

**REGULAR MEETING OF THE BOARD OF DIRECTORS OF
THE TUSCAN WATER DISTRICT**

**Wednesday, April 17, 2024; 9:00 a.m.
North Valley Agricultural Services 4936 Bell Road, Chico, CA 95973**

AGENDA

1. Call to Order
2. Roll Call
3. Pledge of Allegiance

ACTION ITEMS

4. Review and approve minutes for the March 20, 2024 meeting.
5. Receive a report from the Finance Ad Hoc Committee and take appropriate action.
6. Receive a report from the Management Ad Hoc Committee and take appropriate action.
7. Discuss LAFCO Conditions of Approval 6b, 9, 12, and 13 and take appropriate action.
<https://bit.ly/3Jhcm2M>

REPORT ITEMS

8. Receive an update from the Butte County Farm Bureau on the Butte County SWEEP Program. Information only.
9. Requests of the Board of Directors for future agenda topics.
10. Communications received.

PUBLIC COMMENT

11. At this point in the meeting, members of the public are invited to provide comment regarding any matter not appearing on today's agenda. The District reserves the right to limit each comment to three minutes per speaker.

ADJOURN

NOTES

In compliance with the American with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services, to participate in this meeting, please email info@tuscanwaterdistrict.org by Noon on Tuesday prior to this meeting.

Written material related to an item on this agenda that is distributed less than 72 hours prior to this meeting to at least a majority of the members of the legislative body will be available for inspection during the meeting at North Valley Agricultural Services, 4936 Bell Road, Chico, CA 95973.

Written material distributed during a public meeting will be available for public inspection at the meeting, if prepared by the District or a member of its legislative body, or after the meeting if prepared by some other person.

**MINUTES OF THE TUSCAN WATER DISTRICT
SPECIAL MEETING**

**Meeting of Wednesday, March 20, 2024; 9:00 a.m.
North Valley Agricultural Services 4936 Bell Road, Chico, CA 95973**

AGENDA

1. Call to Order
 - a. The meeting was called to order at 9:07 a.m.
2. Roll Call
 - a. Board members present: Steve Koehnen, Rich McGowan, Andrew Mendonca, Rayme Antonowich, Craig Knight, Todd Turley, Brian Mori.
 - b. Board members absent: James Paiva Jr., Ed McLaughlin
 - c. Public present: Joe Hughes, Tovey Giezentanner, Kamie Loeser, Emily Alma, Susan Schrader, Jeff Obser

ACTION ITEMS

4. Election of Officers
 - a. **President: Rich McGowan.** Steve Koehnen made Motion. Andrew Mendonca seconded the Motion. Passed 7-0.
 - b. **Vice President: Steve Koehnen.** Rich McGowan made Motion. Rayme Antonowich seconded the Motion. Passed 7-0.
 - c. **Secretary: Rayme Antonowich.** Rayme made Motion. Rich McGowan seconded the Motion. Passed 7-0.
 - d. **Treasurer: Andrew Mendonca.** Andrew made Motion. Steve Koehnen seconded the Motion. Passed 7-0.
5. February 21, 2024 TWD Meeting Minutes
 - a. Steve Koehnen comment: add Darren Rice to Item 2b (public present).
 - b. **Brian Mori Motion made Motion to incorporate Koehnen comment and approve. Rayme seconded the Motion. Passed 7-0.**
6. Adoption of Resolution 24-01 Establishing Date, Time, and Location of Regularly Scheduled Board Meetings
 - a. Brian Mori comment – send out electronic invites to get it on calendar (done).
 - b. Rich McGowan asked – what happens during harvest. Joe Hughes provided context – if no quorum, can cancel or reschedule.
 - c. Todd Turley comment – if you are going to be absent, let someone know.
 - d. **Rayme Antonowich made Motion to approve Resolution 24-01. Todd Turley seconded the Motion. Passed 7-0.**
7. TWD Board received a briefing from AGUBC regarding the District’s formation and conditions of approval. Briefing is posted to the website.

8. The TWD Board engaged in a discussion regarding near-term priorities. The TWD Board explored various near-term funding options and discussed several near-term needs, including hiring staff support and legal counsel, compliance with various conditions in the Certificate of Completion, and passing a revenue generating measure.
9. The TWD Board formed a Management Ad Hoc Committee (Rich McGowan, Steve Koehnen, Ed McLaughlin, Craig Knight) and directed the ad hoc committee to:
 - a. Identify potential legal counsel.
 - b. Identify any consultants the Board may need for the management and operation of the District.
10. The TWD Board formed a Finance Ad Hoc Committee (Brian Mori, Rayme Antonowich, Andrew Mendonca, Todd Turley) and directed the ad hoc committee to:
 - a. Discuss the District's current financial position.
 - b. Develop a preliminary budget for Years 1-10.
 - c. Develop a finance plan with recommendations for immediate, short-term, and long-term needs.

REPORT ITEMS

11. Correspondence. No correspondence was received.

PUBLIC COMMENT

12. No public comment was received.

ADJOURN

13. The meeting was adjourned at 11:00 a.m.

Tuscan Water District Finance Ad Hoc Committee Report

Formed on March 20, 2024

Committee Members:

Brian Mori, Rayme Antonowich, Andrew Mendonca, Todd Turley

Meeting Summary:

On Monday, March 25, 2024, the Finance Ad Hoc Committee convened via Zoom with the objective of addressing the District's immediate financial requirements, drafting a preliminary budget for the upcoming fiscal year, and formulating a short-term financing strategy.

Near-Term Funding Needs:

The committee agreed that, pending the approval of a long-term revenue measure anticipated no later than February 1, 2025, expenditures should prioritize staff support, legal services, and the successful passage of a revenue measure such as Proposition 218.

Draft Budget Overview:

The proposed budget includes the following allocations for the period from April 1, 2024, to February 1, 2025

- Staff support: ~\$40,000 for administrative and operational assistance.
- Legal support: Up to \$50,000 for legal advice and services.
- Passage of a Long-Term Revenue Measure: Up to \$60,000 for an engineer's report, printing, and postage, among other things.
- Total budget: Approximately \$150,000.

Funding Strategy:

While several funding sources and repayment options were considered, the committee approached the Agricultural Groundwater Users of Butte County (AGUBC) to inquire about potential financial support.

AGUBC's Response:

AGUBC convened on Thursday, March 28, 2024, and agreed to provide up to \$150,000 to cover the costs outlined by the committee. AGUBC is willing to make the contribution without expectations of repayment but asks that the contribution not be factored into the engineer's report for TWD assessments. The funding would also be conditional upon the absence of any litigation against Butte County or Butte LAFCO concerning the TWD formation process. Confirmation of this condition is expected as early as April 2, 2024, and will be verified by Jennifer Buckman or legal counsel for Butte County or Butte LAFCO.

Tuscan Water District Management Ad Hoc Committee Report

Formed on March 20, 2024

TWD Management Ad Hoc Members:

Rich McGowan, Steve Koehnen, Craig Knight, Ed McLaughlin

On Tuesday, March 26, 2024, the Management Ad Hoc Committee convened with the primary objectives of identifying potential legal counsel, exploring necessary consultant services for the management and operation of the District, and addressing staff support needs. This report summarizes the discussions held, the candidates and firms considered, and outlines the next steps in the decision-making process.

Regarding potential legal counsel:

- The Ad Hoc interviewed the following two individuals on April 8, 2024:
 - Joe Hughes, Managing Partner, Klein, DeNatale, Goldner
 - Josh Horowitz, Shareholder, Bartkiewicz, Kronick & Shanahan
- Their bios are attached for your review and consideration.

Mr. Hughes works primarily in Kern and Fresno counties and represents Central Valley Project and State Water Project water agencies and counsels Groundwater Sustainability Agencies in the implementation of SGMA as well as landowners as they manage and protect their water rights. Mr. Hughes has worked closely with AGUBC over the years on many water and Groundwater Sustainability Plan related issues and is currently assisting the TWD during this early start-up phase.

Mr. Horowitz works primarily in the Sacramento Valley and serves as General Counsel to several special districts, including urban water and wastewater agencies and agricultural water suppliers. Mr. Horowitz also serves as an assistant counsel to other public agency clients of the firm and assists clients in administrative and civil litigation concerning water rate and elections challenges, tax and rate collection, property disputes, water-right disputes and permitting, and contract validation. Mr. Horowitz's predecessor, Dick Shanahan (who retired in early 2023), and partner Jennifer Buckman, represented TWD petitioners during TWD's formation phase.

Regarding staff support:

- Tovey Giezantanner is currently providing staff support on behalf of AGUBC.
- The attached job solicitation was developed and placed on the TWD website and forwarded to the TWD Board, the Butte County Farm Bureau, and Butte County Department of Water and Resource Conservation for distribution to interested parties.
- There may be additional support needed to complete various compliance-related items.
- No response to the job solicitation was received.

Regarding support for Revenue Measure:

- Information was also solicited input from the following two firms:
 - Provost & Pritchard – assisting Biggs-West Gridley WD. Local and highly recommended.
 - Hansford Economic Consulting – BCDWRC staff recommendation.
 - Larsen Wurzel & Associates – Worked with Yolo FC&WCD in Yolo County.
- If desired by the Board, the Management Ad Hoc is willing to conduct interviews and provide additional feedback at the next Board meeting.

Joseph D. Hughes | Managing Partner



Joseph D. Hughes, Managing Partner
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Joe Hughes is a partner in the firm and leader of the Water and Public Agency practice group. Joe represents water agencies and private entities to obtain, develop, manage, and transfer water and water rights. Joe also counsels Groundwater Sustainability Agencies in the implementation of the Sustainable Groundwater Management Act as well as landowners as they manage and protect their groundwater rights. He is AV® rated by Martindale-Hubbell, the highest level of distinction.

Practice Focus

Water and Public Agency Law

Bar Admissions

State Bar of California, 1993

Education

Bachelor of Arts, University of California at Santa Barbara, 1990
- Majors in Political Science and Communication Studies
Juris Doctor, Santa Clara University School of Law, 1993

Professional Associations

General Counsel
-Westside Water Authority
-Arvin-Edison Water Storage District
-Kings River Water Association
-Kings River Conservation District
-Cuyama Basin Groundwater Sustainability Agency
-East Kaweah Groundwater Sustainability Agency

Kern County Bar Association

-Member of the Board of Directors, 2015-2021
-President, 2020

Association of California Water Agencies

-Member of the Legal Affairs Committee, 2012-Present

Community Involvement and Leadership

Kern County Museum Foundation
-Member of the Board of Trustees, 2013-2021
-Chairman, 2017-2021

Alta Sierra Mutual Water Company

-Member of the Board of Directors, 2014-2021
-President, 2017-2021

Kern County Employees Retirement Association

-Member of the Board of Trustees, 2004-2012; 2021- Present
-Chairman, 2009

Kern County Law Library

-Member of the Board of Trustees, 2002-2017

Greater Bakersfield Legal Assistance, Inc.

-Member of the Board of Directors, 2000-2011

Judge Pro Tem, Small Claims, Kern County Superior Court, 2001-2004

Professional Experience

Klein, DeNatale, Goldner, Cooper, Rosenlieb & Kimball, LLP, 2006-Present
-Managing Partner, 2014-2018, 2019-Present
Kuks, Parker & Hughes, Associate & Partner, 1995-2005
Kern County Counsel, Deputy County Counsel, 1994

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JOSHUA M. HOROWITZ

Shareholder, Bartkiewicz, Kronick & Shanahan, APC
California Bar No. 186866

Mr. Horowitz has been an attorney since 1996. He received his undergraduate degree with honors from Middlebury College, Middlebury, Vermont. He received his law degree from the University of California, Davis King Hall School of Law and was a recipient of the Martin Luther King, Jr. Public Service Award. Mr. Horowitz was Bartkiewicz, Kronick & Shanahan's managing partner from 2015 through 2022.

Mr. Horowitz's practice focuses primarily on advising public agency clients as general legal counsel on a variety of issues, including: water rights and water transfers; Proposition 218 and related public finance, development and user fee matters; SGMA implementation and compliance; conflict of interest, ethics and Brown Act/Public Records Act compliance; real property transactions; public works project development and construction; elections, utility enterprise operations; government claims and insurance coverage; contracting and grant funding; utility service obligations and operations; and local government organization and reorganization.

Mr. Horowitz serves as General Counsel to a number of special districts, including urban water and wastewater agencies and agricultural water suppliers. Mr. Horowitz also serves as an assistant counsel to other public agency clients of the firm. Mr. Horowitz has represented the firm's public agency clients in administrative and civil litigation concerning water rate and elections challenges, tax and rate collection, property disputes, water-right disputes and permitting, and contract validation.

Mr. Horowitz's practice has included the following specific projects:

- Successfully represented a countywide water agency in a State Water Resources Control Board proceeding for the issuance of a new water right permit under a 1927 state filing.
- Advising water and wastewater agency clients on Proposition 218 rate increase and assessment levy proceedings, including working with consultants to produce defensible rate studies and engineer's reports, preparing public hearing notices and ballot materials, and advising governing bodies and management on rate and assessment approvals and responding to challenges to proposed rates.
- Representing a public agency client in litigation challenging a proposed referendum to roll back a new water rate structure, which ultimately resulted in a new legal precedent confirming that a referendum cannot be used to challenge an agency's adoption of new water rates.
- Representing a countywide water agency in administrative proceedings and litigation challenging a proposed initiative to tax water transfer revenues.
- Advising clients on SGMA implementation and compliance, including GSA formation and basin boundary adjustments.
- Participating as co-drafter of the Sites Reservoir joint powers agreement.

- Assisting clients with negotiating and implementing multiple water transfers.
- Advising a client on forming a new California water district.
- Advising a City on its water rights and service obligations related to the proposed annexation of a major new development project.
- Assisting various public agencies in the issuance and closing of over \$625 million in debt issuances to finance capital facilities projects.
- Advising a county water district during its consolidation with a neighboring county water district under the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000 and providing continuing general counsel services to the consolidated district, including advising it in new consolidation discussions with other agencies.
- Advising an irrigation district on all aspects of providing a water supply to a proposed 3,500-unit residential development including: (1) provision of retail treated water service to the development; (2) negotiating funding and water supply agreements; (3) preparing and implementing a public outreach strategy; and (5) assisting in the preparation of a SB 610 water supply assessment.
- Advising a community services district on the formation of community facilities districts to finance a wastewater treatment facilities expansion and negotiating related agreements with the developers to ensure that they paid their full, fair share of the district's costs of facilities to serve their developments.
- Negotiating on behalf of a countywide water agency, which was Pacific Gas & Electric's largest contact hydroelectric generator, for PG&E's assumption of the generation contract in its 2001 bankruptcy proceedings.

Mr. Horowitz also has been active in professional and legislative matters, including:

- Co-author of the revised *Guidelines for Conduct and AB 1234 Compliance – A Primer for Public Agency Officials* published by the Association of California Water Agencies.
- Co-designing ACWA's AB 1234 ethics training program and conducting ethics training seminars for ACWA in the northern California area.
- Reviewing and editing the League of California Cities' *Open and Public IV: A User's Guide to the Ralph M. Brown Act*.
- Assisting in drafting and updating the ACWA handbook on Proposition 218 compliance issues.
- Presenting on SGMA, drought, public agency governance, and district consolidation issues.

Before joining BKS in 2000, Mr. Horowitz practiced at Bardellini, Straw & Cavin in San Ramon, California, specializing in real property litigation and transactions and business counseling. In 1997, Mr. Horowitz served as law clerk to the Honorable Elaine M. Watters of the Sonoma County Superior Court. During law school, Mr. Horowitz interned in the Chief Counsel's Office of the California Department of Water Resources, assisting staff counsel on various issues including water rights, supply and quality, endangered species, and dam operations. Before practicing law, Mr. Horowitz worked for over eleven years in agribusiness management and commodities trading at a major multi-national exporting company.

Mr. Horowitz is a member of the State and Sacramento County Bar Associations and is admitted to practice in all state courts and the United States Court of Appeals for the Ninth Circuit and the United States District Courts for the Eastern and Northern Districts of California.

TWD Staff Support Contract Solicitation

The Tuscan Water District (TWD) is currently seeking a highly qualified and experienced professional or firm to serve as an independent contractor, providing staff support to its Board of Directors. This role is crucial for assisting the newly established California Water District in addressing a range of organizational, compliance, and public process-related challenges.

The contract is set for a duration of 10 months, starting from April 1, 2024, through January 31, 2025, with a compensation package of \$35,000 for the entire contract period.

Key Responsibilities

The selected candidate or firm will be responsible for the following key tasks:

- **Monthly Board Meetings Support:** This includes preparing monthly meeting agendas, staff packets, and related information. The role also involves attending these meetings, taking minutes, updating the website with relevant documents, and ensuring compliance with Brown Act requirements for posting agendas and packets.
- **Compliance with LAFCO Requirements:** The staff support will coordinate with the Local Agency Formation Commission (LAFCO) and other relevant bodies to ensure TWD meets various conditions set by LAFCO. These conditions include developing applications for Municipal Services Review, establishing electoral divisions, developing memorandums of understanding with Groundwater Sustainability Agencies, inspecting assessable areas within TWD boundaries, establishing an appropriations limit, and hiring a consultant for enacting a special assessment or other revenue measures.
- **Logistical and Financial Support:** Tasks include coordinating the identification and approval of permanent office and board meeting spaces, developing interim and long-term budgets, setting up bank accounts with appropriate approval and accounting processes, managing the TWD website, and handling inquiries from TWD landowners.

Qualifications and Experience

The ideal candidate or firm should possess:

- A minimum of 10 years of experience in leadership roles within water or farm management, public administration, grant management, or related fields. Experience in general management or senior management roles in special districts or non-profit organizations is highly desirable.

- A bachelor's degree in water management, finance, legal, engineering, or related fields is preferred, though not mandatory. Advanced degrees or certifications in relevant areas will be considered an advantage.
- Strong leadership, strategic thinking, and problem-solving skills, coupled with excellent communication and interpersonal abilities to effectively engage with diverse groups.
- A deep understanding of water management issues in Butte County and the Vina GSA, as well as financial management, legal, and regulatory frameworks.

Application Process

Interested candidates are invited to submit the following documents by April 12, 2024:

- A current resume detailing relevant experience and education.
- A cover letter expressing interest in the position and outlining how qualifications align with the role's responsibilities and requirements.
- Contact information for at least three professional references.

Applications and inquiries should be directed to the Tuscan Water District at info@tuscanwaterdistrict.org.

This opportunity represents a significant role in supporting the Tuscan Water District in its foundational stages and contributing to the effective management and compliance of the district's operations.

Agenda Item 7

Discuss LAFCO Conditions of Approval 6b, 9, 12, and 13 and take appropriate action

By August 1, 2024:

Condition 6(b):

- Requires TWD to submit an Application to LAFCO to conduct a municipal service review (MSR) and determine the long-term sphere of influence.
- Next Steps:
 - Adopt a resolution authorizing submittal of an Application.
 - Direct staff to submit an Application to LAFCO NLT August 1, 2024.
 - Request that LAFCO defer processing the Application until after the successful passage of a revenue-generating measure.

Condition 9:

- Requires TWD to adopt a resolution requesting the Butte County Board of Supervisors to establish electoral divisions based on equal size (acres).
- Next Steps:
 - Direct staff to meet with County, LAFCO, and Elections staff to discuss.
 - Adopt a resolution before August 1, 2024, requesting the Board of Supervisors to establish electoral divisions consistent with the outcome of the discussion.
 - Request that the Board of Supervisors defer action on this condition until after the successful passage of a revenue generating measure.

By February 1, 2025:

Condition 12:

- Requires TWD to enact a special assessment or other revenue measure generating sufficient annual revenue for the ongoing operation of the District.
- Next steps:
 - Hire a consultant at the May board meeting to conduct the process to enact the revenue generating measure.

Condition 13:

- Requires TWD to enter into a memorandum of understanding (MOU) with the Vina GSA and the Butte Basin GSA establishing the formal, government to government working relationship between the Tuscan Water District and the GSAs.
- Next steps:
 - Consider directing staff and legal to meet with Vina and Butte Basin GSA staff to discuss this condition and generate draft MOUs for consideration.

- b. Selection of an initial nine (9) members of the Board of Directors based on the nine candidates who receive the most votes with each landowner having one vote for each dollar's worth of land to which the landowner holds title.
 - c. The formation election ballot questions are as set forth in Procedural Actions 4.F. below.
3. Prior to filing the Certificate of Completion, a revised legal description and boundary map(s) shall be submitted to reflect the service area of the Tuscan Water District as adopted by the Commission.
 4. The effective date of the Tuscan Water District formation will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
 5. The new District is not expected to receive any revenue from the proceeds of taxes for the first full fiscal year of operation. Therefore, the Commission determines provisionally under Government Code section 56811(a) that the District will not be subject to any appropriations limit. After it is formed, the Tuscan Water District shall determine the permanent appropriations limit (if any) as soon as feasibly possible consistent with Government Code §§ 56811(a) & 57120. The planned special assessment revenue is not considered "proceeds of taxes" that would be subject to an appropriations limit.

Boundaries

6. a. Pursuant to G.C. 56426.5.(b), the Commission hereby adopts an interim Sphere of Influence for the District that is coterminous with the proposed District boundaries. As a special condition of that Sphere, the sphere shall be reduced to a zero sphere and the District dissolved if the District does not successfully enact a revenue measure for the District in accordance with Condition 12 below within one year from the date of recording the Certificate of Completion as provided in Section 57077.1(c)(1) without protest or election. The Executive Officer may extend this one-year deadline based on good cause demonstrated by the District.
- b. Within 6 months of the recording of the Certificate of Completion for the formation of the Tuscan Water District, the Board of Directors of the Tuscan Water District shall submit an application to LAFCo to conduct a municipal service review (MSR) and determine the long term sphere of influence for the new district to LAFCo and that all fees and costs associated with the application shall be borne by the applicant (TWD), including an initial deposit in an amount deemed appropriate by the Executive Officer. The failure to execute this condition will result in the Commission applying a zero sphere of influence and initiating corrective actions up to and including, dissolution of the District.

Governance – Board of Directors

7. The initial Board of Directors of the Tuscan Water District shall be composed of nine (9) members as provided for in the California Water Code section 34700.
8. The initial TWD board of directors will be elected at large based on a one vote for each dollar of assessed land value formula pursuant to Water Code sections 34400-34403, 34700, 34422-34424, 35003-35125, and the Uniform District Election Law. Candidates for the TWD board of directors must be qualified pursuant to Water Code section 34700. Candidates may

self-nominate themselves but must demonstrate to the Elections Official their qualification to be a member of the board when doing so. If candidates are nominated by other individuals or entities, the candidate's qualification to be a member of the board must be stated in the nomination submitted to the Elections Official. If it has not been demonstrated to the satisfaction of the Elections Official that a candidate is qualified to be a member of the board, that candidate's name will not appear on the ballot.

9. The TWD board of directors shall within six (6) months from the date of the recording of the Certificate of Completion, adopt a resolution requesting the Board of Supervisors to establish electoral divisions based on equal size (acres) and the boundaries thereof in accordance with Water Code sections 35025 and 35026. The number of divisions shall be equal to the number of directors. (WC35025) The failure to execute this condition will result in the Commission initiating corrective actions up to and including, dissolution of the District.
10. The BOS shall at the time of calling the formation election for the proposed district, prescribe the procedure for the nomination of candidates for the initial board of directors of the district in accordance with Water Code section 34403 and other applicable provisions of the Water Code and Elections Code. The BOS shall make use of the nomination process and qualifications specified in Condition 8 above.

Governance – Future Voting

11. Conversion to Registered Voters. In accordance with Water Code sections 35040-35041, the Board of Directors of the Tuscan Water District shall, between January 1 and March 30 of each year, inspect the assessable area within the district. At such time as at least 50 percent of the assessable area within the district is devoted to and developed for residential, industrial, or nonagricultural commercial use, or any combination thereof, such fact shall be certified to the board of directors by the secretary of the district. Any time after such certification, the registered voters residing within the district may petition for a change in the voting procedure from a landowner-voting district to a resident-voting district pursuant to Water Code section 35042 *et seq.*

Governance – Finance

12. The formation of the TWD shall be contingent upon a successful vote on the formation as determined pursuant to Water Code Section 34500. The continuing operation of the District shall require that the TWD enact a special assessment or other revenue measure generating sufficient annual revenue for the ongoing operation of the District in an amount not less than \$445,600/year on all land within the District receiving a special benefit or property-related service. If the revenue measure is not successfully enacted by the District within one year of the recording of the certificate of completion, pursuant to G.C. 56886(o) the Water District shall be dissolved in accordance with the procedure set forth in G.C. 57077.1(c)(1). As an integral part of the formation conditions, the District Board shall be deemed to have initiated such dissolution in the event it fails to meet the one-year deadline. The Commission may extend this deadline for good cause upon request by the Water District.

Intergovernmental Coordination – SGMA and Water

13. The Tuscan Water District, shall within one (1) year from the date of the recording of the Certificate of Completion, enter into a memorandum of understanding (MOU) with the Vina Basin and Butte Basin Groundwater Sustainability Agencies establishing the formal,

government to government working relationship between the Tuscan Water District and the GSA's to include acknowledging the roles of each agency in the SGMA environment, methods for communication, cooperation and collaboration, establishing points of contact and any other matter that leads to cooperation in the implementation of the GSP for the basin. The MOU should identify the Tuscan Water District as a GSA partner, pursuant to the sustainable Groundwater Management Act, Water Code section 10720 et. seq. The MOU shall be provided to the LAFCo Executive Officer upon completion. The failure of the District to successfully enter into a MOU with the GSA's within one year of the Certificate of Completion being recorded, the Tuscan Water District shall be dissolved by LAFCo at the request of the TWD Board of Directors. If an agreement cannot be reached with the GSA's, the TWD can request LAFCo to mediate a resolution and/or extend this deadline for an additional period to be determined by LAFCo or modify the condition.

14. Per the MOU required in Condition No. 13, all activities, actions, projects, and proposals initiated by the Tuscan Water District within its jurisdictional boundaries related to the direct or indirect management of groundwater resources, including groundwater recharge options, shall be submitted to the appropriate GSA for review and cannot be implemented or initiated until and unless, the affected GSA Board determines in writing that the proposed activities, actions and proposals are consistent with the applicable GSP. Requests not deemed consistent with the GSA's GSP are prohibited.
15. Tuscan Water District shall submit any proposals, plans or projects regarding any extraction, use, or transfer of groundwater as defined in Butte County Chapter 33 (Groundwater Conservation), to the Butte County Department of Water and Resource Conservation for review and such proposals cannot be implemented or initiated until and unless, the Butte County Board of Supervisors or the Director of Butte County Department of Water and Resource Conservation determines in writing that the proposed activities, actions and proposals are consistent with the Butte County Code Chapter 33 (Groundwater Conservation). Requests not deemed consistent with the Butte County Chapter 33 are prohibited. The Tuscan Water District shall adhere to all the laws of the County of Butte.
16. The Tuscan Water District shall not have the power to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for any drainage or reclamation works within the jurisdictional boundaries or sphere of influence of the Rock Creek Reclamation District without the written consent of the Rock Creek Reclamation District Board of Directors.

General Powers and Functions

17. That pursuant to the applicable Water Code Sections the Tuscan Water District is authorized to exercise all powers and authorities subject to the following restrictions in a-e below:
 - a. The Tuscan Water District shall not have the powers to export, transfer, or move water underlying the Tuscan Water District (including groundwater pumped into an above ground storage facility) outside the Vina or Butte Subbasins. For purposes of this Condition "groundwater" shall have the meaning set forth in Water Code Section 10721(g) as follows: "Groundwater" means water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water but does not include water that flows in known and definite channels unless included pursuant to Section 10722.5.