

Reclamation District Funding and Financing

Summary: As requested by the Council, this report discusses the funding authorities of Delta reclamation districts and their finances as reported to the State Controller's Office.

Background

Earlier this year, in response to stakeholder testimony about the limitations of funding available to reclamation districts to maintain and improve levees, Vice Chairman Isenberg requested staff to review available information about the funding authorities of Delta reclamation districts and on their finances as reported to the State Controller's Office. The staff's report (Attachment 1) summarizes applicable provisions of the State constitution and the Water Code and relevant court cases that affect districts' assessments and fees for levee maintenance and improvement. It also summarizes the reports that 81 of the 93 reclamation districts submitted to the State Controller's Office from FY 2009-2013 describing median budgets, revenue sources, and assessment levels for representative reclamation districts.

Today's Report

Annual budgets of Delta reclamation districts average approximately \$800,000. Spending in typical Delta reclamation districts is approximately \$31,500 per levee mile. More than three quarters of districts' expenditures are for services and supplies.

State funding provides a bit more than half the funds of a typical reclamation district. Assessments on property owners provide about 37 percent of a typical district's revenue. State funding during FY 2009-2013 was concentrated in a few districts, with more than half of reported state funding received by 10 districts, primarily at islands in the western Delta that protect water quality or along the south Delta's water conveyance corridors.

Property assessments in typical Delta reclamation districts are about \$32 per acre. In the reclamation districts that receive the most state funding, assessments are more than twice those in typical districts, suggesting local contributions to levee improvement and maintenance in these districts have grown in response to State funding.

List of Attachments

Attachment 1: Report on Delta Reclamation District Financing and Budgets

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