

LAFCO Office Use Only

LAFCO File No: _____
 LAFCO Fees: _____
 SBE Fees: _____
 Sphere Fees: _____

Application Submitted: _____
 Application Incomplete: _____
 Application Complete: _____
 Certificate of Filing Issued: _____

**Butte Local Agency Formation Commission
 Standard Application Form**

1. **Applicant(s):** (LAFCO will send copies of the staff report to a maximum of three applicants.)

Application Prepared by John O'Farrell

Primary Contact of Initiating Agency

Name: John O'Farrell + Associates
 Address: 8233 Winding Way
 Phone No.: Fair Oaks, CA 95628
916-952-8935

Proponents of Proposal

Name: Richard McGowan
 Address: 30 Independence Cir #300
 Phone No.: Chico, Ca 95973
530-624-3614

Name: Darren Rile
 Address: 5209 Anita Rd, Ukiah Ca 95473
 Phone No.: 530-518-5519

Ed McLaughlin
PO Box 1
Durham, Ca 95938

2. **Change of Organization or other Action Requested** (Please check all applicable actions related to proposal.)

- | | | |
|---|---|--|
| <input type="checkbox"/> Annexation to a city | <input checked="" type="checkbox"/> Formation of a district | <input type="checkbox"/> City Incorporation |
| <input type="checkbox"/> Annexation to a district | <input type="checkbox"/> Formation of a County Service Area | <input type="checkbox"/> City Disincorporation |
| <input type="checkbox"/> Detachment from a city | <input type="checkbox"/> Consolidation of cities | <input type="checkbox"/> District Dissolution |
| <input type="checkbox"/> Detachment from a district | <input type="checkbox"/> Consolidation of districts | <input type="checkbox"/> District Merger |
| <input type="checkbox"/> Service Agreement | <input type="checkbox"/> Sphere of Influence Amendment | <input type="checkbox"/> Establishment of Subsidiary Districts |

3. **Authority to File Application**

- ☐ Resolution of Application of Affected Agency. Certified copies of the Resolution of Application shall be included as "LAFCO Exhibit 1"; or
- ☒ Petition of landowners or registered voters shall be included as "LAFCO Exhibit 1." Complete the Petition for Change of Organization. (Note: A petition is provided as LAFCO Form L-1.)

4. **Proposal Boundaries**

- ☒ Provide a map of the subject territory meeting the specifications of the State Board of Equalization as listed in the Application Instructions. The boundary map shall be included as "LAFCO Exhibit 2."
- ☒ A legal description of the boundaries of the subject territory meeting the specifications of the State Board of Equalization. The legal description shall be included as "LAFCO Exhibit 3."
- ☒ Provide a Boundary Statement describing how the boundaries of this proposal were determined. (Note: One of LAFCO's major responsibilities is to insure that public agencies have logical boundaries. If your proposal would create an "island," peninsula, or other illogical boundary, you may be requested to revise the boundaries.)

SIGNATURE PAGE

Agent Authorization

(not applicable if annexation does not have 100% landowner support)

Authorized Agent: _____

Telephone: _____

Mailing Address: _____

is hereby authorized to process this application on my property identified as Butte County Assessor's Parcel Number(s) _____

This authorization allows representation for all applications, hearings, appeals, etc. and to sign all documents necessary for said processing, but not including document(s) relating to record title interest. Owner(s) of Record:

_____ Date	_____ Signature	_____ Printed Name	_____ Title
_____ Date	_____ Signature	_____ Printed Name	_____ Title
_____ Date	_____ Signature	_____ Printed Name	_____ Title

Disclosure Requirements

Pursuant to Government Code Sections 56700.1 and 81000 et seq., and Butte Local Agency Formation Commission policies, any person or combination of persons who directly or indirectly contribute \$1000 or more or expend \$1000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to the commission and will require an election must comply with the reporting and disclosure requirements of the Political Reform Act of 1974 and the Butte Local Agency Formation Commission. These disclosure requirements mandate disclosures be made at specified intervals. Additional information may be obtained by contacting the LAFCo office at (530) 538-7784. Disclosure requirements have been read and acknowledged.

<u>5-19-20</u> Date	<u>Signature</u> <i>Richard McGowan</i>	<u>Richard McGowan</u> Printed Name	<u>Chief Petitioner</u> Title
<u>5-19-20</u> Date	See attached	<u>Darren Rice</u> Printed Name	<u>Petitioner</u> Title
<u>5-19-20</u> Date	<u>Signature</u> <i>Darren Rice</i>	<u>Ed McLaughlin</u> Printed Name	<u>Petitioner</u> Title
<u>5-19-20</u> Date	See attached		
<u>5-19-20</u> Date	<u>Signature</u> <i>Ed McLaughlin</i>		

Certification

Applicants request that proceedings as described in this application be taken in accordance with the provisions of Government Code Section 56000 et seq. and herewith affix their signatures. **Note:** Applications will not be accepted without the signature of one or more of the following: 1) the legal owner(s) or official agents with Power of Attorney or written authorization to sign, 2) Chief Petitioners, and/or 3) Chair of the Legislative Body submitting a Resolution of Application.

<u>5-28-20</u> Date	<u>Signature</u> <i>Richard McGowan</i>	<u>Richard McGowan</u> Printed Name	<u>Chief Petitioner</u> Title
<u> </u> Date	<u>Signature</u>	<u> </u> Printed Name	<u> </u> Title
<u> </u> Date	<u>Signature</u>	<u> </u> Printed Name	<u> </u> Title

Agreement to Pay for Time and Materials

Charges and Deposits

LAFCo charges are based upon actual staff time and other expenses attributable to processing applications, reviewing project proposals and researching matters as requested. Such charges may be incurred prior to or without the filing of an application with LAFCo. Individuals and agencies who request services, research, or review must provide a deposit toward project expenses, as listed on the attached current fee schedule, along with a signed copy of this agreement. All deposits are subject to increase, should the Executive Officer determine that the magnitude of the project justifies the increase.

The amount of staff time necessary to process any individual application cannot be easily predicted in advance. Therefore, applicants should be aware that LAFCo charges may exceed the applicable deposit. (Unexpended deposits will be refunded.)

PLEASE UNDERSTAND THAT THE CHARGES MUST BE PAID WHETHER OR NOT THE PROPOSAL IS APPROVED.

Staff Assignments

The Executive Officer shall assign LAFCo staff members to projects as appropriate. Should the scope of a project require that outside consulting or other needed services be obtained, applicants will be responsible for the entire cost of recruitment, source selection, and payment for such outside services. Applicants are responsible for paying actual costs for any services obtained through contract, even if such costs exceed the charge-out rate of a regular staff member providing similar services.

Billing Procedure

LAFCo invoices will detail tasks, hours, staff charge-out rates, staff members responsible for work, and/or costs of contracted services. Invoices will also reflect the remaining balance of the initial deposit. Should the deposit be depleted, all staff work will cease until the deposit on file has been replenished. Projects with delinquent balances will not be scheduled for hearing, and the Commission will consider applicants to have waived any and all statutory deadlines.

This form must be signed by the person responsible for payment or the employee or officer duly authorized to bind the applicant and must be filed with LAFCo along with the applicable deposit when an application is filed or a request for staff services is submitted.

Questions regarding specific billing procedures should be directed to the LAFCo Executive Officer at (530) 538-7784.

Agreement

On behalf of Applicant, I certify and agree to the following: Applicant has reviewed the above information, the attached LAFCo fee schedule, and the attached State Board of Equalization fee schedule all of which are part of this agreement. Applicant agrees to pay Butte LAFCo for all staff services, materials, and other charges attributable to its application or request for services. Applicant understands that services may be required before LAFCo receives a formal application, and agrees to pay for such services whenever incurred and regardless of whether a formal application is submitted to LAFCo. Applicant also understands and agrees that LAFCo's charges are payable regardless of whether the application is withdrawn, denied, or otherwise terminated prior to completion. Applicant understands that if the cost of services exceeds the deposit on file, staff work on the project will cease, and the project will not be scheduled for hearing until additional funds are provided. Applicant agrees to remit the applicable State Board of Equalization filing fee when required. Applicant agrees to pay all charges within 30 days of receipt of invoice or if no invoice has been sent, in any case prior to the filing of the Certificate of Completion for the project.

In the event of failure to pay charges when due, the unpaid balance will be subject to a monthly FINANCE CHARGE of 0.833% of the amount of the unpaid balance with a minimum charge of \$1.00. This is an ANNUAL PERCENTAGE RATE of 10%. Any payments made on the account will be credited first to any accrued interest. Should legal action be necessary to collect the charges due, the prevailing party shall be entitled to collect their attorney's fees, staff time and other expenses incurred in the action, in addition to any other relief.

5-28-20

Date

Signature



Richard McGowan

Printed Name

Chief Petitioner

Title

Date

Signature

Printed Name

Title

Date

Signature

Printed Name

Title

Indemnity

Applicant agrees to indemnify, save harmless, and reimburse LAFCo for all reasonable expenses and attorney fees in connection with the defense of LAFCo and for any damages, penalties, fines or other costs imposed upon or incurred by LAFCo should LAFCo be named as a party in any litigation or administrative proceeding in connection with his/her/its application. Applicant agrees that LAFCo shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest, and that LAFCo's taking such actions shall not limit Applicant's obligations to indemnify and reimburse defense costs or relieve Applicant of such obligations.

Applicant may request modification of the terms of this agreement in writing, with supporting reasons. Such modification can be approved only by the full Commission.

5-19-20

Date

Signature



Richard McGowan

Printed Name

Chief Petitioner

Title

5-19-20

See attached

Darren Rice

Petitioner

Date

Signature



Printed Name

Title

5-19-20

See attached

Ed McLaughlin

Petitioner

Date

Signature



Printed Name

Title

DISTRICT FORMATION SUPPLEMENT

A. Justification

1. Is the proposed district a registered voter district or a landowner voter district? Yes X No _____
2. Under what principal act will the new district be formed? (Note: Pursuant to §56100, proceedings for the formation of a district shall be conducted as authorized by the principal act of the district proposed to be formed, except that the commission shall serve as the conducting authority and the procedural requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 shall apply and shall prevail in the event of a conflict with the procedural requirements of the principal act of the district.)
California Water District Act Water code Section 34000
3. Explain why the formation of a new district is being proposed..
See - Statement of Purpose, Notice of Intent, Plan of Services and Justification of Proposal
4. List all of the services to be provided by the proposed district and discuss why the services are necessary at this time.
Primary service water distribution + delivery
Power of Attorney described in water code section
Part 5 35300-35886
5. Explain why a new district should be formed instead of annexing territory to an existing district. (Note: Pursuant to §56886.5, if a proposal includes the formation of a district, the commission shall determine whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose local agency is deemed necessary, the commission shall consider reorganization with other single-purpose local agencies that provide related services.)
See - Statement of Purpose, Justification of Proposal
Plan of Services
6. Describe how the district's board of directors would be established (elected, appointed by the County Board of Supervisors, or the County Board of Supervisors themselves).
See - Plan of Services / Governing body portion Statement of Domestic Pumping Representation
7. What is the potential for the proposed district to be expanded in the future or provide similar services to a larger area?
It is possible for the proposed district to serve M+T Ranch, groundwater dependent land east of highway 99 and potentially other territory
8. Why or how will the formation provide greater efficiency in the delivery of governmental services?
See - Statement of Purpose, Plan of Services, Justification of Proposal
There is no existing agency - California Water District providing service in the area.

B. Boundaries and Sphere of Influence Information (Note: A "sphere of influence" is defined as a plan for the probable physical boundaries and service area of a district, as determined by LAFCO [§56076]).

1. Describe the rationale and methods used to establish the boundaries of the proposed district.
Sphere of Influence is proposed to be coterminous with district service area.
2. Will the district boundaries and sphere of influence boundary, be coterminous? Yes
3. If a sphere of influence is proposed to exceed the proposed district boundaries, explain the rationale used to support the larger sphere of influence. Please show the sphere boundaries on the map of the district boundaries.
N/A

See Justification of Proposal

4. Does the proposed district or its proposed sphere of influence overlap with any other local agency boundaries or sphere of influence boundaries? If yes, please list the affected local agencies. Yes. The Tuscan Water District will overlay the Rock Creek Reclamation District and SOI west of highway 99, Durham & Dayton Mutual Water Companies, Western Canal Water District SOI and a portion of Cal Water, Chico
- C. **Plan for Services / Municipal Service Review**

Please prepare a Plan for Services and Feasibility Study labeled "LAFCO Exhibit 8," that provides the following information that specifically describes how the proposed district will provide the identified services. (Note: Pursuant to Government Code Section 56653, whenever a local agency submits a resolution of application for a change of organization or reorganization, the local agency shall submit with the resolution of application a plan for providing services within the affected territory. The Plan for Services will provide the baseline of information to LAFCO in order to prepare a Municipal Service Review (MSR) pursuant to Government Code Section 56430 and to establish the sphere of influence for the new district.) see Plan of Services

1. Provide a thorough description of the level and range of each service to be provided to the territory within the proposed district. Hypothetical Budget
The Tuscan Water District's Primary purpose will be surface water distribution to properties willing to be assessed to import and deliver surface water
2. When can the identified services be feasibly extended to the affected territory? unknown at this time
3. Identify any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the new district needs to impose upon the affected territory. none required - see Plan of Services
4. Provide the estimated cost of extending the service, a description of how the service or required improvements will be financed, anticipated structure of the governing body and a projected five year budget for revenues and expenditures. see - Plan of Services, hypothetical budget
district revenue source on annual assessment not to exceed \$10/acre.
5. If retail water service is to be provided through the new district, provide a description of the timely availability of water supplies for the projected needs within the new district boundaries based upon the factors found in §65352.5 as required by §56668(k). Retail water is not proposed to be provided.
6. Will the new district share property tax revenue generated within the boundaries of the district? If yes, please provide an approved tax sharing agreement between the affected local government agencies labeled "LAFCO Exhibit 5." (Note: Any new taxes proposed for the new district must be voter approved pursuant to the requirements of Proposition 218.)
7. Please complete the following table of service providers: See Justification of Proposal

Service	Presently Provided By	Proposed Provider
Fire Protection	Butte Co /CDF	SAME
Police Protection	Butte Co Sheriff	SAME
Domestic Water Service	Private wells	SAME
Agricultural Water Service	NONE	TWD
Sewer Service	Individual Septics	SAME
Solid Waste	N/A	N/A

Road/Street Maintenance	Butte County	SAME
Power	PGE	SAME
Street Lighting	N/A	N/A
Planning & Zoning	Butte County	SAME
Schools	CUSD	SAME

D. Land Use *see TWD Fact Sheet
see Justification of Proposal*

- How many acres will the proposed district encompass? 97,180
- What is the current General Plan Ag and zoning _____ designations on the affected parcels?
- What is the current General Plan Ag and zoning _____ designations on adjoining parcels?
- Describe the existing land use on the subject parcels. Ag, Rural Residential
- Describe any significant land use issues that will result from the proposed district formation. None
- Describe the topography of the subject area. see Justification of Proposal
- Describe any concurrent land use applications. see Justification of Proposal

E. Significant Issues

- Describe any unique issues and/or pre-existing uses or conditions such as flooding, groundwater contamination, animal keeping, agricultural uses, ecological preserves, airport activity, traffic movement, pedestrian uses, etc. that characterize the area proposed for a new district. None

F. Intergovernmental Coordination

- Has the proposal been circulated to all affected local agencies? Yes ☒ No _____
- Attach any responses/comments that have been received from the affected agencies listed. Letters of Support provided in applicant binder
- What functions of identified agencies will be duplicated as a result of the district formation? None at this time
- Are there any conditions requested by affected government agencies that will substantially affect or impact the formation of the new district? Yes _____ No ☒ (please describe)
None at this time

G. Environmental Determination

1. Indicate what the Lead Agency has done to comply with the requirements of the California Environmental Quality Act (CEQA). *Provided by applicant*

_____ Categorical Exemption _____ Negative Declaration (with mitigations)
_____ Environmental Impact Report _____ Other, please specify _____

LAFCO is lead agency and has not made a determination

Copies of the complete environmental documentation prepared by the Lead Agency (including the initial study, any technical reports, and any written comments or recorded public testimony relative to the environmental documents), and a copy of the Notice of Determination/Notice of Exemption, showing the date filed with the County Clerk shall be included as "LAFCO Exhibit 4."

2. Was the environmental documentation (Notice of Intent/Notice of Preparation) circulated to the Butte Local Agency Formation Commission prior to adoption by the Lead Agency? Yes _____ No _____ (If no, please explain why.)

3. Attach comments received from LAFCO, if any.

H. Support or Protest

1. How many residents are presently in the proposed district? *approx 6400* If the proposal is for a registered voter district, how many registered voters are within the district boundaries? *N/A*

2. If the district formation facilitates development of parcels, how many residents are anticipated to be in the district following formation? *No land use changed that could cause urbanization of district lands are anticipated*

3. What is the source of your calculations? _____

4. Provide a list or table labeled "LAFCO Exhibit 6" of all affected property owners within the proposed district area that includes (Note: A sample table for both a registered voter district and a landowner voter district is provided as LAFCO Form L-2.):

If it is a landowner voter district:

- ❖ Assessor's Parcel Number (APN); ✓
- ❖ Situs Address of parcel; ✓
- ❖ Property owner(s) name and mailing address(es); ✓
- ❖ Size of property in acres; ✓
- ❖ Responses in favor of formation, opposed to formation or no response; and ✓
- ❖ Assessed land value as determined by the County Assessor. ✓

If it is a registered voter district:

- ❖ Assessor's Parcel Number (APN);
- ❖ Situs Address of parcel;
- ❖ Property owner(s) name and mailing address(es);
- ❖ Size of property in acres;
- ❖ Responses in favor of formation, opposed to formation or no response;
- ❖ Assessed land value as determined by the County Assessor; and
- ❖ Number and names of Registered Voters at each site address.

I. Public Notice Requirements

1. Provide a mailing list of all property owners AND/OR registered voters (depending on type of district) located within the area to be formed AND a separate mailing list for those properties located within 300 feet of the exterior boundaries of the area to be formed. These mailing lists must be extracted from the most recent assessment rolls and registered voter rolls prepared by the County at the time the local agency adopts a resolution of application. Mailing lists shall be submitted with the application as "**LAFCO Exhibit 7.**" The mailing list shall also be submitted in electronic format compatible with WordPerfect or Microsoft Word. The mailing list shall include:

- ❖ The property owners and/or registered voters name residing at address;
- ❖ Mailing address and situs address;
- ❖ The Assessor's Parcel Number; and
- ❖ Mailing labels.

The LAFCO Application is intended to provide the Commission with all relevant data in order to make an informed decision. LAFCO staff will review each application for completeness within 30 days of submittal and inform the applicant in writing of any deficiencies or additional information required.

REQUIRED LAFCO EXHIBITS

- LAFCO Exhibit 1: Certified copies of the Resolution of Application or Petition for Change of Organization.
- LAFCO Exhibit 2: ✓ Boundary map of proposed formation area.
- LAFCO Exhibit 3: ✓ Legal description of proposed formation area. *PSOMAS Engineering*
- LAFCO Exhibit 4: ✓ Copies of the complete environmental documentation.
- LAFCO Exhibit 5: Tax Exchange Agreement. *- Not applicable*
- LAFCO Exhibit 6: ✓ List of all affected property owners and/or registered voters.
- LAFCO Exhibit 7: ✓ Public Notice requirements mailing list.
- LAFCO Exhibit 8: ✓ Plan for Services – Feasibility Study.

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4. Fact Sheet for Tuscan Water District
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 - E. Applicant Acreage and Spreadsheet of Applicant Names, and APN's Supporting Tuscan Water District Formation
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 - F. Resolution from Butte County in Support of AGUBC Involvement in the Butte County SGMA Process
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 - H. Letters of Endorsement: from Butte County Farm Bureau, California State Farm Bureau, Durham Irrigation District, Western Canal Water District, Richvale Irrigation District, and Monroeville Water District, M&T Ranch, James Gallagher
 - I. Photo- copy of Filing Fee Check

APPLICATION MATERIAL

BUTTE LOCAL AGENCY FORMATION COMMISSION

1453 Downer Street, Suite C

Oroville, CA 95965-4950

(530) 538-7784 (phone) 530-538-2847 (fax)

<http://www.buttelafo.org>

Application for District Formation

Pursuant to LAFCO Policy 6.3, an application to LAFCO requires the submittal of the attached application form, supporting documentation as required in the application and all requisite fees established at the time of application. This application is available in electronic format on the LAFCO website or by e-mail. Please contact the LAFCO office for assistance.

Application Packet Checklist

(Provided for the use of applicants)

- ☐ 1. Two (2) completed copies of the Butte Local Agency Formation Commission Application.
- ☐ 2. (a) A certified resolution of application from the affected agency; or
(b) A landowner or registered voter petition making application to LAFCO.
- ☐ 3. Five (5) extra copies of legal description of the subject area complying with State Board of Equalization standards.
- ☐ 4. Two (2) copies of the Plan for Services.
- ☐ 5. Ten (10) extra copies of the map depicting the subject area with vicinity map complying with State Board of Equalization standards.
- ☐ 6. Two (2) copies of environmental documentation complying with the California Environmental Quality Act (CEQA) including documentation (Notice of Intent/Notice of Preparation) that the documents were circulated to LAFCO for review and comment.
 - ☐ Categorical Exemption including Notice of Exemption
 - ☐ Negative Declaration including Initial Study and Notice of Determination
 - ☐ Environmental Impact Report (EIR) including Draft and Final EIR
- ☐ 7. Appropriate fees obtained from LAFCO Fee Schedule attached:

Deposit (payable to Butte LAFCO)	\$ _____
Sphere of Influence (payable to Butte LAFCO)	\$ _____
State Board of Equalization (payable to SBE)	\$ _____
- ☐ 8. All necessary signatures:
 - ☐ Agent Authorization (if applicable)
 - ☐ Agreement to Pay
 - ☐ Disclosure requirements
 - ☐ Certification of application
 - ☐ Indemnification

(NOTE: If application is initiated by resolution of the affected agency, all signatures need to be of the initiating agency representative.)

- ☐ 9. All required "LAFCO Exhibits 1-8."

COVER LETTER FROM
CHIEF PETITIONERS

May 26, 2020

Local Agency Formation Commission of Butte County
Steve Lucas, Executive Officer
1453 Downer Street, Suite C
Oroville, CA 95965-4950

Dear Mr. Lucas,

We are pleased to submit, on behalf of the 75 landowners within the Vina and Butte sub-basins, a Landowner Petition and Application to initiate proceedings for the formation of the Tuscan Water District ("District"). Landowners, who support District formation, by their signatures on the attached petition, represent 56,429.89 acres, 58 per cent, of the 97,180-acre proposed District service area.

The Application represents several years of hard work, including, but not limited to, assessing and /or meeting with existing agencies to evaluate their capacity to serve the needs of the entire sub-basin, as well as working with Butte County staff and other stakeholders to analyze advantages and disadvantages of forming a California Water District to serve all groundwater dependent lands within the proposed District service area

We believe formation of the District is the only practical, reasonable, and logical solution to coordinate and manage ground and surface water in such a large, un-served area. Formation of the District will benefit all landowners, small, medium, and large. It will be critical to long-term preservation and protection of valuable agricultural land and rural lifestyles.

Respectfully submitted,

Chief Petitioners,

Richard McGowan
30 Independence Circle, Suite 300
Chico, CA 95973

Darren Rice
5209 Anita Road
Chico, CA 95973

Edward McLaughlin
PO Box 1
Durham, CA 95938

EXTERIOR BOUNDARY MAP

Applicant Land Proposed Tuscan Water District

TEHAMA
COUNTY

BUTTE COUNTY

GLENN
COUNTY

BUTTE COUNTY



- Applicant Land - 56,430 Acres
- Proposed Tuscan Water District Boundary
- County Boundary

0 1 2 4
Miles









VICINITY MAP

Proposed Tuscan Water District

TEHAMA
COUNTY

BUTTE
COUNTY

GLENN
COUNTY

-  Proposed TWD Boundary
-  Western Canal W. D. SOI
-  Durham I.D. Pending SOI
-  Rock Creek R.D. SOI
-  CSU Chico Farm
-  State and Federal Lands
-  City of Chico
-  County Boundary

Rock Creek
R.D.

Cal Water Chico W.D.

Pacific Realty
(M&T Ranch)

Dayton
Mutual W.C.

Durham
Mutual W.C.

Durham
I.D.

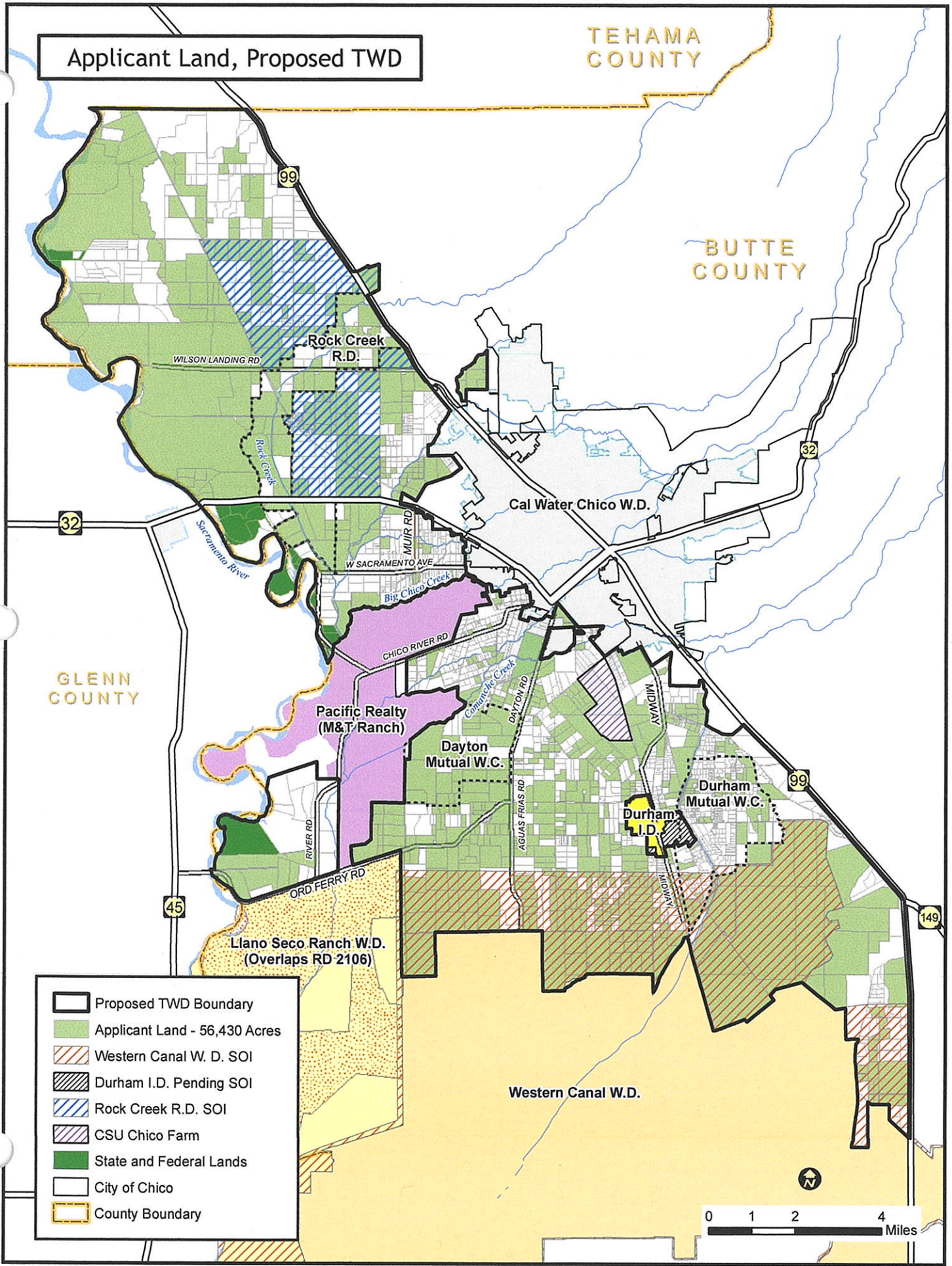
Llano Seco Ranch W.D.
(Overlaps R.D. 2106)

Reclamation
District 2106

Western Canal W.D.

0 1 2 4
Miles

APPLICANT ACREAGE MAP



METHODOLOGY
METES AND BOUNDS

Methods and Reasoning Statement for the Proponents of the Proposed Tuscan Water District
Boundary Legal Description and Boundary Map Exhibit

Prepared 05/19/2020 by Lester E. Carter Jr., PLS No. 6148

Cell: 805-503-3632

Email: lester.carter@psomas.com

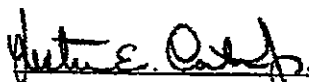
Due to the unique nature of the subject metes and bounds description that was prepared to comply with the State Board of Equalization requirements, the following narrative is provided to serve as the "Methods and Reasoning Statement" for the procedures applied in the development of the Legal Description and Boundary Map Exhibit for the Proponents of the Proposed Tuscan Water District Boundary:

The basis of bearings for the legal description is: "The geo-referenced cadastral landbase as registered to record 'ties and calls' to the Public Land Survey System (PLSS), Caltrans Right-of-Way (ROW), existing adjacent district boundaries, Record Maps, Grant Deeds and existing improvements and lines of occupation where no other record information was available to plot the subject boundary". The referencing ties and callouts made therein to the PLSS, Caltrans ROW, Record Maps and Deed Corners are clearly noted in the full metes and bounds description.

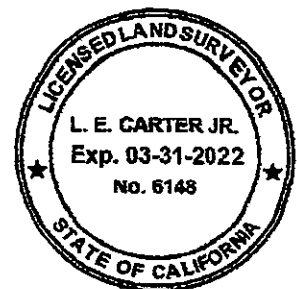
The record geometry for the Proposed Tuscan Water District Boundary ("Bearing, Distances and curve data where applicable") was based on the PLSS Survey, Caltrans ROW, Record Maps and Deeds was constrained to the PLSS Township line on the North, the westerly Caltrans Highway 99 ROW on the East and the northerly boundary of the Canal Water Districts existing boundary on the south. The geometry of the interior boundaries was also created from similar record information and geo-referenced to existing improvements and lines of occupation such as existing roadways, streets, water boundaries and historical fence lines.

The legal description and the attached Exhibit B Drawing are based primarily on the available land records and ground evidence observed from available aerial ortho imagery. No field surveying was performed. The legal description and attached Exhibit A do not represent a Record of Survey as defined in Section 8762 of the California Business and Professions Code ("Land Surveyors Act"). All distances described in the subject legal description are ground distances in U.S. Survey Feet and decimals thereof. The Caltrans Right of Way Maps, other Record Maps and Deeds referenced herein using other measurement units, such as the Caltrans ROW Maps in metric units and deed descriptions described in "chains", were converted to U.S. Survey Feet.

End – "Methods and Reasoning" Statement


Lester E. Carter Jr., CA LS No 6148

5/19/2020
Date



FACT SHEET
TUSCAN WATER DISTRICT

Tuscan Water District Fact Sheet (April 20, 2020)

Tuscan Water District Total GIS acreage and other calculations are based upon on State provided Butte County boundary line

Acreage: 97,180a

Approximate square miles: 152

Applicant acres: 56,429.89

Estimated number of TWD parcels: 3,122 plus

Applicant parcels: 676

Domestic pumper acreage, 10 .0 acres or less, 9895 acres

Estimated number of Domestic Pumpers based upon acreage and land use: 1796

District Assessed Value: \$1,398,106,356

Butte County Unincorporated Assessed Value: \$ 7,033,597,292

Estimate population 6,463

Total Ag Acreage: 88,951aⁱ

Prime Agricultural Land: 71,566aⁱⁱ

Irrigated Land: 76,782aⁱⁱⁱ

Non-irrigated: 19,362a^{iv}

Williamson Contract Land: 50,316a^v

Open Space Habitat and Preserve: From Land Use: 9,198a, Federal and State refuges: 1,674a^{vi}

Estimated value of TWD Agricultural Production (2017 Butte Co. Crop Report): \$290,483,000

Rock Creek Reclamation District Service Area	4,644a
Applicant acres	43 parcels, 3,758.21
Rock Creek Reclamation District Sphere of Influence west of Hwy 99	8232a
Applicant acres	56 parcels, 4106a
Durham Irrigation. District Service Area	506a
Applicant acres	N/A
Durham Irrigation District Sphere of Influence	277a
Applicant Acres	half of a large parcel – see notes ^{vii}
Western Canal Water District Sphere of Influence	17,923a
Applicant acres	132 parcels, 14,157 ^{viii}
Durham Mutual Water Company Service Area	3,643a
Applicant Acres	35 whole parcels, 951a
Dayton Mutual Water Company Service Area	2,844a
Applicant acres	22 parcels, 2,360a
Cal Water, Chico Service Area Overlap	1,279a
Applicant acres	6 parcels, 352a
CUSC farm and Foundation property	800a

***These are estimates based upon the best available data at the time of submission of the application.**

ⁱ Based on CA Dept. of Conservation Farmland Mapping and Monitoring Program
<https://www.conservation.ca.gov/dlrp/fmmp/Pages/Butte.aspx>

ⁱⁱ Same as above

ⁱⁱⁱ 2015 DWR Land Use Data from Butte County. A 2016 version is available from the state, but doesn't have necessary detail.

^{iv} Same as above

^v Williamson Enrollee data from Butte County

^{vi} Butte County Land Use data category of "Open Space" includes private land, so the Federal and State wildlife refuges might be what you are looking for here.

NOTICE OF INTENT



BUTTE LOCAL AGENCY FORMATION COMMISSION

1453 Downer Street, Suite C • Oroville, California 95965-4950
(530)538-7784 • Fax (530)538-2847 • www.buttelafo.org

December 19, 2019

Affected Local Agencies: ***Sent Via Email***

Pine Creek Cemetery District	Sacramento River Reclamation District	City of Chico
Durham Irrigation District	Rock Creek Reclamation District	County of Butte
Richvale Irrigation District	Butte County Mosquito & Vector Control District	
Western Canal Water District	Butte County Resource Conservation District	

Re: **Notice of Intent to Circulate Petition - Proposed Tuscan Water District**

Affected Local Agencies:

The Butte Local Agency Formation Commission (LAFCo) has received a **Notice of Intent to Circulate Petition** (Attachment A) from Richard McGowan for the purpose of proposing the formation of a California Water District that is proposed to be named the Tuscan Water District.

The LAFCo Executive Officer is required (Government Code Section 56700.4) to notify all affected local agencies of the receipt of the **Notice of Intent to Circulate Petition**.

Following the receipt of the Notice of Intent to Circulate Petition, the proponents can begin circulating a petition to affected landowners seeking support for the proposed district formation. For the Petition to be valid, the proponents will need to collect signatures from the holders of title to a majority in area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works (Water Code Section 34153).

Should the petition be valid, the proponents are then permitted to make an application with the Butte LAFCo for the proposed District formation.

The purpose of this **Notice of Intent to Circulate Petition** is simply to inform your agency that the proponents intend to circulate a petition, no action is required at this time.

Sincerely,

Steve Lucas

Stephen Lucas
Executive Officer

cc: LAFCO



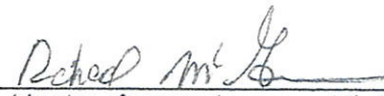
**Petition for Proceedings Pursuant to the Cortese-Knox-Hertzberg Local Government
Reorganization Act of 2000**

PART 1: Notice of Intent to Circulate Petition

*Proponents are required to file a Notice of Intent to Circulate Petition with the Executive Officer of the **Butte Local Agency Formation Commission** before a petition to initiate a change of organization or reorganization can be circulated [GC §56700.4(a)]*

Date: 12/18/19

Proponents Name: Richard McGowan
(print)


(signature of proponent or representative)

Address: 30 Independence Cir #300
(Street)

Chico
(City)

Ca
(State)

95973
(zip)

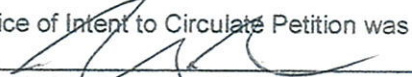
Contact Information: (530) 342-4040
(phone number)

rmfrich@hotmail.com
(email address)

1. Notice is hereby given to circulate a petition proposing to: Form the Tuscan Water District
(Type of change of organization or reorganization)

2. The reason(s) for proposal are: The Vina & Butte sub-basins are lacking the public infrastructure & basin wide local agency with the necessary powers & support of groundwater dependent landowners to manage/coordinate development, enhancement & preservation of beneficial use of ground & surface water for agricultural/domestic purposes

Pursuant to Section 56700.4 of the California Government Code, this Notice of Intent to Circulate Petition was filed with me on 12/18/19;
Date


Stephen Lucas, Executive Officer

PART 2: Disclosure Requirements

The Political Reform Act prohibits a person appointed to the Local Agency Formation Commission from soliciting or accepting campaign contributions of more than \$250 within the preceding 12 months from parties, participants, or their agents while a proceeding is pending before LAFCO and for three months following the decision. LAFCO commissioners who receive such contributions are required to disqualify themselves from participating in the proceedings. Both commissioners and contributors who are parties to the proceeding are required to disclose the contributions received or made. Pursuant to Government Code Section 56700.1, any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 [commencing with Section 81000]) as provided for local initiative measures. Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be submitted to the Secretary of State and the appropriate city or county clerk. Copies of the reports must also be filed with the Executive Officer of Butte LAFCO.

Written Statement of Reason for the Proposal (56700.4)

**Notice of Intent to Circulate Petition to
Form Tuscan Water District**

Notice is hereby given of the Agricultural Groundwater Users Association of Butte County's intention to circulate a petition proposing to form the Tuscan Water District (District) pursuant to California Water District Law (Water Code Section 34000 and following), and Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 and following).

The reasons for the proposal are:

- a. Create a new independent special district with elected representation to serve all land owners in the area by working cooperatively with Butte County, the Vina and Rock Creek GSAs and other stakeholders to implement the Groundwater Sustainability Act; and,
- b. Preserve and protect groundwater resources in the proposed District; and,
- c. To the extent consistent with or required by the applicable Groundwater Management Plan, acquire, plan, construct, maintain, improve, operate, and keep in repair the works for the production, storage, transmission, and distribution of water, including groundwater recharge; and,
- d. Create an organization of all types of groundwater dependent landowners to collaborate with sustainable groundwater management to preserve and protect agricultural and rural water supplies in Butte County.

Location and Service Area: (Judy S to validate correct number acres, generally, on the north stretching from the Tehama County line south to the northern boundary of the Western Canal Water District service area; the eastern boundary is Highway 99 and the City of Chico corporate boundary; on the west, the Sacramento River, Big Chico Creek, M and T Ranch, Llano Seco Ranch Water District and Reclamation District 2106. The District will include approximately 152 square miles in the Vina and Butte Sub-basins.

For additional information, contact:

Richard McGowan, President of the Agricultural Groundwater Users of Butte County.

DISCLOSURE STATEMENTS

DISCLOSURE REQUIREMENTS

Pursuant to Government Code Section 56700.1 and 81000 et. seq., and Butte Local Agency Formation Commission (LAFCO) policies, any person or combination of persons who directly or indirectly contribute \$1,000.00 or more, or expend \$1,000.00 or more in support, or in opposition to a change of organization or reorganization that has been submitted to the Commission and will require an election must comply with the reporting and disclosure requirements of the Political Reform Act of 1974 and the Butte LAFCO. These disclosure requirements mandate disclosures be made at specific intervals. Disclosure requirements have been read and acknowledged:

Date 5-19-20 Signature Richard McGowan Richard McGowan

Date 5-19-20 Signature Edward McLaughlin Edward McLaughlin

Date 5-19-20 Signature Darren Rice Darren Rice

STATEMENT OF PURPOSE

INDEMNITY

Applicants agree to indemnify, save harmless, and reimburse Butte LAFCO for all reasonable expenses and attorney fees in connection with the defense of Butte LAFCO and any damages, penalties, fines or other costs imposed upon or incurred by Butte LAFCO should Butte LAFCO be named as a party in any litigation or administrative proceedings in connection with his or her application. Applicant agrees that Butte LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in a manner it deems in its best interest, and that Butte LAFCO's taking such actions shall not limit Applicant's obligation to indemnify and reimburse defense costs or relieve Applicant of such obligations.

Applicant may request modification of the terms of this agreement in writing, with supporting reasons. Such modification can be approved by the full Commission.

Date 5-19-20 Signature Richard McGowan Richard McGowan

Date 5-19-20 Signature Edward McLaughlin Edward McLaughlin

Date 5-19-20 Signature Darren Rice Darren Rice

PETITION SUPPLEMENT
PART 3



BUTTE LOCAL AGENCY FORMATION COMMISSION

1453 Downer Street, Suite C • Oroville, California 95965-4950
(530)538-7784 • Fax (530)538-2847 • www.buttelafo.org

CERTIFICATE OF SUFFICIENCY Landowner Petition

The undersigned certifies as follows:

The attached petition, entitled: **Formation of the Tuscan Water District** (a California Water District GC 34000) was received by LAFCO on March 27, 2020.

The petition is signed by landowners and, pursuant to Sections §56706 and §56708 of the Government Code, I have compared the names of the signers of the petition against the names of persons shown as owners of land on the last equalized assessment roll of the County. The results of my examination are as follows:

1. All signatures on the petition were secured within six months of the date on which the first signature on the petition was affixed.
2. Pursuant to the California Water Code Section 34153, the minimum signature requirements for a sufficient petition are signatures from ***holders of title to a majority in area of land*** (acres) capable of using water beneficially for irrigation, domestic, industrial, or municipal purposes.
3. The petition was signed by landowners owning 57% (56,262 acres) of the lands (91,180 acres) proposed to be included in the proposed district.

Based upon this examination, it is hereby determined and certified that the petition qualifies as a sufficient petition and was signed by the requisite number of qualified signers for a sufficient petition.

Steve Lucas

May 8, 2020

Stephen Lucas
Executive Officer

Date

PART 3 BUTTE LAFCO: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

1. The specific change of organization is: Approval of the formation of a California Water District, to be named the Tuscan Water District (District), and establishment of a coterminous sphere of influence (SOI).
2. A boundary map and legal description of the territory included in the proposal have been transmitted under separate cover due to the length and size.
3. The Tuscan Water District is a proposed new, California Water District, as the District does not currently exist and a SOI has not been established; however, upon District formation, it is request the District boundary, service area, and sphere of influence, be coterminous, one and the same.
4. The reasons for the proposal are: The Vina and a portion of the Butte Sub-basin is lacking the public infrastructure and basin-wide water district with statutory power, authority and support of groundwater-dependent landowners to plan, manage, coordinate, develop, enhance and preserve beneficial use of groundwater and surface water for all landowners in the proposed District for both agricultural and domestic uses.

Objectives of the District include, but are not limited to:

- a. Create a new independent special water district with locally elected representation to serve all landowners, including groundwater pumpers, domestic well users and agricultural interests in the District service area.
- b. Cooperate and participate with Butte County, Butte County Groundwater Sustainability Agencies (GSA's), and other stakeholders to plan for and implement the Sustainable Groundwater Management Act (SGMA).
- c. To the extent consistent with, or required by, the applicable Groundwater Sustainability Plan (GSP), acquire, plan, construct, maintain, improve, operate and keep in repair the works for the production, storage, transmission and distribution of water, including water recharge.
- d. Preserve and protect groundwater resources in the proposed District for the benefit of all groundwater-dependent users.
- e. Create an organization within the District boundary of all types of groundwater-dependent landowners to collaborate on sustainable groundwater management to preserve and protect agricultural and rural water supplies in Butte County.
- f. Obtain the power and authority of California Water Districts under the Water Code, Sustainable Groundwater Management Act of 2014,

Cortese Knox Hertzberg Local Government Act of 2000, Public Resources, Revenue and Taxation, and Elections Codes.

5. The proposed terms and conditions of the change or organization (special district formation) are:
- a. The name of the new California Water District shall be the Tuscan Water District.
 - b. Approval of the service area boundary map, legal description and sphere of influence of the proposed territory to be included in the Tuscan Water District as described in metes and bounds description prepare by PSOMAS Engineering included in the Application packet.
 - c. The District will be an independent, special water district with 7 directors upon formation, initially elected at large, and serving staggered terms and selected on the same ballot that forms the District. Within a reasonable time, the District Board of Directors shall evaluate the geographic representation of communities of interest, and determine the appropriate number of directors, as well as the appropriate reorganization of the election of directors, whether by divisions or at-large or a combination of the two, taking into consideration unique communities of interest (including domestic well users with small parcels) and diversity of landownership of groundwater-dependent users.
 - d. The District is requesting to have the power and authority of the California Water Districts, Government Code Section 56000, Sustainable Groundwater Management Act, Public Resources, and Revenue and Taxation and Elections Codes, including, but not limited to, the following:
 - i. Ability to establish zones of benefit based on conditions and needs to provide appropriate levels of service.
 - ii. Notwithstanding the authorizations of the California Water Code, not be authorized to acquire, plan, construct, maintain, improve, operate, or keep in repair the necessary works for the production, storage, transmission and distribution of water, unless the exercise of such power is consistent with, or required by, the applicable GSP.
 - iii. Notwithstanding the California Water District law, the Government Code, or California Article XIII (D), by their affirmative vote to form the District, landowners: (A) consent to board of directors levying assessments on District lands; (B) approve initial assessments not to exceed \$10.00 per acre; and (C) authorize Butte County to collect such assessments, along with other taxes, to recover District formation costs, costs for initial staff and

administration of the District, and to cover expenses associated with collaborating with Butte County and the Vina GSA to implement the GSP applicable to the area covered by the District.

- iv. The District will not provide reclamation, flood control, or agricultural drainage services in the Rock Creek Reclamation District (RCRD) service area unless the RCRD consents to such service or is unable to do so.

6. Signers of the petition are landowners.

7. Chief petitioners are:

Richard McGowan
30 Independence Circle #300
Chico, CA 95973

Darren Rice
5209 Anita Road
Chico, CA 95973

Edward McLaughlin
PO Box 1
Durham, CA 95938

8. Do petitioners include all landowners within the proposed Tuscan Water District?
No; however, petition signers represent a majority of holders of interest (58 per cent) in terms of acreage within the proposed District service area.
9. The territory of the proposed District is inhabited, there are more than 12 registered voters.
10. (a) The principal act under which the District is proposed to be formed is the California Water Code, Water Code Section 34000 and following.
(b) The proposed name of the district is the Tuscan Water District
(c) The boundaries and legal description of the proposed District are described and attached as Exhibits "A" and "B", and by this reference, incorporated here in.
11. The proposal does not include consolidations of separate districts.
12. Landowners are initiating District formation by landowner petition and not pursuing Resolution of Application by an affected agency.

STATEMENT OF PURPOSE

STATEMENT OF PURPOSE

The Vina and a portion of the Butte Sub-basins are lacking the basic public infrastructure and a basin-wide local agency with the necessary powers and support of landowners to manage and coordinate development, enhancement and preservation of beneficial use of ground water and surface water for agricultural and domestic purposes.

Landowner proponents of the formation of the Tuscan Water District own or control 676 parcels representing 56,429.89 acres in the Vina and a portion of the Butte Sub-basins. Landowners began meeting in early 2016 to discuss planning for and implementing newly imposed requirements of the Sustainable Groundwater Management Act (SGMA). Meetings with Butte County staff and elected officials followed. Over time, both proponents for the formation of the Tuscan Water District and Butte County staff agreed on a plan to move forward for the landowners to meet their goals and objectives. With the encouragement and support of Butte County, the group of landowners incorporated with the California Secretary of State as a 501(c)(6) non-profit mutual benefit corporation, an "Agricultural Association", for the specific purpose of preserving, protecting and improving the beneficial use of groundwater and surface water for groundwater dependent users in the "white area" of the Vina and a portion of the Butte Sub-basins. The Board of Supervisors of Butte County memorialized in "Resolution of Support of the Agricultural Groundwater Users of Butte County (AGUBC)," the importance of the role the AGUBC because of its significant and diversified membership, as well as its interest in the desire to participate in groundwater development, planning and management in the Vina and a portion of the Butte Sub-basins. Since the Resolution was adopted in 2017, the AGUBC has continued to meet with Butte County to work through issues associated with Agricultural representation in the Vina Joint Powers Agency (JPA) governance structure and to design a path forward to provide for the potential creation of a basin-wide local agency which will allow for local control. A new California Water District (Tuscan Water District) seemed to be the appropriate vehicle to achieve the purposes and objectives of Butte County and multiple landowners in the Vina and a portion of the Butte Sub-basins. The AGUBC remains active in its role in communicating SGMA issues with its members, while the effort to form the Tuscan Water District is separately driven by individual landowners.

There are three special districts, two mutual water companies, and an investor-owned utility within the area of the new proposed 97,180 -acre California Water District: Rock Creek Reclamation District (RCRD), Durham Irrigation District (DID), Western Canal Water District (WCWD), Durham and Dayton Mutual Water Companies (MWCs), and Cal Water, Chico. For a variety of reasons, landowners proposing the formation of the Tuscan Water District do not believe any of these agencies has the ability, capacity or support of groundwater dependent landowners to move forward with the formation of a basin-wide plan, nor the backing and support of Butte County. RCRD provides flood control protection and agricultural drainage within its 4,644-acre service area and provides these services very well. DID provides domestic water service within the 506-acre service area. Durham MWC provides surface water for irrigation to 3,600 acres within the corporate boundary of the water company, and Dayton MWC provides surface irrigation water to 2,281 acres within its service area.

WCWD, a California Water District, provides surface water for irrigation to rice lands within the district service area. The WCWD was formed in 1984 and the sphere of influence (SOI) was adopted at that time, or shortly thereafter. The northern portion of the WCWD SOI, which consists of 17,923 acres, last experienced an annexation of lands from this area over 20 years ago in 1998. Approximately 14,157 acres of Tuscan Water District proponent lands fall within the SOI area, and they desire the area be part of the Tuscan Water District.

The process to initiate a proceeding to form the Tuscan Water District and establish the SOI will be by landowner-voter petition. A majority of the holders of interest (in terms of acreage) must sign a petition to support district formation, and then, if approved by the Butte Local Agency Formation Commission (LAFCO), a majority of holders of interest voting on the question of district formation must also approve formation.

The Tuscan Water District is proposed to include 97,180 acres, much of which is irrigated, prime agricultural land and held under Williamson Act Contract. These lands have been farmed or ranched by the same families and operations for decades, if not generations. Although there are a few corporate farms, much of the land is held as family agricultural land. Landowners supporting district formation represent over 56,429.89 acres off the 97,180 -acre district, more than a majority of the land in question. The total assessed value for the district is estimated to be \$562,123,441, with proponent land assessed value projected at over \$300,000,000. The annual crop report of Butte County notes the total economic value of county-wide agricultural production for FY 2017 at \$696,563,214.00 for all crops. The value of agricultural production in the proposed Tuscan Water District during the same period for walnuts, almonds, rice, pistachio and prunes is approximately \$291,000,000.00 or approximately 42% percent of total county-wide agricultural economy.

This area not only contributes significantly to the Butte County tax base, but to the overall economy directly and indirectly as well.

Essential to the long-term vitality and protection of a large value portion of the agricultural industry in the Vina and a portion of the Butte Sub-basins is the formation of a new California Water District, a landowner-voter, independent, special district with locally elected directors and staff. A California Water District has broad authority and powers, including, but not limited to, delivery of surface water, ability to assess lands, and ability to form partnerships with other local agencies. It is the best solution for a largely un-served area to provide for local control and oversight of water management and to comprehensively deal with water issues in the Vina and a portion of the Butte Sub-basins because of its potential size, location and landowner representation.

PLAN OF SERVICE

PLAN FOR SERVICES: TUSCAN WATER DISTRICT, A CALIFORNIA WATER DISTRICT

GOVERNMENT CODE SECTION 56653: PLAN OF SERVICES:

Government Code Section 56653 states: (a) If a proposal for a change of organization or reorganization is submitted pursuant to this part, the applicant shall submit a plan for providing services within the affected territory. (b) The plan for providing services shall include all of the following information required by the Local Agency Formation Commission or the Executive Officer:

- (1) *An enumeration and description of the services currently provided or to be extended to the affected territory.*

In the subject territory, there is a need for a basin-wide water district that can manage and provide water service, such as the California Water District that is proposed (Tuscan Water District), to serve the 97,180-acre District service area. There are three existing local agencies, Durham Irrigation District (DID), Rock Creek Reclamation District (RCRD), and Western Canal Water District (WCWD), and two private water companies, Durham and Dayton Mutual Water Companies (MWCs), and a portion of an Investor Owned Utility, Cal Water, Chico, located within the proposed Tuscan Water District (District) service area. None of these agencies is large enough, has the capacity, or primary authority to serve the entire sub-basin. The specific reasons why each of these agencies is incapable of water service to the sub-basin are clearly articulated in the "Justification of Proposal", which is part of the Application Packet required by the Butte Local Agency Formation Commission (LAFCO).

For full enumeration of California Water District power and authority, see Water Code Sections 35300-35455

- 2) *The level and range of those services*

Once the District has been formed, it is obligated to provide a basic, uniform level of service to all District lands. Every landowner will receive the appropriate level of service with respect to groundwater monitoring, management, and the protection of groundwater resources. Once the Board of Directors for the District has evaluated landowner desires, prepared a Capital Improvement Plan identifying projects, and evaluated required funding, it will be required to perform an Engineer's Report and Proposition 218 cost-benefit analysis. At that time, the Board of Directors may designate specific areas as "zones of benefit" for surface water delivery and/or recharge, or both. The lands within these special zones will be assessed based upon the benefit received to pay for the service.

- 3) *When can service be feasibly extended?*

The basic, uniform level of service for District operation and oversight by staff and directors will occur once the District has been formed and the Board of Directors has taken the "oath of office". With respect to capital projects, the District will first need to identify projects of immediate concern, comply with Proposition 218 requirements, and conduct an environmental impact study of the physical effects of the project on the environment. With respect to the environmental assessment, a determination must be made as to the level and extent of the project's physical impact on the environment and subsequent mitigation required. The formation of a new local special district, in and of itself, does not create a physical effect on the environment. Future projects where the "earth will be disturbed" or plants and animals jeopardized because of water lines, pumping stations, and/or diversions of water will certainly require a much higher level of review and environmental analysis.

Factors such as proximity to a surface water source, cost of service extension, and available funding will be important considerations dictating where, how and when projects will be undertaken, as well as the degree of environmental review the project(s) will be subject to.

4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

There is no need to upgrade roads or sewer systems; an adequate transportation via the state highways and local surface streets is more than adequate. There will be no required improvement or upgrading of the noted facilities just because of District formation.

5) Information with respect to how the services will be financed.

For the most part, a majority of services will be financed by landowner approved assessments as follows: an initial assessment not to exceed ten dollars per acre (\$10.00/acre) for all District lands. Other sources of funding might include state approved water bond monies, bonded debt, and short and long terms loans.

OVERVIEW:

The Tuscan Water District, a California Water District, will be initiated by landowner-voter petition pursuant to Water Code Section 34000 and Cortese Knox Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000. The District is requesting all of the power, authority and responsibility of a California Water District to work in concert with Butte County and Butte County GSA's to implement the Sustainable Groundwater Management Act (SGMA) within the District boundaries.

As proposed, the District will cover approximately 152 square miles in the Vina and a portion of the Butte sub-basins. The 97,180- acre District service area is, for the most part, un-served by an independent water district formed under the same Principal Act, Water Code Section 34000. The fact that the District service area will overlap the WCWD sphere of influence (SOI) should be helpful in that the two water districts may work together to create opportunities to utilize both surface water and groundwater to achieve sustainability in the WCWD SOI area. The WCWD provides surface water to service area properties, but not to this area. Also, the purpose of the District will be to manage, monitor and protect sub-basin groundwater with other stakeholders in the sub-basin. The primary goal of each agency is the same, namely, to provide sources of water to landowners that will allow them to continue to farm and ranch, but to also ensure sustainability of the sub-basin.

Other local agencies providing services within the Vina and a portion of the Butte sub-basins include Rock Creek Reclamation District (RCRD), Durham Irrigation District (DID), Durham and Dayton Mutual Water Companies (MWC), and Cal Water, Chico. RCRD provides flood control and protection and agricultural drainage within the 4,644-acre district service area; RCRD does not provide irrigation or domestic water service to lands within its service area. DID provides domestic water service within the 506- acre service area; and, Durham and Dayton MWCs supply irrigation water to the agricultural lands in and around Durham and Dayton. Cal Water, Chico, serves the city of Chico, but the franchise area of the Investor Owned Utility extends into an un-incorporated area of Butte County which is proposed for inclusion in the District. This portion of the franchise area is groundwater dependent and includes significant acreage of proponent lands. The District is proposed to overlay the RCRD service area and SOI west of Highway 99. The District is also proposed to overlay the Durham and Dayton MWCs, where a significant number of applicant's acres

are located. It will also overlay the WCWD SOI. The District will not overlay any portion of the DID service area or SOI.

Formation of the District will provide landowners within its boundaries with representation through locally elected directors that may, if approved by Butte LAFCO, exercise all powers provided to California Water Districts under California Water law.

The proposed purposes and objectives of the District include, but are not limited to:

1. Create a new, independent California Water District with elected representation to serve the Vina and a portion of the Butte Sub-basins.
2. Cooperate and participate with Butte County and the Butte County GSAs to implement the SGMA within District boundaries.
3. To the extent consistent with, and/or required by the applicable Groundwater Sustainability Plan(s), acquire, plan, construct, maintain, improve, operate and keep in repair the works for the production, storage, transmission and distribution of water, including groundwater recharge.
4. Preserve and protect groundwater resources in the proposed District for the benefit of all groundwater users.
5. Create an organization of all types of groundwater users to collaborate on sustainable groundwater management to preserve and protect agricultural and rural water supplies in Butte County.

POWERS AND PURPOSES: CALIFORNIA WATER CODE SECTION 35300-35886:

"A district may acquire, plan, construct, maintain, operate, and keep in repair the necessary works for the production, storage, transmission and distribution of water for irrigation, domestic, industrial and municipal purposes". The District is not proposing to provide municipal or industrial water within the District service area, nor will the District provide reclamation or agricultural drainage within the RCRD service area, unless RCRD consents to such services or is unable to do so.

GOVERNING BODY:

As part of the District formation election, a board of directors will be elected, at-large, by landowner-voters of the District to serve four-year, staggered terms. The number of directors required to be elected for the initial four years is not specified in the Water Code or Cortese Knox Hertzberg Local Government Reorganization Act of 2000. For the initial four-year term, as a condition of district formation, the District is requesting 7 directors. After the District is formed, and prior to the next general election, the District Board of Directors may increase or decrease the number of directors and reorganize by "division" (or combination of 'division' and at large representation) following a process set forth in Water Code Sections 34400-34502, 35100-35110.

MANAGEMENT AND OPERATIONS:

Following District formation, the Board of Directors will hire some key staff positions to assist with the management and operation of the District. These staff positions are anticipated to include: (1) a General Manager, appointed by, and serving at the pleasure of the Board of Directors, to generally direct and pursue the purposes of the District; and (2) other support services, which may include legal counsel, accounting, office management, auditing and bookkeeping services, and surveying and engineering services, all of which may be provided by permanent or part-time staff or under contract.

FINANCE AND BUDGET:

The District will adopt an annual budget as prescribed by the Water Code on the calendar date specified and submitted to Butte County and appropriate agencies of the State of California. The District will have the authority to derive revenue for administration, operation, maintenance, construction of capital projects, and to participate in the Butte County SGMA process from sources cited in the Water Code and Assessment law.

The first- year budget will range from \$400,000.00 to a maximum assessment of ten dollars per acre (\$10.00/acre), depending on the level of assessments imposed by the Board of Directors. Initial assessments may be used to reimburse proponents for District formation costs and to cover start-up costs, which may include hiring a General Manager, and other consulting or specialized services.

Notwithstanding California Water District law, Government Code, or California Article XIII (D), landowners, as a condition of formation, (A) consent to board of directors levying assessments on District lands, (B) approve initial assessments not to exceed \$10.00 per acre, and (C) authorize Butte County to collect such assessments along with other taxes to recover District formation costs, costs for initial staff and administration of the District, and to cover expenses associated with collaborating with Butte County and the Vina GSA to implement the basin Groundwater Sustainability Plan (GSP) applicable to the area covered by the District. With respect to future year operational expenses, fees and charges and/or property-based assessments will be used to cover District administration and operations, such as future water delivery and oversight and management of groundwater sustainability. All future fees, charges and assessments shall be approved by the District Board of Directors and landowner-voters of the District, as necessary.

SUSTAINABLE GROUNDWATER MANAGEMENT ACT RESPONSIBILITIES:

The District may request the Vina GSA to enter into a Memorandum of Understanding (MOU) with the District describing mutually agreed upon goals, roles, and responsibilities of the District's participation in the development of the Vina Sub-basin GSP and the Butte Sub-basin GSP. The District may also, at the appropriate time, petition the Vina GSA for a seat on the Vina GSA Board.

SUMMARY:

The District Plan for Services will evolve and be a "work in progress" as needs are determined and as opportunities arise. It will act as a strong partner with Butte County and the Vina GSA, and other local stakeholders, contributing significant value acting as a future water provider and assisting with the preparation and implementation of the Vina Sub-basin GSP and the Butte Sub-basin GSP.

HYPOTHETICAL BUDGET

HYPOTHETICAL START UP BUDGET TUSCAN WATER DISTRICT, CALENDAR YEAR 2021

Once formed, the Tuscan Water District ("District"), as prescribed by the Water Code on the date specified, will adopt a calendar-year budget with estimated expenditures and anticipated revenue for District administration and operation. The District will have the authority to derive necessary, annual and long-term funding from various sources. Those sources include: (1) the Sustainable Groundwater Management Act (SGMA); (2) California Water District statutes; (3) Revenue and Taxation codes; (4) assessment law; (5) grants and loans; and (6) bond measures approved by California statewide electorate for water quality, conservation, and programs for new surface and groundwater development for domestic and agricultural uses.

Formation of the District is contingent upon a successful formation election by a majority of holders of interest and, among other things, approval of a revenue proposal capable of funding activities for the District. The action shall also establish a provisional appropriations limit for the first year of operation. Applicants for District formation have agreed to, and are proposing, with approval of District formation, that landowners of the proposed District agree and stipulate to, notwithstanding any other provisions of law (California Water Code, Proposition 218, California Article XIII D/Proposition 13), their consent to the initial Board of Directors levying assessments on all District lands and to authorize Butte County to collect such assessments along with county taxes as follows:

- Initial assessments will not exceed ten dollars per acre (\$10.00/acre) for all District lands.

PROPOSED DISTRICT REVENUE STRUCTURE

Once formed, the District Board of Directors will adopt an annual budget as described above. They will determine first year priorities for the District including staffing, level of participation in SGMA, and initial projects to be undertaken. The first year is anticipated to be dedicated to development of operating procedures, bylaws, Board organization and other start up activities.

The proposed initial per acre assessment the District Board of Directors may impose on District lands will not exceed ten dollars per acre (\$10.00/acre).

The land use of the parcels within the District includes irrigated farmland, domestic well user residential, range land for cattle and other livestock, and permanent open space in the form of state and federal preserve and habitat. The District Board of Directors will need to weigh the benefit each of these parcels will receive from District services and assess appropriately.

Funding from the initial assessment could be used to reimburse District proponents for costs of District formation and start-up activities of the District, including involvement in the planning and implementation of the SGMA.

Total year one operating revenue, approximately \$400,000.00 to a maximum of ten dollars per acre (\$10.00/acre) depending on the level of assessment imposed by the District Board of Directors.

Gap financing (operating revenue needed between assessment collection and distribution, and District formation). Potential sources of revenue include, but are not limited to, bank loans; grants; and state water bond money.

Full Calendar Year, 2021 Projected Expenditures

Staffing:

General Manager/District Engineer (salary and benefits)	\$120,000.00
Legal Counsel (under contract/hourly)	\$ 50,000.00
Office Manager (salary and benefits (full-time)	\$ 60,000.00
Contract administrative, computer, tech support	\$ 25,000.00
Rent/office space	\$ 18,000.00
Office furniture (desks, chairs, tables, file cabinets, computers phone lines, and other support material)	<u>\$ 15,000.00</u>
Sub-total	\$288,000.00

Reimbursement for District formation expenses (TBD)

Contingency (20%) \$ 57,600.00

General Reserve \$100,000.00

Total Operating, Contingency and Reserve **\$445,600.00***

*Total for 2021 projected expenditures may increase to account for reimbursement for District formation costs, but will not exceed a maximum of ten dollars per acre (\$10.00/acre).

Long-term Funding Strategies, 2-5 years (2022-2027)

On an ongoing basis, annual assessments, future Proposition 218 property-based assessments, and charges for surface water delivery will be the backbone revenue stream for financing District administration and operations. The initial years after District formation will be dedicated to dealing with SGMA issues and working with Butte County and the Butte County GSAs on sustainability planning and implementation, including project identification and financing for both the importation of surface water and strategic recharge in the most impacted areas of declining groundwater in the District.

A ten dollar per acre (\$10.00/acre) assessment on all groundwater dependent District lands could potentially generate over \$800,000.00 annually.

The District Board of Directors, working with Butte County, Vina, and other GSAs, will need to agree and collaborate on a short and long-term capital improvement plan for the District service area, as well as financing options and strategies moving forward. Strategies should be

consistent with measures and recommendations contained in the Vina sub-basin Groundwater Sustainability Plan (GSP) and/or the Butte sub-basin GSP. Recommended measures may include assessments higher than ten dollars per acre (\$10.00/acre) to purchase and distribute surface water to District lands. Should those measures be considered, all of the studies and processes consistent with Proposition 218 will be followed.

Future budgets for the District will depend on a variety of factors not entirely predictable, such as changes in the local, national, and international markets, demand for certain agricultural products, environmental factors, unpredictable weather (both droughts and excessive rainfall), availability of labor, and so on.

The main objective of the District will be to achieve groundwater sustainability within the District boundaries and the Vina sub-basin. To predict what exact projects the District might undertake will be dependent on a number of factors and is speculative at best.

JUSTIFICATION OF PROPOSAL

JUSTIFICATION OF PROPOSAL—GENERAL INFORMATION

NAME OF PROPOSAL/ACTIONS REQUESTED:

Formation of the Tuscan Water District ("District"), a landowner-voter California Water District.

Establishment of the Tuscan Water District sphere of influence ("SOI") coterminous with the proposed District boundary.

PROPOSAL QUESTIONNAIRE:

A. General information:

1. Type, designation, and statutory authority for the proposal:
Formation of a California Water District (Water Code Section 34000) and Cortese Knox Hertzberg Local Government Act of 2000 (Government Code Section 56000).
2. Name and address of Applicant/other contacts:
Applicants: Landowner-voters of the Vina and a portion of the Butte Sub-basins.

Chief Petitioners:

Richard McGowan
30 Independence Circle #300
Chico, CA, 95973

Edward McLaughlin
PO Box 1
Durham, CA, 95938

Darren Rice
5209 Anita Road
Chico, CA, 95973

B. Location:

The Vina and a portion of the Butte Sub-basins of Butte County, stretching from the Tehama County line to the northern boundary of the Western Canal Water District ("Western Canal"). The proposed District will serve approximately 152 square miles, consisting of approximately 97,180 acres. The District service area has been designed to include primarily groundwater dependent lands.

C. Physical features:

1. Topography:
Flat to gently rolling hills, elevation decreasing from the east at 198 feet above sea level to the west at the Sacramento River at 120 feet above sea level. Over 85,000 acres of agricultural and open space lands.
2. Physical and natural features:

Rock Creek, Butte Creek, Big Chico Creek, Little Chico Creek, Pine Creek, Mud Creek, Angel Slough, Hamlin Slough, Keefer Slough, and the Sacramento River.

3. Major highways/railways:

Highways 99 and 32, and Union Pacific Railroad.

4. Proposed boundary and service area proximate to adjacent counties, cities, special districts and other agencies:

Tehama County; Glenn County; City of Chico; Communities of Durham, Dayton and Nord; Rock Creek Reclamation District; Durham Irrigation District; Western Canal Water District; Reclamation District 2106; Durham Mutual Water Company ("MWC"); Dayton MWC; Butte Creek Estates MWC; and Cal Water Chico Water District.

D. Population and related matters:

1. Estimated Population: 6,463
2. Population density: approximately 40 persons per square mile
3. Number of registered voters: TBD by Butte County
4. Number of landowner-voters: TBD by Butte County
5. Assessed valuation: \$1,398,106,356

E. Proximate to developed and/or developing areas:

The eastern boundary of the District is adjacent to/coterminous with the Chico sphere of influence and city limit. The proposed District includes the communities of Durham, Dayton, and Nord.

F. Land use:

Predominantly agricultural and open space lands consisting of ranches and farms varying in size from small to large, primarily dependent on groundwater. Crops include almonds, walnuts, pistachios, prunes, row crops, pastureland, and some rice. Source: *2018 Annual Report of Butte County Agricultural Commissioner on Crop Production*

1. General Plan land use designations: agricultural and agricultural residential
2. Total land area of the proposed District: 97,180 acres; Applicant acreage: 56,429.89, or 58 percent of proposed District land area
3. Amount of acreage devoted to agriculture: 88,951
4. Amount of irrigated acreage: 76,782
5. Williamson Contract land acreage: 50,316
6. Amount of federal and state-owned habitat and preserve land: 2,358
7. Gross estimated value of agricultural production estimated to be \$290,483,000.00 (Butte County 2017 Annual Crop Report)

Parcels within the proposed District by number and acreage:

0 to 10 acres	1796 parcels	9,895 acres
0 to 20 acres	2204 parcels	12,140 acres
20 to 40 acres	331 parcels	9,591 acres

40 to 160 acres	470 parcels	35,030 acres
160 to 600 acres	88 parcels	23,799 acres
600 to 2797 acres	11 parcels	13,618 acres

Will the proposal affect prime agricultural land as defined under Section 56064 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000?

Yes, the formation of the District will have a positive effect on the preservation of agricultural and other lands, currently all dependent on groundwater in the un-served Vina and a portion of the Butte Sub-basins. As a California Water District, it will have the power and authority to acquire and provide surface water to District lands, and provide the necessary local agency committed to preserve and protect agricultural land and the crops produced as well as rural lands of domestic well users. The proposed District will help to preserve the historic traditions of ranching, farming, and rural lifestyles in this portion of Butte County. The creation of the District will help to prevent the conversion of prime agricultural land to urban uses.

Is the proposal consistent with the agricultural, open space and conservation policies of Butte County?

Yes

G. Existence of social and economic interest and interdependence:

The ranchers and farmers in the proposed District all rely on a plentiful aquifer in the sub-basin to provide groundwater for their agricultural and domestic use. The prudent use, protection and preservation of the sub-basin's groundwater is essential to the ability to farm, ranch, and maintain rural lifestyles. In many cases, the landowners involved in spearheading the formation of the District are second, third and fourth generation farmers. They rely upon each other in many ways, but the common bond is the water they share from the sub-basin. Many are socially connected as family and friends, and economically tied together as they are dependent on managing and monitoring water they need to continue farming and ranching in Butte County.

The loss of the value of agricultural production from the 97,180- acre proposed District would be devastating to the farmers and ranchers, and Butte County as a whole.

For the 2017 calendar year, the value of agricultural production within the District service area is estimated at \$290,483,000.00, or roughly 49 percent of total county-wide agricultural production for that year (Attachment D).

The added value or indirect impact of the total industry output of agricultural production in terms of impact on local economy (labor force wages and spending, agricultural products, and farming equipment) is roughly a multiplier of 2.0. For example, \$10,000,000.00 in tree nut production would have the following impacts to Butte County: total industry output of \$15.4 million and income of approximately \$6.1 million for a total annual output of \$21.5 million including 135 direct, indirect and induced jobs. (Source: Economic and Planning Systems (EPS), Sacramento California).

JUSTIFICATION AND REASONS FOR THE CREATION OF THE TUSCAN WATER DISTRICT RATHER THAN PURSUING ANNEXATION TO AN EXISTING AGENCY (GOVERNMENT CODE SECTION 56886.5 a):

"If a proposal includes the formation of a district, or the incorporation of a city, the Commission (LAFCO) shall determine whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single purpose local agency is deemed necessary, the commission shall consider reorganization with other single-purpose local agencies that provide related services".

The formation of a California Water District, on the foundation of a landowner base with elected representation, will have the primary purpose of working with Butte County and other stakeholders to plan for, manage, preserve, protect, and provide water within the proposed District service area. Included in the Application Packet are a number of documents, in addition to the required statutory information prepared by the Applicants that describe in detail reasons for the District formation: Two of the seminal reports that became foundational, as the Applicants evaluated alternatives, are Statement of Purpose for the Tuscan Water District, and Analysis of Potential Agencies in the Vina and Butte sub-basins with the Ability to Maximize the Use of Ground and Surface Water. These two documents became the building blocks and justification for the Applicants moving forward with a landowner petition to create the new District rather than pursuing other changes of organization which do not meet their goals and objectives.

The purpose and objectives of the District are as follows:

1. Creation of a new, independent California Water District with locally elected, accountable representation to serve all landowners in the Vina and a portion of the Butte Sub-basins.
2. Cooperate and participate with Butte County, Butte Groundwater Sustainability Agencies (GSAs), and other stakeholders to implement the Sustainable Groundwater Management Act (SGMA) within the District service area.
3. To the extent consistent with or required by the applicable Groundwater Sustainability Plans (GSPs), acquire, plan, construct, maintain, improve, operate, and keep in repair the works for the production, storage, transmission and distribution of water, including groundwater recharge.
4. Preserve and protect groundwater resources in the proposed District for the benefit of all groundwater users.
5. Create an organization of all types of groundwater dependent landowners to collaborate on sustainable groundwater management to preserve and protect agricultural and rural water supplies in Butte County.

CALIFORNIA WATER DISTRICT POWERS:

The District is requesting the Butte LAFCO to grant the District the powers and authorities of California Water Districts, including, but not limited to, the following:

1. Develop, construct and operate facilities to import, move, recharge, and deliver water within the District service area, to the extent consistent with, or required by, the applicable GSP.
2. Attaining legal status as a special district to work with Butte County, the Vina GSA and other agencies within the sub-basins to develop strategies and plans to preserve and protect agricultural and rural water supplies within the District for all groundwater users.
3. To be able to enter into Joint Powers Agreements, participate in Joint Powers Authorities, and/or be a signatory to a Memorandum of Understanding, to plan for groundwater sustainability.
4. To be eligible for a seat on the board of the Vina GSA
5. To assess District lands, with approval of landowner-voters, consistent with applicable laws, to finance needed construction projects to provide surface water as an alternative or supplement to groundwater for irrigation and domestic use.
6. To be able to apply for state and federal grants, and state approved bond measures, to preserve and protect water quality and water supply within the District service area.
7. To advance groundwater management practices and conservation programs to improve groundwater sustainability within the District service area.

WHY A NEW SINGLE-PURPOSE CALIFORNIA WATER DISTRICT AND NOT PURSUE ANNEXATION TO AN EXISTING LOCAL AGENCY?

In 2018, the Applicants commissioned a local government expert and consultant to study and analyze local agencies in the Vina and a portion of the Butte Sub-basins with the power and authority to acquire and deliver surface water to maximize the beneficial and sustainable use of groundwater and surface water within the District service area. The report found no such agency existed that actually conveyed water on a basin-wide scale. The report considered the political and practical feasibility of the following options:

1. Formation of a new, basin-wide landowner water district with the primary purpose, power, and ability to work with other local agencies to provide, import, transfer and recharge water within the Vina and a portion of the Butte Sub-basins.
2. Alternatively, or in conjunction with the formation of a new special landowner - based water district, evaluate the issues associated with annexation to Rock Creek Reclamation District and/ or Durham Irrigation District to accomplish the same goals.

The original analysis did not address annexation of proposed District lands to Western Canal Water District, but in subsequent investigation, it was also evaluated.

ROCK CREEK RECLAMATION DISTRICT (RCRD):

The Rock Creek Reclamation District is a small, local agency formed by landowner-voters in 1985 to provide flood control and drainage in northern Butte County in and around the community of Nord. The service area of the district is 4,644 acres

The primary purpose of the RCRD was, and is, to protect and manage the watershed, not to act as a traditional provider of water.

California Water Code Section 50000 et. seq. is the statute that regulates formation and operation of reclamation districts in California. Authorized powers include flood control and drainage, building of levees, canals and dams, and water purveyance.

The By-laws of the RCRD state: "The district is formed to provide for repair, maintenance, and improvement of natural channel water conveyance and flood protection facilities in the district. The district is empowered to construct, maintain, operate drains and canals, water sluices, bulkheads, water-gates, levees, embankments, pumping plants, dams, diversion or irrigation works, and all other facilities reasonably necessary or convenient to accomplish district purposes. The district has the latent power of providing water for irrigation, subject to Butte LAFCO approval, but has not requested to exercise the power to furnish water for irrigation to district lands, lands contiguous to the district, or its canals and ditches".

The RCRD does not convey, transport or export irrigation water to agricultural properties or residences in the RCRD service area or sphere of influence. For the RCRD to be able to exercise this latent power, Applicants believe that the reclamation district would need to comply with Government Code Sections 56824.10, 56824.12 and 56824.14.

Any water conveyance the district performs is for drainage and flood control. All domestic and irrigation water use in the RCRD 4,644- acre service area and the newly adopted 19,340-acre sphere of influence is groundwater.

ROCK CREEK RECLAMATION DISTRICT SOI:

In May of 2018, the Butte LAFCO, at the request of the RCRD Board of Directors, approved expansion of the RCRD SOI to include an additional 19,340 acres north and east of the existing service area to address and prevent potential flooding. At the LAFCO hearing to consider the large SOI amendment, it was requested by the consultant for the now, Tuscan Water District proponents, that the RCRD sphere of influence be expanded to a much larger area with the thought Tuscan Water District proponent lands might desire to annex. The Chair of the RCRD Board of Directors opposed such action and LAFCO denied the request to include the enlarged area.

RCRD is a relatively small, local agency serving 75 parcels within a service area of approximately 4,644 acres. Tuscan Water District applicant lands within the RCRD service area represent 3,758.21 acres, or over 80 percent of RCRD service area. Within the newly adopted RCRD SOI, in the area west of Highway 99, there are an additional 8,232 acres of which 3,646 acres are District applicant properties, or 44 percent of that area.

RCRD, although it has the latent power to provide water for irrigation purposes, does not actually provide water. RCRD only moves water through streams, canals and ditches to accommodate agricultural drainage and provide for flood control protection. With RCRD's refusal to accommodate a significant number of District proponents at the LAFCO hearing in

May of 2018, it became apparent to proponents of the Tuscan Water District that RCRD did not support further expansion of the SOI to accommodate additional lands.

Compared to the proposed Tuscan Water District, RCRD is a very small local agency in the Vina Sub-basin which was formed to serve a specific purpose. It serves less than 5 percent of the Vina Sub-basin. Even if RCRD ultimately annexes the entire 19,340 acres of the SOI area, it could only cover 25 percent of the sub-basin. Furthermore, the process to annex is cumbersome and costly, and the findings the Butte LAFCO would need to make are similar to those for the formation of the District, such as the need for service, plan to provide service, financing plan, no negative impact on existing lands, and so on.

Based upon the above findings, the Applicants for the District formation do not consider RCRD a viable option to meet groundwater dependent landowner applicants' objectives.

DURHAM IRRIGATION DISTRICT (DID):

The DID was formed in 1948 to provide domestic water service to landowners within the District service area. Currently, the DID service area contains 506 acres, but a 2018 SOI amendment approved by the Butte LAFCO added 277 acres to the future service area.

The DID operates three active wells and contracts for operation and management services from a private contractor. The DID is governed by three elected directors, each serving four -year, staggered terms. California Water Code, Division 11, Section 20500 establishes power, purpose and authority for irrigation districts including water purveyance, drainage, electricity, flood control, sewer service, and recreational facilities. The DID service area is very small, less than one square mile, and provides domestic water service to fewer than 500 customers.

WESTERN CANAL WATER DISTRICT (WCWD):

WCWD was formed in 1984 by majority vote of landowner-voters to provide irrigation water to district properties. The WCWD was formed pursuant to Water Code Section 34000, which provides for the creation and operation of California Water Districts. It is a multi-county district serving southern Butte County and a portion of eastern Glenn County. When the WCWD was formed, it purchased the Western Canal water system from Pacific Gas and Electric Company. The WCWD contains 59,000 irrigable acres in both Butte and Glenn Counties, with 30,700 acres in the East Butte Sub-basin and 14,000 acres in the West Butte Sub-basin.

The WCWD provides surface water to irrigate district lands. The water source is the Feather River. The WCWD does not operate or own any irrigation wells. However, some landowners have constructed agricultural production wells to provide the option of alternative use during drought years. The cropping pattern in the WCWD service area is 90 percent rice, and 10 percent miscellaneous uses (orchards, habitat, row crops).

The WCWD SOI was established at the time of district formation or shortly thereafter. The last annexation of any new territory occurred in 1998, over twenty years ago. The northern two portions of the WCWD SOI contain 17,923 acres, of which the District applicant acres total 14,157, or 79 percent. The entire 17,923 acres is groundwater dependent with no surface water available; whereas, the primary water source of the service area of the WCWD is surface water.

Over the last twenty years, the WCWD could have petitioned Butte LAFCO to annex the area in question, but for some reason, did not initiate the process to annex the area.

The following are some reasons one might speculate as to why annexation has not occurred:

1. Agricultural properties in this area are dependent on groundwater.
2. The WCWD represents and serves predominantly rice growers and not orchard lands; the SOI area is almost all orchard land.
3. Growers in the SOI area have not requested to be annexed.

OTHER AGENCIES THAT PROVIDE WATER:

Durham Mutual Water Company, Dayton Mutual Water Company, Cal Water, Chico.

MUTUAL WATER COMPANIES (MWC):

Typically, MWCs provide domestic and agricultural water in rural areas that, at the time of creation, had no alternative water source. MWCs are not special districts. They exist today in urban and rural pockets where the conversion to public water systems is either not practical or too expensive. MWCs are private, not-for-profit entities organized under Corporations Code 14300 and regulated under US EPA Safe Drinking Water Act, and California Water and Safety Codes. If MWC by-laws include operating a public water system, they are also regulated by the California Department of Public Health. They must report to LAFCO, but their structure, organization and service area changes are not subject to LAFCO review and approval.

DURHAM MWC:

The Durham MWC provides surface water from Butte Creek to agricultural properties west of the community of Durham. The water company's service area is 3,643 acres, of which, over 25 percent or 951 acres are District proponent properties.

DAYTON MWC:

The Dayton MWC also provides surface water indirectly from Butte Creek to agricultural properties in the Dayton area. The water company service area is 2,844 acres, of which 2,360 acres, or 83 percent of the land is held by proponents of the District.

Each of these water companies was created decades ago and does not have the capacity, power or financing tools to accomplish the objectives of proponents of the District formation.

INVESTOR OWNED UTILITIES (FOR PROFIT CORPORATIONS) CALIFORNIA WATER SERVICE COMPANY (CAL WATER CHICO-HAMILTON CITY DISTRICT):

Cal Water Chico is part of a larger investor-owned public utility which supplies water to nearly 2 million people through 24 separate systems and 63 communities from Chico to southern California. Investor owned utilities are regulated by the Public Utility Commission, like Pacific Gas and Electric Company. Within Cal Water, separate rates are set for each system depending on a variety of factors—source and cost of water, treatment needs, development and maintenance of water system, number of customers, etc. Rates, service charges, and service area are regulated by the California Public Utility Commission in Sacramento.

TUSCAN WATER DISTRICT:

Annexation to RCRD, DID, or WCWD are not viable alternatives to the formation of the District.

The District is proposed to overlay groundwater dependent lands in the Vina and portions of the Butte Sub-basins. The District is proposed to contain some 97,180 acres, approximately 152 square miles, of which 56,429.89 acres are held by the landowner applicants for District formation. All lands within the District rely on groundwater for both domestic and irrigation uses.

The District will overlay the RCRD service area (4,644 acres) and RCRD SOI west of Highway 99 (8,232 acres) and act only as a surface water provider and not offer any flood control protection of agricultural drainage services.

The District will also overlay all of the service areas of the Dayton MWC and Durham MWC. The landowner applicant acres in Durham represent over 920 acres of the 3,643-acre water company total, and in Dayton represent over 2,360 acres of the 2844 Dayton MWC land area. Finally, the District will include the 17,923 acres of the WCWD SOI along its northern border. There are 13,494 landowner applicant acres in this area.

CALIFORNIA LOCAL GOVERNMENT STRUCTURE:

The overlay of local governments in California is not out of the ordinary. In fact, it can be an asset to landowners needing a variety of services. It is the norm when those agencies are formed for different purposes, or possibly for the same service but one or the other agency is not capable of doing so. At the time of formation, most special districts focus on the primary power of the principal act, although they have many powers. For example, DID has the power and authority to provide, in addition to water service, drainage, electricity, sewer service and parks and recreation. RCRD has as its primary purpose flood control and drainage, and as a latent power, can also provide water service.

Throughout California, cities may overlay portions of special districts and special districts lie on top of cities. Large special districts may overlay entire counties or multiple counties. In rural and urban areas, special districts are stacked one on top of the other. In urban areas, it is not uncommon for fire, park, water, sewer, and street lighting districts to share some or all of the same service area.

In rural areas, one might find volunteer fire districts, and possibly park, resource conservation, cemetery, reclamation, and soil conservation districts sharing territory. The point of this discussion is to recognize that the proposed District overlaying RCRD, Durham and Dayton MWCs, and a portion of the Cal Water, Chico franchise area, is not irregular but rather is very common.

GOVERNANCE:

California Water Districts are autonomous, landowner-voter special districts created and managed by landowner-voters. The number of directors may range from five to eleven. (CA Water Code Section 34708). Initially, the first board of director candidates must run "at large" and be elected District-wide for one of the director seats. Directors are selected during the District formation election. In future elections, the directors may follow a process established in the Water Code to set up "divisions" within the District and run within a specific division (WCS 35025-35031).

Alternatively, directors may set up a number of divisions and also provide for one or more directors to run at large on a District-wide basis. Or, the District may convert from a landowner-voter District to registered voter District (WCS 34050) following procedures set forth in the law.

Because of the size of the Tuscan Water District (approximately 147 square miles), the District Board of Directors should consider establishing a reasonable number of directors and divisions within a reasonable time after the District has been formed in order to recognize the geographic expanse of the District, communities represented (including domestic well users on smaller parcels), and diversity of ownership patterns.

POTENTIAL FOR EXPANSION OF SERVICE AREA SOI:

Once the District is formed and fully operational and begins to work with various stakeholders on water management, planning and delivery, it may expand the service area if adjacent properties use, need or desire services, and if LAFCO approves the annexation.

GREATER EFFICIENCY IN THE DELIVERY OF GOVERNMENTAL SERVICES:

Currently, the area proposed for the formation of the District does not have a local agency capable of providing the level and range of services desired across the entire Vina and a portion

of the Butte Sub-basins. Further, landowner Applicants have evaluated the alternatives to the formation of a new California Water District and do not believe that any of the agencies evaluated are capable of meeting the needs and objectives of this largely un-served area.

Readers of this document should continually recognize during the review and analysis of the Application that landowner Applicants represent over 56,429.89 acres in the Vina and a portion of the Butte Sub-basins, thus controlling over 58 percent of land area of the proposed District. They have spent considerable time, money, and effort to arrive at this conclusion and desire to move forward with the District formation.

BOUNDARIES AND SOI:

1. *Rationale and methods to establish the boundaries of the proposed District:*
The exterior boundaries of the District have been drawn to follow natural and physical boundaries to the extent possible, such as the southern Tehama county line, Highway 99, the eastern boundary of Glenn County, and the Sacramento River; the city of Chico's SOI and corporate boundary, the northern boundary of the WCWD; and the eastern boundary of the M and T Chico Ranch. The proposed District boundary has been drafted to capture predominantly groundwater-dependent parcels with a majority of ownership supporting District formation. The DID service area and SOI have been omitted from the District. The Tuscan Water District also includes 1,279 acres of Cal Water, Chico franchise area, and the CSUS "Farm" (631 acres).
2. *Will the District boundary and SOI be coterminous?*
Initially, yes, but the SOI and service area may change in the future depending on land use needs of adjacent properties.
3. *Does the proposed District boundary or its SOI overlap with other local agency boundaries or SOI boundaries?* Yes. RCRD service area and portion of its SOI, WCWD SOI, Durham and Dayton MWCs, and a portion of the Cal Water, Chico western franchise area.

PLAN FOR SERVICES/MUNICIPAL SERVICE REVIEW:

1. *Description of range and level of services to provided:*
Applicants of the District formation are requesting the Butte LAFCO to authorize the District to provide all services afforded to California Water Districts pursuant to Water Code Section 34000. Generally, services will be provided across all District lands; however, as projects are determined, specific areas of benefit may be created based upon needs within these areas. Within these benefitting areas, landowners will pay assessments to finance projects undertaken.
2. *When can services feasibly be extended within the District?*
As soon as the District has been formed, the Board of Directors will begin meeting to prepare an operating budget and develop a long-range work plan. Services, such as the conveyance of water to lands within the District, will be described in that work plan with a long-range plan for implementation

3. *Are there needed improvements to structures, roads, sewer or water facilities?*
No, not at this time.
4. *Estimated cost of extending the service, a description of how the service will be financed and a projected five- year budget for revenue and expenditures.*
A Water Master Plan will be developed for the District which will identify needs by geographic area and financing options to implement various projects. The financing options will be described in the Facilities Finance Plan, which may include District-wide or special area assessment, State Department of Water Resource grants, and available state bond funding. A hypothetical first-year budget and three to five -year budget is included in the Application based upon both start-up and projected on-going expenses. The projected revenue stream to support District operations will be derived from per acre assessments on District lands.
5. *Is retail water service to be provided?*
No, not at this time.
6. *Will the new District share existing property tax revenue collected within District boundaries?*
No.
7. *List of service providers:*
 - a. Fire: Cal Fire.
 - b. Law enforcement: Butte County Sheriff and California Highway Patrol.
 - c. Domestic water service: domestic wells.
 - d. Sewer and sanitation: none, septic tanks.
 - e. Solid waste: Waste Management and Ecology.
 - f. Road/street maintenance: Butte County.
 - g. Power: Pacific Gas and Electric Company.
 - h. Planning and Zoning: Butte County.
 - i. Schools: Chico Unified School District; Durham Unified School District.
 - j. Miscellaneous: Durham Mosquito Abatement District, Durham Recreation and Park District, Pine Creek Cemetery District.

SIGNIFICANT ISSUES:

The absence of a special district with the primary mission of water conveyance which covers almost the entire Vina and a portion of the Butte Sub-basins will inhibit Butte County's ability to effectively work with groundwater dependent agricultural landowners and domestic well users to plan, manage and deliver surface water within the unserved portion of the Vina and a portion of the Butte Sub-basins. Creation of the District over the proposed service area will provide a basin-wide local agency with the ability to finance needed improvements to deliver surface water. In addition, the District will provide elected leadership who can unite groundwater users to work with other stakeholders and Butte County to provide better options for water use, recharge, and surface water delivery to alleviate groundwater depletion—all goals and objectives of the SGMA

INTERGOVERNMENTAL COORDINATION:

A Notice of Intent has been circulated to all affected agencies in Butte County by the Butte LAFCO notifying each agency of the proposed formation of the District. The Notice of Intent also summarizes objectives, goals, power and authority, as well as the proposed location and boundaries. Additionally, Applicants reached out to RCRD, DID, WCWD, and Durham and Dayton MWCs. A public workshop was also hosted by Butte County in the community of Durham and a presentation was made to the Butte Water Commission. Further, additional meetings will be held with various stakeholder groups.

CONCLUSION:

The formation of the District is the only practical, reasonable, and logical solution to coordinate and manage water in such a large un-served area. The critical mass of landowners and lands assembled in support of this Application (676 parcels, 56,429.89 acres - over 58 percent of the land area) is evidence that the District is wanted, needed, and should be created. If the District formation is approved by the Butte LAFCO, and landowner-voters ratify that formation in a District-wide election, Applicants are of the belief that individuals elected as initial directors of the District will be good stewards with the goal of positive and progressive policies to manage groundwater resources to help to achieve groundwater sustainability for generations to come.

DOMESTIC PUMPER REPRESENTATION

Plan for Domestic Pumper Representation on the Tuscan Water District Board of Directors

The Tuscan Water District contain 152 square miles, and 97,180 acres. Nearly 90 percent of the land (88,951 acres) is dedicated to agriculture according to the State Department of Conservation Farmland Mapping and Monitoring Program. The District stretches from the Tehama County line to the northern boundary of the Western Canal Water District. There are approximately 3,122 parcels, of which over 2,200 parcels are 20 acres or less. Further, 1,796 parcels of the 2,200 plus are 10 acres or smaller, most likely domestic pumpers. It is very difficult to pin -point the exact number of domestic pumpers in the proposed District as both local and state data bases do not have a precise number for the Tuscan Water District service area. Furthermore, many of the larger parcels might have both domestic and production wells. In addition, the District includes land in both the Vina and Butte sub-basins, complicating the domestic well count even more. There are a total of 3,121 wells in the Vina sub-basin. The smaller parcels in the Tuscan Water District, those 10 acres or less, are concentrated in the Durham, Dayton, and Nord communities, and along the western boundary of the city of Chico. Many of these parcels in the above-recognized communities are very low density ranging from one to three dwelling units per acre, one dwelling unit per 5-10 acres (rural residential), and one dwelling unit per 10-20 acres (larger ranchettes). Acreage from 20 to 160 acres is classified as agricultural with dwelling unit density allowed per General Plan guidelines. Generally, parcels of the smallest sizes have one domestic well and are classified as "domestic pumpers or well users" by the California Department of Water Resources. Agricultural production wells generally occur on parcels larger than 20 acres. Some of the parcels have both domestic wells as well as production wells depending on the size and use. The state Department of Water Resources and State Water Board have produced and updated a county by county map that illustrates the density and number of domestic and production wells (agricultural pumpers) by "public land survey section", per 640 acres or square mile.

The impetus for the formation of the Tuscan Water District has been to create a basin-wide local agency to preserve and protect groundwater for agricultural and domestic use regardless of size of parcel or land use, not only for the current generation of farmers, ranchers and individuals enjoying rural life- styles, but others to follow. Butte County General Plan Land Use policy 1.1 sets forth the county's interest to preserve and protect agriculture, including crop and grazing land. The creation of the District will provide the needed local agency to manage and develop water for both agricultural and rural life-style needs.

When the Tuscan Water District is formed, it is not only appropriate but essential for all landowners (small and large, domestic well users and agricultural production well users) to be afforded the opportunity for representation on the Tuscan Water District board of directors. The interest of each of these groups is linked and intertwined---to preserve and protect groundwater, and to find and import surface water resources to supplement the use of groundwater, to create a balanced and sustainable yield for the Vina and a portion of the Butte sub-basins.

To that end, applicants of the Tuscan Water District formation are proposing the Butte Local Agency Formation Commission, as a condition of District formation, designate one director seat to be a domestic well pumper seat on the board of directors. For purposes of this plan, domestic well users or pumpers would be defined as landowners on parcels of 10 acres or less with only domestic wells. Applicants for the proposed District formation believe one domestic pumper seat is reasonable and appropriate as domestic pumpers represent a little over 10% of the proposed District service area

Cortese Knox Hertzberg, the Local Agency Formation Commission law, Government Code Section 56886 (n), states the Commission has the following conditioning power where proceedings are for the consolidation, or reorganization providing for consolidation, or formation of a new district, to establish (1) the method of selection of members of a legislative body of a district, or (2) the number of those members, or (3), both the method of selection and number of directors.

It is proposed as part of the Tuscan Water District formation, among other conditions of approval, that there would be seven board of director seats, with one of the seven designated for a domestic pumper. All landowners would vote on all board of director seats in the district formation election as all directors must run "at-large", district-wide in the initial formation election. If a district wishes to reorganize the manner in which elections are conducted (i.e. by director division or otherwise) after it has been formed, then the Water Code provides that it can do so as long as such change is made within 140 days of the next general election (Water Code Section 34708). A California Water District board of directors may apply to the board of supervisors of the principal county "to reorganize by division" to establish voting divisions of generally equally size in land area. Options for reorganization of elections for board of directors for the Tuscan Water District could be elections by divisions (i.e. divisions equal to the number of board seats), maintaining elections at-large (as directed by LAFCO), or elections reflecting a combination of divisions and at-large seats (i.e. 4 divisions and 3 at-large seats, or some other combination). Where elections are done by divisions, only landowners within each division would vote on respective nominees for that division's board seat. A domestic pumper division could be constructed in such a fashion as to capture a majority of domestic well users around communities of interest, similar in land size and use. The remaining board seats (six if there are a total of seven board seats) could be shaped to either (1) capture the balance of the District land area by division (generally agricultural production well lands) or (2) divide the balance of the District land area into three or four divisions with the remaining three or two board seats selected by at-large voting with all landowners voting.

This proposal will not only provide for initial representation of domestic pumpers on the Tuscan Water District board of directors, but also, after formation, provide for a guaranteed domestic pumper seat as the District moves forward to manage and plan for water development in the District service area.

PRIVATIZATION

Exportation of Groundwater Outside of Butte County

Applicants for the formation of the Tuscan Water District are generational farmers and ranchers. As such, they have a deep respect and appreciation for the importance and value of groundwater to their life and livelihood and to all landowners in the Vina and Butte sub-basins. Groundwater in the Vina and Butte sub-basins has been declining very slowly for many years. It is one of the most valuable resources of Butte County, and its importance is not to be taken for granted. It must be managed wisely and used judiciously.

There are wet years and dry years, drought years and years when the Sacramento River, Butte Creek and other waterways run over their banks. When there is abundant rainfall, the underlying aquifers are naturally replenished and recharged. During drought years there is drawdown of the aquifer. If there is an alternative water source—surface water to be employed for agricultural and domestic uses—the aquifer may remain stable or may even grow in volume.

One of the many important objectives of proponents for Tuscan Water District formation, in addition to creating a basin-wide California Water District with locally elected representation, is to import surface water to reduce the need for groundwater for agricultural and domestic needs. The importation of surface water into the area of the proposed Tuscan Water District will be one of the most important tools to achieve a sustainable yield of the underlying aquifer.

Questions have been raised regarding Tuscan Water District's "true" intent to import surface water. The objective is not to supplant groundwater use with imported surface water to then be able to transfer excess groundwater for sale outside of Butte County.

1. Applicants have stated time and again and memorialized their position in all Formation Application documents that they want to preserve and protect groundwater for the use of all landowners in the sub-basin. Water imported into the District will remain in the District.
2. Long-standing, recognized water law has litigated the concept of "overlying water rights" and provides: "Any landowner whose land overlies a groundwater basin may extract and use that groundwater, but the use must be reasonable and beneficial. Among overlying users, it does not matter who first developed the groundwater; each has a right in the common supply," regardless of whether the landowner is a farmer, rancher or domestic pumper. The Applicants view the Tuscan aquifer as a community resource with each landowner sharing in that resource based upon historical use.
3. The courts have established that the regulation of groundwater is within a county's police power. Butte County Conservation Ordinance, Chapter 33, General Appendix D—Protection of Groundwater Resources prohibits extraction of groundwater for use outside of Butte County without a permit. A permit is also required for groundwater pumping for use on land within the county, in lieu of surface water, if surface water which would otherwise have been used on land is proposed to be transferred outside of the county.

The Tuscan Water District board of directors, as proposed, will have broad representation containing both agricultural and domestic pumpers. The board and management will be excellent stewards of the groundwater underlying the District. The board will, both as a measure of conscientiousness and in compliance with Butte County regulation, adhere to all adopted policies and ordinances pertaining to the export of both ground and surface water in Butte County.

Privatization of the Aquifer

There have been comments over the course of the last 18 months that the Tuscan Water District, once formed, may attempt to "privatize the aquifer" by recharging and replenishing the aquifer with surface water, and in essence, establish a "private water bank" for their exclusive use during dry years. Comments have been made that the importation of surface water will allow for in lieu, or conjunctive use, to help the aquifer grow through replenishment, natural recharge, or use of evaporation ponds or injection wells for the exclusive benefit of the District. Again, this is not true. Proponents of District formation respect the rights and water needs of all landowners within the sub-basin. One of the objectives of the proponents of District formation is to preserve and protect short-term and long-term need and availability of groundwater for all users.

The concept of who owns, or the privation of, the aquifer is being addressed by an ad hoc task force of the Vina Groundwater Sustainability Agency (Vina GSA). Once it has completed its task, it will report findings and recommendations to the Vina GSA for consideration. The concept of privatization of the aquifer is not unique to Butte County, or the state of California. It is a very important issue that needs to be addressed throughout the state. The Sustainable Groundwater Management Act of 2014 is, to a large degree, the impetus for the formation of the Tuscan Water District. It establishes regulatory goals and long-term compliance deadlines with enforcement powers delegated to both local government and the state. It reinforces the protection of existing water rights and local control of groundwater supplies. Proponents of the Tuscan Water District formation support equitable regulation of groundwater within the Vina and Butte sub-basins for the benefit of all landowners. The Tuscan Water District will subscribe to whatever policy and regulation is adopted by the Vina GSA with respect to the concept of the privatization of the Tuscan aquifer.

CEQA

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The California Environmental Quality Act (CEQA) requires public agencies to identify significant impacts of their actions on the environment and to avoid or mitigate them, if feasible. Pursuant to CEQA, an activity that may cause either a direct, reasonably foreseeable, or indirect physical change in the environment is generally considered a project. An activity is considered to be a project under CEQA if it will cause a direct or reasonably foreseeable indirect physical change in the environment. Agencies must comply with CEQA before they approve a project. For projects determined to be exempt under CEQA, agencies may prepare a Notice of Exemption.

The lead agency, or approving agency, for the Tuscan Water District formation is the Local Agency Formation Commission (LAFCO) of Butte County. The Butte LAFCO will need to make a determination if the simple formation of the Tuscan Water District and terms of district formation as approved by LAFCO, which after LAFCO approval will still require majority landowner voter support by election, will cause a direct or reasonably foreseeable indirect physical change in the environment. The act of creating a new local agency, in this case the Tuscan Water District, will not cause a direct or reasonably foreseeable indirect physical change in the environment. Any Tuscan Water District improvement project, such as surface water import and delivery for irrigation or recharge, would only be authorized if it were consistent with the applicable Groundwater Sustainability Plan (GSP) adopted by the applicable Groundwater Sustainability Agency (GSA). Further, any Tuscan Water District improvement project would require environmental review.

NOTICE OF EXEMPTION IN COMPLIANCE WITH PUBLIC RESOURCES CODE SECTION (PRC)21152 REGARDING CATEGORICAL EXEMPTION FOR THE FORMATION OF THE TUSCAN WATER DISTRICT IN BUTTE COUNTY, CALIFORNIA

Project Location and Description:

The proposed Tuscan Water District is located entirely in the Vina and a portion of the Butte Sub-basins of the unincorporated area of Butte County. The proposed district consists of 97,180 acres (3,160 parcels) bounded on the north by Tehama County, on the west by Glenn County, the Sacramento River, Big Chico Creek, the M and T Ranch, and Reclamation District 2106, on the south by the Western Canal Water District, and on the east by Highway 99 and the City of Chico corporate boundary and sphere of influence (SOI).

The total proposed service area of the proposed Tuscan Water District is approximately 152 square miles of agricultural, open space, preserve, agricultural-residential and other residential lands most of which dependent on groundwater. Surface water is available in the Dayton and Durham areas for agricultural irrigation.

Public Agency Approving the Project (District Formation):

The LAFCO of Butte County is the "lead agency" for the project as it is the local agency with the statutory authority and responsibility for reviewing and approving changes of organization and reorganization. The Butte LAFCO has distributed a Notice of Intent of district formation to affected agencies, other stakeholders, and published, posted and provided mailed (e mail, USPS) notice of hearing on the project. The Butte LAFCO has analyzed the proposal and adopted a Resolution Making Determinations Approving the Formation of the Tuscan Water District. Final approval of the formation of the Tuscan Water District requires majority of holders of interest (landowners) voting in the election to approve the ballot measure for district formation.

Reasons for the Proposal:

The proposed Tuscan Water District will fill a void—there is no basin-wide water district in the proposed district's territory that has the authority to implement the GSP. The proposed district will provide the territory's groundwater-dependent landowners an opportunity to participate cooperatively with Butte County, the Butte County GSAs, and other stakeholders in the implementation of the GSP. The proposed district will furthermore create an organization that will provide a mechanism for the groundwater-dependent landowners to collaborate on the sustainable management of the groundwater basin(s) to preserve and protect agricultural and rural water supplies in Butte County.

Ultimately, the applicable GSP may suggest the implementation of improvements that recharge the basin(s) with surface water sources in order to achieve a sustainable yield in the basin(s). The proposed District would be authorized to acquire, plan, construct, maintain, improve, operate, and keep in repair the works for the production, storage, transmission, and distribution of water, but only to the extent that the works would be consistent with GSPs. Prior to the proposed district commencing construction of any such improvements, additional environmental review would need to be performed by the proposed district.

Reasons for the Exemption:

The Butte LAFCO is the lead agency for district formation and establishment of the district SOI. The purpose of the environmental review is to provide information about the project which is the environmental effect of special district formation and the establishment of the potential future growth area of the special district. Initially, the formation of this new local agency is not considered a "project" under CEQA because it does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (Cal.Code.Reg., tit. 14, § 15378, subd. (a).) In particular, for the reasons detailed below, it is either or both (a) the creation of a governmental funding mechanism or (b) an organizational or administrative activity of government, either of which would not result in a direct or indirect physical change in the environment. (Cal.Code.Reg., tit. 14, § 15378, subds. (b)(4)-(b)(5).) The formation of the Tuscan Water District and creation of its SOI does not involve the siting or construction of any facilities. Once the district is formed, it would be authorized to construct facilities to convey and/or recharge water, and those activities may cause significant effects on the environment which will need to be mitigated or avoided, but only if it is consistent with the applicable GSP. Any such construction would

require further actions and environmental review by the proposed district. Thus, the Butte LAFCO's action to approve the formation would not itself have the possibility of resulting in a direct or indirect impact on the environment. Where it can be seen with certainty there is no possibility for causing significant effect on the environment, the activity is not subject to CEQA.

Even if the formation of the Tuscan Water District and the creation of its SOI were a project subject to CEQA, it is categorically exempt. First, for the same reasons identified in the previous paragraph, the project would be exempt under the common-sense categorical exemption. (Cal.Code.Reg., tit. 14, § 15061, subd. (b)(3).) It provides that a project is categorically exempt if "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." As detailed in the previous paragraph, the Butte LAFCO approval itself will not have the possibility of having a significant effect on the environment.

Second, the formation would qualify for Exemption under Class 20, Changes in Organization of Local Agencies. A Class 20 Exemption under CEQA categorically exempts from CEQA changes of organization (in this case district formation) if the geographical area is not changed where previous powers were exercised.

As described above, the purpose of the formation is to give the groundwater-dependent landowners in the proposed district's territory the power to elect representatives to participate in the groundwater management process under the SGMA. Presently, the County of Butte exercises that power. Thus, the Class 20 exemption applies to the proposed formation of the Tuscan Water District because a formation is a change of organization under Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (see Gov. Code, § 56021, subd. (b)) and because the formation would not change the geographical area in which the County of Butte previously exercised the power to manage groundwater.

Finally, the Butte LAFCO's adoption of a SOI for the proposed district is either not a project or categorically exempt for the same reasons described above regarding the formation. In addition, it is further exempted as a feasibility or planning study under CEQA Guidelines section 15262. (Cal.Code.Reg., tit. 14, § 15262.) A SOI is defined by the Government Code as a plan for the probable future physical boundary and service area of a local agency. A SOI is generally a twenty-year, long range, planning tool and has no legal binding to authorize annexation or future improvements. CEQA regulation 15262 includes exemptions for projects involving planning studies for possible future actions. Any future annexation to the district would be subject to further CEQA review and action by the Butte LAFCO.

ADDITIONAL SUPPORTING MATERIAL

FAQ'S
ISSUES & QUESTIONS

Frequently Asked Questions

Why is the Tuscan Water District being proposed?

The proposed Tuscan Water District will fill a void--there is no basin-wide water district in the Vina and a portion of the Butte sub-basins that can provide a range of water services, including acting as a water purveyor with the power of recharge, the ability to plan for and implement programs to help the sub-basin achieve sustainability, and working in concert with Butte County and Butte County Groundwater Sustainability Agencies (GSA's) to develop a Groundwater Sustainability Plan (GSP) for the "white" or un-served areas of these two sub-basins.

There are no other local agencies that proponents of the Tuscan Water District formation believe can provide basin-wide water delivery and recharge, provide local basin-wide representation, and plan for and implement water programs on a basin-wide basis.

Butte County has historically stated that it will not form any type of County agency with the power to deliver and recharge water within the proposed Tuscan Water District service area. Furthermore, the other basin-wide agency, the Vina Groundwater Sustainability Agency, has as its primary purpose the development and adoption of a Groundwater Sustainability Plan by 2022 to comply with the Sustainability Groundwater Management Act,

The other important role the proposed Tuscan Water District can play is working hand in hand with local agencies in the Vina and Butte sub-basins to implement programs to achieve sustainability. If the Tuscan Water District is formed, it will have the power and authority to provide surface water and recharge groundwater as one of its primary purposes and will begin the planning to do so once the GSP is adopted.

Tuscan Water District Formation Process

The process to form any special district in California is a long, complicated and expensive process. Landowner voter districts are particularly difficult to form as a majority of holders of interest (50 per cent plus one acre) need to both initiate the process by landowner petition, if no affected agency is willing to do so by resolution, and, if approved by the local LAFCO, vote to approve the formation of the district by majority of holders of interest voting on district formation.

The process to form the Tuscan Water District has not been a rush to judgment. Rather, it has been a very thoughtful and deliberative effort, first evaluating the existing available practical and political alternatives such as annexation to existing special districts before deciding on a new special district formation. The process began in 2016, about four years ago and it is far from over.

The steps to form the Tuscan Water District generally require:

- (1) Initiation by landowner-voter petition or resolution of application.
- (2) Preparation of a metes and bounds legal description and accompanying map.
- (3) Submitting a completed Application Packet, which, in addition to the above noted initiating document, includes a map and legal description approved by the State Board of Equalization, a Plan of Services, Hypothetical first and three to five year revenue and expenditure data based upon the Plan of Services, Proposal Justification, and appropriate environmental analysis.
- (4) Acceptance of the required documents by the local LAFCO Executive Officer, triggering a timeline for his/her review and preparation of a report and recommendation on the need, advisability, and financial feasibility of the proposed district.
- (5) The matter is then subject to hearing by members of the Local Agency Formation Commission who may, by majority vote, approve with or without conditions or modifications the formation of the district subject to both protest hearing and landowner-voter election, or disapproval of the proposal.
- (6) This entire LAFCO review, hearing and election process can potentially take 12-18 months to complete, with this time adding on to the "front end" of the process.

Clearly, this is an exhaustive and thorough effort that has multiple check points.

Tuscan Water District Issues that may be addressed as "condition of district formation":

1. Representation: number of directors; reorganize by division (creating divisions of nearly equal size) and/or at-large board seats following provisions in the California Water District statutes prior to a general election of board seats after initial formation.
2. Tuscan Water District: formation of the Tuscan Water District be conditioned upon successful vote on formation pursuant to the California Water Code and simultaneous approval of a revenue proposal capable of funding initial activities of the district. The action will also establish a provisional appropriations limit based upon anticipated revenue of the district.
3. Surface water delivery: at the time the Vina Groundwater Sustainability Agency (GSA) establishes a Groundwater Sustainability Plan (GSP), Tuscan Water District will act in a manner consistent with the GSP and its goals in reaching sustainability, including importing and making available

surface water to agricultural and rural residential properties to recharge the aquifer and supplement groundwater use in the Vina and a portion of the Butte sub-basins. As a California Water District, it will have the power to acquire, plan, construct, maintain, improve, operate and keep in repair the works for production, storage, transmission and distribution of water, including groundwater recharge for agricultural and rural residential purposes only. The import of surface water can preserve and protect agricultural and rural residential lands in the Tuscan Water District as it will allow for an alternative source of irrigation water if necessary.

4. Assessment of district lands: in voting for district formation and selecting directors, landowners will also approve a district-wide assessment not to exceed \$10 per acre for initial district setup, including administration and operation, possibly recouping district formation expenses, and initial participation in the Vina GSA to begin to achieve sustainability within district boundaries. After district formation, future assessments will be subject to Proposition 218 requirements, as applicable, including Engineer's Report, Capital Improvement Needs Assessment, Facilities Financing Plan, and appropriate environmental review and approval of landowners.

Tuscan Water District availability and access to surface water—Table A Settlement Contract Water (terms of use), Paradise Irrigation District (Camp Fire excess water), Sacramento River and Butte Creek water, Excess Water from other Local Purveyors:

Availability, Terms of Use, Physical Infrastructure Required, Necessary Agreements and Approvals for each of the following:

Table A Settlement Contract Water of Butte County
Paradise Irrigation District Excess Water Resulting from Camp Fire
Sacramento River and Butte Creek Surface Water
Excess Water from Local Surface Water Purveyors

Agricultural Groundwater Users of Butte County (AGUBC):

The Agricultural Groundwater Users of Butte County (AGUBC) are a group of concerned small, medium and large agricultural landowners who have come together to forge a path to local control and representation in the un-served Butte County sub-basins. At the recommendation of Butte County to organize in order to have a "voice" representative of agricultural interests, they incorporated as a 501(c)(6) nonprofit corporation with a focus on agriculture. The original goal and purpose of the AGUBC was to meet with Butte County to understand the role and responsibility of various agencies responsible to plan for and implement the Sustainable Groundwater Management Act of 2014. AGUBC was without "formal standing" or recognition in the Butte County SGMA process without

focused agricultural representation as lands that are part of the AGUBC are located in the un-served portion of the Butte County sub-basins, which have no basin-wide water district with locally elected directors or service responsibility. The AGUBC entered into a Memorandum of Understanding with Butte County (MOU) that memorialized their role and responsibility in the development of a Groundwater Sustainability Plan in the sub-basin. The MOU also provided that the County would "work constructively, cooperatively and collaboratively" with landowners in the formation of a new water district within un-served areas of Butte County should they decide to pursue that course of action. Many of the landowners who are initiating the process to form the Tuscan Water District are also members of the AGUBC; however, the AGUBC itself is not part of the formation efforts of the Tuscan Water District. If the district is formed, the AGUBC is prohibited from legally being involved in district administration, operation, water policy planning or implementation of future projects.

Why is Tuscan Water District Important to Butte County?

The Vina and a portion of the Butte sub-basins have experienced historical overdraft for a number of years. The county began monitoring the overdraft over 20 years ago. The proposed district service area is un-served by a basin-wide water purveyor that can work with Butte County and the Vina GSA to plan for and achieve sustainable water use. If the district is not formed, it becomes the County's and Vina GSA's responsibility to solve the problem. Moreover, County staff has gone on record stating that a local agency, like the Tuscan Water District, is part of the solution because it could have the power and authority to bring alternative water sources into the sub-basin to help reach the goal of sustainability.

Economic Impact of AGUBC Membership Lands to the Butte County Economy:

The landowner members of the AGUBC, many of whom are also proponents of the Tuscan Water District formation, contribute significantly to the local economy not only in terms of value of crops produced, but in terms of property and sales tax generated by the value of their lands as well as their spending in the community. The 2017 value of 5 key crops produced in the proposed Tuscan Water District service area was estimated to be approximately \$290,000,000. The economic impact of those crops is not a single factor. In addition to direct impacts, there are indirect and induced impacts as well. For example, every \$10,000,000 of tree nut production results in the following impacts to Butte County: total industry output (excluding income) of approximately \$15.4 million and income of \$6.1 million (employee compensation and proprietor's income) for a total annual output of \$21.5 million and 132 total jobs generated. The 2018 assessed value of district lands has been estimated to be \$1.4 billion, which translates into significant revenue to support Butte County government and other local services.

What are the primary powers and differences between California Water Districts, Irrigation Districts, Reclamation Districts, Mutual Water Companies, Investor Owned Utilities, and Groundwater Sustainability Agencies (GSAs)?

Currently, there are over 300 California Water Districts in the counties all over the state. Typically, they have been formed in agricultural areas needing irrigation water for several reasons: they can develop and import surface water for irrigation; they are landowner-voter districts meaning landowner-voters, not registered voters, form, manage and operate the districts; and the landowner-voters have the ability to assess district lands with landowner approval. Districts may have 5 to 11 directors, elected "at large" and/or by "division". California Water Districts have experienced a resurgence in interest since 2014 when SGMA was enacted because of the organization, powers, purpose, and authority. California Water Districts are formed and operated pursuant to Water Code Section 34000 codified in 1951. They are independent, special districts with locally elected landowners as directors. Their main purpose and function is to purvey water typically for irrigation in agricultural areas. They also may provide reclamation and agricultural drainage services. The formation process, and subsequent changes of organization, are set forth in the Government Code, Section 56000, the Cortese Knox Hertzberg Local Government Act of 2000 (LAFCO law).

Irrigation Districts are also independent, special districts and are formed under Water Code Division 11, Section 20500. Their primary purpose is also water purveyance, but they also have other powers as well. They also are subject to LAFCO law.

Mutual Water Companies are formed by landowners but are not "public" agencies. They are private, not for profit companies organized under Corporations Code 14300. They have the power to provide water for both domestic and agricultural uses. Historically, they have been formed in areas without public water systems in place. Board of Directors are locally selected landowners; however, there is no political accountability or local public (County, City or LAFCO) oversight. The Department of Corporations and Division of Drinking Water of the State of California have the only significant role in Mutual Water Company oversight and regulation.

Investor Owned Utilities in California are for-profit corporations regulated by the California Public Utility Commission (PUC). Typically, they provide municipal and industrial water service and natural gas in franchise areas approved by the California PUC. The two Investor Owned Utilities providing service in Butte County are California Water Service Company (Cal Water, Chico) and Pacific Gas and Electric Company (PGE). Rate setting, utility charges, and service area expansion are not subject to local oversight. Cal Water, Chico has come under criticism in the past in the Oroville and Chico areas; likewise, PGE is under

scrutiny and currently involved in lawsuits and facing possible insolvency because of wildland fires in California.

Reclamation Districts are normally formed by landowners in territory subject to seasonal or regular inundation of water due to creek and river flooding and/or to provide agricultural drainage services both in agricultural and urban areas. The primary purpose of a reclamation district is to reclaim and protect property by managing the watershed with the construction of levees, dams and other facilities to protect property. They are formed and regulated under Water Code Section 50000. Authorized powers include local control and drainage, building levees, canals and dams, and water purveyance.

Groundwater Sustainability Agencies (GSAs) are provided for, operated and regulated by the laws of the state of California, the Sustainable Groundwater Management Act of 2014, Water Code Section 17000. Any local public agency that has water supply, water management, or land use responsibilities, and overlies a groundwater basin may become a GSA (Water Code Sections 10721(n) and 10723(a)). This includes cities, counties and some special districts which may elect to become a GSA. The authority of a GSA is focused on providing a framework to develop a Groundwater Sustainability Plan (GSP) which will help to attain sustainability in the basin or sub-basin which it applies to, not necessarily purvey water.

A common sense argument why the Tuscan Water District should cover the entire "white area" or un-served area of Vina and Butte sub-basins including domestic pumper lands, Rock Creek Reclamation District, Western Canal Water District sphere of influence, Durham and Dayton Mutual Water Companies, and Cal Water, Chico franchise area east of Chico.

If areas are removed from the Tuscan Water District service area, those areas will be unable to participate in the benefits the district will bring to district lands such as local public agency control and oversight, surface water availability and strategic recharge in needed areas, as well as a formal voice in SGMA discussions. Those responsibilities will fall to the County, except in Rock Creek. However, there is one other important reason why Rock Creek should be overlaid by the Tuscan Water District—it does not provide water service and would need to petition the Butte LAFCO for the power, provide a plan of services and figure out adequate financing to deliver water to district lands. More importantly, a majority of landowners in the Rock Creek service area (81%), and sphere of influence for Rock Creek west of highway 99 (50%), have signed the petitions in support of the Tuscan Water District formation and want the benefit of local representation and the services that could be offered. With respect to the Western Canal sphere of influence, a majority of landowners (79%) within that sphere of influence have signed petitions to be in the Tuscan Water District service area. In addition, as of the date of filing the application for the Tuscan Water District formation, Western Canal has chosen not to annex these lands to

provide opportunities to bring surface water to this area as it has for other territories within the Western Canal Water District.

Does the overlay of the Tuscan Water District affect sovereignty, purpose, current service authority, or assessment ability of any of these agencies?

No, Rock Creek and Western Canal will continue to carry on as they have since the day they were approved for formation. Rock Creek directors will continue to set flood control and reclamation policy, assess district lands and function as a GSA within the district service area. Moreover, the overlay of the Tuscan Water District of the Rock Creek sphere of influence will not prevent Rock Creek from annexing the area for reclamation purposes. Western Canal will continue to exercise all power and authority within its service area. With respect to the sphere of influence, it has no power to provide service in this area unless the area is annexed to the district. A sphere of influence is simply a future possible service area based upon landowner or resident desire, need and capability of the local agency to provide such service.

The Mutual Water Companies are not public agencies and the overlay of the Tuscan Water District will not affect their ability to provide water to their shareholders. They must maintain their corporate status and be in good standing with the Secretary of State with appropriate annual filings and current with the IRS and FTB to stay in business. With respect to the overlay of the Tuscan Water District and the portion of the Cal Water, Chico, no water service is provided by Cal Water, Chico in this area as the land is groundwater dependent.

The overlay of local government is not out of the ordinary. In fact, it is the norm when those agencies are formed for and provide different services. Cities overlay portions of special districts, and special districts overlay cities. Large special districts may overlay counties or multiple counties. In rural and urban areas, special districts are stacked one upon the other. In rural areas, one might find volunteer fire districts, a park district, cemetery district, reclamation district, and resource conservation district sharing all or part of the same service area.

ISSUES AND QUESTIONS REGARDING THE TUSCAN WATER DISTRICT FORMATION AND OPERATION

1. AMENDING THE BOUNDARY OF THE TUSCAN WATER DISTRICT (District)

The proposed Tuscan Water District boundary has been drawn after much thought and consideration. The District service area includes groundwater dependent agricultural lands and other parcels of various sizes including domestic pumper home sites and adjoining lands. There are no "islands" or pockets of unserved area carved out of the District as proponents believe all land within the District will benefit from services provided. The proposed boundary can be amended by the Butte Local Agency Formation Commission (LAFCO) during the review of the district formation proposal. During the hearing on district formation, the Commission may add or remove territory depending on the perceived benefit to be received. Once the District has been formed, landowners may petition the Butte LAFCO to annex or detach from the District service area by following steps laid out in the LAFCO law.

2. DIFFERENCES AND SIMILARITIES OF CALIFORNIA WATER DISTRICTS AND GROUNDWATER SUSTAINABILITY AGENCIES (GSA'S)

The formation and operation of California Water Districts is regulated by various state laws including the Water Code, Government Code, Public Resources Code and Elections Code. The principal act for California Water Districts is Water Code Section 34000 to 38501. California Water Districts are "landowner-voter" districts with landowner-voters forming the districts, electing directors, assessing district lands for both management and administration of the District, and for capital projects to be implemented on the basis of one vote for each dollar of assessed valuation of member lands. The primary function of a California Water District is to provide water to District lands. In the case of the Tuscan Water District, excess surface water from Lake Oroville could be made available through a cooperative agreement with Butte County to District lands. California Water Districts may elect to become Groundwater Sustainability Agencies by following steps set forth in the Sustainable Groundwater Sustainability Act and implementing legislation. But, the primary purpose of a California Water District is water purveyance. It is fundamentally, an independent special district with elected directors to set District policy and manage District affairs.

GROUNDWATER SUSTAINABILITY AGENCIES (GSA'S)

GSA'S are provided for, operate and regulated by the laws of the state of California, Water Code Section 17000. This Code section specifies how GSA's are created, their purpose and authority. To elect to become a GSA, an entity must have water purveyance or land use authority. Certain special districts may elect to become GSA's, as well as cities and counties. The authority of a GSA is focused on providing a framework to develop Groundwater Sustainability Plans (GSP's) to attain groundwater sustainability in the basins and sub-basins they serve. Among other things, a GSP must contain a description, the physical setting and characteristics of the local aquifer system including historical data and information on groundwater levels, water quality, evidence

5. STRUCTURE AND FUNCTION OF CALIFORNIA WATER DISTRICTS

Currently, there are over 300 California Water Districts in operation in counties all over California. Statutes for the creation of California Water Districts were initially codified in 1951 in Water Code Section 34000. There have been very few amendments to WCS 34000 over the past, nearly 70 years. Typically, they have been formed in agricultural areas for several reasons—they can develop and import surface water to irrigate district lands, they are landowner-voter special districts meaning landowner-voters form districts, manage and operate districts, have the ability to assess district lands with landowner-voter approval. Districts may have 3 to 11 directors elected at large or by division. The primary revenue source for district management, operation and water projects are assessments levied against service area lands. California Water Districts have experienced a resurgence in interest since 2014 when the Sustainable Groundwater Management Act was enacted by the State legislature.

6. FUTURE WORKING RELATIONSHIP BETWEEN TUSCAN WATER DISTRICT, BUTTE COUNTY AND THE VINA AND BUTTE GROUNDWATER SUSTAINABILITY AGENCIES

Once formed, the Tuscan District can begin to work with GSA's to develop and implement Groundwater Sustainability Plan for the 97,000 acre special district and eventually importing surface water for recharge and in lieu use.

7. IMPORTANCE OF THE TUSCAN WATER DISTRICT TO THE FUTURE ECONOMY OF BUTTE COUNTY

The key crops of the service area of the Tuscan District contribute significantly to the Butte County economy, both directly and indirectly. The direct economic impact, in terms of 2017 calendar year value has been estimated at \$290.5 million dollars. The indirect economic impact is roughly 2.0 times the direct impact on goods and services. Further, the assessed valuation of District service area land is \$567,000,000.00 contributing significantly to the unincorporated area property tax base.

To sustain this level of continued economic impact, agricultural and other groundwater dependent properties need a guaranteed, long-term source of surface water. The groundwater level in the sub-basin will continue to decline unless surface water is introduced. The formation of the Tuscan Water District is the only reasonable, logical and practical choice to deliver surface water to the area.

Absent a dependable surface water source and delivery system, the groundwater table will continue to decline, pumping cost, will increase, and possibly, less water will be available to irrigate sub-basin lands, and for domestic pumper use. The end game could be a slow erosion of the agricultural economy with a concurrent decline in land value affecting property owners and Butte County as a whole.

CRITICAL PATH

Critical Path for the Formation of the Tuscan Water District

2014-15: Sustainable Groundwater Management Act (SGMA) passed by the California State Legislature and Implementing legislation incorporated into the Public Resources Code regarding Groundwater Sustainability Agencies (GSAs) and Groundwater Sustainability Plans (GSPs)

2015-16: Butte County, potential agencies that can elect to become GSA's along with farmers, ranchers and domestic pumpers begin to meet to address the requirements of SGMA

Groundwater dependent farmers and ranchers (groundwater pumpers) in the Vina and a portion of the Butte sub-basin, in what SGMA defines as "white areas", those areas un-served by a local agency that can elect to become a GSA, begin meeting with Butte County staff to determine the best path forward to plan for reaching a sustainable yield of groundwater by the State mandated deadlines

June 30, 2017 Local groundwater sustainability agencies (GSAs) must be formed

January 22, 2020, GSPs must be completed in all other high- and medium priority basins not currently in overdraft

January 31, 2020, Groundwater sustainability plans (GSPs) must be completed for basins in a critical condition of overdraft

Twenty years after the adoption of the GSP (2040 or 2042)—all high and medium priority basins must achieve sustainability

2017-18: Formal organization to achieve the path forward, include:

Step 1: Formal organization of the Agricultural Groundwater Users of Butte County (AGUBC) as a 501C (6), non-profit Agricultural Association to have formal standing and a voice in the SGMA discussion

Step 2: Formal recognition of the AGUBC by the Butte County Board of Supervisors in a Memorandum of Understanding pledging mutual cooperation and assistance to achieve common goals

Step 3: Groundwater pumpers request and receive representation in the governance structure on the Vina sub-basin JPA board with the appointment of one of their membership to the agricultural stakeholder seat

Step 4: Voluntary funding is solicited from AGUBC membership as "seed money" to hire Counsel and Consultants to investigate and analyze if any existing public agency in the sub-basin can meet groundwater pumper needs on a basin-wide basis. They would also work with Butte County and the Butte County GSA's to plan for and have the power to import and deliver surface water within the Vina sub-basin to achieve sustainability by the target goals

Step 5: Consultants and Counsel are retained to analyze existing Vina sub-basin local agencies with the ability to deliver surface water to determine if any, or a combination of agencies, can provide the level, range and basin-wide services and representation to meet groundwater pumper needs and work

collaboratively with Butte County. The conclusion, no such agency exists and the best option for moving forward, is the formation of a California Water District, which is a landowner-based special district to serve as much of the Vina sub-basin (and parts of the Butte basin) as possible

Step 6: Meetings continue to occur with Butte County, and County staff agrees the formation of a California Water District, on a broad land base, could provide the necessary local agency, that would not only provide representation for groundwater pumpers, but could have the power to import surface water to the proposed district service area. This will help to achieve a sustainable yield of groundwater in the sub-basin

Step 7: The Board of Supervisors considers the recommendation to take the lead in the formation of the Tuscan Water District

Mid 2019: Landowners decide to move forward with the Tuscan Water District with landowner petition, rather than the County initiating the process. This avenue allows applicants to better control the application by proposing terms, conditions, boundaries, revenue strategies, etc consistent with their need and plans for future district management and operation

December 2019: Petition drive is initiated with landowners in the proposed District service area, and within 90 days, 75 landowners, representing 56,429.89 acres have signed petitions requesting formation of the Tuscan Water District

Next Steps:

May 8, 2020: Certificate of Sufficiency Landowner Petition certified by Butte LAFCO

May 2020: Submit petition and application for District formation to Butte Local Agency Formation Commission.

May- September 2020: LAFCO Executive Officer review of the proposal, preparation of Executive Officer Analysis and set initial notice of public hearing before the Local Agency Formation Commission

September- November 2020: Potential hearings by LAFCO

November-January 2021: If approved by Butte LAFCO, the Executive Officer will forward to the Butte County Board of Supervisors a resolution approving formation of the Tuscan Water District, including terms and conditions of the formation, and requests the board of supervisors to direct County Clerk to set a date for landowner election on the formation of the Tuscan Water District

January- March 2021: If district formation is approved by landowner-voters, the District board is sworn in and the District becomes fully operational once all of the notifications and filings are made with required local agencies.

ANALYSIS OF AGENCIES

September 2017

**PREPARED FOR AGRICULTURAL GROUNDWATER USERS OF BUTTE COUNTY--
ANALYSIS OF POTENTIAL AGENCIES IN THE VINA SUB-BASIN WITH ABILITY TO
WORK WITH BOTH AGUBC AND BUTTE COUNTY TO MAXIMIZE BENEFICIAL USE
OF GROUND AND SURFACE WATER CONSISTENT WITH THEIR WATER NEEDS AND
PLANS, AND THE INTENT, GOALS AND OBJECTIVES OF THE SUSTAINABLE
GROUNDWATER MANAGEMENT ACT OF 2014**

TASK: Prepare a report that includes analysis of both the political and practical feasibility of the following options:

- 1) Formation of a new California Water District or districts within the Vina Sub-Basin to represent AGUBC interests in the Vina GSA and Rock Creek Reclamation District to work with the County and other agencies to enter into agreements to execute and perform surface/groundwater transfers within the Sub-Basin.
- 2) Alternatively, or in conjunction with formation of a California Water District, evaluate the issues associated with initiation of annexation proceedings to Rock Creek Reclamation District (RCRD) and/or Durham Irrigation District (DID) to accomplish the same goals.

CONSIDERATIONS:

- 1) Ability of a California Water District and/or Rock Creek Reclamation District and Durham Irrigation District to act as water purveyors (deliver, receive, move, treat surface and groundwater); ability to maximize landowner control of water use and oversight but also work with other local agencies in the Sub-Basin in a cooperative relationship to satisfy the goals and objectives of SGMA.
- 2) Agency should have not only possess statutory authority to act as a water purveyor, but willingness and capacity to deliver water and be prepared to work with local agencies in Vina Sub-Basin to construct the infrastructure to move the water. Water purveyance should be primary responsibility of the special district.
- 3) The Vina Sub-Basin contains 84,100 acres, nearly fourteen square miles, a very large geographic un-served area stretching from Nord/Rock Creek watershed to the community of Durham.
Integral to Butte County's long-term water strategy is the delivery of State Water Project and other local surface water supplies to the Vina Sub-Basin to alleviate exclusive use of groundwater for both domestic and agricultural users. Which option—new district formation or annexation into RCRD and/or DID—works best with Butte County's overall groundwater sustainability strategy and plan and the interest of the AGUBC.
- 4) The AGUBC represents approximately 47,000 acres or 48% of the land area in the Vina Sub-Basin. Because of the size in geographic area and parcel representation of the AGUBC, as well as history of farming in Butte County, the AGUBC can significantly influence water policy in the Sub-Basin in a very positive manner. The option chosen for local control of water purveyance and

SGMA representation is key to Vina JPA's successful implementation of groundwater sustainability.

BUTTE COUNTY

Butte County, as the major government of general jurisdiction of the County unincorporated area, has taken a leadership role in Sustainable Groundwater Management Act (SGMA) related coordination and water planning efforts. Butte County, the city of Chico and Durham Irrigation District (DID) will soon enter into the Vina Joint Powers Agreement (JPA). The Vina JPA creates a new agency, the Vina GSA that is responsible for SGMA implementation in the Vina Sub-Basin except for the areas within Rock Creek Reclamation District. The Rock Creek Reclamation District will remain the GSA for the area within its jurisdiction.

Butte County has a long-term goal of conjunctive water use of ground and surface water for areas within the County that have been long term dependent on groundwater for both domestic and agricultural uses. The Vina Sub-Basin is one such area. The County goal is to fully utilize its State Water Project allocation within Butte County primarily to areas dependent on groundwater (ie., Vina Sub-Basin). There are other agencies with available surface water that are willing to explore opportunities to make surface water available to groundwater dependent areas. A multipurpose conveyance project could include multiple sources of surface water that would supply domestic and agricultural demands.

This would allow groundwater dependent lands the option of access to surface water. This would also help the Vina GSA and Rock Creek Reclamation District to include the in-lieu recharge in the Vina GSP to meet sustainability goals for the Sub-Basin. To accomplish this goal, the Vina GSA will need willing partners to develop and implement long term conjunctive management program(s).

VINA SUB-BASIN

The Vina sub-basin, contains 84,100 acres running the length of Butte County from the Tehama county line to Lake Oroville on both sides of Highway 99. It includes the city of Chico, the community of Durham in the south, and the Nord area north. The Sub-Basin outside of Chico, Rock Creek Reclamation District and Durham Irrigation District are groundwater dependent areas. The Vina GSA and Rock Creek Reclamation District will be responsible for achieving groundwater sustainability through the implementation of one or more GSPs for the Vina sub-basin.

A local agency that can elect to become a Groundwater Sustainability Agency (GSA) is one that has water supply, water management or land use authority such as a city or county, or special districts. Chico, Rock Creek Reclamation District and Durham Irrigation District have elected to be GSAs. Chico has land use authority, Rock Creek as a reclamation district providing flood control and drainage to lands within the district, and Durham as an irrigation district, providing domestic water service to lands within the district. Butte County has land use, water management and water supply authority. Groundwater Sustainability Agencies (GSAs) can independently or

collectively develop Groundwater Sustainability Plans (GSP's) which need to be completed and adopted by 2022.

Butte County, the city of Chico and Durham Irrigation District will soon execute a Joint Powers Agreement that will create the Vina GSA. The Vina GSA will be responsible for SGMA implementation in the Vina Sub-Basin except for the area within the jurisdiction of Rock Creek Reclamation District. The Vina GSA and Rock Creek Reclamation District must adopt a Groundwater Sustainability Plan (GSP) or two GSPs with a corresponding Coordination Agreement by 2022. The AGUBC has also been directly involved in the Vina JPA/GSA creation process. Butte County, Durham Irrigation District and the City of Chico are close to executing the Vina JPA which will create the Vina GSA. Rock Creek Reclamation District decided to remain a GSA and not join the Vina JPA. The Vina GSA and the Rock Creek Reclamation District will collaborate on GSP development for the Vina Sub-Basin.

AGRICULTURAL GROUNDWATER USERS OF BUTTE COUNTY (AGUBC)

The Agricultural Groundwater Users of Butte County incorporated with the California Secretary of State in the fall of 2017 as a non-profit mutual benefit corporation (501-C6) for the purpose of preserving, protecting and improving the beneficial use of groundwater for agricultural owners and lessees in the Butte County Groundwater Sustainability Agency.

In October, 2018, the Butte County Board of Supervisors recognized and acknowledged the importance of the AGUBC in the SGMA ground and surface water planning process. The Butte Board of Supervisors memorialized in "Resolution of Support of the Agricultural Groundwater Users of Butte County" stake and importance in the SGMA for the Vina Sub-Basin.

The Resolution states in part:

"If and when the Agricultural Ground Water Users of Butte County desire to move forward with creation of a new California Water District or other type of local agency with the dual purpose of a) SGMA responsibility, and b) exercising powers and duties as a special district as authorized by the Water Code for water purveyance and ancillary activities, Butte County will work cooperatively and collaboratively with landowners on the formation process of a new local agency for involvement in SGMA issues".

The AGUBC has membership of landowners controlling 47,000 acres within the Vina Sub-Basin, approximately 56 per cent of the total land area. The AGUBC has requested this report to understand the issues and challenges of forming a new local agency (California Water District) to have a formal voice in the SGMA planning process and to work with Butte County to assist with implementation of its long-term water strategy to utilize its State Water Project allocation within the County. The other choice would be to annex to an existing special district willing and capable of working with the County in the same way. (Rock Creek Reclamation District, Durham Irrigation District)

The best option for maximizing the beneficial use of ground and surface water in the Vina Sub-Basin and increasing their role in the SGMA process is the formation of one or two new California Water Districts in the groundwater dependent area of the Sub-Basin. The other two options include annexation of the northern portion of the groundwater dependent area to the Rock Creek Reclamation District, and the southern portion to the Durham Irrigation district in conjunction with the new district formation. Key to the AGUBC interest is creating or becoming a part of a special district that can and will convey water to groundwater dependent areas. The question is not only one of statutory authority to deliver water and work cooperatively with the Vina Sub-Basin JPA, but interest and capacity to expand service areas, ability to enter into water exchange agreements, as well as create the infrastructure to move water from point A to point B.

The issues that all of the agencies in the Vina Sub-Basin must consider: do either RCRD or Durham have the capacity and willingness to undertake such a large task even if they might have the legal authority to do so.

Are Butte County and the city of Chico prepared to work with these agencies on a broad scale in implementing water policy strategy to negotiate the lengthy, costly and complicated process to move surface water up and down the Vina Sub-Basin? Or does it make more sense to work with the AGUBC from its inception to assist with the formation of a California Water District with a "clean slate" to accomplish both the goals of the AGUBC and Butte county?

Each of the agencies, or area represented by the AGUBC, differs significantly in size of acreage served:

Vina Sub-Basin	AGUBC	RCRD	Durham Irrigation
84,100	47,000	4,700/19,400 (SOI)	506

The AGUBC represent much of the Vina Sub-Basin, roughly 56 percent. The representation consists of a majority of holders of land (in terms of acreage) to initiate formation of a California Water District or annexation to either district. Further, the Association has worked with Butte County for over the past 18 months and has a commitment from the county to assist and collaborate with the AGUBC with district formation if that is the direction the Association wants to pursue.

Issues:

What are the long-term goals of the AGUBC—independent local control and ability to work directly with Butte County by forming a new California Water District or annexing into the two existing districts, assuming they are willing and capable to partner with the County to transport surface water?

Over the past couple of years in different areas of the State, a number of new California Water Districts have been formed, or are being formed to deal with water transfers and SGMA. Landowners in Glenn, Merced, San Luis Obispo, and Santa Barbara counties have all formed or attempted to form new California Water Districts to provide service to SGMA "white areas".

New district formation and/or annexation to existing districts will require approval of the Butte LAFCO. Goals and objectives of the AGUBC and Butte County will need to align with Local Agency Formation Commission criteria and policy to support either action. Annexation to RCRD and/or Durham Irrigation would theoretically and legally provide the agencies that could accomplish goals of Butte County and AGUBC, but can either practically perform the activities AGUBC and Butte County are pursuing. The ability of either agency to address these issues will be discussed further below in the following section of the report.

ROCK CREEK RECLAMATION DISTRICT (RCRD)

The Rock Creek Reclamation District was formed in 1985 to provide flood control and drainage in northern Butte County near the community of Nord in the Rock Creek Watershed. It is an independent special district with elected directors, a General Manager and other support staff. Reclamation Districts represent the oldest form of special district in California. They exist up and down the Central Valley and basically are the early engineering mechanisms to reclaim agricultural lands and protect early communities from flooding.

The California Water Code, Section 50000 et. seq. is the statute that provides for the creation and operation of reclamation districts including powers and duties.

Powers include flood control and drainage, water purveyance, building of levees, canals and dams. They have the authority to levee special assessments, and impose fees and charges.

The By Laws of Rock Creek Reclamation District state:

"The district is formed to provide for repair, maintenance and improvement of natural channel water conveyance and flood protection facilities in the area. The district is empowered to construct, maintain and operate drains, canal, sluices, bulkheads, "water-gates" and levees, embankments, pumping plants, dams, diversion, or irrigation works and all other facilities reasonably necessary or convenient to accomplishments of District purposes. The District may furnish water for the irrigation of either District lands, or lands contiguous to the District and its canals and ditches."

The District does not convey, transport or export irrigation water to the agricultural properties and rural residences within district boundaries or adjacent lands. Any water conveyance the district might perform would be for drainage and flood control purposes via natural streams, channels and ditches.

The District service area consists of 4,644 acres. The District's potential service area was recently enlarged at request of adjacent landowners and the District Board of Directors by the Butte Local Agency Formation Commission (LAFCO) to include an additional 19,340 acres east and north of district boundaries to address and prevent potential flooding caused in the sphere of influence area. It is not certain

when or if the District plans to annex the sphere of influence area which will also need to be evaluated and approved by the Butte LAFCO. Finally, RCRD decided to not join the Vina Joint Powers Agreement and elected to remain a Groundwater Sustainability Agency.

QUESTIONS AND ISSUES:

Does RCRD intend to provide agricultural or domestic water service to district lands, or lands adjacent to the district?

Does the District plan to create infrastructure, "plumbing" other than natural conveyance to transport water within the district or sphere of influence?

Does the District intend to annex the 19,340 acres of the recently adopted sphere of influence?

Has the District been involved in water exchanges or transfers with other local agencies?

Would the District support annexation of additional lands beyond existing adopted sphere for purposes other than flood control and drainage such as for purveying domestic or irrigation water? At the Butte LAFCO hearing on the RCRD sphere of influence expansion, the AGUBC requested the sphere of influence be expanded to a much larger area, to the Tehama county line, to include more of AGUBC membership. The Chair of the RCRD Board of Directors opposed such action and the request was denied by the Butte LAFCO.

If annexation of a larger area of the Vina Sub-Basin represented by the AGUBC is to be entertained by both RCRD and Butte LAFCO, does the District understand that the current culture, service area, service responsibility and elected representation could significantly change? And, would those fundamental changes in District responsibility and governance be acceptable to District management and Board of Directors?

What is the currently working relationship with Butte County?

DURHAM IRRIGATION DISTRICT (DID)

The Durham Irrigation District was formed in 1948 to provide domestic water service to the landowners within the district service area. The District is located south of Chico and contracts with Cal American Water for management and maintenance service. The water source is groundwater drawn from three active wells. It has a service area of 506 acres with a sphere of influence concurrent with district boundary. The estimated population of the District today is estimated to be 1500; number of customers between 450 and 500. The District is governed by an elected Board of Directors.

The statutory authority for Irrigation Districts is contained in California Water Code Division 11, 20500 et. seq. Powers and purposes include: water purveyance, drainage, electricity, flood control, sewer service and recreational facilities.

From the Butte LAFCO Municipal Service Review (MSR) : The Durham Irrigation District provides domestic water service to parcels within its sphere of influence, which is south of the city of Chico. The district contracts out for water distribution, testing, and maintenance services with Cal Water Chico. The District has aging infrastructure some of which is in need of repair.

Issues:

The District is very small, less than one square mile. It has a long history of providing domestic water to the community of Durham, but not a lot of depth in terms of service area or responsibility. It provides water to less than 500 customers.

The District's water source is groundwater; can it provide water for agricultural uses? Does the District have excess water that would allow for expansion and growth?

Has the District ever been involved in water sales, transfers, or exchanges?

Would the District customers be willing to be assessed to share in the cost of conveying surface water to the Durham Irrigation District?

Does the District have a working relationship with Butte County?

CALIFORNIA WATER DISTRICT

California Water District enabling legislation is set forth in Water Code Section 35000 et. seq. The statute describes district formation requirements, organization, governance, powers and purposes. Among municipal and agricultural water purveyors, it falls slightly behind Irrigation Districts and County Water Districts in proliferation of use. Recently, however, there has been significant renewed interest and application of California Water Districts for water purveyance and SGMA purposes. As stated earlier in this report, Merced, Glenn, Santa Barbara and San Luis Obispo counties have all processed proposals for the formation of new California Water Districts.

California Water Districts are landowner-voter districts, which means that landowner-voters, or voting property owners, can create and govern the districts. This makes their utility attractive in un-served, "white areas" that are predominantly agricultural in use. Groupings of landowners can form and organize California Water Districts by majority vote of landowners holding a majority of land in terms of acreage with LAFCO approval and majority vote to form the District. California Water Districts are principally water purveyors and eligible to elect to become Groundwater Sustainability Agencies (GSAs). They have broad water delivery authority.

Water Code Section 35401: "A District may acquire, plan, construct, maintain, improve, operate, keep in repair the necessary works for the production, storage, transmission and distribution of water for irrigation, domestic, industrial and domestic purposes and any drainage or reclamation works connected therewith and incidental thereto."

In other words, they can produce, import, export, deliver water for both domestic and agricultural uses. They can enter into agreements with other agencies, assess lands, impose fees and charge for services performed. Typically they are governed by elected Directors, all of whom are landowner-voters or representatives of landowner-voters.

A California Water District is ideally suited to meet the needs of Butte County and the AGUBC. It has the following general characteristics:

- SGMA eligibility to become a GSA
- Ability to deliver surface and groundwater within District service area to both contiguous and non-contiguous parcels
- Ability to enter into agreements and work with all agencies in the Vina Sub-Basin JPA/GSA, especially Butte County.

BUTTE LOCAL AGENCY FORMATION COMMISSION (LAFCO)

Local Agency Formation Commissions (LAFCO's) have the responsibility of reviewing and approving with, or without condition, modification, changes of organization and reorganization such as city incorporations, special district formation, consolidations and dissolutions as well as annexations and detachments to those same agencies. LAFCO's also establish spheres of influence or probable expansion areas for cities and special districts. The Butte LAFCO will need to review and approve any action the AGUBC chooses to move forward with—new district formation, or annexation.

LAFCO enabling legislation, as amended and changed over the past fifty-five years, includes a variety of factors both in State law and adopted Commission policy the Executive Officer of the Commission must analyze in the evaluation of any change of organization. Many of the factors to be considered are more relevant in actions that contemplate changes in urban service levels such as annexations for fire service, domestic water, sewer, urban drainage, parks and recreation.

The two options under consideration involve creating a new special district to act as a water purveyor, or annexations to Rock Creek Reclamation and Durham Irrigation principally to work with Butte County to execute water transfer and provide the infrastructure to do so. Either of these actions are somewhat unique in that the area in question is very rural, consisting of large parceled agricultural properties without any service structure other than that provided by Butte County.

To accomplish the goals of Butte County, AGUBC and presumably the Vina GSA, the groundwater dependent area needs a local agency capable of delivering water service. The question is not one of need, but what type of agency can best meet the need.

Butte LAFCO should consider in its analysis:

- Goals and objective of the AGUBC, Butte County and the Vina GSA, and the preferred option of these bodies to accomplish their objectives

- Role, responsibility and actual services provided by Rock Creek and Durham districts and capability to expand service area and add new service of water purveyor to the un-served area

The role a new California Water District can play as the exchange agent to move water in the Sub-Basin to achieve sustainability; i.e., balancing surface and groundwater use.

One of LAFCO's primary roles is the preservation and protection of agricultural lands; providing the structure to create conjunctive use of surface and ground water will help achieve that goal

Butte County desires to fully utilize its State Water Project allocation within Butte County; other local water agencies may have surface water available for use in the Vina Sub-Basin; the ability to use multiple sources of surface water in the Vina Sub-Basin will help the Vina GSA and Rock Creek meet their sustainability goals in their respective GSPs as well as provide members of AGUBC with water supply reliability.

In prior meeting with Butte LAFCO Executive Officer, he stated to the AGUBC:

1. AGUBC should explore annexation to RCRD to determine if the Reclamation District can meet the goals of the AGUBC, Butte County and the Vina GSA before new District formation is pursued. Presently, RCRD, under its current main focus—flood control and drainage-- cannot meet those goals.
2. RCRD, although it has agricultural/irrigation water purveyance authority as a Reclamation District, does not currently provide that service. Is LAFCO approval required to initiate agricultural irrigation service as a "latent power"? Does the District intend to provide irrigation water to agricultural lands within the District service area in the future? Currently, the district provides only flood control and agricultural drainage. The rationale for the recent expansion of the District sphere of influence was to include additional watershed only for flood control protection purposes.
3. If a new California Water District is created in the groundwater dependent area of the Vina Sub-Basin and its primary purpose is to deliver water, does this constitute "duplication of service", that is a service the Reclamation District might decide to perform? What constitutes "duplication of service", having the ability to provide it, or actually providing it? The question of "duplication of service" should not be an issue and prevent the creation of a new California Water District if Rock Creek or Durham do not intend to expand service area and provide new services other than those currently provided.
4. Special districts that provide separate and distinct services can co-exist over the same territory; there are multiple examples in the State where a number of special districts overlap one another—fire, parks, water, sewer, etc.

When evaluating the necessity of creating a new California Water District to accomplish goal of Butte County and the AGUBC, rather than recommending annexation to an existing agency, LAFCO should consider actual service provided not potential service that could be provided; it should consider service capacity and historic role of that agency; finally, it should consider the existence of socio-economic and community connection to property owners seeking to create the new government structure. The AGUBC are a cohesive group of landowners seeking to create a new service structure to work with Butte County. The Association

represents over 56 percent (47,000 acres) of the Vina Sub-Basin un-served area. Their wishes should be respected as to the direction they want to pursue.

PRELIMINARY FINDINGS AND CONCLUSIONS:

Butte County, the Vina GSA and the interest of the AGUBC intersect and align in the groundwater dependent portion of the Vina Sub-Basin in the following ways:

The importance of creating a cooperative working relationship to meet the goals of SGMA, the most important of which is groundwater sustainability

Recognition that a governance structure needs to be created in the groundwater dependent area that can work with Butte County and other water agencies to move water and provide for the opportunity to establish conjunctive use of surface and groundwater for both domestic and agricultural uses.

Neither Rock Creek Reclamation or Durham Irrigation has the present capacity to fulfill that role; a new California Water District properly structured is the better option.

IMPACT OF AGRICULTURE

Impact of Crops within the Tuscan Water District on the Local Economy

The Vina and Butte Sub-basins, because of the location of the Tuscan Water District service area which includes most of the sub-basin, contributes significantly to the local economy of Butte County, certainly the cities of Chico, Gridley and Oroville. Within the proposed 152 square mile California Water District lies the heart of the agricultural economy of Butte County. Based upon 2017 data from the "Butte County 2017 Crop Report" prepared by the Butte County Department of Agriculture and Weights and Measures, important crops within the proposed District contributing to the local economy include:

Crop	County-wide Value/Millions	Countywide Acreage	TWD Acreage	Percentage	TWD Share
Walnuts	\$255,000,000	55,050	29,118	53%	\$135,150,000
Almonds	\$158,200,000	40,718	32,037	79%	\$125,000,000
Prunes	\$35,300,000	8,132	3,553	44%	\$15,500,000
Pistachio	\$2,200,000	852	671	79%	\$1,738,000
Rice	\$145,500,000	93,444	8500	9%	\$13,095,000
Totals	\$596,200,000	198,196	73,879	49%	\$290,483,000

There are other crops grown in the Sub-basin and within the proposed Tuscan Water District that also contribute: field crops 3,735 acres, and 4,150 acres of miscellaneous crops --peaches, organic produce, pecans and more.

The multiplier effect of the value of the crops noted above is roughly 2.0 times the direct value of crops produced through indirect and induced impacts. The indirect and induced effect of the crops includes: wages for farmers farm workers and domestic help, money to pay for doctors, dentists, attorneys, accounts, book-keepers and other professionals and non-professionals; dollars spend within the local communities for food and clothing, automobiles and trucks and farm equipment and products.

Butte County also benefits from property taxes generated, sales taxes generated on local spending, gasoline taxes for road maintenance and repair. The assessed value of lands within the proposed Tuscan Water District is \$566, 956, 289; and, the total assessed value of the Butte County un-incorporated area is \$3,631,747,310.

From: Jamie Gomes <jgomes@epssac.com>
Subject: FW: EPS and Ag Production
Date: September 3, 2019 at 9:28 PM
To: John OFARRELLJ@COMCAST.NET
Cc: Sean Fisher <sfisher@epssac.com>

John,

Please see the attached and below in response to your inquiry. Sean ran this through IMPLAN this afternoon. I've copied him on this email in the event that you may have questions as I'll be traveling for work tomorrow and returning to the office on Thursday afternoon.

Regards,

-Jamie

From: Sean Fisher <sfisher@epssac.com>
Sent: Tuesday, September 3, 2019 5:05 PM
To: Jamie Gomes <jgomes@epssac.com>
Subject: RE: EPS and Ag Production

Jamie,

Attached are the economic impacts for Ag production in Butte County. Included are the economic impacts for fruit production (**Table 1**) and tree nut production (**Table 2**).

\$10,000,000 in **fruit production** would result in the following impacts to Butte County:

- Total industry output (excluding income) of approximately \$15.3 million and income (including employee compensation, proprietors income, and other income) of approximately \$5.7 million for a total annual output of \$21.1 million.
- 191 jobs generated within the County (145 direct, 25 indirect, and 21 induced jobs)
-

\$10,000,000 in **tree nut production** would result in the following impacts to Butte County:

- Total industry output (excluding income) of approximately \$15.4 million and income (including employee compensation, proprietors income, and other income) of approximately \$6.1 million for a total annual output of \$21.5 million.
- 132 jobs generated within the County (85 direct, 25 indirect, and 22 induced jobs)

Thank You,
Sean

SEAN FISHER
ASSOCIATE

Economic & Planning Systems (EPS)
400 Capitol Mall, 28th Floor
Sacramento, California 95814
T 916-649-8010
F 916-649-2070

www.epsys.com

-----Original Message-----

From: Jamie Gomes
Sent: Tuesday, September 03, 2019 3:31 PM
To: Sean Fisher
Subject: FW: EPS and Ag Production

Could we talk about this at your convenience? Thank you.

Regards,
-Jamie

916-649-8010 (Office)
916-412-1160 (Mobile)

-----Original Message-----

From: John O'Farrell <ofarrellj@comcast.net>
Sent: Tuesday, September 3, 2019 3:22 PM
To: Jamie Gomes <jgomes@epssac.com>
Subject: Re: EPS and Ag Production

Perfect Jaime. Thanks so much

John O'Farrell
John O'Farrell & Associates
916.952.8935
ofarrellj@comcast.net

Sent from my iPhone!

> On Sep 3, 2019, at 2:41 PM, Jamie Gomes <jgomes@epssac.com> wrote:

>

> John,

>

> Good afternoon. I tracked down staff on the question about ag production. We do have Butte County data and could run a "hypothetical" \$10 million of ag production through the IMPLAN software to derive an estimated multiplier. We will do that in the next day if we are not too late as of now. Thank you.

>

> Regards,

> -Jamie

>

> 916-649-8010 (Office)
> 916-412-1160 (Mobile)

>

APPLICANT ACREAGE

APN	Owner	Acres
006-010-092-000	A & S RANCHES INC	238.8
006-010-093-000	A & S RANCHES INC (LESSOR)	80
006-010-095-000	A & S RANCHES INC	84.33
006-010-103-000	C F KOEHNEN & SONS ORCHARDS	20
006-010-104-000	C F KOEHNEN & SONS ORCHARDS	19.6
006-010-105-000	C F KOEHNEN & SONS ORCHARDS	39.5
006-660-001-000	A & S RANCHES INC (LESSOR)	80
006-660-004-000	LANGEL CHARLES E & WENDY	25
006-670-001-000	ED DUTRO CORP	20
007-010-056-000	CUMMINGS ARTHUR D LIVING TRUST	5
007-010-057-000	CUMMINGS ARTHUR D LIVING TRUST	39.2
007-010-058-000	CUMMINGS ARTHUR D LIVING TRUST	109.07
007-550-046-000	CUMMINGS ARTHUR D LIVING TRUST	22.5
007-550-047-000	CUMMINGS ARTHUR D LIVING TRUST	50.29
038-070-002-000	HAINES RESIDENCE TRUST	19.6
038-070-003-000	SLIGHTOM DAVID R ETAL	33.65
038-070-011-000	FORTIER & SONS INC	157.27
038-070-014-000	STOLP LANDS INC	318
038-070-015-000	STOLP LANDS INC	2
038-070-021-000	HAPPY ORCHARDS INC	160.72
038-070-022-000	KONYN JOHN & MARGO TRUST	15.5
038-070-023-000	KONYN ADAM & AMANDA	11
038-070-033-000	MEAD ORCHARDS INC	59.36
038-070-034-000	MONTGOMERY FAMILY REVOCABLE TRUST	60
038-070-039-000	MONTGOMERY FAMILY TRUST	20.25
038-070-040-000	MEAD ORCHARDS INC	20.39
038-070-043-000	FARMLAND RESERVE INC	443.86
038-070-049-000	MONTGOMERY ANN B TRUST	41.83
038-070-050-000	MONTGOMERY ANN B TRUST	40.44
038-070-051-000	ANN B MONTGOMERY FARMS LP	61.21
038-070-054-000	THILL ROBERT A REVOCABLE LIVING TRUST ETAL	47.12
038-070-055-000	THILL ROBERT A REVOCABLE LIVING TRUST ETAL	40
038-070-056-000	THILL ROBERT A REVOCABLE LIVING TRUST ETAL	40
038-070-057-000	THILL ROBERT A REVOCABLE LIVING TRUST ETAL	46.91
038-070-058-000	THILL ROBERT A REVOCABLE LIVING TRUST ETAL	46.91
038-070-060-000	GEMSTONE PROPERTIES INC	49.07
038-070-061-000	ALMONT ORCHARDS INC	51.57
038-070-063-000	GEMSTONE PROPERTIES INC	49.13
038-070-064-000	ISOM W HOWARD & JOAN Y	51.29
038-070-065-000	ST JAMES ORCHARDS LLC	78.48
038-070-066-000	ST JAMES ORCHARDS LLC	80.29
038-070-067-000	ST JAMES ORCHARDS LLC	80.29
038-070-068-000	ST JAMES ORCHARDS LLC	80.29
038-070-069-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	56.64
038-070-070-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	54.39
038-070-071-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	54.4

038-070-072-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	54.39
038-070-073-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	54.44
038-070-074-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	56.1
038-070-075-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	54.87
038-070-076-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	51.06
038-070-077-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	52.81
038-070-078-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	54.46
038-070-079-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	50.39
038-070-080-000	MARTINEZ ANTONIO M & DOLORES L FAMILY BYPASSTRUST	55.03
038-080-004-000	KIMMELSHUE FAMILY TRUST	20
038-080-006-000	KIDD ROBERT D TRUST	10
038-080-007-000	KIMMELSHUE FAMILY LIVING TRUST ETAL	20
038-080-009-000	FORTIER RICHARD & LESLIE	25
038-080-010-000	KONYN JOHN & MARGO TRUST	5
038-080-014-000	KIMMELSHUE JOEL E	15
038-080-016-000	SLIGHTOM DAVID R & KATHY SUE	10
038-080-019-000	ST VINCENT ORCHARDS	10
038-080-020-000	ST VINCENT ORCHARDS	40
038-080-021-000	ERICKSON THOR & JANET LOU STEWART	10
038-080-022-000	KONYN JOHN & MARGO TRUST	22.51
038-080-035-000	SLIGHTOM DAVID R & KATHY SUE	10
038-080-042-000	GALLION CHRISTOPHER R & KIMMELSHUE CANDACE A ETAL	9.42
038-080-043-000	GALLION CHRISTOPHER R & KIMMELSHUE CANDACE A ETAL	9.42
038-090-001-000	ST VINCENT ORCHARDS	97.05
038-090-008-000	NOCK JOE & LORRAINE FAMILY TRUST	15
038-090-009-000	KIMMELSHUE FAMILY TRUST	15
038-090-011-000	KIMMELSHUE FAMILY TRUST ETAL	12.88
038-090-012-000	KOCH STEVEN P & LYNN C TRUST	12.96
038-090-014-000	KIMMELSHUE DAX E & KAREN H FAMILY REVOCABLE TRUST	15
038-090-020-000	SLIGHTOM ORCHARDS	8
038-090-030-000	REDING GARY K & RUTH K	7
038-090-031-000	REDING GARY K & RUTH K	0.5
038-090-036-000	ST VINCENT ORCHARDS	15
038-090-037-000	MCLAUGHLIN LIVING TRUST	15
038-090-038-000	JUSTAMERE ENTERPRISES LLC	24.9
038-090-039-000	KIMMELSHUE FAMILY TRUST	20.12
038-100-005-000	DAVIT ENTERPRISES LP	92
038-100-008-000	ORD BEND FARMS INC	206
038-100-010-000	5G RICE PARTNERSHIP	230.75
038-100-011-000	5G RICE PARTNERSHIP	489.95
038-100-023-000	BISCHOFF DONALD E & JUNE E REV INT VIV TRUST	144.47
038-100-024-000	ORD BEND FARMS INC	77.25
038-100-028-000	GORRILL LAND COMPANY	116.03
038-100-029-000	GUNNHILL FARMS LLC	191.38
038-100-033-000	ORD BEND FARMS INC	105.68
038-100-034-000	ORD BEND FARMS INC	228.67
038-120-052-000	FARMLAND RESERVE INC	70

038-150-011-000	RANCHO ESQUON INC	120
038-150-021-000	RANCHO ESQUON INC	456
038-150-023-000	RANCHO ESQUON INC	588
038-150-024-000	RANCHO ESQUON INC	33.55
038-150-030-000	WILLADSEN ORCHARDS INC	92.76
038-150-034-000	RANCHO ESQUON INC	827
038-150-035-000	RANCHO ESQUON INC	233
038-150-044-000	RANCHO ESQUON INC	256.41
038-160-005-000	MCLAUGHLIN LIVING TRUST	20
038-160-006-000	R&S SOHNREY FARMS LLC	93.28
038-160-018-000	R&S SOHNREY FARMS LLC	75.6
038-160-039-000	DUBOSE ROBERT J TRUST ETAL	231.42
038-170-003-000	SLIGHTOM DAVID R & KATHY S ETAL	20.41
038-170-026-000	KIDD ROBERT D TRUST ETAL	49.32
038-170-027-000	KIDD ROBERT D TRUST ETAL	8.94
038-170-029-000	KONYN NICHOLAS A	10
038-170-040-000	MCLAUGHLIN LIVING TRUST	27.75
038-170-045-000	PADDOCK ROBERT & MARCI	20.46
038-180-001-000	MCLAUGHLIN LIVING TRUST	39.3
038-180-005-000	MCLAUGHLIN LIVING TRUST	5.03
038-180-007-000	MCLAUGHLIN LIVING TRUST	20
038-190-001-000	DUBOSE DAN M TRUST	31.13
038-190-006-000	NELSON DALE B & MARILYN E TRUST	18.3
038-190-022-000	RANCHO ESQUON INC	50
038-200-001-000	DUBOSE ROBERT J TRUST ETAL	23.5
038-200-017-000	RANCHO ESQUON INC	949.25
038-210-017-000	RANCHO ESQUON INC	240.4
038-210-018-000	RANCHO ESQUON INC	120
038-210-022-000	WILLADSEN ORCHARDS INC	260.41
038-210-023-000	RANCHO ESQUON INC	151
038-230-009-000	SOHNREY MICHAEL & BRENDA FAMILY TRUST	30.33
038-230-010-000	SOHNREY MICHAEL & BRENDA FAMILY TRUST	36
038-230-016-000	SOHNREY FAMILY TRUST A ETAL	105.12
038-230-034-000	SOHNREY MICHAEL & BRENDA	1.34
038-230-039-000	SOHNREY GREG & CASEY TRUST ETAL LESSOR	527.23
038-240-009-000	KIDD ROBERT D TRUST	20
038-240-010-000	KIDD ROBERT D TRUST	30.66
038-240-017-000	SOHNREY FAMILY TRUST A ETAL	80
038-240-065-000	SOHNREY FAMILY TRUST A ETAL	25
038-240-066-000	SOHNREY FAMILY TRUST A ETAL	20
038-240-067-000	SOHNREY FAMILY TRUST A ETAL	14.44
039-040-007-000	RIVER BEND ORCHARDS	124.25
039-040-008-000	ST VINCENT ORCHARDS	75
039-040-020-000	VIOLICH FARMS INC	237
039-040-025-000	RIVER BEND ORCHARDS	312.3
039-040-027-000	RIVER BEND ORCHARDS	159.76
039-040-032-000	RIVER BEND ORCHARDS	143.61

039-050-006-000	SCHWEIN CASLYN L TESTAMENTARY TRUST ETAL	188
039-050-012-000	COOK WAYNE A FAMILY TRUST ETAL	83.83
039-050-013-000	COOK WAYNE A FAMILY TRUST ETAL	40
039-050-014-000	COOK WAYNE A FAMILY TRUST ETAL	74.86
039-050-015-000	COOK WAYNE A FAMILY TRUST ETAL	40
039-050-016-000	COOK WAYNE A FAMILY TRUST ETAL	80.38
039-050-017-000	COOK WAYNE A FAMILY TRUST ETAL	20
039-050-018-000	COOK WAYNE A FAMILY TRUST ETAL	76.71
039-050-019-000	COOK WAYNE A FAMILY TRUST ETAL	20
039-050-020-000	COOK WAYNE A FAMILY TRUST ETAL	56.21
039-050-021-000	COOK WAYNE A FAMILY TRUST ETAL	20
039-060-090-000	JACK MELINE FARMS LLC	84.64
039-060-098-000	GRACE ORCHARDS LLC	268.44
039-060-139-000	JACK MELINE FARMS LLC	139.57
039-080-049-000	HENGST JACK E ETAL	16.89
039-080-053-000	HENGST JACK E ETAL	20.08
039-080-062-000	BERTAGNA BERTON N & CAROLINA C ETAL	116.22
039-080-068-000	GRZANICH FAMILY TRUST	23.66
039-080-069-000	GRZANICH JOHN TRUST	28.89
039-080-072-000	DAVIS TERRY S	20.57
039-080-080-000	HENGST JACK E ETAL	20.07
039-080-081-000	HENGST JACK E ETAL	20.13
039-080-082-000	HENGST JACK E ETAL	20.19
039-080-083-000	HENGST JACK E ETAL	20.24
039-080-084-000	HENGST JACK E ETAL	20.64
039-080-085-000	HENGST JACK E ETAL	20.64
039-080-086-000	HENGST JACK E ETAL	20.06
039-080-087-000	HENGST JACK E ETAL	20.07
039-080-096-000	GRZANICH FAMILY TRUST	20.46
039-080-097-000	GRZANICH JOHN TRUST	20.01
039-080-102-000	BERTAGNA BEN & MARY JANE LIVING TRUST	17.85
039-090-017-000	VIOLICH FARMS INC	324.73
039-090-020-000	CINQUINI FAMILY TRUST A ETAL	23.5
039-090-081-000	VIOLICH FARMS INC	35.46
039-090-082-000	VIOLICH FARMS INC	60.04
039-120-009-000	CINQUINI FAMILY TRUST A ETAL	27.4
039-120-010-000	CINQUINI FAMILY TRUST A ETAL	11.5
039-120-015-000	VANELLA BOB & SUSAN D REVOCABLE TRUST	10.88
039-120-016-000	MULLINS ALBERTA LIVING TRUST ESTATE	5.69
039-120-035-000	VANELLA BOB & SUSAN D TRUST	11.32
039-130-027-000	MENDONCA DONALD ETAL	9.24
039-140-001-000	MENDONCA DONALD ETAL	83.17
039-140-008-000	MENDONCA DONALD ETAL	26.5
039-150-004-000	BERTAGNA NICK & GAIL REVOCABLE LIVING TRUST	10
039-150-005-000	BERTAGNA NICK & GAIL REVOCABLE LIVING TRUST	5
039-150-010-000	CINQUINI FAMILY TRUST A ETAL	24
039-150-067-000	G & N CREEKSIDE FARMS INC	16.75

039-150-071-000	BERTAGNA NICK & GAIL REVOCABLE LIVING TRUST	7.89
039-160-001-000	WRIGHT WENDELL H & BARBARA MAY CP	14.84
039-170-042-000	VANELLA ROBERT MATTHEW ETAL	24.5
039-170-063-000	CINQUINI TRUST	8.6
039-170-065-000	CINQUINI TRUST	10
039-180-004-000	CARLOS JOE & GERALDINE FAMILY TRIST ETAL	26.24
039-180-007-000	CINQUINI FAMILY TRUST A ETAL	40
039-180-010-000	LEWIS SAM JR TRUST FBO PAMELA LEWIS	19.88
039-180-024-000	CINQUINI FAMILY TRUST A ETAL	25.25
039-180-035-000	CARLOS JOE & GERALDINE FAMILY TRIST ETAL	25.42
039-180-049-000	CINQUINI TRUST	10.01
039-180-050-000	CINQUINI TRUST	10.01
039-190-007-000	BERTAGNA NICK & GAIL REVOCABLE LIVING TRUST	43.54
039-190-015-000	G & N CREEKSIDE FARMS INC	53.47
039-190-025-000	BERTAGNA BEN & MARY JANE LIVING TRUST	3
039-190-034-000	BERTAGNA BEN & MARY JANE LIVING TRUST	31.87
039-190-035-000	BERTAGNA BEN & MARY JANE LIVING TRUST	56.03
039-200-055-000	GUNNHILL FARMS LLC	104.56
039-200-078-000	WALNUT PARTNERS INC	223.41
039-200-079-000	WALNUT PARTNERS INC	46.67
039-200-080-000	WALNUT PARTNERS INC	40
039-200-081-000	WALNUT PARTNERS INC	40
039-200-086-000	S & S ENTERPRISES	103
039-210-004-000	SOHNREY FAMILY TRUST A	32.24
039-210-014-000	SLIGHTOM FAMILY TRUST	11.56
039-210-019-000	DIAS JAMES & NANCY FAMILY TRUST	19.5
039-210-020-000	VUGRENES GREG & AFRA TRUST	16.25
039-210-021-000	VUGRENES GREG & AFRA TRUST	15.77
039-210-025-000	VANELLA ROBERT MATTHEW	16.69
039-210-026-000	VANELLA RYAN & CARRIE FAMILY TRUST	16
039-210-034-000	RRJ TRUST	39.63
039-210-037-000	SAM G LEWIS RANCHES INC	40
039-210-044-000	LEWIS P SAMANTHA TRUST	158
039-210-045-000	SLIGHTOM FAMILY TRUST	1.01
039-210-058-000	ANDREWS MCCANNON LIVING TRUST ETAL	8
039-210-059-000	SAM G LEWIS RANCHES INC	57.57
039-210-092-000	CARLOS JOE & GERALDINE FAMILY TRIST ETAL	24
039-210-095-000	VANELLA ROBERT MATTHEW ETAL	19
039-210-101-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	18.52
039-210-102-000	DUBOSE LAURA G C	10.28
039-210-103-000	DUBOSE LAURA G C	0.04
039-220-006-000	MELINE RANDALL C	24.38
039-220-013-000	ANDREWS MCCANNON LIVING TRUST ETAL	60
039-220-023-000	ANDREWS MCCANNON LIVING TRUST ETAL	50.08
039-220-034-000	HENGST JACK E ETAL	72.97
039-220-038-000	HENGST JACK E ETAL	179.08
039-220-039-000	BERTAGNA BERTON N & CAROLINA C ETAL	5.5

039-220-047-000	DIVERS NEIL C & JULIE L	18.24
039-220-048-000	DIVERS NEIL C & JULIE L	3.2
039-220-049-000	HENGST JACOB EDWARD JR & MIKAELA	9.2
039-220-050-000	HENGST JACOB EDWARD JR & MIKAELA	11.77
039-220-051-000	MASCITELLI REVOCABLE TRUST	3.2
039-220-052-000	MASCITELLI REVOCABLE TRUST	18.2
039-220-057-000	MULHOLLAND MINDI M ETAL	21.88
039-220-058-000	MULHOLLAND MINDI M ETAL	20.01
039-220-059-000	MULHOLLAND MINDI M ETAL	21.96
039-220-060-000	MULHOLLAND MINDI M ETAL	29.54
039-220-061-000	MELINE EDWARD R & CHARLENE M REV LIV TRUST	203.17
039-220-062-000	MELINE EDWARD R & CHARLENE M REV LIV TRUST	10.08
039-220-063-000	MELINE STEPHEN IV ETAL	173.06
039-230-005-000	ILUKOWICZ FAMILY TRUST	20.35
039-230-006-000	LEACH INVESTMENTS INC	20.35
039-230-009-000	FORTIER RICHARD & LESLIE ANN REVOCABLE TRUST ETAL	40
039-230-012-000	MELINE RANDALL C	30
039-230-013-000	BERTAGNA NICK & GAIL REVOCABLE LIVING TRUST	9.57
039-230-014-000	BERTAGNA NICK & GAIL REVOCABLE LIVING TRUST	9.89
039-230-032-000	VUGRENES FARMS INC	20.2
039-230-048-000	GRZANICH FAMILY TRUST	23.13
039-230-049-000	GRZANICH FAMILY TRUST	6.79
039-230-064-000	COX ELIZABETH N FAMILY TRUST	58.8
039-230-072-000	MELINE RANDALL C	20.91
039-230-073-000	KONYN JAKE & JENNIFER TRUST	19.68
039-230-081-000	COX ELIZABETH N FAMILY TRUST	36.11
039-230-086-000	COX ELIZABETH N FAMILY TRUST	42.2
039-230-094-000	VUGRENES FARMS INC	18.22
039-230-097-000	FORTIER RICHARD & LESLIE ANN REVOCABLE TRUST ETAL	134.14
039-230-104-000	MULHOLLAND MINDI M	19.43
039-230-118-000	GRZANICH FAMILY TRUST ETAL	22.9
039-230-123-000	GRZANICH DAN G	4.8
039-230-124-000	GRZANICH FAMILY TRUST	4.78
039-230-125-000	MCNEAL DIANNE M	4.78
039-230-126-000	GRZANICH DAN G ETAL	4.78
039-230-133-000	KONYN JAKE & JENNIFER TRUST	36.12
039-230-136-000	CROWE JOHN H ETAL	28.31
039-240-001-000	ALMONT ORCHARDS INC	40.76
039-240-006-000	ALMONT ORCHARDS INC	20
039-240-011-000	SOHNREY MICHAEL & BRENDA FAMILY TRUST	24.94
039-240-029-000	MILLER FAMILY TRUST	13.2
039-240-030-000	MILLER FAMILY TRUST	3.03
039-240-046-000	ALMONT ORCHARDS INC	78.22
039-240-047-000	ANN B MONTGOMERY FARMS LP	82.69
039-240-056-000	SLINKARD JEANNIE REVOCABLE TRUST	14.2
039-240-060-000	FLEMING DAVID	51.2
039-240-085-000	DOWD THOMAS D & REGINA R KOSTIZ	24.09

039-240-091-000	ALMONT ORCHARDS INC	42.38
039-240-098-000	KONYN JOHN & MARGOT TRUST ETAL	58.78
039-240-099-000	KIDD ROBERT D TRUST	58.78
039-250-009-000	MEAD ORCHARDS INC	76.57
039-250-010-000	MEAD JAMES H TRUST ETAL	24.66
039-250-026-000	KONYN ORCHARDS INC	79
039-250-027-000	KONYN ORCHARDS INC	40
039-250-031-000	KONYN PETER J & ALICE C FAMILY TRUST FBO JACOB	19.98
039-250-033-000	KIDD ROBERT D TRUST	20
039-250-034-000	KIDD ROBERT D TRUST	20
039-250-045-000	MEAD ORCHARDS INC	12.21
039-250-046-000	MEAD ORCHARDS INC	2.5
039-250-047-000	MEAD JAMES & JOYCE TRUST	4.7
039-250-052-000	ANN B MONTGOMERY FARMS LP	33.75
039-250-053-000	MONTGOMERY ANN B TRUST	89.4
039-250-055-000	THILL ROBERT A REVOCABLE TRUST ETAL	20.09
039-250-056-000	THILL ROBERT A REVOCABLE TRUST ETAL	20.05
039-250-057-000	THILL ROBERT A REVOCABLE TRUST ETAL	20.05
039-250-064-000	KONYN JOHN & MARGO TRUST	60.17
039-250-065-000	KONYN JAKE & JENNIFER TRUST	60.71
039-250-066-000	MEAD ORCHARDS INC	108.89
039-250-067-000	MEAD ORCHARDS INC	40.53
039-250-068-000	KIDD JO ANNE TRUST	30.25
039-250-069-000	KIDD ROBERT D TRUST	90.65
039-260-002-000	CARTWRIGHT FAMILY TRUST ESTATE	23
039-260-003-000	CARTWRIGHT FAMILY TRUST ESTATE	16.7
039-260-004-000	CARTWRIGHT FAMILY TRUST ESTATE	10
039-260-005-000	CARLOS JOE & GERALDINE FAMILY TRIST ETAL	30.1
039-260-009-000	CARTWRIGHT FAMILY TRUST ESTATE	17
039-260-011-000	NOCK JOE & LORRAINE FAMILY TRUST	20.31
039-260-012-000	AMATOR ALBERT & CARROLL LIVING TRUST	12
039-260-018-000	FORTIER RICHARD & LESLIE ANN REVOCABLE TRUST ETAL	60.37
039-260-023-000	REDING GARY & KIMMELSHUE RUTH	22.04
039-260-034-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	13.35
039-260-037-000	C F KOEHNEN & SONS ORCHARDS	80
039-260-039-000	BERTAGNA BERTON & CAROL	4.43
039-260-040-000	ALMONT ORCHARDS INC	69.34
039-260-052-000	ALMONT ORCHARDS INC	78.74
039-260-053-000	ALMONT ORCHARDS INC	58.9
039-260-055-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	20
039-260-056-000	JOLLIFF RICHARD K	20.05
039-260-058-000	MEAD BROTHERS PARTNERSHIP ETAL	126.71
039-260-060-000	MEAD ZUELETTA M ETAL	2.82
039-260-063-000	JUSTAMERE ENTERPRISE LLC	31.53
039-260-065-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	14.4
039-260-066-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	10
039-260-067-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	10

039-260-068-000	GILBERT W EUVENE & B ERNESTINE TRUST	30
039-260-069-000	GILBERT W EUVENE & B ERNESTINE TRUST	20
039-260-070-000	GILBERT W EUVENE & B ERNESTINE TRUST	25
039-260-071-000	GILBERT W EUVENE & ERNESTINE TRUST	15
039-260-072-000	GILBERT W EUVENE & B ERNESTINE TRUST	23.67
039-260-073-000	GILBERT W EUVENE & B ERNESTINE TRUST	23.67
039-260-074-000	GILBERT W EUVENE & B ERNESTINE TRUST	1.2
039-260-075-000	GILBERT W EUVENE & B ERNESTINE TRUST	118.08
039-280-006-000	FORTIER STANLEY	78.46
039-280-009-000	MEAD BROTHERS	39.75
039-280-011-000	MEAD JAMES H TRUST ETAL	26.37
039-280-021-000	MEAD BROTHERS	28.8
039-280-022-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	9.83
039-280-025-000	GUNNHILL FARMS LLC	161.22
039-280-028-000	FORTIER & SONS INC	58.85
039-280-030-000	FORTIER & SONS INC	45.11
039-280-032-000	4 CORNER GROWERS LLC	37.4
039-280-035-000	MEAD JAMES H TRUST ETAL	39.75
039-280-036-000	FORTIER STANLEY	43.3
039-280-037-000	FORTIER RICHARD & LESLIE A REVOCABLE TRUST ETAL	26.24
039-290-006-000	SLIGHTOM FAMILY TRUST ETAL	19.7
039-290-007-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	20
039-290-012-000	THOMPSON FAMILY TRUST	16.93
039-290-015-000	THOMPSON FAMILY TRUST	26.7
039-290-016-000	THOMPSON FAMILY TRUST	22.7
039-290-020-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	20
039-290-023-000	SHELL RICHARD A & LUCILLE E FAMILY TRUST ETAL	59.45
039-290-034-000	SHELL RICHARD A & LUCILLE E FAMILY TRUST	26.14
039-290-036-000	NOCK JOE & LORRAINE FAMILY TRUST	92.37
039-290-038-000	MARING JON ETAL	78.58
039-290-039-000	GUNNHILL FARMS LLC	41.18
039-290-040-000	GUNNHILL FARMS LLC	67.47
039-300-004-000	ORD BEND FARMS INC	157
039-300-006-000	AMATOR ALBERT & CARROLL LIVING TRUST	24.3
039-300-015-000	ORD BEND FARMS INC	161
039-300-016-000	AMATOR ROY & MAY LIVING TRUST	21.74
039-300-019-000	AMATOR ROY & MAY LIVING TRUST	75.96
039-300-020-000	SLIGHTOM RON & SHELLY	40
039-300-021-000	HOSTETLER FAMILY TRUST	51.42
039-300-024-000	ORD BEND FARMS INC	163.34
039-300-025-000	ORD BEND FARMS INC	127.97
039-300-026-000	BISCHOFF FAMILY IRREV TRUST FBO REYNOLDS KRISTINE	194.97
039-300-027-000	ORD BEND FARMS INCORPORATED	48.14
039-300-028-000	BISCHOFF FAMILY IRREV TRUST FBO REYNOLDS KRISTINE	34.36
039-400-005-000	GORRILL LAND COMPANY	25
039-400-032-000	GORRILL LAND COMPANY	57.3
039-410-001-000	GORRILL LAND COMPANY	6.62

039-410-082-000	BERTAGNA BERTON N & CAROLINA C	20.1
039-550-098-000	BAKER KATHRYN LOUISE	29.08
039-570-010-000	DUTRA MICHAEL STEVEN	10
039-580-029-000	NOCK JOE & LORRAINE FAMILY TRUST	125.2
039-580-034-000	PACIFIC REALTY ASSOCIATES LP	156.29
039-590-002-000	JAMES R LEWIS ORCHARDS INC	124.82
039-590-005-000	MENDONCA ORCHARD INC	43.57
039-590-024-000	JAMES R LEWIS ORCHARDS INC	77.65
039-600-001-000	LAVY BROTHERS GP	148.5
039-600-002-000	LAVY BROTHERS	205.6
039-600-006-000	S & S ENTERPRISES	113
039-600-007-000	S & S ENTERPRISES	26.8
039-600-008-000	MARJON ENTERPRISES INC	107.5
039-600-010-000	LAVY BROTHERS	40
039-600-012-000	MARJON ENTERPRISES INC	212.3
039-600-019-000	MARJON ENTERPRISES INC ETAL	35.36
039-600-020-000	MARJON ENTERPRISES INC ETAL	47.93
039-600-021-000	LAVLAND RANCHES	36
039-600-022-000	LAVLAND RANCHES	47.04
039-610-033-000	LAVY BROTHERS ETAL	202.78
039-610-034-000	LAVY BROTHERS ETAL	130
039-630-005-000	RICE DARREN TRUST	92.57
039-640-002-000	DAVIT DAYTON LP	98.38
039-640-006-000	SLIGHTOM FAMILY TRUST ETAL	20
039-640-007-000	WRIGHT SCOTT & KATHRYN LIVING TRUST	20
039-650-005-000	DAVIT DAYTON LP	142.18
039-650-006-000	DAVIT DAYTON LP	313.44
039-660-004-000	THILL ROBERT A REVOCABLE LIVING TRUST ETAL	28.32
040-020-018-000	R M WEST ENTERPRISES INC	46.05
040-020-091-000	RAMSEY RICHARD L TRUST	13.45
040-020-169-000	HOUSEMAN TERESA LIVING TRUST	15.77
040-020-180-000	AMATOR ROY & MAY LIVING TRUST ETAL	40
040-050-018-000	AMATOR ALBERT A & CARROLL A	4.4
040-050-019-000	LEWIS SAM G & SON	185.05
040-050-020-000	LEWIS SAM G & SON	33.1
040-050-033-000	AMATOR ALBERT A & CARROLL A	16.5
040-050-034-000	AMATOR ALBERT A & CARROLL A	65.3
040-050-073-000	WILLADSEN ORCHARDS INC	52.15
040-060-002-000	AMATOR ROY & MAY LIVING TRUST	10
040-060-012-000	AMATOR ALBERT A & CARROLL A	14.81
040-060-062-000	R M WEST ENTERPRISES INC	7.05
040-060-095-000	ANDRUSAITIS FAMILY TRUST	21.72
040-060-096-000	ANDRUSAITIS FAMILY TRUST	24.2
040-060-098-000	BEARDSLEY HELEN MARIE & RODERICK BRUCE	11.78
040-060-103-000	AMATOR ROY & MAY LIVING TRUST	8.13
040-060-104-000	AMATOR ROY & MAY LIVING TRUST	25.12
040-060-105-000	ANDRUSAITIS FAMILY TRUST	3.98

040-060-106-000	ANDRUSAITIS FAMILY TRUST	20.96
040-060-109-000	AMATOR ALBERT & CARROLL LIVING TRUST	13.11
040-060-110-000	AMATOR ROY & MAY LIVING TRUST ETAL	11.25
040-060-111-000	AMATOR ROY & MAY LIVING TRUST ETAL	12.81
040-060-113-000	AMATOR ROY & MAY LIVING TRUST ETAL	25.09
040-060-114-000	AMATOR ROY & MAY LIVING TRUST ETAL	9.52
040-070-007-000	GRZANICH PAULINE C TRUST	15.5
040-070-009-000	LEWIS SAM G & SON	0.99
040-070-013-000	VERNOGA NED FAMILY TRUST	63.45
040-070-014-000	VERNOGA NED FAMILY TRUST	0.55
040-080-009-000	AMATOR ALBERT & CARROLL	18.37
040-080-033-000	AMATOR ALBERT & CARROLL LIVING TRUST	3.3
040-080-034-000	AMATOR ALBERT & CARROLL LIVING TRUST	16.17
040-090-060-000	AMATOR ROY & MAY LIVING TRUST	70.18
040-090-062-000	WILLADSEN ORCHARDS INC	46.07
040-110-008-000	WILLADSEN ORCHARDS INC	10
040-110-018-000	WILLADSEN ORCHARDS INC	21.49
040-110-027-000	BOWINGTON SUSAN C REVOCABLE TRUST	16.88
040-110-044-000	WILLADSEN FAMILY TRUST	25.86
040-110-057-000	WILLADSEN ORCHARDS INC	19.89
040-110-062-000	WILLADSEN ORCHARDS INC	31.04
040-110-084-000	WILLADSEN LAWRENCE E & LINDA	18.33
040-110-085-000	WILLADSEN THOMAS L	21.05
040-140-009-000	LANG JERE F BYPASS TRUST ETAL	80
040-140-011-000	CAMUSI ORCHARDS INC	15.23
040-140-021-000	RANCHO ESQUON INC	189.85
040-140-031-000	RANCHO ESQUON INC	50
040-140-033-000	RANCHO ESQUON INC	32
040-140-038-000	CAMUSI WILLIAM PAUL REVOCABLE TRUST	60.9
040-140-066-000	RANCHO ESQUON INC	678.19
040-140-080-000	WILLADSEN FAMILY IRREVOCABLE TRUST	92.69
040-140-082-000	WILLADSEN FAMILY IRREVOCABLE TRUST	54.88
040-150-001-000	SOHNREY ROGER & SYLVIA REVOCABLE TRUST	10
040-170-010-000	SOHNREY GREG & CASEY TRUST	33
040-170-028-000	KIDD ROBERT D TRUST	15.27
040-170-060-000	BROWN LIVING TRUST	26.73
040-170-062-000	KIDD ROBERT D TRUST	9.55
040-180-021-000	VERNOGA FAMILY TRUST	5.1
040-180-023-000	VERNOGA FAMILY TRUST	9.12
040-180-025-000	VERNOGA FAMILY TRUST	9.5
040-180-032-000	VERNOGA NED FAMILY TRUST	30.72
040-180-033-000	VERNOGA NED FAMILY TRUST	2.5
040-180-036-000	VERNOGA FAMILY TRUST	30.29
040-180-037-000	VERNOGA FAMILY TRUST	3.4
040-280-056-000	VIOLICH FARMS INC	30.47
040-290-036-000	SCHLECHT LARRY G ETAL	5.3
040-280-073-000	KONYN	15.85

040-280-074-000	KONYN	7.42
040-280-075-000	KONYN	7.13
040-300-006-000	MELINE STEPHEN IV ETAL	53.64
040-570-001-000	RANCHO ESQUON INC	480
040-570-021-000	RANCHO ESQUON INC	330.63
040-570-022-000	RANCHO ESQUON INC	532.65
040-610-010-000	WILLADSEN FAMILY IRREVOCABLE TRUST	5.52
040-610-013-000	WILLADSEN FAMILY TRUST	117.31
040-650-003-000	WILLADSEN ORCHARDS INC	23.88
040-650-008-000	SEARS DUSTIN G	5
040-650-011-000	MAHAMA RANCH	8.88
040-650-013-000	MAHAMA RANCH	9.15
040-650-014-000	MAHAMA RANCH	10
040-650-015-000	MAHAMA RANCH	13.2
042-010-044-000	CRAIN CHARLES R JR	113.11
042-010-093-000	PAIVA FAMILY LP ETAL	50.94
042-010-096-000	PAIVA FAMILY LP ETAL	69.18
042-010-100-000	PAIVA FAMILY LP ETAL	15.45
042-010-101-000	PAIVA FAMILY LP ETAL	15.24
042-010-110-000	KOEHNEN MICHAEL W & LORI D COMMUNITY TRUST	10
042-010-113-000	HAYES KATHLEEN FAMILY TRUST	10.2
042-010-114-000	HAYES KATHLEEN FAMILY TRUST	10.34
042-010-117-000	HAYES KATHLEEN FAMILY TRUST	10.38
042-010-118-000	HAYES KATHLEEN FAMILY TRUST	10.42
042-010-119-000	HAYES KATHLEEN FAMILY TRUST	10
042-010-122-000	PAIVA FAMILY LP ETAL	9.14
042-010-123-000	PAIVA FAMILY LP ETAL	15.15
042-010-124-000	PAIVA FAMILY LP ETAL	10.56
042-010-125-000	PAIVA FAMILY LP ETAL	10.58
042-010-126-000	PAIVA FAMILY LP ETAL	9.89
042-010-127-000	PAIVA FAMILY LP ETAL	14.91
042-010-128-000	PAIVA FAMILY LP ETAL	10.24
042-010-129-000	PAIVA FAMILY LP ETAL	9.95
042-010-130-000	PAIVA FAMILY LP ETAL	9.87
042-010-131-000	PAIVA FAMILY LP ETAL	9.79
042-120-041-000	PERRY CAROL HUDGINS TRUST	30.11
042-120-042-000	S & S ENTERPRISES	38.02
042-130-072-000	HUDGINS RICHARD ALAN TRUST	7.48
042-130-074-000	HUDGINS RICHARD ALAN TRUST	32.1
042-160-025-000	DIAS JAMES & NANCY FAMILY TRUST	10
042-170-090-000	DIAS JAMES & NANCY FAMILY TRUST	6.19
042-170-091-000	DIAS JAMES & NANCY FAMILY TRUST	7.88
042-170-092-000	DIAS JAMES & NANCY FAMILY TRUST	10.02
042-170-093-000	DIAS JAMES & NANCY FAMILY TRUST	6.35
042-290-021-000	PAIVA FAMILY LP ETAL	40
042-290-027-000	VANELLA BOB & SUSAN D REV TRUST ETAL	97.46
042-340-114-000	CRAIN CHARLES R JR	72.08

047-010-004-000	CRAIN CHARLES R JR	25
047-010-006-000	FARMLAND RESERVES INC AKA	265.5
047-010-014-000	FARMLAND RESERVE INC	120.65
047-010-015-000	FARMLAND RESERVE INC	195
047-010-017-000	FARMLAND RESERVE INC	699.96
047-020-013-000	FARMLAND RESERVE INC AKA	1638.2
047-020-014-000	PINE CREEK RANCH	512.76
047-030-005-000	WILSON PHILIP L & BARBARA I FAMILY TRUST	101.88
047-030-047-000	FARMLAND RESERVE INC	20
047-030-048-000	FARMLAND RESERVE INC	5.7
047-030-051-000	FARMLAND RESERVE INC	38.3
047-030-054-000	FARMLAND RESERVE INC	2.94
047-040-003-000	FARMLAND RESERVE INC	993.1
047-040-004-000	CAM LAND CO LP	267.36
047-040-005-000	CAM LAND COMPANY LP	60
047-040-006-000	FARMLAND RESERVE INC	286.71
047-040-007-000	FARMLAND RESERVE INC	174.18
047-050-010-000	CAM LAND CO LP	77.27
047-060-026-000	TIMMONS FAMILY TRUST	34.6
047-060-031-000	JESSE LEE REAL ESTATE INC ETAL	0.28
047-060-051-000	IRREVOCABLE TRUST NO 404 ETAL	78.7
047-060-052-000	ANDERSEN MICHAEL & KRISTA FAMILY TRUST	92.38
047-060-057-000	JESSE LEE REAL ESTATE INC ETAL	153.6
047-060-061-000	MCGOWAN RICHARD & PAMELA FAMILY TRUST	118.84
047-080-008-000	MARRON DANIEL J SEPARATE TRUST	10
047-080-012-000	FARMLAND RESERVE INC	160
047-080-018-000	PARSLEY LIVING TRUST	61.23
047-080-023-000	GINOCHIO RON & SALLY LIVING TRUST	52.67
047-080-025-000	WILSON PHILIP L & BARBARA I FAMILY TRUST	100
047-080-027-000	NEITLING MARISSA LEE IRREVOCABLE TRUST ETAL	79.93
047-080-029-000	FARMLAND RESERVE INC	206.32
047-080-038-000	SANDERS FAMILY TRUST	90.01
047-080-049-000	GUSTAFSON FAMILY TRUST	40
047-080-050-000	GUSTAFSON FAMILY TRUST	40
047-080-051-000	S & S ENTERPRISES	93.18
047-080-052-000	WILSON PHILIP L & BARBARA I FAMILY TRUST	84.64
047-090-013-000	GINOCHIO RON & SALLY LIVING TRUST	0.21
047-090-015-000	GINOCHIO RON & SALLY LIVING TRUST	3.54
047-100-151-000	MCGOWAN RICHARD & PAMELA FAMILY TRUST ETAL	157.36
047-100-152-000	DEGARMO ROBERT J ESTATE	237.49
047-100-156-000	WILSON PHILIP L & BARBARA I FAMILY TRUST	74.13
047-100-181-000	SCHULLER CHICO INC	56.1
047-100-183-000	KENNEDY MARY K REVOCABLE TRUST	52.91
047-100-200-000	CINQUINI TRUST	162.49
047-110-001-000	FARMLAND RESERVE INC	161.29
047-110-002-000	CRAIN RANCH	198.86
047-110-003-000	FARMLAND RESERVE INC	175.8

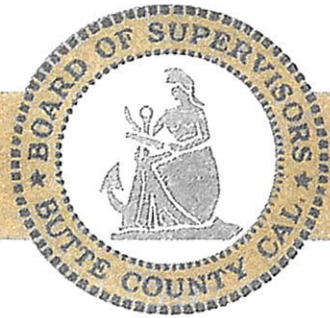
047-110-006-000	PARSLEY LIVING TRUST	123.5
047-110-010-000	GINOCHIO RON & SALLY LIVING TRUST	40.04
047-110-011-000	PARSLEY LIVING TRUST	40.03
047-110-012-000	PARSLEY LIVING TRUST	51.1
047-120-022-000	FARMLAND RESERVE INC	963.65
047-120-023-000	FARMLAND RESERVE INC	570.82
047-130-008-000	GINOCHIO RON & SALLY LIVING TRUST	80
047-130-016-000	MURPHY FAMILY TRUST	6
047-130-024-000	CRAIN RANCH	50.44
047-130-027-000	MCGOWAN GARY T LIVING TRUST ETAL	46.62
047-130-028-000	PARSLEY LIVING TRUST	38
047-130-035-000	A & S RANCHES INC (LESSOR)	160
047-130-041-000	CAM LAND COMPANY LP	80
047-130-047-000	PENDO SHAUNEEN M ETAL	150.06
047-130-071-000	STEVENSON MARGARET ETAL	28.48
047-130-086-000	MURPHY FAMILY TRUST	20
047-130-088-000	ANITA TERRA CORPORATION	2.91
047-130-089-000	MCGOWAN GARY T LIVING TRUST ETAL	160
047-130-090-000	MCGOWAN GARY T LIVING TRUST ETAL	46.62
047-130-093-000	RICE & SONS INC	1.63
047-130-132-000	ARMS MARGARET TRUST	195.35
047-130-133-000	ARMS MARGARET TRUST	5.68
047-130-146-000	CAM LAND COMPANY LP	77.41
047-130-150-000	PARSLEY LIVING TRUST	38.62
047-130-151-000	PAIVA JAMES JR LIMITED PARTNERSHIP	77.32
047-130-152-000	MARRON THOMAS M FAMILY TRUST	44.15
047-130-155-000	MURPHY FAMILY TRUST	14.3
047-130-171-000	RICE & SONS INC	103.28
047-130-173-000	ARMS MARGARET TRUST	52.35
047-130-179-000	MARRON DANIEL J & JULENE L FAMILY TRUST	43.27
047-130-180-000	SHIMIZU BROS INC	43.85
047-130-184-000	RICE KEVIN ETAL	47.61
047-130-185-000	RICE KEVIN ETAL	41.58
047-130-186-000	RICE KEVIN ETAL	54.34
047-130-187-000	ANITA TERRA CORPORATION	54.79
047-130-188-000	ANITA TERRA CORPORATION	68.77
047-130-189-000	PAIVA JAMES JR LIMITED PARTNERSHIP	149.41
047-140-013-000	FARMLAND RESERVE INC	385.23
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047-150-001-000	CRAIN RANCH	44.9
047-150-011-000	PAIVA LIVING TRUST	77.89
047-150-018-000	A & S RANCHES INC (LESSOR)	160
047-150-025-000	PAIVA ORCHARDS LP	158
047-150-028-000	PAIVA FAMILY LIMITED PARTNERSHIP	57.38
047-150-036-000	ED DUTRO CORP	158
047-150-041-000	PAIVA JAMES M & GERALDINE	8.68
047-150-042-000	CRAIN CHARLES R JR	193

047-150-044-000	CRAIN CHARLES R JR	26.45
047-150-067-000	PAIVA LIVING TRUST	150.96
047-150-070-000	PAIVA FAMILY LIMITED PARTNERSHIP	65.23
047-150-086-000	PAIVA LIVING TRUST	53
047-150-091-000	PAIVA LIVING TRUST ETAL	88
047-150-097-000	FARMLAND RESERVE INC	98.4
047-150-112-000	PAIVA LIVING TRUST	3.98
047-150-113-000	FARMLAND RESERVE INC	184.6
047-150-114-000	FARMLAND RESERVE INC	38.5
047-150-118-000	CRAIN CHARLES R JR	60.06
047-150-119-000	CRAIN CHARLES R JR	72.72
047-150-121-000	MCGOWAN RICHARD & PAMELA FAMILY TRUST	0.74
047-150-129-000	CRAIN CHARLES R JR	61.7
047-150-139-000	PAIVA DANIEL LIMITED PARTNERSHIP	41.78
047-150-140-000	PAIVA DANIEL LIMITED PARTNERSHIP	117.86
047-150-141-000	PAIVA DANIEL LIMITED PARTNERSHIP	32.19
047-150-142-000	PAIVA DANIEL LIMITED PARTNERSHIP	25.09
047-150-143-000	PAIVA DANIEL LIMITED PARTNERSHIP	20.85
047-150-150-000	HOGAN FAMILY TRUST ETAL	69.73
047-150-152-000	PAIVA LIVING TRUST	40
047-160-005-000	FARMLAND RESERVE INC	1.41
047-060-037-000	2DSD, LLC	77.38
047-070-038-000	2DSD, LLC	103.03
047-100-032-000	2DSD, LLC	119.81
047-180-011-000	FINCH R EUGENE TRUST ETAL	464.87
047-180-019-000	JAMES R LEWIS ORCHARDS INC	41.4
047-180-021-000	LEWIS JAMES R & SHIRLEY J MARITAL TRUST ETAL	57.6
047-180-032-000	LEWIS JAMES R ORCHARDS INC	95.94
047-180-041-000	JAMES R LEWIS ORCHARDS INC	48.07
047-180-042-000	LEWIS JAMES R & SHIRLEY J MARITAL TRUST ETAL	47.48
047-180-055-000	LEWIS JAMES R & SHIRLEY J MARITAL TRUST ETAL	41.24
047-190-003-000	HAPPY ORCHARDS INC	49.13
047-190-008-000	ED DUTRO CORP	70
047-190-010-000	ED DUTRO CORP	100
047-190-013-000	ED DUTRO CORP	130
047-190-014-000	DAVIT ENTERPRISES LP	158
047-190-021-000	DAVIT ENTERPRISES LP	147
047-190-023-000	PAIVA LIVING TRUST ETAL	46.12
047-190-025-000	HAPPY ORCHARDS INC	246
047-190-031-000	MCGOWAN RICHARD & PAMELA FAMILY TRUST	89.19
047-190-032-000	MCGOWAN RICHARD & PAMELA FAMILY TRUST	114.07
047-190-033-000	VANELLA BOB & SUSAN D REVOCABLE TRUST	101.47
047-260-202-000	ZERMENO ESTELA & GUILLERMO	71.95
047-260-204-000	A & S RANCHES INC	234
047-490-001-000	PAIVA LIVING TRUST	20
047-540-002-000	FARMLAND RESERVE INC	2153.72
047-710-023-000	CUMMINGS ARTHUR D LIVING TRUST	70.15

006-010-106-000	A & S RANCHES INC	88.51
038-160-001-000	R&S SOHNREY FARMS LLC	38.8
038-160-040-000	RANCHO ESQUON INC	2761.54
038-180-010-000	R&S SOHNREY FARMS LLC	34.34
039-200-082-000	WALNUT PARTNERS INC	40
039-200-083-000	WALNUT PARTNERS INC	135.71
039-560-045-000	BERTAGNA JAMES CARL ANTHONY & RACHEL B	10
039-630-001-000	ARCHER RANCH LLC	91.53
039-630-002-000	ARCHER RANCH LLC	100.99
039-630-007-000	ARCHER RANCH LLC	46.51
039-630-008-000	ARCHER RANCH LLC	40.43
039-630-009-000	ARCHER RANCH LLC	101.3
039-630-010-000	ARCHER RANCH LLC	98.68
039-630-011-000	ARCHER RANCH LLC	101.06
039-630-012-000	ARCHER RANCH LLC	150.8
039-640-001-000	DAVIT DAYTON LP	386.34
039-640-004-000	ARCHER RANCH LLC	108.66
047-130-156-000	CAM LAND COMPANY LP	102.68
047-150-138-000	STEPHENS EDMONDS RANCH LLC	342.23

56,429.89

RESOLUTION FROM
BUTTE COUNTY



BOARD OF SUPERVISORS
COUNTY OF BUTTE, STATE OF CALIFORNIA

Resolution No. 17-170

**RESOLUTION IN SUPPORT OF
THE AGRICULTURAL GROUNDWATER USERS OF BUTTE COUNTY INVOLVEMENT IN THE
SUSTAINABLE GROUNDWATER MANAGEMENT ACT PROCESS**

WHEREAS, the Sustainable Groundwater Management Act of 2014 ("SGMA") provides local agencies (counties and cities with land-use authority and single and multipurpose special districts with water management authority) with the directive and authority to manage groundwater locally, with State oversight; and

WHEREAS, high and medium priority groundwater basins must develop and be managed under a Groundwater Sustainability Plan (GSP), which must be submitted to the California Department of Water Resources by January 31, 2022, for the subbasins within Butte County; and

WHEREAS, one of the steps in that process in Butte County is for eligible local agencies in each sub-basin to determine the make-up of a governance structure in their respective groundwater subbasin. The governance agencies, known as Groundwater Sustainability Agencies (GSAs), can be a single entity managing an entire basin or sub-basin or multiple entities; and

WHEREAS, in many counties throughout the Central Valley of California, including Butte County, which are subject to SGMA with high and medium priority sub-basins, there are tracts of land known as "white areas," which are areas within counties that are not within the boundaries of an otherwise eligible local agency; and

WHEREAS, pursuant to SGMA, these "white areas" may be covered and regulated by a county, or they may elect to annex through a Local Agency Formation Commission (LAFCo) process to an eligible local agency with SGMA authority, or petition LAFCo to form a new eligible local agency under SGMA such as a California Water District (Water Code Sections 34000 et.al.); and

WHEREAS, Butte County is located within the Sacramento Valley Basin, and the State has identified four subbasins within the Sacramento Valley Basin per DWR's Bulletin 118, partially located within Butte County: namely Vina, West Butte, East Butte, and Wyandotte Creek; and

WHEREAS, Butte County began a collaborative process in 2015 with all eligible local agencies to reach consensus within the County on principles of GSA formation and future SGMA governance. The goal of this process is to define a set of working principles that are shared among eligible local agencies and that consistently and constructively shape SGMA interaction and decision-making; and

WHEREAS, those principles include the following:

1. Maximize value of familiar structures and relationships;
2. Acknowledge all key interests of eligible local agencies;
3. Respect legally recognized rights;
4. Anticipate GSP requirements;
5. Make use of basin boundary adjustments;
6. Comply with SGMA regulations;
7. Identify opportunities to address interests of current non-GSA stakeholders;
8. Distribute costs in an equitable manner as possible;
9. Respect mutual interests in maintaining independent decision-making; and

WHEREAS, the "white areas" of Butte County within the four subbasins are not represented by other eligible local agencies and will therefore be represented by Butte County unless these areas choose to annex to an eligible local agency or form a new one; and

WHEREAS, some landowners in Butte County that are within these "white areas" have expressed interest to Butte County and the Butte LAFCo to explore the formation of a new California Water District to better represent their interests in the on-going stakeholder process; and

WHEREAS, the Agricultural Groundwater Users of Butte County recognizes and respects the leadership of Butte County and in its efforts to create a workable and cooperative structure to discuss GSP development and to identify GSAs among the existing eligible local agencies and eliminate overlap within the four subbasins by June 30, 2017; and

WHEREAS, the Agricultural Groundwater Users of Butte County recognizes and respects the leadership of Butte County to move forward to complete a comprehensive GSP by January 31, 2022; and

WHEREAS, inherent in this process and timeframe, Butte County will endeavor through the stakeholder process to develop a governance structure, for SGMA oversight of each of the four subbasins within Butte County consistent with the nine principles enumerated above; and

WHEREAS, principle number 7 above, recognizes that "private pumpers" in "white areas" can at any point now or in the future pursue formation of additional local agencies for purposes of water transfers, delivery, storage or other uses identified in the enabling legislation and perform such other activities typically performed by water districts; and

WHEREAS, Butte County recognizes the value of input into the SGMA process by the Agricultural Groundwater Users of Butte County, which is comprised of a group of landowners who farm in Butte County.

NOW, THEREFORE, BE IT RESOLVED:

1. The County of Butte will continue to work with eligible local agency stakeholders within Butte County with the collaborative process to identify subbasin GSAs and an ultimate governance structure, and the Agricultural Groundwater Users of Butte County will openly and earnestly participate and cooperate in that process as "private pumpers".
2. If, and when, the Agricultural Groundwater Users of Butte County desire to move forward with creation of a new California Water District or other type of eligible local agency with the dual purpose of: a) SGMA responsibility, and b) exercising powers and duties as a special district as authorized by the Water Code

for water purveyance and ancillary activities, Butte County will work constructively, cooperatively and collaboratively with landowners on the formation process of a new eligible local agency for involvement in SGMA issues.

3. As a governance structure for implementation of SGMA is discussed among, and ultimately decided by all eligible local agencies within the four subbasins within the County, the County of Butte and the Agricultural Groundwater Users of Butte County will work together to advocate for and implement landowner representation within each applicable governance structure/entity as applied to each of the four subbasins.
4. Furthermore, the County of Butte and the Agricultural Groundwater Users of Butte County support governance structures in each subbasin that will recognize and allow for new eligible local agencies to become members of the governance structure in compliance with SGMA.

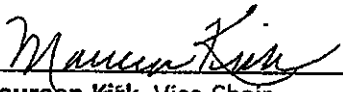
PASSED AND ADOPTED by the Butte County Board of Supervisors this 10th day of October, 2017, by the following vote:

AYES: Supervisors Wahl, Lambert, Teeter, and Vice Chair Kirk

NOES: None

ABSENT: Chair Connelly

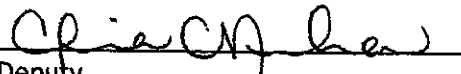
NOT VOTING: None



Maureen Kirk, Vice Chair
Butte County Board of Supervisors

ATTEST:

Paul Hahn, Chief Administrative Officer
and Clerk of the Board of Supervisors

By: 
Deputy

LETTER FROM
PAUL GOSSELIN



Water and Resource Conservation

Paul Gosselin, Director

308 Nelson Avenue
Oroville, California 95965

T: 530.552.3595
F: 530.538.3807

buttecounty.net/waterresourceconservation
bwwater@buttecounty.net

January 14, 2019

Richard McGowan
30 Independence Circle
Chico, CA 95973

Re: Water District Formation Status

Dear Rich:

In 2017, the Butte County Board of Supervisors adopted a Resolution in Support of the Agricultural Groundwater Users of Butte County (AGUBC) Involvement in the Sustainable Groundwater Management Act (Resolution 17-170). The Resolution reads in part, "if, and when, the Agricultural Groundwater Users of Butte County desire to move forward with creation of a new California Water District or other type or eligible local agency with the dual purpose of: a) SGMA responsibility, and b) exercising powers and duties as a special district as authorized by the Water Code for water purveyance and ancillary activities, Butte County will work constructively, cooperatively and collaboratively with landowners on the formation process of a new eligible local agency for involvement in SGMA issues." In 2018, the AGUBC and the County began collaborating on the formation of a Water District. The discussions have been very productive. Due to the Camp Fire, a lot of time has passed since we last met. I wanted to take this opportunity to provide you with an update on some of the considerations to form a Water District.

To recap, the AGUBC is scoping the objectives for a Water District under the Water Code. It is my understanding that the Water District would have among its primary responsibilities to:

- receive and distribute surface water to agricultural landowners
- conduct groundwater recharge projects
- protect water rights
- participate in implementing the Sustainable Groundwater Management Act locally

These initial objectives are consistent with Resolution 17-170 and would be beneficial to the successful implementation of the groundwater management plans. As you know, one of the major County initiatives is to identify and implement recharge projects. One of the most promising options is in-lieu recharge by providing available surface water to groundwater dependent areas. The Water District would serve a critical role in providing surface water to existing groundwater dependent agricultural areas. We anticipate the Water District working in close partnership with Butte County to scope and implement viable projects.

I understand that the AGUBC is considering a number of options in regards to the service boundary and enabling authority for the Water District. I do not believe that any of the options would be inconsistent with County interests.

The other consideration for district formation is that of timing. This is a good time to begin the process for district formation since it will take significant time to work out the details of the scope, extent, and objectives of the new Water District and complete the LAFCo process. The subbasins in the Butte County are on track to complete Groundwater Sustainability Plans (GSP) by the January 2022 deadline. Having a Water District formed to inform promising management actions and recharge projects during plan development will be valuable. After the GSP is completed, the Water District would a valuable local entity to continue to explore and implement strategies for effective groundwater management in its jurisdiction.

We had discussed having the County be the lead agency in the special district formation process. The Water District formation process requires an environmental review. I met with Butte County Development Services. There are not many examples of environmental documents for special districts. The last special district formed under Butte County was the Resource Conservation District. We are going to investigate the environmental document used to form the RCD and environmental documents used for other special district formations. I do not anticipate that the environmental review will be a major undertaking, yet it will afford the benefit of transparency.

We look forward to continuing our collaboration on the formation of the Water District.

Regards,



Paul Gosselin, Director

Cc: Christina Buck, DWRC, Assistant Director

Darren Rice

Todd Turley

Ed McLaughlin

LETTERS OF
ENDORSEMENTS

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0003
(916) 319-2003
FAX (916) 319-2103

E-MAIL

Assemblymember.Gallagher@assembly.ca.gov

Assembly
California Legislature



JAMES GALLAGHER
ASSEMBLYMEMBER, THIRD DISTRICT

DISTRICT OFFICES
1130 CIVIC CENTER BOULEVARD, SUITE F
YUBA CITY, CA 95993
(530) 671-0303
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2060 TALBERT DRIVE, SUITE 110
CHICO, CA 95928
(530) 895-4217
FAX (530) 895-4219

April 27, 2020

To Whom It May Concern:

I support the formation of the Tuscan Water District. The proposed Tuscan Water District, becoming a California Water District when approved, will be comprised of 95,000 acres from the Tehama County line to the northern border of the Western Canal Water District in Durham. Formation of this district will better allow groundwater pumpers in Butte County to support the sustainability and management of our groundwater resources.

In 2014, the Sustainable Groundwater Management Act (SGMA) was signed into law, providing a framework for the local management of groundwater to provide for the overall sustainability of groundwater basins. To accomplish this, SGMA outlined a path by which local jurisdictions would create Sustainable Groundwater Management Plans, approved by the State, and implemented and managed locally.

The Tuscan Water District will be a valuable part of groundwater management because currently there is no water district in the Vina basin that can manage the area it covers in its entirety. A district is necessary to oversee and maintain groundwater resources, provide representation of the landowners, and coordinate water projects and usage throughout the basin. A Board of Directors made up of landowners and/or landowner representatives from within the district's boundary will govern the District. All groundwater-using landowners – small and large, domestic and agricultural – will have representation in this governance process.

Butte County is not best suited to provide the necessary oversight and stakeholder representation. The County has already noted it is not interested in undertaking this endeavor. Even though a plan for sustainability has not been finalized, allowing Butte County to oversee the basin management will likely limit opportunities for infrastructure improvements necessary to provide sustainability and dilute the overall representation of the stakeholders. A district where impacted stakeholders can elect their own representation would seem to be the best form of governance.

When SGMA was signed into law, Governor Brown boasted that "groundwater management in California is best accomplished locally." The Tuscan Water District will ensure that groundwater users in the Vina basin are able to do just that by providing an organized, representative body that can effectively manage their precious groundwater resource and participate in the decision-making process for Butte County's groundwater future.

Our region, which is largely agricultural in nature, has long been a responsible steward of our land, water and natural resources. The Tuscan Water District will continue this legacy and help meet the management needs of our local groundwater resources. I would respectfully ask that you give their application the utmost consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Gallagher".

James Gallagher
Assemblymember, Third District



CALIFORNIA FARM BUREAU FEDERATION

2600 RIVER PLAZA DRIVE, SACRAMENTO, CA 95833-3377 • PHONE (916) 561-5520 • FAX (916) 561-5690

4/06/2020

To Whom It May Concern:

The California Farm Bureau Federation (CFBF) works to protect family farms and ranches on behalf of nearly 34,000 members statewide and as part of a nationwide network of nearly 5.6 million Farm Bureau members. I am writing this letter on behalf of the members we represent in Butte County. CFBF strongly supports their efforts in the formation of the Tuscan Water District. The formation of the Tuscan Water District would strengthen and better allow groundwater pumpers in Butte County a more organized pathway to groundwater sustainability and management.

In 2014, the Sustainable Groundwater Management Act (SGMA) was signed into law, with a framework for the management and use of groundwater without causing undesirable results on groundwater basins. To accomplish this, SGMA outlined a path by which local jurisdictions would create Sustainable Groundwater Management Plans, that would be approved by the State, and implemented and managed through means including development of local infrastructure.

The Tuscan Water District, a California Water District when approved, would be comprised of 95,000 acres from the Tehama County line south to the northern border of the Western Canal Water District in the Durham area.

Upon signing SGMA into law, Governor Brown stated that "groundwater management in California is best accomplished locally." Unfortunately, unlike the many surface water districts who already have well run local governance, agricultural and domestic groundwater users in many outlying areas were not in a legal position to represent themselves as an organized body to achieve SGMA compliance. As a result, many California groundwater users were left to be represented by the SGMA-defined catchall, the County. Many county governments, however, themselves lack, not only financial resources and institutional structures to effectively managed groundwater, but also the direct interest and motivation of affected pumpers and private landowners to devise tailored solutions to the needs of a targeted portion of a basin. The formation of the Tuscan Water District will ensure that groundwater users are at the table and part of the discussion and decision-making process for Butte County's groundwater future, and that they are also able to act nimbly and efficiently in pursuing the best possible management options for their own uniquely local challenges.

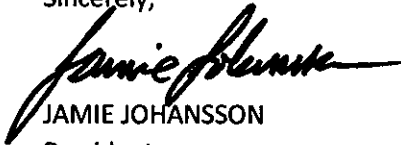
The Tuscan Water District would be governed by a Board of Directors, all of whom will be landowners and/or landowner representatives from within the district's boundary. All landowners will have an opportunity to participate in the governance process – small and large landowners, domestic and agricultural pumpers. Moreover, as SGMA requires, the District would coordinate closely with all other portions of the larger basin of which they are a part, to comply with the law and achieve the basin's long-term sustainability goals.

The new district would directly serve users and residents of the area, to whom it would be directly accountable. The district would remain engaged with the County of Butte and undergo the county's local

LAFCO process as part of its formation. As a GSA, the new district would enjoy the legal powers and privileges of other districts, including the ability to acquire water, to contract, to apply for and obtain water rights, to issue regulations, to assess fees, to require reporting and monitoring, to operate systems, and to finance and incur debt in connection with the local infrastructure needs of the area—all necessary tools in the toolkit of any local area to effectively meet the challenge of long-term, sustainable management under SGMA.

For all these reasons, consistent with SGMA's strong affirmation of responsible local management, the California Farm Bureau Federation extends its full support in favor the proposed Tuscan Water District formation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie Johansson", with a stylized flourish extending to the right.

JAMIE JOHANSSON
President



March 31, 2020

RE: Support for the formation of the Tuscan Water District

To whom it may concern:

The Butte County Farm Bureau recommends, without reservation, the formation of the Tuscan Water District to allow groundwater pumpers in Butte County an organized pathway to groundwater sustainability and management.

In 2014, the Sustainable Groundwater Management Act (SGMA) was signed into law, with a framework for the management and use of groundwater without causing undesirable results on groundwater basins. To accomplish this, SGMA outlined a path by which local jurisdictions would create Sustainable Groundwater Management Plans, that would be approved by the State, and implemented and managed by local infrastructure.

The Tuscan Water District, a California Water District when approved, would be comprised of 95,000 acres from the Tehama County line south to the northern border of the Western Canal Water District in the Durham area.

Why do we need the Tuscan Water District? There is currently no water district in the Vina basin that can manage the area it covers in its entirety. A district is necessary to oversee and maintain groundwater resources, provide representation of the landowners and coordinate water services such as future infrastructure projects to move surface water into the basin.

Opponents would argue that Butte County is better suited to fulfill the basin oversight role. The County has already noted that they are not interested in water delivery to the basin area to support recharge. While a plan for sustainability has not been finalized, allowing Butte County to oversee the basin management will almost certainly limit opportunities for recharge which is a priority solution option in seeking basin sustainability.

The Tuscan Water District would be governed by a Board of Directors, all of whom will be landowners and/or landowner representatives from within the district's boundary. All landowners will have an opportunity to participate in the governance process – small and large landowners, domestic and agricultural pumpers.

Governor Brown boasted when he signed SGMA into law that "groundwater management in California is best accomplished locally." Unfortunately for a county like Butte, our agricultural and domestic groundwater users, whom would be most impacted by SGMA, were not in a legal position to represent themselves as an organized body, like the many surface water districts who already have well run local governance. The groundwater users were left to be represented by the SGMA defined catchall, the County. The Tuscan Water District will ensure that groundwater users are at the table and part of the discussion and decision-making process for Butte County's groundwater future.

We have heard from Butte County's groundwater users, many of whom are our Butte County Farm Bureau members, and the overwhelming message from these landowners is they want the Tuscan Water District to be their representative. That is why the Butte County Farm Bureau offers this letter of endorsement, with unanimous support from the Board of Directors of our 103-year-old organization.

The agricultural economy is the backbone of Butte County's economy. As we have done for well over 200 years, and quite successfully, agriculture looks forward to the continued conscientious use of our natural resources, the ability to protect our local landscape, ensure jobs for North State residents and continue to raise generations of our families in Butte County. The Tuscan Water District will meet the need for local oversight and ensure that the users of the groundwater resource have the ability to be part of the solution making process.

Respectfully,

A handwritten signature in black ink, appearing to read 'Lee Heringer', written over the printed name.

Lee Heringer
President

Monroeville Water District

109 N Marshall Ave
Willows, CA 95988

April 6, 2020

Stephen Lucas
Executive Officer
Butte Local Agency Formation Commission
1453 Downer Street, Suite C
Oroville, CA 95965

Dear Mr. Lucas,

On behalf of the Monroeville Water District, we offer our strong support for formation of the Tuscan Water District.

The Monroeville Water District is a recently formed water district in Glenn County, which has sustainable groundwater management as its principal purpose.

Like the Monroeville Water District, the Tuscan Water District is an effort by local groundwater dependent landowners to actively participate in sustainable groundwater management, which is precisely the sort of active involvement it will take from all of us, in order for us to successfully manage and preserve groundwater in our region for future generations.

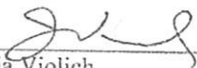
As fellow farmers, ranchers, and residents in the Northern Sacramento Valley, we support the Tuscan Water District's goals of managing and coordinating the beneficial use of ground and surface water.

As neighbors to our east, the Tuscan Water District aims to fill a gap in ground and surface water management in the region, and in doing so, will work to preserve the life and livelihood of future generations in the Sacramento Valley.

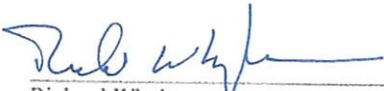
We strongly support its formation. Please do not hesitate to contact us if you have any questions, or if we can be of any assistance in the formation of this proposed district.

Thank you for your time and attention to this matter.

Sincerely,



Julia Violich
Director



Richard Whyler
Director



Richard McGowan

March 18, 2020

Butte Groundwater Users Association

75 Declaration Drive #11

Chico, CA 95926

Dear Richard,

This is being written to express the M&T Ranch's support for the formation of the Tuscan Water District in Butte County. The new water district will be M&T's neighbor on both our east side as well as our north side and we feel its formation will benefit not only this ranch but farmers from all over Butte County as well.

Thank you for all your and your Board's time and effort in accomplishing this task. It will prove very beneficial to farmers and ranchers and Butte County in the future. We hope LAFCO is able to process your application as quickly as is possible.

Yours truly,

A handwritten signature in black ink, appearing to read 'LH', written over a large, stylized circular flourish.

Les Heringer

Manager, M&T Ranch



FARM DOLLARS AT WORK



April 16, 2020

VIA FIRST CLASS MAIL

Stephen Lucas, Executive Officer
Butte Local Agency Formation Commission
1453 Downer Street, Suite C
Oroville, CA 95965

Re: Formation of Tuscan Water District

Dear Mr. Lucas:

At the March 17, 2020 meeting of the Board of Directors of Durham Irrigation District, representatives of the Agricultural Groundwater Users of Butte County, including Rich McGowan, Darren Rice, and Ed McLaughlin, discussed the intended formation of the Tuscan Water District and the reasons therefor and the benefits thereof. Their presentation was well organized and persuasive. They requested the District's support of their efforts.

On behalf of the Board, I wish to inform you of our conceptual support for the formation of the Tuscan Water District. As we well know, under the Sustainable Groundwater Management Act (SGMA) it is imperative that groundwater users within the sub-basin whose lands are not within existing water or irrigation districts have the means to manage and protect their groundwater resources and through the district provide water services to themselves and their neighbors.

Durham Irrigation District does this for its landowners and residents. It is a member of the Vina Subbasin Joint Powers Agency and in such capacity, is working closely with the County of Butte and the City of Chico, the other parties to the JPA, in developing a Groundwater Sustainability Plan for these purposes.

We therefore support localized control over sustainability efforts and see the formation of the Tuscan Water District as an effort to protect the groundwater resources upon which landowners and residents within the proposed District are dependent. Our support, however, is conceptual at this time, as the particulars of the proposed District remain incomplete. We will follow carefully proceedings before Butte LAFCo for the formation of the District and trust as they are fleshed out publicly, we may be able to fully support such.

We look forward to participating in the LAFCo process concerning formation of the Tuscan Water District.

Thank you,

Matt Doyle, Chair

cc: Richard McGowan

DIRECTORS

GREG JOHNSON
ERIC LARRABEE
BRYCE LUNDBERG
DANIEL ROBINSON
JOSH SHEPPARD



OFFICERS

TED TRIMBLE
GENERAL MANAGER
& SECRETARY

ATTORNEY

DUSTIN COOPER
MINIASIAN LAW FIRM

April 6, 2020

To Whom It May Concern:

The Western Canal Water District (WCWD) supports the concept of the formation of the Tuscan Water District. WCWD applauds the foresight of landowners wishing to take a more active role in managing their water resources. Indeed, WCWD formed back in 1984 for similar purposes when it acquired the water rights and conveyance system from Pacific Gas & Electric Co.

We look forward to reviewing the application for formation through the Butte County Local Agency Formation Commission.

Sincerely,

A handwritten signature in blue ink that reads "Ted Trimble".

Ted Trimble,
General Manager

DIRECTORS
LYLE JOB
WALT MEYER
GARY STONE



SEAN EARLEY, SECRETARY/ MGR.
DUSTIN COOPER, ATTY.
KELBY SHEPPARD, TREASURER

RICHVALE IRRIGATION DISTRICT

P.O. Box 147
RICHVALE, CALIFORNIA 95974-0147
TEL. (530) 882-4243
FAX: (530) 882-4580
E-mail: searley@richvaleid.com

4/8/20

Steve Lucas
Butte Local Agency Formation Commission
1453 Downer Street, Ste C
Oroville, CA 95965

Mr. Lucas,

On behalf of the Richvale Irrigation District, Board of Directors, please accept our support for the concept of forming the proposed Tuscan Water District in the Vina Sub-basin of Butte County. With the passage of the Sustainable Groundwater Management Act (SGMA) it is imperative that those within the sub-basin have the means to manage and protect groundwater resources for all beneficial uses.

Richvale Irrigation District is one of the oldest surface water/irrigation districts in Butte County. It was formed by forward thinking people that understood the importance of a consistent source of water. The Tuscan Water District organizers are trying to follow along those same lines. While the District has not yet received and reviewed Tuscan's application of formation with Butte LAFCO, the District has communicated with its proposed founding landowners and supports the concept of Tuscan's formation. Having another water district in Butte County only makes the entire county stronger. When people are organized and have a face, it is much easier to manage a resource.

We support localized control over groundwater sustainability goals and see this as an effort to protect our local water resources, as well as domestic and agricultural groundwater dependent landowners. The formation of the Tuscan Water District will ensure that rural lifestyles and generations of the local farmers will continue.

If Tuscan is ultimately formed, we look forward to working with it as a local public water agency. We believe that the formation of the Tuscan Water District is a helpful step to achieving groundwater sustainability in the Vina Sub-basin.

Thank you,

A handwritten signature in dark ink, appearing to be "Sean Earley", written in a cursive style.

Sean Earley
General Manager