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September 5, 2017

Honorable Ricardo Cordova Presiding Judge of the Superior Court P.O. Box 3488 Modesto, CA 95353 Pe/23/14

Re: Grand Jury Report "City of Oakdale Residents Property Tax"

Dear Judge Cordova:

The City of Oakdale appreciates the efforts of the Stanislaus County Civil Grand Jury (SCCGJ) and the service they have provided to our community. The City has reviewed the findings and recommendations of the Grand Jury's report titled "City of Oakdale Residents Property Tax" and is providing this letter as the City's official response.

The City of Oakdale is aware that a portion of the property taxes paid by residents of the incorporated limits of Oakdale is distributed to the Oakdale Irrigation District (OID) on an annual basis. The City of Oakdale City Council does not manage the expenditure of those funds as that is under the purview of the OID.

For many years, the City of Oakdale has enjoyed a mutually beneficial partnership with OID. As a result of this partnership, the City is allowed by OID to discharge storm water during the winter months into OID pipelines that run throughout the City. Additionally, the City of Oakdale residents as OID constituents are entitled to 10,000 acre feet of surface water. Although the residents currently do not have access to this water, the future benefit to the community is significant. Having this water entitlement allows the City of Oakdale to develop future plans with OID for a surface water treatment plant for drinking water and/or a pond and pumping system to irrigate its parklands with surface water instead of ground water. There are tremendous mutually beneficial opportunities for both urban and rural OID constituents. The City of Oakdale looks forward to strengthening its partnership with OID as it believes that by working together we can better serve our local community.

Below are the City's responses to the SCCGJ findings and recommendations.

## Findings:

- F1. The SCCGJ found no information was readily available to the City of Oakdale taxpayers explaining where the assessed 1% tax went and what if any services OID provided.
  - F1. City Response: The City agrees with this finding.
- F2. Oakdale City residents pay over \$1 million annually in property taxes to the OID.
  - F2. City Response: The City agrees with this finding.
- F3. The 1% tax that the Oakdale City residents pay is based on their TRA and assessed value of their property.
  - F3. City Response: The City agrees with this finding.
- F4. OID and the City of Oakdale are aware of the possible disparities between property taxes paid and services provided to property owners. Both OID and the City of Oakdale are engaged in a dialogue regarding this issue.
  - F4. City Response: The City agrees with this finding.

The City values the partnership it has with the Oakdale Irrigation District and believes that by strengthening its partnership both the City and OID can better serve their constituents. The City has worked with the OID to develop a draft Mutual Aid Agreement as well as a draft Cooperative Action Plan. These agreements once ratified by the City Council of the City of Oakdale and the Oakdale Irrigation District Board of Directors will provide the residents of the City of Oakdale with a better understanding of where the tax dollars paid to OID go and how they are used.

## Recommendations:

R1. The Stanislaus County Civil Grand Jury (SCCGJ) recommends that the Stanislaus County Auditor-Controller's Office (SCAC) create a way to explain the 1% ad valorem tax that is on the property owners tax bills, or add an insert to their property tax bill explaining what this tax covers.

R1. City Response: The City of Oakdale will defer to the SCAC office to formally respond to this recommendation.

However, the City of Oakdale supports providing additional information to the tax payers of the City of Oakdale and welcomes the opportunity to work with the SCAC to make this possible.

- R2. The SCCGJ recommends the SCAC office explore ways of providing a link on its website that is user friendly and explains the breakdown of this tax.
  - R2. City Response: The City of Oakdale will defer to the SCAC office to formally respond to this recommendation.

The City of Oakdale supports making the explanation of the details of local property taxes more accessible and welcomes the opportunity to work with the SCAC to make this possible.

- R3. The SCCGJ recommends that OID commence dialog with the City of Oakdale residents regarding services provided by OID in regards to this 1% tax.
  - R3. City Response: This recommendation has been implemented and was implemented prior to receiving the SCCGJ report on June 15, 2017.

The City of Oakdale and OID have held two meetings where two members of the Oakdale City Council and two members of the OID board were present. Additionally, the City Manager and OID General Manager were present in these meetings. As a result, a draft Cooperative Action Plan and a draft Mutual Aid Agreement have been developed. Additional meetings are needed to finalize the details of these agreements. Once finalized, these agreements will need to be ratified by the City Council of the City of Oakdale and the OID Board of Directors.

- R4. The SCCGJ recommends that OID and the City of Oakdale continue to work collaboratively on their Cooperative Action Plan and their Mutual Aid Agreement.
  - R4. City Response: This recommendation has been implemented.

The City of Oakdale and the OID have developed solid draft documents that need additional work before they can be finalized and ratified by its respective boards. The City of Oakdale will reach out to the OID to set up the necessary followup meetings so that the Cooperative Action Plan and Mutual Aid Agreement can be finalized.

The City of Oakdale appreciates the great work that the SCCGJ has provided to the residents of the City of Oakdale and Stanislaus County.

Sincerely,

Pat Paul

Mayor

City of Oakdale

cc: Oakdale Irrigation District Board of Directors

Stanislaus County Auditor-Controller's Office