

OAKDALE IRRIGATION DISTRICT
NOVEMBER 2020
GENERAL MANAGER'S NEWSLETTER

On November 1st Oakdale Irrigation District will be celebrating its 111th birthday in service to the Oakdale Community. OID has a unique history and I thought I'd devote this newsletter to some of the historical events that shaped the organization's development. OID's story dates back to the late 1800's and can be told in three distinct chapters. The first chapter, The Early Years highlights the development of OID at the turn of the century. The second chapter, The Tri Dam Project, is the remarkable tale of the development of OID and SSJID's building of its three upper basin dams on the Stanislaus River. The third chapter is still being written.

Chapter 1 - The Early Years: In 1849, William Knight, a scout and fur trader, settled along the banks of the Stanislaus River and established a trading post and ferry service across the river. The location proved to be very fortunate as the Sierra Nevada Gold Rush was soon to take place. The settlement was located on the main road from Stockton to the "Southern Mines" which saw thousands of miners pass through this settlement known as Knight's Ferry (KF). KF was annexed into Stanislaus County in 1862 and had grown large enough to serve as the county seat until 1872. As the KF community expanded so did the need for services. One need was a river diversion and ditch system to bring Stanislaus River water into the community and beyond.

In the 1880's Charles H. Tulloch purchased the water rights, the ditch and the small diversion dam that had been built by the miners in 1865. Local farmers extended the ditch (Old Tulloch Ditch) down into the valley to service 6,000 acres of farmland. On November 1, 1909 the OID was formed under the Wright Act and less than a year later joined forces with the SSJID to purchase the Tulloch system for \$650,000. The two districts entered into a 50/50 agreement on the water rights and expenditures. The districts acquired through adjudication water rights to the Stanislaus River and in 1926 was granted the right to take 1,816.6 cubic feet per second by direct diversion out of the river.

The districts soon abandoned the old miners' diversion dam and in 1912 began construction of Goodwin Diversion Dam at a cost of \$325,000. From this dam, each district constructed their main canals to bring water to them.

The contractor for this work was the Utah Construction Company of Ogden, Utah. This "upstart" hard-rock mining company carved out the district's canals and tunnels in the Stanislaus Canyon. While their success was life-giving to OID and SSJID their accomplishments afterwards were equally impressive. Upon finishing their contract in 1915, the Utah Construction Company went on to build O'Shaughnessy Dam and tunnel system (1917), then spear-headed the formation of 6 contracting companies that built Hoover Dam (1935) and later was the prime federal contractor on building the Alaskan Highway (1942).

Until 1925, the 20,000 acres being irrigated in

OID was dependent upon the natural flow of the river. Drought reliability didn't exist without storage so the two districts again joined forces and voted for a \$2,200,000 bond to build a storage reservoir of 112,500 acre-feet, known as the Melones Reservoir. Subsequently, the districts negotiated a contract with Pacific Gas & Electric (PG&E) for the sale of the hydroelectric power generation. PG&E agreed to pay each district \$129,345 per year for a period of 40 years. Their final payment in 1967 completely amortized the bond issuance without any tax burden upon the landowners in the districts. The reservoir was completed December 15, 1926.

By 1938, both districts had expanded further and again found themselves short of irrigation water due to a lack of storage.

Chapter 2 – The Tri-Dam Project: Anticipating this storage back in 1924 the Districts went searching upstream into the Stanislaus River Watershed for solutions. Based on those pioneering efforts, the idea of the Tri-Dam Project was born. The purpose of the Tri-Dam Project was to provide a supplemental summer water supply for the lands of OID and SSJID. In 1948, sites were approved at Donnell's and Beardsley on the middle fork of the Stanislaus River, and Tulloch above Goodwin Dam. Construction of the Tri-Dam Project began in 1955 and was dedicated on June 15, 1957. Under a similar arrangement as Melones Dam, PG&E held the exclusive rights to the power generation from Tri Dam. In exchange for that benefit, PG&E repaid the bond debt held by the two districts over their 50 year contract period, which ended in 2005. At that point the dam and hydro facilities were relicensed into the names of OID and SSJID, debt free and never at any cost to landowners.

The combined storage capacity of all 3 dams plus Melones totaled 280,669 acre feet. With the addition of a third 6,000 KW generator at Tulloch in 2011, the combined power generation of all facilities totaled 87,000 KW. In 1984, the Sand Bar Hydroelectric Powerhouse Project was completed, producing an additional 16,200 KW. The combined generating capacity ranks the Tri Dam Project as the 80th largest public power producer by megawatt-hour in the United States.

Chapter 3 – The Story Continues: OID has come a long way since its formation in 1909. At the time of its 100th anniversary (2009) the OID service area encompassed about 73,000 acres, of which 55,000 acres were being irrigated. Today OID encompasses 81,000 acres and irrigates 64,724 acres of agriculture.

In benchmarking OID at the turn of the century, there are three areas of agreement. OID had strong water rights; OID had developed sufficient reservoir storage and hydroelectric facilities to provide water reliability along with a revenue stream from electric sales to meet its annual operational expenses. However, OID's Achilles heel was that its water delivery system was now over 100 years old, dilapidated, inefficient and lacking from investment and

care. The system was unable to meet the changing water demands of its agricultural community as low value annual crops were being replaced by high value permanent crops. Though generating higher farm income, permanent crops demanded more consistent reliable water service.

Since its formation, OID has watched as water statewide has progressed from being a local resource, fueling the areas' mining and agricultural businesses, to a commodity aggressively sought statewide by municipalities representing millions of people. Such changes present challenges to those with strong water rights, such as OID. Wary of these shifting politics and re-cognizing its need to rebuild and modernize, OID took it upon itself to develop a plan to address those challenges. After a two and a half year community involved effort, OID certified and adopted a Water Resources Plan in June of 2007. This became the blueprint to OID's water future.

Key components of the Plan included: (1) Protection of OID's water rights by clearly defining the priority uses and purposes of OID's water supply; (2) Benchmarking the modernization and replacement costs of its 100 year old water system at \$170 million; (3) A financial strategy to pay for improvements using surplus water sales when available. As part of the Plan, a priority to OID's conserved surplus water was adopted; in-district uses including the City of Oakdale were highest priority; second priority were local out-of-district uses; and third priority was out-of-area uses. This strategy allows OID to keep its in-district agricultural water rates low, protects groundwater resources serving the City of Oakdale and its industries and stimulates the local economy through its CIP investments.

Since the Water Resources Plan's adoption OID has invested millions (\$\$\$) in capital improvements and modernization to its water delivery system. Every improvement has been funded from the sale of surplus water and at no cost to its agricultural growers! This is the same finance model that OID used to build Melones Dam and its Tri Dam Project by using its resources (water and power) to finance and build their successes.

In December 2018 the State Water Board adopted Phase I of its Bay-Delta Water Quality Control Plan. That Plan will take 40% of the flow from the Stanislaus River (February-June) taxing OID and SSJID water supplies. Couple that action with the State's Sustainable Groundwater Management Act (2014) and one can see OID's challenges only continue.

OID mission statement is, *"To protect and develop Oakdale Irrigation District water resources for the maximum benefit of the Oakdale Irrigation District community."* That commitment to the Oakdale community has been the cornerstone of OID since 1909. OID's actions over that period has always been to secure that vision by making sound resource and business decisions that serve our community. We are proud of that!



Oakdale Irrigation District
1205 East F Street
Oakdale, CA 95361
(209) 847-0341
www.oakdaleirrigation.com