

OAKDALE IRRIGATION DISTRICT
General Manager's Monthly Report

August 2017

OID completed its Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2016 and presented it to the Board for approval in July. The Report is prepared by OID staff and consists of a thorough review by a 3rd party auditing firm of the District's financial records, its internal controls, the agency's accuracy in preparation, and ensures the fair presentation of its financial statements and records are in accordance with accounting principles generally accepted in the US. OID passed with flying colors! Not only that, for the 9th year in a row, OID was awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. Not an easy award to get and I appreciate the hard work and diligence of our Finance Department in getting this achieved.

I would encourage you to go to OID's website <https://www.oakdaleirrigation.com/> and read the audit for yourself. I think you will be impressed on how well positioned OID is in meeting the needs of its constituents. I always say, insuring the financial security of your district is more challenging and demanding than addressing water right matters. Water rights are driven by legal precedence set by courts. Interpretation of water rights is often the challenging issue but those matters are often resolved by those same courts. Ensuring the inflow of revenues to meet a \$13 million operating budget to fund water, maintenance and administrative operations plus the \$7 million dollar annual cost of replacing old and failing infrastructure while ensuring we continue to modernize our delivery technologies and capabilities, as now required by State Law, is not so simple. My dad always said, "It's easy to spend money, it's hard to make it," and with that I agree.

OID has been financially successful because it manages its assets with a business focus. OID knows who pays the bills, it's you! If management can't engage in running the district's finances to maximize water and power sale revenues, water rates to our constituents will go up, that's a fact. On average, OID generates revenues to pay for its \$20 million annual budget expenses as follows; \$10 million from power sales from Tri Dam, \$5 million from the sale of "surplus" water outside OID's service area, \$3 million from the sale of water to OID constituents, \$2.5 million in property taxes (and yes, \$1 million of that comes from within Oakdale City limits).

So if OID is cash short going forward, these are the only four (4) options to generate more cash. Unfortunately, power sales from Tri Dam are in a 10 year fixed contract. Can't raise money there. Raising water rates to OID constituents is like building a hangmen's noose. Similar to the option of attempting to raise property taxes. That leaves only one revenue source to focus on. That's water sales to outside irrigation districts and lands outside OID's service area. How much surplus water stays local versus how much goes elsewhere is not the intelligent argument. It is; where surplus water be sold at rates that will bring in \$5 million a year to meet the budget. Doing that continues to keep our agricultural water rates low. That's smart management of your money. While OID makes water available locally, it has few takers in that local market hence OID needs to sell to other outside buyers. To date, no one has brought forth a financial plan that can provide the same or better results.

Lastly I'm going to finish my monthly report bragging about some OID facts that can be found in the statistical data section of OID's 2016 CAFR. Again, go to OID's website and check it out for yourself;

- In 2007 OID was irrigating 55,217 acres. In 2016 OID was irrigating 63,672 acres. OID has increased its irrigated acres by 8,455 and committed 25,000 acre feet of its water to that effort. OID supports Ag and our way of life!
- OID's operating expenses have increased 2.6% per year over the last 10 years. Subtracting out for inflation over that same period, OID's operating expenses have increased but 0.16% annually. Find another business with a better cost control record and I'll buy you a bottle of water.
- In 2007 OID employed 65 employees. At the end of 2016 OID employed 62 employees. OID hires only the best applicants to serve you and they do a great job. OID does more with less and our numbers show that.
- OID's proportionate share of CalPERS net pension liability is just \$3.4 million. That is a pittance in comparison to other public agencies in our area who have 10s of millions if not 100s of million in such liabilities.
- OID's net position, inclusive of restricted and unrestricted assets increased from \$117 million to \$168 million over the last 10 years. That's a pretty impressive number!

There's more to brag about but I ran out of space. Look forward to more next month.

Fight the State's Water Grab. Visit www.SavetheStan.org or www.WorthYourFight.org to see how.

Water Report as of August 1, 2017

Facility	Max Storage (af)	Current Storage (af)	% Capacity	Inflow (cfs)	Storage Change Since 7/1 (af)
New Melones - Federal	2,419,523	2,144,223	87%	1,479	-43,600
Donnells	64,325	57,245	89%	718	-567
Beardsley	97,802	96,968	99%	828	+13,672
Tulloch	66,968	65,216	97%	3,121	-941

New Melones Inflow since Oct 1 =	2,748,000 af
OID 2016/17 Water Allocation =	300,000 af
OID Water Used Oct 1, 2016 to Aug 1, 2017 =	131,443 af
Water Sales this year Out-of-Area =	0 af
Water made available for local use =	No Limit af
Local Water Sales to date =	1,511 af
OID water (est.) to be lost to Federal Government on September 30 =	87,391 af



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