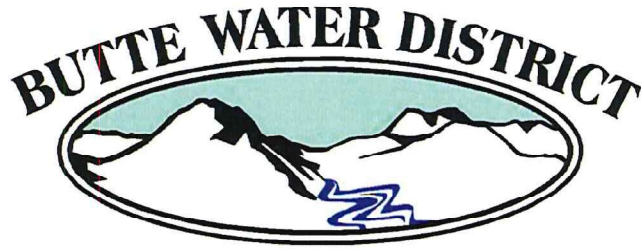


DIRECTORS:

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**NOTICE OF BUTTE WATER DISTRICT'S INTENT TO SERVE AS GROUNDWATER
SUSTAINABILITY AGENCY FOR A PORTION OF THE
EAST BUTTE SUBBASIN**

This letter constitutes notice to the Department of Water Resources (DWR), pursuant to Water Code sections 10723(d) and 10723.8, of Butte Water District's (District) intent to undertake sustainable groundwater management of the East Butte Subbasin (the Basin) as a Groundwater Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (SGMA). This notice of intent is timely filed within 30 days of the date the District's Board of Directors (Board) approved a resolution electing to serve as a GSA. The resolution is attached hereto as Exhibit A and a map showing the District's service area boundaries, which are coterminous with the District's proposed GSA management area, is attached to the resolution as an exhibit. No new bylaws, ordinances, or other new authorities were adopted in connection with this resolution to serve as GSA.

As of the date of this notice, only Richvale Irrigation District has notified the District of its intent to serve as GSA for the Basin, and DWR has posted Richvale's notice of intent pursuant to Water Code section 10733.3.¹ Richvale's proposed GSA management area is adjacent to and partially overlapping with the District's. Other entities that would be eligible to serve as GSAs in the District's proposed GSA management area include the Counties of Sutter and Butte and the Cities of Live Oak, Gridley, and Biggs. Should they elect to serve as GSA, the GSA management areas of Western Canal Water District, Biggs-West Gridley Water District, and the Cities of Live Oak, Gridley, and Biggs may be near, adjacent to, or overlapping the District's proposed GSA management area. Thermalito Water and Sewer District is another potential GSA in the Basin, but it is outside of the District's proposed GSA management area.

Interested parties within the District's proposed GSA management area, determined pursuant to Water Code section 10723.2, include:

(a) Holders of overlying groundwater rights, including:

(1) Agricultural users

The District's proposed GSA management area is composed almost entirely of agricultural users, most of whom have a preexisting relationship with the District.

¹ The Butte County Board of Supervisors passed Resolution No. 15-039 on March 24, 2015, declaring its intent to be GSA for groundwater basins within Butte County, including the portion of the Basin within Butte County, but no notice of intent has been posted on DWR's website, nor was notice provided to the District.

(2) Domestic well owners

There are domestic wells within the GSA, however, based on current and likely future groundwater conditions in the Basin, it is anticipated that the GSP will exclude domestic wells.

(b) Municipal well operators

Cities of Gridley, Live Oak, and Biggs

(c) Public water systems

Cities of Gridley, Live Oak, and Biggs

(d) Local land use planning agencies

Counties of Butte and Sutter; Cities of Gridley, Live Oak, and Biggs

(e) Environmental users of groundwater

There are environmental users of groundwater within and near the District's proposed GSA management area. These environmental users pump groundwater to provide habitat to migrating waterfowl and other species.

(f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies

N/A.

(g) The federal government, including, but not limited to, the military and managers of federal lands

N/A. None within the District's proposed GSA management area.

(h) California Native American tribes

N/A. None within the District's proposed GSA management area.

(i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems

Cities of Live Oak, Gridley, and Biggs.

(j) Entities listed in Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency

Such entities, if any exist, are included above.

Under Water Code section 10723.8(a)(4), this notice must explain how the interests of the interested parties identified above will be considered in the development and operation of the GSA and the development and implementation of the GSP. The District is committed to an open

and inclusive process to implement SGMA. Interested parties will have opportunities, both formal and informal, to provide input to the District throughout the process of developing, operating, and implementing the GSA and GSP. Such opportunities may include, but are not limited to, public comment periods required by SGMA (e.g., Water Code section 10728.4); opportunities for public comment during the District's regular and special board meetings; and at other times to be determined and noticed pursuant to Water Code section 10727.8(a)).

Dated: September 21, 2015



Mark Orme, General Manager
Butte Water District

RESOLUTION NO. 2015-06
ELECTION TO SERVE AS GROUNDWATER SUSTAINABILITY AGENCY

WHEREAS, the Sustainable Groundwater Management Act of 2014 ("SGMA") was signed into law on September 16, 2014; and

WHEREAS, SGMA requires that each California groundwater basin or subbasin be managed by a Groundwater Sustainability Agency (GSA), or multiple GSAs, and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (GSP) or multiple GSPs; and

WHEREAS, Butte Water District (District) overlies a subbasin of the Sacramento Valley Groundwater Basin known as the East Butte Subbasin (Basin No. 5-21.59 in the Department of Water Resources' CASGEM system), an unadjudicated groundwater basin overlying portions of Butte and Sutter Counties (the "Basin"); and

WHEREAS, the District, as a local agency overlying the Basin, is authorized to be a GSA for the Basin; and

WHEREAS, notice of a public hearing to consider whether the District should elect to be a GSA for the Basin, a copy of which is attached hereto as Exhibit A, was published in the Gridley Herald and in the Appeal Democrat, on August 26th and again on September 2, pursuant to section 6066 of the Government Code, as required by section 10723(b) of the Water Code; and

WHEREAS, courtesy copies of the hearing notice were also sent to each of the Basin's other potential GSAs, including the Boards of Supervisors of Butte and Sutter Counties, Biggs-West Gridley Water District, Western Canal Water District, Richvale Irrigation District, Thermalito Water and Sewer District, Sutter Extension Water District, and the cities of Oroville, Biggs, Gridley, and Live Oak.

WHEREAS, the District held a public hearing at which its Board of Directors considered whether the District should become a GSA for the Basin; and

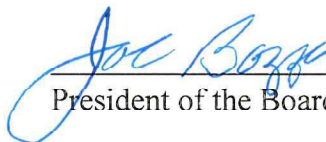
WHEREAS, it would be in the best interest of the District to become a GSA for the Basin;

NOW, THEREFORE, BE IT RESOLVED, ORDERED, AND DIRECTED that:

1. The District hereby elects to be the exclusive Groundwater Sustainability Agency for at least that portion of the East Butte Subbasin that is shown the map attached hereto as Exhibit B and incorporated herein by this reference.
2. Within 30 days of the date of this Resolution, the General Manager is directed to submit a notice of the District's intent to the Department of Water Resources, pursuant to Water Code section 10723.8(a).
3. The General Manager shall, after complying with Water Code section 10727.8, begin the process of developing the District's Groundwater Sustainability Plan for the Basin in accordance with all applicable statutes and regulations.
4. The General Manager shall create and maintain a list of persons interested in receiving notices concerning the District's SGMA process pursuant to section 10723.4 of the Water Code.
5. The General Manager shall evaluate the feasibility and potential benefits of pursuing a modification to the boundaries of the Basin.
6. The General Manager shall provide regular progress reports on the SGMA implementation process to the Board at least quarterly.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Butte Water District held on September 10, 2015, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTAIN:	0



President of the Board of Directors

ATTEST:

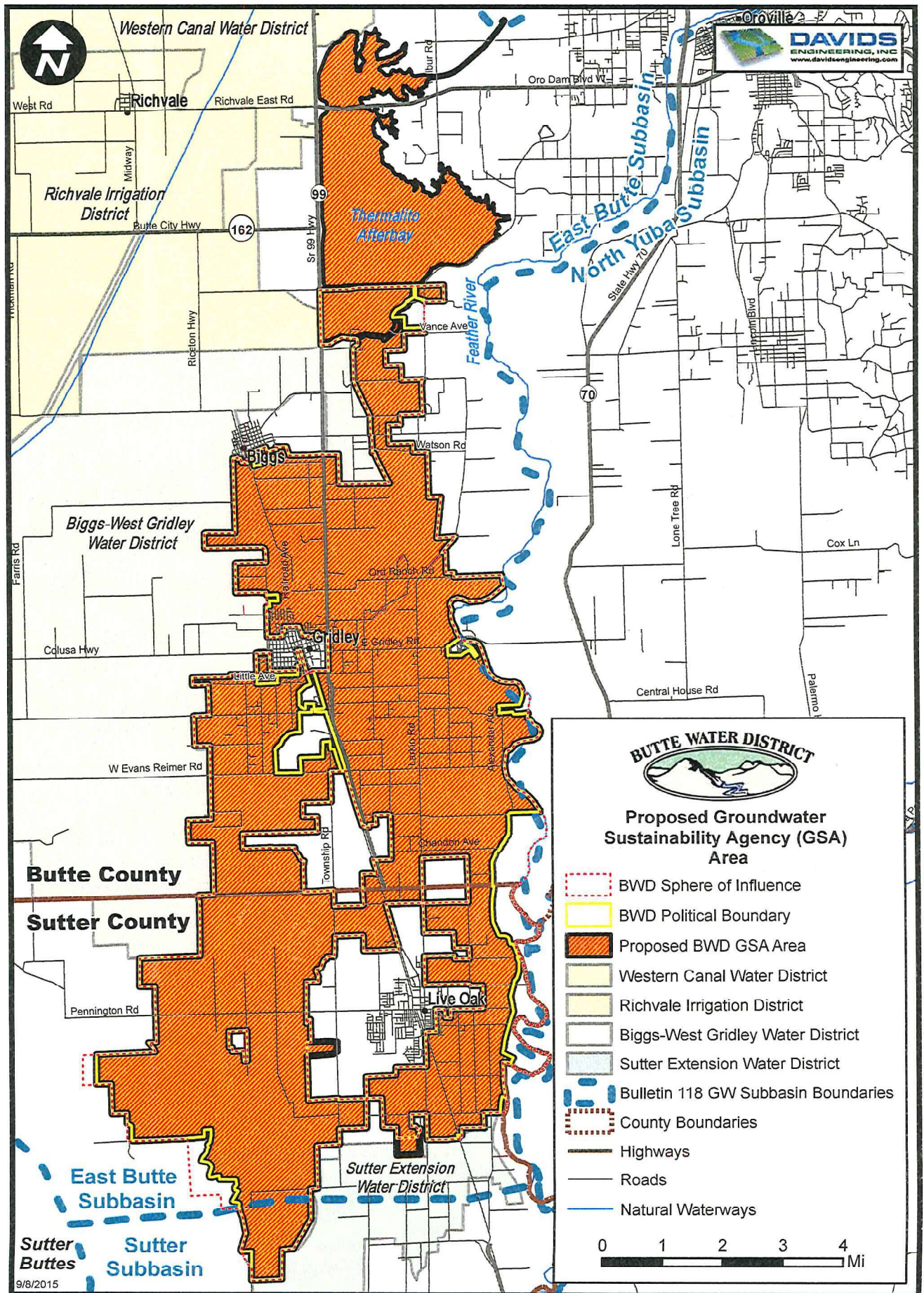


Secretary of the Board of Directors



Exhibit "A"

BUTTE WATER DISTRICT Notice of Public Hearing- Election to Become Groundwater Sustainability Agency Under the Sustainable Groundwater Management Act NOTICE IS HEREBY GIVEN that, pursuant to Water Code section 10723, Butte Water District will hold a public hearing during its regular meeting on September 9, 2015, commencing at 10:00 a.m. at the District's office at 735 Virginia Street, Gridley, CA, 95948, to determine whether the District will elect to become a Groundwater Sustainability Agency for a portion of the East Butte Subbasin of the Sacramento Valley Groundwater Basin. Written comments may be submitted to the District, Attn: Mark Orme, General Manager, by 5:00 pm. on September 8, 2015, by mail or hand delivery to the address above. During the hearing, the District will allow oral comments, and will receive additional written comments before making a decision. The presiding officer may limit oral comments to a reasonable length. Date: August 21, 2015, Mark Orme, General Manager.



PROOF OF PUBLICATION

No. BUTTE WATER DIST

In The Matter of

PUBLIC HEARING- ELECTION NOTICE

(State of California)
(County of Butte) as
The undersigned resident of the County of
Butte, State of California, says:

That I am, and at all time herein mentioned
was a citizen of the United States and not a party
to nor interested in the above entitled matter;
that I am the principal clerk of the printer and
publisher of:

The Gridley Herald

That said newspaper is one of general
circulation as defined by Section 6000
Government Code of the State of California,
Case No. 27,207 by the Superior Court of the
State of California, in and for the County of
Butte; that said newspaper at all times herein
mentioned was printed and published twice a
week (on Wednesdays and Fridays) in the City
of Gridley and County of Butte; that the notice
of which the annexed is a true printed copy, was
published in said newspaper on the following
days:

AUGUST 26, SEPTEMBER 2, 2015

I certify (or declare), under penalty of perjury,
that the foregoing is true and correct, at Gridley,
California.

Dated SEPTEMBER 2, 2015

at Gridley, California

ALICE JOHNSON-COOPER

(Signature)

BUTTE WATER DISTRICT Notice of Public Hearing- Election to Become Groundwater Sustainability Agency Under the Sustainable Groundwater Management Act **NOTICE IS HEREBY GIVEN** that, pursuant to Water Code section 10723, Butte Water District will hold a public hearing during its regular meeting on September 9, 2015, commencing at 10:00 a.m. at the District's office at 735 Virginia Street, Gridley, CA, 95948, to determine whether the District will elect to become a Groundwater Sustainability Agency for a portion of the East Butte Subbasin of the Sacramento Valley Groundwater Basin. Written comments may be submitted to the District, Attn: Mark Orme, General Manager, by 5:00 pm. on September 8, 2015, by mail or hand delivery to the address above. During the hearing, the District will allow oral comments, and will receive additional written comments before making a decision. The presiding officer may limit oral comments to a reasonable length. Date: August 21, 2015, Mark Orme, General Manager.
Publish: August 26, September 2, 2015 (The Gridley Herald)