1,055,500
2019 Principal	<u>795,000</u>
	<u>\$ 1,850,500</u>
Debt Service Coverage Ratio	700%
Minimum required net revenue (to provide 110% coverage)	2,035,550
Excess net revenues	10,910,950