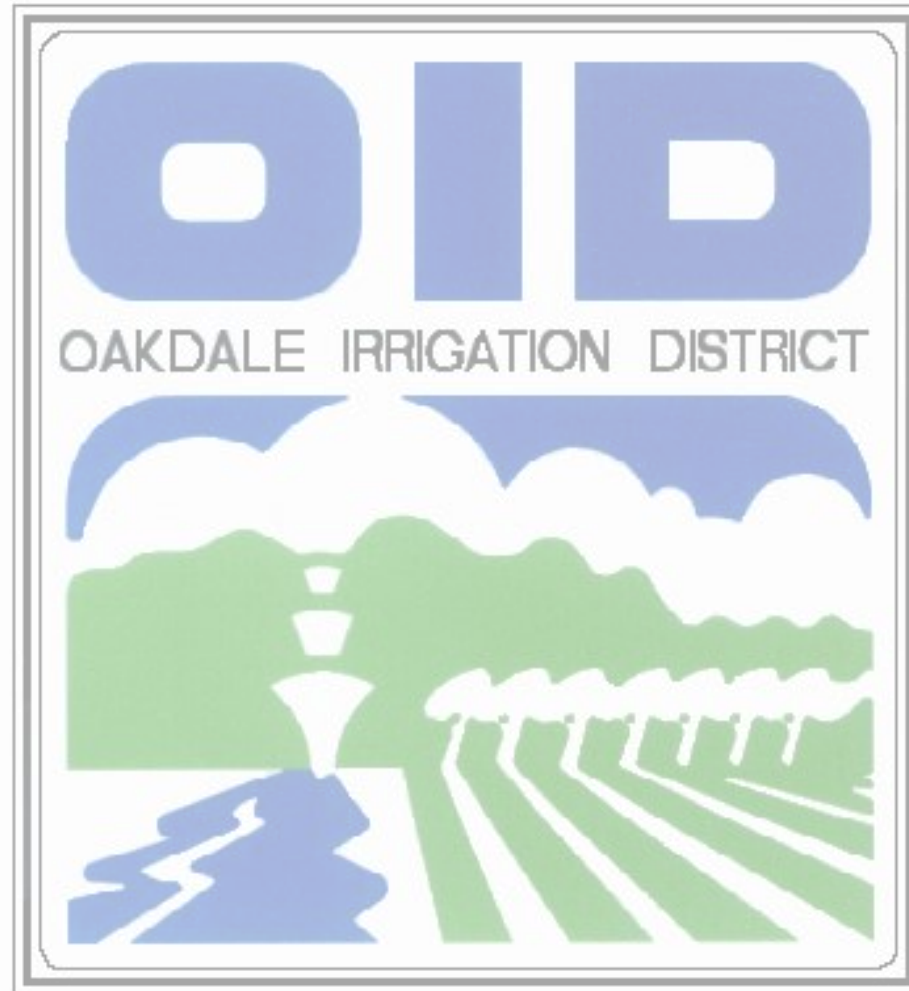


2018 BUDGET





Directors

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

Officers

Steven R. Knell, General Manager and Secretary
Kathy Cook, Treasurer

2018 Budget Prepared by:

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

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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.

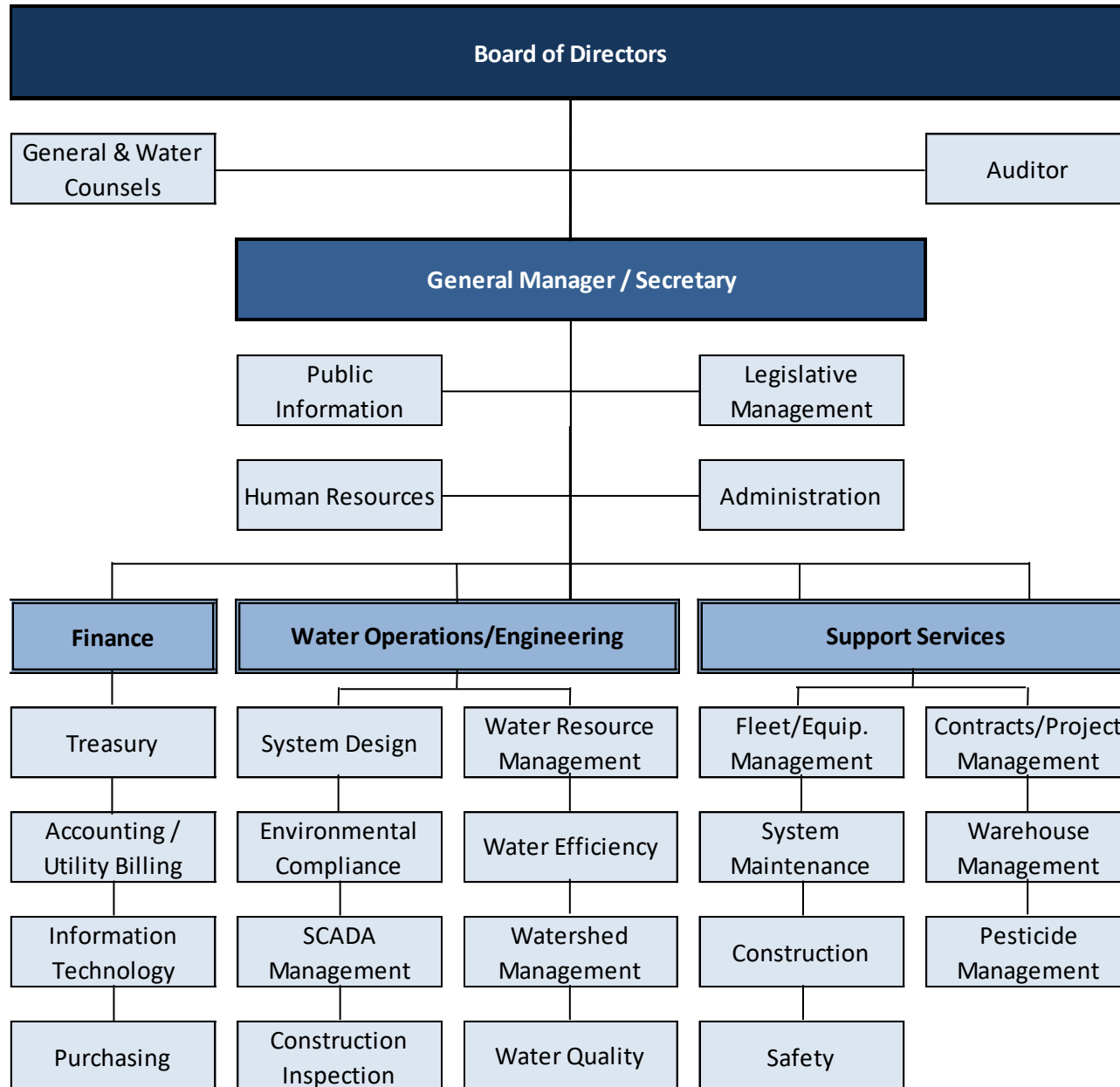
The District's distribution system includes the Goodwin Diversion Dam (Goodwin Dam) on the Stanislaus River below the New Melones Dam, at which water is diverted into the District's main canals. In addition to such surface water facilities, the District owns and operates laterals, canals, deep well and water reclamation pumps and provides domestic water service. The District provides irrigation water to approximately 2,940 customers and domestic water to 762 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.

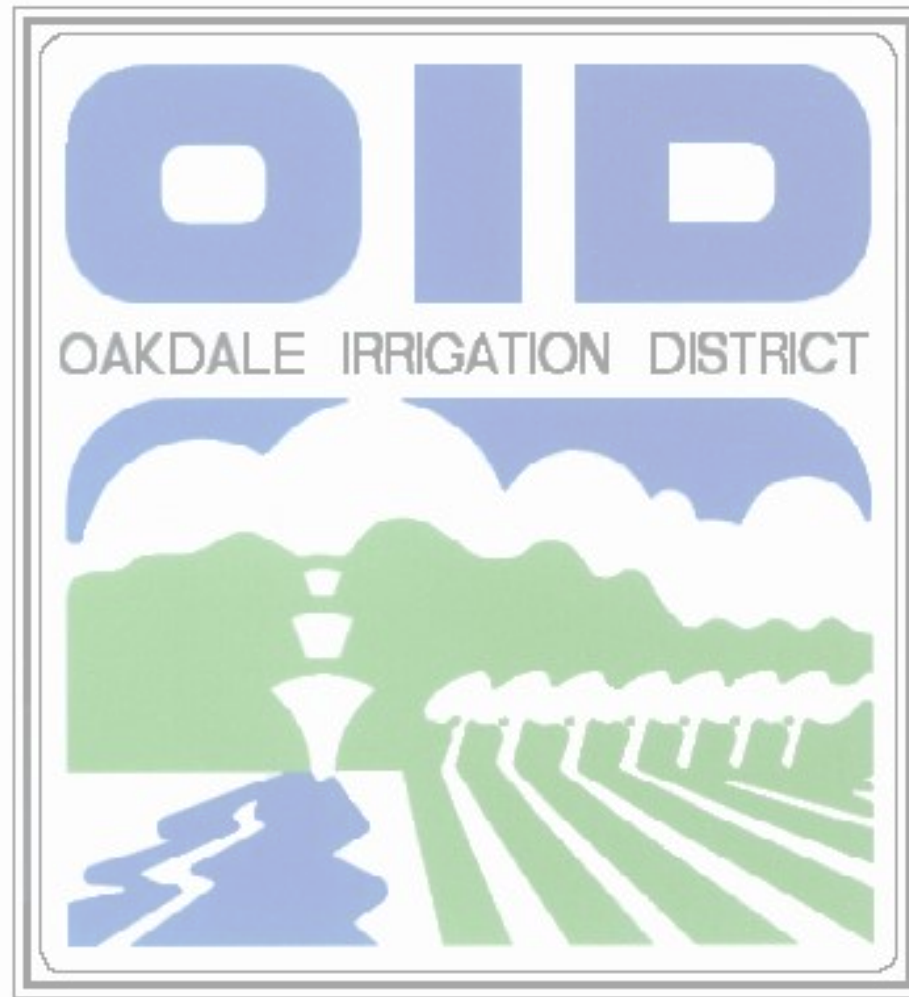
The District in 1955 issued Tri-Dam revenue bonds to finance its one-half share of the costs of constructing the Tri-Dam Project on the Stanislaus River. The project consisted of building the Donnell, Beardsley, and Tulloch Dams and Reservoirs, together with associated hydro-electric plants. The Tri-Dam 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



2018 BUDGET



2018 BUDGET OVERVIEW

- No base rate and volumetric water rate increase
- Normal year hydroelectric revenues
- Local Out-of-District and Out-of-Area Water sales
- Tier 3 annexations
- Manpower increase (5)
- Moderate wage & benefit increases
- Settlements (On-Farm Conservation Program)
- Community Outreach increase for School Farm Building Project and City of Oakdale
- Includes Bond P&I payment
 - Projects debt service coverage ratio of 10x (requirement: 1.1x)
- Positive cash flow and strong financial reserves
- Continued implementation of the Water Resources Plan
 - TCC Implementation with State matching funds
 - Two-Mile Bar Tunnel Project

2018 MANPOWER



	Org. Chart	Org. Chart	Change
Administration			
General Manager	1.0	1.0	0.0
Administrative Assistant	1.0	1.0	0.0
Public Relations Assistant	1.0	0.0	1.0
Receptionist / Clerk Typist / File Clerk	1.0	1.0	0.0
Total Administration	4.0	3.0	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	0.5	0.5
Total Finance	7.0	6.5	0.5
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	8.0	2.0
Construction/Maintenance - Leadman	5.0	4.0	1.0
Equipment Operator	6.0	6.0	0.0
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	2.0	2.0	0.0
Fleet Eq. /Serviceman/Welder	1.0	1.0	0.0
Total Support Services	31.0	28.0	3.0
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
IT / SCADA Coordinator	0.0	0.5	-0.5
SCADA Technician	1.0	1.0	0.0
SCADA Serviceman	1.0	1.0	0.0
Water Operations Supervisors - Ag. Water	2.0	2.0	0.0
Water Utilities / SCADA Supervisor	1.0	0.0	1.0
Water Utilities Serviceman	1.0	1.0	0.0
Water Utilities Technician	1.0	1.0	0.0
Total Water Operations	38.0	37.5	0.5
TOTAL STAFFING	80.0	75.0	5.0

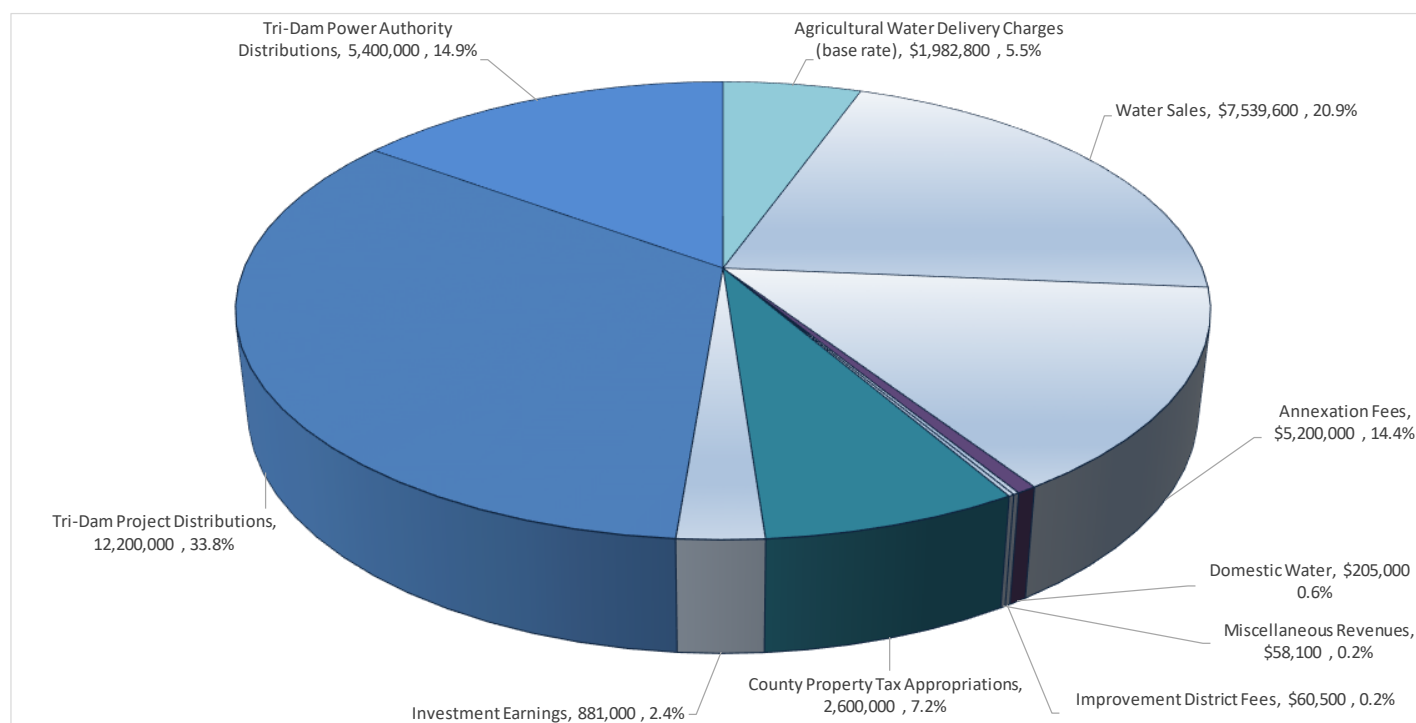
2018 REVENUES, EXPENSES, AND CHANGE IN NET POSITION

		2018 BUDGET
1	OPERATING REVENUES	
2	Agricultural Water Delivery Charges (base rate)	\$ 1,982,800
3	Water Sales	7,539,600
4	Annexation Fees	5,200,000
5	Domestic Water	205,000
6	Improvement District Fees	60,500
7	Miscellaneous Revenues	58,100
8	Total Operating Revenue	15,046,000
9		
10	OPERATING EXPENSES	
11	Operations and Maintenance	5,859,902
12	Water Operations	2,636,171
13	General and Administrative	5,732,500
14	Depreciation and Amortization	2,446,500
15	Total Operating Expenses	16,675,073
16	Net Income (loss) From Operations	(1,629,073)
17		
18	NONOPERATING REVENUES (EXPENSE)	
19	County Property Tax Appropriations	2,600,000
20	Investment Earnings	881,000
21	Interest Expense	(1,087,100)
22	Tri-Dam Project Distributions	12,200,000
23	Tri-Dam Power Authority Distributions	5,400,000
24	Total Nonoperating Revenues (Expenses)	19,993,900
25		
26	Change in Net Position	\$ 18,364,827
27		
28	Note: Capital expenditures and debt obligations	\$ 17,765,950

2018 DETAILED OPERATING AND NONOPERATING REVENUES

		2018 BUDGET
1	OPERATING REVENUES	
2	Agricultural water delivery charges (base rate)	
3	Tier 1	\$ 1,701,900
4	Tier 2	225,300
5	Tier 3	55,600
6	Water Sales	
7	Tier 1	511,000
8	Tier 2	653,600
9	Tier 3	875,000
10	Local out-of-district	500,000
11	Out-of-area	5,000,000
12	Annexation fees (<i>one-time</i>)	5,200,000
13	Domestic water	205,000
14	Improvement District fees	60,500
15	Miscellaneous revenues	
16	Penalties	21,500
17	Transfer Fees	6,000
18	District Rental Properties	15,600
19	Miscellaneous Revenue	15,000
20	Total Operating Revenue	15,046,000
21		
22	NONOPERATING REVENUES	
23	County property tax appropriations	2,600,000
24	Investment earnings	
25	Investment earnings	400,000
26	General interest (notes)	481,000
27	Tri-Dam Project distributions	12,200,000
28	Tri-Dam Power Authority distributions	5,400,000
29	Total Nonoperating Revenues	21,081,000
30		
31	TOTAL REVENUES	\$ 36,127,000

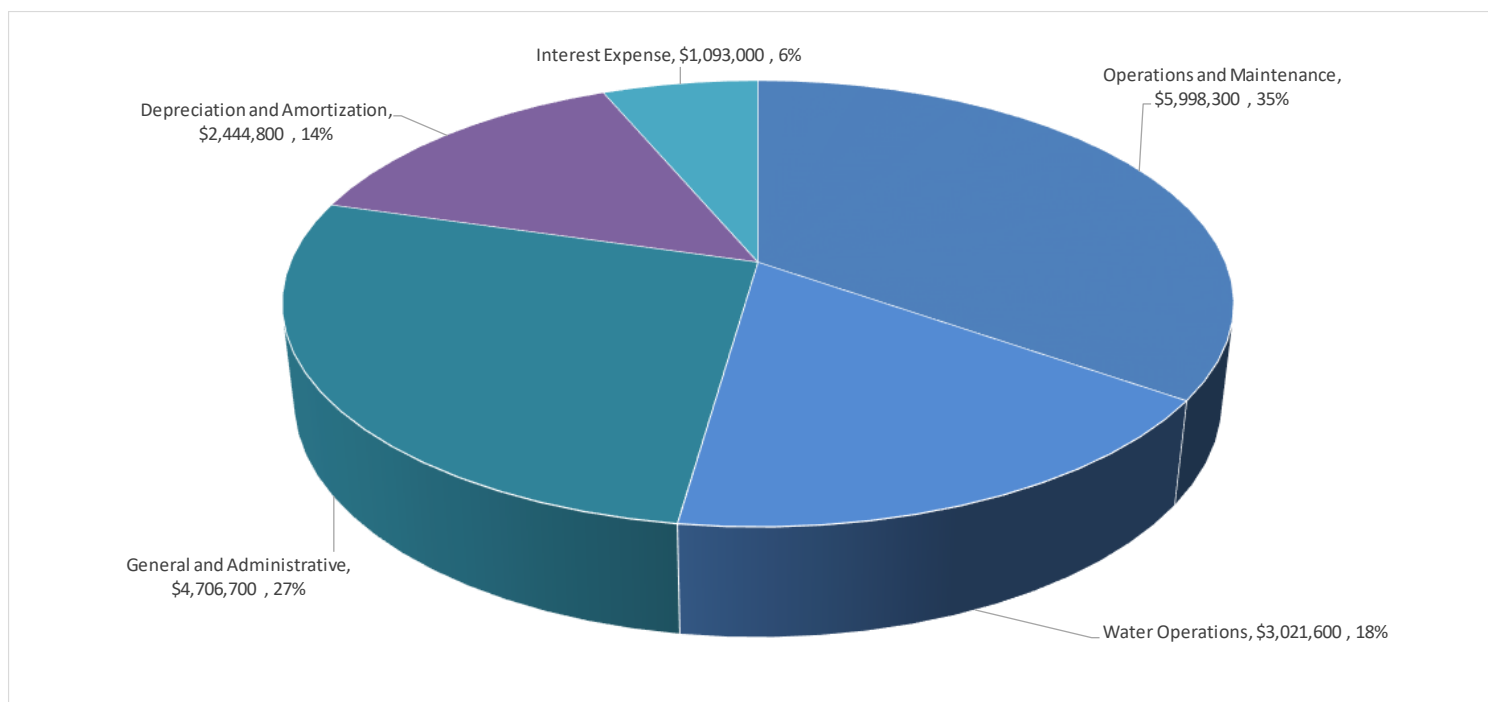
2018 OPERATING AND NONOPERATING REVENUES



2018 OPERATING AND NONOPERATING EXPENSES

		2018 BUDGET
1	OPERATING EXPENSES	
2	MAINTENANCE	
3	SSJID Main Supply Diversion Works	\$ 38,000
4	North Main Canal Maintenance	472,500
5	South Main Canal Maintenance	351,400
6	Irrigation Water Lateral Maintenance - North Side	1,870,700
7	Irrigation Water Lateral Maintenance - South Side	1,507,700
8	Pumping Plant Operations and Maintenance	533,654
9	Drainage System Maintenance	305,100
10	Building and Grounds Maintenance	255,500
11	Vehicle and Equipment Maintenance	525,348
12	TOTAL MAINTENANCE	5,859,902
13		
14	WATER OPERATIONS	
15	Domestic Water System Maintenance	291,471
16	Irrigation Water Operations - North Division	1,135,400
17	Irrigation Water Operations - South Division	1,132,900
18	Drainage Water Operations	18,600
19	Water Measurement Management	57,800
20	TOTAL WATER OPERATIONS	2,636,171
21		
22	GENERAL, ADMINISTRATION, AND DEPRECIATION	
23	General and Administration	5,732,500
24	Depreciation and Amortization	2,446,500
25	TOTAL GENERAL, ADMINISTRATION, AND DEPR.	8,179,000
26		
27	TOTAL OPERATING EXPENSES	16,675,073
28	NONOPERATING EXPENSES	
29	Interest expense	1,087,100
30	TOTAL NONOPERATING EXPENSES	1,087,100
31		
32	TOTAL OPERATING AND NONOPERATING EXPENSES	\$ 17,762,173

2018 OPERATING AND NONOPERATING EXPENSES



**CAPITAL
& DEBT**

	GL ACCOUNT NO.	GL DESCRIPTION	PROJECT DESCRIPTION	2018 BUDGET	PURPOSE
1	00-000-15200-00	Capital Work	Capital construction projects as per WRP (baseline CIP)	\$ 2,100,000	Replacement
2	00-000-15200-00		Capital construction projects as per WRP (modernization)	3,000,000	Modernization
3	00-000-15200-00		Two-Mile Bar Tunnel	10,500,000	New/replacement
4					
5	00-000-15150-00	Ag Pumping Plants	Major repairs	50,000	Replacement
6	00-000-15181-00	Backhoes / Heavy Equipment	Motor Grader	345,000	Replacement
7	00-000-15183-00	Miscellaneous Construction	Electric vibrator, 10 ft. shaft	1,500	Replacement
8		Equipment	Trash pump, 2" (3)	5,100	New/replacement
9			Generator, 5.6 KW with electric start (3)	8,100	New/replacement
10			Vibratory rammer, with wheel kit (2)	7,800	New
11			Air compressor, 175 PSI with electric start (5)	12,000	New/replacement
12			Pump, portable 4" or 6"	45,000	Replacement
13	00-000-15184-00	Autos/Pickups/Trucks/	RTV trailer	5,500	New
14		Trailers	Chemical tanks for pesticide trucks (2)	17,000	New
15			Tilt-bed trailer	17,000	New
16			1/2-ton pickup for DSOs	30,000	Replacement
17			1/2-ton 4 wheel drive pickup for DSOs	32,000	Replacement
18			3/4-ton pickup with utility bed (SCADA)	35,000	New
19			2-ton service truck (diesel)	125,000	Replacement
20			Dump truck, 3-axle (diesel)	220,000	Replacement
21			1 1/2-ton crew truck (2)	230,000	New
22	00-000-15185-00	Shop/Warehouse/ Yard	Pallet racking system for warehouse	3,000	New
23		Buildings	Yard chain link fencing with 80% privacy fabric	17,500	New/replacement
24	00-000-15186	Shop/Warehouse/ Yard	Base station / AlertMicro docking module	1,750	Replacement
25		Equipment	Spill containment pallets (2)	3,500	New
26			Wheel/tire balancer unit	5,000	New
27			Porta coolers	6,000	New
28			20' storage containers (2)	7,000	New
29			Steel roller / bender machine	10,000	New
30	00-000-15187-00		Computer Workstation (New Asst. Engineer)	3,000	New
31		Office and Engineering	Ergonomic workstation furniture (CFO)	4,200	Replacement
32		Equipment	Copier, with letter & legal capacity, feeder (2)	5,000	Replacement
33			Computer workstations	10,000	Replacement
34			Ergonomic workstation modules and furniture (front office)	39,000	Replacement
35	00-000-15189	Office and Yard Property	Headquarter project design	100,000	New
36	TOTAL CAPITAL PROJECTS AND PURCHASES EXPENDITURES			<u>17,000,950</u>	
37					
38	00-000-22320-00	Current portion - COP Debt	Principal payment of Series 2016 COP	765,000	Installment payment
39	TOTAL CAPITAL AND DEBT EXPENDITURES			<u>\$17,765,950</u>	

Debit Service Coverage



2018 BUDGET

1 REVENUES		
2	Agricultural Water Delivery Charges (base rate)	\$ 4,522,400
3	Water Sales	5,000,000
4	Annexation Fees	5,200,000
5	Domestic Water	205,000
6	Improvement District Fees	60,500
7	Miscellaneous Revenues	58,100
8	County Property Tax Appropriations	2,600,000
9	Investment Earnings	881,000
10	Tri-Dam Project Distributions	12,200,000
11	Tri-Dam Power Authority Distributions	5,400,000
12	Total Revenue	<u>36,127,000</u>
13		
14 OPERATING EXPENSES		
15	Operations and Maintenance	5,859,902
16	Water Operations	2,636,171
17	General and Administrative	8,179,000
18	Total Operating Expenses	<u>16,675,073</u>
19		
20	Net Revenues	<u>\$ 19,451,927</u>
21		
22 Debt Service 2016 Bonds		
23	2018 Interest	1,087,100
24	2018 Principal	765,000
25		<u>\$ 1,852,100</u>
26		
27	Debt Service Coverage Ratio	1050%
28		
29	Minimum required net revenue (to provide 110% coverage)	2,037,310
30	Excess net revenues	17,414,617