

General Manager's Monthly Report

January is always a good time to look back over the past year and talk about accomplishments. We had quite a few milestone achievements in 2016 that should be of interest to everyone.

First, while the 2015/2016 winter rainfall was a bit below normal OID was one of the few irrigation districts that did not have any water allocation limits for its farmers in 2016. Many other irrigation districts around us did, which goes to show the value and benefit of the extensive investment in conservation work OID has implemented over the years.

Second, OID refinanced \$26 million in municipal bonds (September Newsletter) to take advantage of the low interest rate environment at the time. As a result of this refinance, OID will save \$4.7 million over the 21-year finance period which equates to about \$275,000 in annual savings. The Board acquired a 7 year pay-off provision on the new bonds. OID is planning for the total pay-off this debt at the end of that 7-year period. We like to brag that OID's Standard & Poore's rating of Double A is the highest rating an irrigation district can receive in the United States.

Third, OID secured a \$3 million grant from the State of California's Proposition 1 Grant Funding Program to advance its water conservation projects. This grant will help pay for about half the cost of a \$6 million expansion of OID's Total Channel Control (TCC) system. This system, currently in place and operating for the past 4 years on the Claribel Canal and also downstream of the Northside Regulating Reservoir on the Cometa Canal system, has helped improve OID's water delivery and service capabilities. OID has planned a \$35 million unitized expansion, consisting of 6 increments, to provide state of the art control of its water system. This system will generate 15-18,000 acre feet of additional water conservation.

Fourth, OID made water available to meet all local demands, both in and out of the OID service area (See GM Newsletter-July 2016), and no one in our local area went without water last year except by their choice. With local demands met, OID took what water was not committed to any purpose and sold it to other water users outside the OID service area. Some of these beneficiaries were westside Stanislaus County ag districts which appreciated the assistance. All told last year, OID was able to generate about \$15.75 million in revenues from outside water sales. Where will that \$15.75 million be spent?

By policy, 80% of water sale revenues go to rebuilding and modernizing OID's water delivery system. Starting this year, and over the next two years, OID is going to be building a new \$20 million tunnel to replace a failing open ditch section on its South Main Canal serving 60% of our irrigation district. OID will pay cash for that project. OID has already set aside \$8 million over the last few years and the balance of this project cost will be paid from this year's water sales.

It was money from water sales that funded water conservation projects over the last 10-years that strengthened OID's water reliability. That return on investment paid spades during the last 5 years of drought while OID was able to provide the highest water allocations in the state.

It will be water sale revenues from surplus water that will put OID in the position to become debt free in 2023. OID's going to bank a portion of that for that debt pay-off.

It is water sale revenues that will be used to backfill the estimated \$17.5 million cost over the next 10-12 years in TCC expansion throughout the OID service area. The 15-18,000 acre feet of anticipated water savings from this program will generate the water for use in meeting groundwater sustainability needs and has the potential to help get east county ag pumpers to stop being completely reliant on groundwater. This switch to surface water could play an important role in changing the trend of the regionally declining water levels in our groundwater basin.

These are all part of the benefits of water sale revenues. OID uses these revenues to make it easier for our farmers to be competitive in a global economy by keeping their costs down. OID will not sell water that is needed locally but it will sell water it will lose at the end of the irrigation season, if no action is taken. It's a sound business practice that's been in place since 1998 and it works.

Next month I'll be providing an update on the Unimpaired Flow Standard that's been in the news and some very interesting legislation that was passed at the end of 2016 by the United States Congress and signed into law by the President. OID and SSJID got pieces added that have been on the table for 10-years and now it's here. 2017 is shaping up to be busy!

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

Water Report as of January 1, 2017

Facility	Max Storage (af)	Current Storage (af)	% Capacity	Inflow (cfs)	Storage Change Since 10/1 (af)
New Melones - Federal	2,419,523	628,300	26%	1,363	100,900
Donnells	64,325	31,333	49%	241	TOC*
Beardsley	97,802	67,448	69%	913	TOC*
Tulloch	66,968	56,993	85%	68	TOC*

New Melones Inflow Oct 1 – Jan 1 - 2017 = 185,708 af
OID Water Allocation for upcoming 2016/17 Water Year = 600,000 af needs to flow into New Melones after Oct 1, for OID/SSJID to get a full allocation.

TOC* = Top of Conservation Pool. This elevation is set for the winter at Donnells, Beardsley and Tulloch so inflow at this point will not be going to storage but released down the river. These facilities are so small they fill rapidly in the spring time.



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