

**MEMORANDUM OF UNDERSTANDING  
ESTABLISHING WORKING RELATIONSHIP BETWEEN THE  
TUSCAN WATER DISTRICT AND THE COUNTY OF BUTTE GROUNDWATER  
SUSTAINABILITY AGENCY**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into by and between TUSCAN WATER DISTRICT, a California water district (**Tuscan**), and COUNTY OF BUTTE GROUNDWATER SUSTAINABILITY AGENCY (**COB GSA**) this 28 day of January, 2025 (**Effective Date**). Tuscan and COB GSA may each be referred to individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

**A.** Tuscan is a newly created California water district within Butte County formed to provide its landowners with a public agency to sustainably manage groundwater resources within Tuscan’s boundaries, including, within those boundaries, implementation of the Sustainable Groundwater Management Act (**SGMA**) as well as the adopted the Groundwater Sustainability Plans (**GSP**) for the Butte Subbasin (**Butte Subbasin GSP**).

**B.** The County of Butte serves as a groundwater sustainability agency (**COB GSA**) within the Butte Subbasin (Subbasin 5-021.70) for those areas not served by another GSA, and is responsible for preparing, adopting, and implementing the Butte Subbasin GSP within portions of the County’s boundaries. The boundaries of Tuscan include portions of the Butte Subbasin for which COB GSA has those responsibilities.

**C.** The boundaries of the Tuscan overlap a portion of the COB GSA’s boundaries. Tuscan was formed in 2024, well after the COB GSA became a GSA in October 2015 to serve as a GSA within portions of the Butte Subbasin. Tuscan is not a GSA and has not adopted the Butte Subbasin GSP. However, the Tuscan recognizes the Butte Subbasin GSP is the planning document that provides guidance with regard to achieving groundwater sustainability in the Butte Subbasin, including the land within the Tuscan boundary. Tuscan’s primary purpose as a California water district is to sustainably manage groundwater resources within its boundaries and pursue projects and management actions designed to achieve and maintain groundwater sustainability.

**D.** County commented to the Local Agency Formation Commission of the County of Butte (**LAFCo**) during the Tuscan formation process. In its September 28, 2021 comment letter, County supported formation of Tuscan, subject to, among other things, the following condition:

“Projects and Programs conducted by the district must be consistent with Projects and Management Actions or implementation activities as described in the relevant Groundwater Sustainability Plan in the Vina or Butte Subbasin. Such a condition could help address concerns regarding representation and harm to small landowners due to large landowners dominating the decisions and actions of the district.”



E. LAFCo, by its Resolution No. 18 2022/2023, approved the formation of Tuscan. LAFCo's Certificate of Completion for the formation of Tuscan dated February 1, 2024 and recorded on the same date as Document No. 2024-0003918 in the Official Records of Butte County (**Certificate of Completion**) identifies the conditions of formation required by LAFCo. Condition 13 (**Condition 13**) requires Tuscan within one year from recordation of the Certificate of Completion to enter into a memorandum of understanding with the Butte Subbasin GSAs whose jurisdictional boundaries overlap with Tuscan establishing the formal government to government working relationship between Tuscan and those GSAs including (1) acknowledgment of the roles of each agency under SGMA, and methods for communication, cooperation and collaboration, and (2) establishing points of contact and any other matter leading to cooperation in the implementation of their respective GSP, and identifying Tuscan as a GSA partner.

F. The Parties desire to enter into this MOU to comply with Condition 13.

THEREFORE, the Parties agree as follows:

### **AGREEMENT**

1. **Purpose.** The purpose of this MOU is to establish a formal collaborative and cooperative working relationship between Tuscan and COB GSA, in its capacity as a Butte Subbasin GSA, in the implementation of the Butte Subbasin GSP, enabling Tuscan to serve as a partner with County in its role as a GSA implementing SGMA within those subbasins.

2. **Acknowledgement of Roles.**

(a) **Tuscan:**

1. Tuscan will represent its landowners in the development of projects and activities funded by Tuscan in achieving groundwater sustainability.
2. Tuscan will serve as a partner with the COB GSA and provide support through COB GSA's implementation of projects and management actions as identified in the Butte Subbasin GSP for those areas within the COB GSA's boundaries that overlap the Tuscan. The Tuscan acknowledges that the GSP may be amended from time to time.
3. Except as otherwise provided in this MOU, Tuscan may participate in the implementation of SGMA and the Butte Subbasin GSP to the same extent as any stakeholder within the Butte subbasin.

(b) **COB GSA:**

1. COB GSA will fulfill its duties and responsibilities as a GSA in the Butte Subbasin; the GSA has not delegated to Tuscan, and will retain, all of its authority as a GSA under SGMA, including all of its authority to amend and implement the Butte Subbasin GSP.



2. The COB GSA shall continue to fulfill its respective duties as a GSA, which may include, but is not limited to annual reports, updates to the Butte Subbasin GSP, continued collaboration with the Department of Water Resources, and implementation of projects and management actions identified for the COB GSA in the Butte Subbasin GSP. In the event COB GSA collaborates with Tuscan on any of those projects and management actions, COB GSA reserves for its discretion the scope of that collaboration.
3. **Methods for Communication, Cooperation, and Collaboration.** The Parties shall communicate, cooperate, and collaborate in the following ways:
  - (a) **Information Sharing:**
    1. The Parties agree to share data, studies, reports, and other information related to groundwater conditions, Butte Subbasin GSP projects and management actions, and other topics reasonably related to groundwater management in those subbasins.
    2. The Parties shall each commit to timely and transparent communication regarding any changes or updates to projects and management actions that may affect the other Party.
  - (b) **Cooperation and Collaboration:**
    1. Tuscan may participate in the development and implementation of groundwater projects and management actions within the overlapping area of the boundaries of COB GSA and Tuscan, so long as that participation is consistent with the governing GSP and also does not interfere with County's activities as a GSA or otherwise.
    2. The Parties will use their best efforts to identify opportunities to work together on groundwater management projects and management actions benefitting the sustainability goals outlined in the Butte Subbasin GSP, as the case may be.
    3. The Parties may collaborate to secure grants and funding for Butte Subbasin GSP projects and other groundwater sustainability actions in those subbasins.
4. **Points of Contact.** Tuscan and COB GSA shall each designate and maintain a primary point of contact to facilitate communication and coordination between the two agencies. In the event of any change in the point of contact, the designating Party shall promptly notify the other of the change. The designated points of contact for each Party shall meet, either in-person or by videoconference, at least annually to discuss water management activities in the COB GSA boundaries within the Butte Subbasin that overlap with Tuscan, including ongoing GSP implementation efforts, opportunities for collaboration, and any potential challenges needing to be addressed.

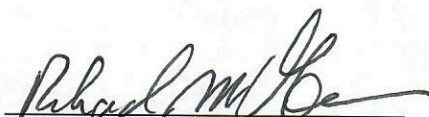
5. **Term, Termination, and Amendment.**

- (a) This MOU will remain in effect for a period of five (5) years following the Effective Date and may be extended upon mutual agreement of the Parties.
- (b) Either Party may terminate this MOU upon sixty (60) days' written notice to the other Party. However, before sending any notice of termination to the other Party, the Party seeking termination of this MOU shall meet and confer informally with the other Party to attempt resolution of any concern or dispute giving rise to its desire to terminate this MOU.
- (c) This MOU may be amended or modified in writing by mutual consent of both Parties at any time during the term of MOU.

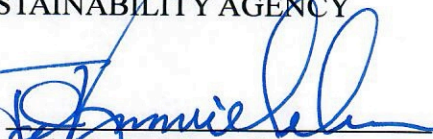
6. **General Provisions.**

- (a) Except as expressly provided in this MOU, nothing in this MOU creates any financial rights or obligations between the Parties. Any sharing of costs between the Parties will be the subject of a separate written agreement between the Parties.
- (b) This MOU (i) is the final and complete expression of the agreement between the Parties regarding its subject matter and may not be contradicted by evidence of any prior or contemporaneous oral or written agreement or representation, (ii) may not be amended, nor may any of its provisions be waived, except by an instrument in writing signed by both Parties, (iii) will be construed according to the laws of the State of California, and (iv) has been jointly negotiated and drafted, and Civil Code section 1654 will not apply in its interpretation.

TUSCAN WATER DISTRICT

By:   
Richard McGowan, President

COUNTY OF BUTTE GROUNDWATER  
SUSTAINABILITY AGENCY

By:   
Tod Kimmelshue, Chair