

NORTH DELTA WATER AGENCY

Fact Sheet

North Delta Water Agency

The North Delta Water Agency, which includes about 277,000 acres within the northern Sacramento and San Joaquin Delta, was created in 1973 by an act of the California Legislature. The Agency's primary purpose is to assure and protect the water supply and water quality for landowners within Agency boundaries.

The 1981 Contract

The Agency entered into a contract with the State Department of Water Resources (DWR) to assure a dependable water supply of suitable quality.

Water Supply – The contract provides that all Agency water users may divert water from Delta channels for reasonable and beneficial uses on lands within the Agency boundaries for agricultural, municipal and industrial purposes. The contract also provides that DWR shall furnish such water as may be required within the Agency to the extent not otherwise available under the individual water rights of the water users.

Water Quality – The contract provides that water within the boundaries of the Agency will be of suitable quality through year round criteria monitored at seven locations. These criteria prevent salt water intrusion or other factors from adversely affecting the quality of water within the Agency.

Contract Payment – The assurances for water supply and water quality provided for in the contract required the Agency to make annual payments to DWR. The initial payment was \$170,000. The Contract allows for the payment to increase in relation to increases in DWR's Delta Water Rate. The Contract limits payment increases to a maximum of 25% every 5 years. The current annual payment is approximately \$370,000.

Contract Administration – Contract administration costs, including staff and consultants, include the cost to collect the assessments, make the payments, monitor the water quality, and defend the contract.

Delta Activities

There are numerous legal, regulatory and legislative processes under way to address longstanding environmental, water quality, and water supply issues in the Delta. These processes include for example, the Bay Delta Conservation Plan, federal and state lawsuits, the State Water Resources Control Board's proposed reasonable use proceedings and establishment of new Delta flow criteria and recent complex legislation. To ensure that the lands within the Agency continue to receive the full benefits of the Contract, the Agency must monitor and participate in these processes, which will require an increased use of Agency resources and added costs to the Agency.

Current Assessment

The Agency is funded through an annual assessment levied against lands within the Agency. The assessment covers the annual payments under the 1981 Contract and the Agency's costs to administer the Contract to ensure receipt of the full benefits. The current assessment rate is \$1.80 per acre and has not been increased since 1997. Current projections indicate that the current assessment rate will be insufficient to meet the Agency's rising costs by 2016.

Proposition 218

To fund the Agency's activities while making the increased payments under the Contract, the Agency has initiated the process of raising its assessment. Before the new assessment can go into effect the Agency must comply with State law requirements. These requirements were set forth in Proposition 218 and include retaining a registered engineer to prepare a report demonstrating that the assessment will be levied in proportion to the benefits provided by the Agency, providing notice to landowners and obtaining approval by landowners through an assessment ballot proceeding. Approval by a majority of the votes cast is required to raise the current assessment.

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