NOTICE OF PREPARATION OF DRAFT ENVIRONMENTAL IMPACT REPORT AND NOTICE OF PUBLIC SCOPING MEETING REGARDING THE PROPOSED BUTTE WATER DISTRICT TEMPORARY WATER TRANSFERS FROM 2026 TO 2030 PROJECT

Notice is hereby given that the Butte Water District (BWD) will be the Lead Agency and prepare an Environmental Impact Report (EIR) for the Temporary Water Transfers from 2026 to 2030 Project (Project). BWD has determined that an EIR must be prepared for the Project prior to making any final decision regarding whether to approve the Project in accordance with the California Environmental Quality Act (CEQA). The BWD Board of Directors will consider the EIR when determining how to move forward with the Project.

BWD is requesting any responsible/trustee/cooperating agency or interested person to participate, review, and provide input on how the Project may affect the environment. If you are an authorized representative of an agency with authorization of facilities that may be affected, BWD needs to know the views of your agency as to the scope and content of the environmental information that is relevant to your agency's statutory responsibilities in connection with the Project. Agencies will need to use the EIR when considering permits or other approvals. Please provide the name, address, telephone number and email address of the contact person for your agency.

BWD is seeking an examination of scope and content of the goals, objectives, policies, and actions to guide and protect the physical, environmental, economic, and social conditions on lands and in the surrounding communities within the proposed pipeline alignment.

Project Title: Temporary Water Transfers from 2026 to 2030 Project

Project Applicant: Butte Water District
735 Virginia Street
Gridley, CA. 95948

Project Location:
The Project area, from which the water for the Project's proposed water transfer would be made available, is defined by the BWD boundaries, which is situated approximately 50 miles north of Sacramento and 85 miles south of Redding (see Figure 1 below).

Project Description:
District Background
The Butte Water District (District or BWD) was formed in 1956 and may divert up to 133,200 acre-feet (AF) of water during the defined irrigation season under the terms of a 1969 Agreement on Diversion from the Feather River with the State of California, acting by and through the Department of Water Resources (DWR) and allocated through a 1970 Joint Operating Agreement with Butte Water District, Richvale Irrigation District, Biggs-West Gridley Water District, and Sutter Extension Water District, known collectively as the Joint Water Districts. As a result of these agreements, BWD's water is diverted from the Thermalito Afterbay, part of the Oroville Complex. The 1969 Diversion of Water agreement requires written approval from DWR before any of the districts can transfer water outside the service areas of the Joint Board. An agreement between DWR and the proposed water purchasers to store or transport the water through the State Water Project (SWP) or Central Valley Project (CVP) facilities may also be required to implement a water transfer.

Water Transfers

The District is preparing for potential one-year water transfers over a five-year period from 2026 through 2030. The transfers may be for environmental enhancement or for one or more buyers with temporary unmet consumptive water demands. Santa Clara Valley Water District (Valley Water) would have the first right of refusal for the water transfers from BWD.

A water transfer temporarily moves water from a willing seller (BWD) to an environmental purpose or willing buyer. To make new water available, the seller must take an action to reduce consumptive use, use a substitute water supply such as groundwater, or use water in storage. Additionally, water transfers must comply with all applicable State and federal law. Moreover, under the 1969 Diversion of Water Agreement with the State of California, BWD's water entitlement is subject to a drought reduction under certain circumstances related to dry hydrologic conditions. If BWD's entitlement is curtailed 50 percent for an irrigation season, pursuant to the 1969 Agreement, BWD has not historically participated in a land idling transfer. However, in the event of a lesser reduction, the District may still participate in a land idling transfer. BWD may participate in a groundwater substitution transfer for its lands located in Sutter County under any drought reduction scenario.

This EIR analyzes water transfers as if the full amount would be transferred every year during the five-year transfer period; however, transfers may be less frequent and smaller in volume over this period. Annual approval of transfers is required by BWD, the end user, and DWR, regardless of the EIR term or the duration of a water transfer contract. Additionally, if the Healthy Rivers and Landscapes (HRL) Program is adopted and implemented during the five-year period from 2026 to 2030, BWD's available transfer supplies may be reduced during "Above Normal", "Below Normal", and "Dry" year types.

Water Transfer Availability

The Project water transfers would include short-term transfers of up to 21,000 AF in any year. This includes up to 14,000 AF from crop idling transfers and up to of 6,500 AF from groundwater substitution transfers. These volumes may increase if BWD develops additional groundwater substitution capacity during the five-year period of analysis.

The Project area, from which the water for the potential transfers would be made available, is defined by the District boundaries, which encompass approximately 32,505 acres in the northern Sacramento Valley in both Butte and Sutter Counties. Land idled for the purpose of the potential transfers would be drawn from the rice acreage within the District to the exclusion of irrigable acreage dedicated to other crops and to habitat of the Giant Garter Snake. Adjoining areas, non-rice land, other irrigated lands, drains, wetlands, and waterfowl habitat would not be affected, as those areas would receive their normal entitlement, and canals and drains would operate at normal operating capacity. Water would be available on the same pattern during the growing season as it would have been consumed had a crop been planted. The irrigation season for rice generally lasts from April or May through September.

Water made available by crop idling and/or groundwater substitution within the boundaries of the District would be retained and stored by the DWR at Lake Oroville for delivery to Valley Water (or a different buyer if Valley Water refuses, as further discussed below), pending approval from DWR. If the HRL program were approved, DWR would contribute 60,000 AF in the defined call years. BWD would undertake similar transfer actions to replenish a portion of the 60,000 AF advanced by DWR for environmental enhancement under the HRL program.[1] For the Feather River, environmental enhancement would include restoration of the

[1] (California State Water Resources Control Board, 2025)

following amounts of habitat by the end of year eight: 15 acres of spawning habitat, 5.25 acres of instream rearing habitat, and 1,655 acres of floodplain rearing habitat.[2] For the HRL program, a portion of Feather River flow commitments may be provided through groundwater substitution and may only be provided in a manner that does not have redirected impacts on fish and wildlife and is consistent with SGMA. Any reduction in instream flows that result from groundwater substitution shall be accounted for and deducted from flow contributions.

Water Transfer Type

Cropland idling water transfers make water available by reducing the consumptive use of surface water applied for irrigation. In a groundwater substitution program, groundwater is pumped and used for agricultural purposes in lieu of surface water supplies. The equivalent surface water supplies are then not diverted and are made available for transfer. Groundwater pumping, if applicable, would only occur within that portion of the District boundaries that lie within Sutter County and in a manner consistent with the Groundwater Sustainability Plan (GSP) developed under the Sustainable Groundwater Management Act (SGMA) and would only utilize BWD wells. The District's proposed water transfers would fully comply with DWR's DRAFT Technical Information for Preparing Water Transfer Proposals in 2019 where applicable regarding land idling and groundwater substitution transfers as well as monitoring and reporting for groundwater conditions before, during, and after the transfer period.[3]

The quantity of transfer water made available through crop idling is currently calculated based on the pattern of Evapotranspiration Rate of Applied Water (ETAW).[4] In the absence of technical information supporting an alternate method, the quantity of transfer water will continue to be calculated based on ETAW for any rice acreage idling. Acreage eligible for inclusion in a rice idling program is limited to that acreage that would have been planted to rice in the absence of the proposed transfer. Consistent with the provisions contained in California Water Code Section 1018, potential participating landowners would be encouraged to cultivate or retain non-irrigated cover crops or natural vegetation into their cropland idling transfer to protect habitat value in the area to be idled.

For the groundwater substitution transfers, the Project would extract up to 6,500 AF of groundwater from two BWD production wells. These wells have approximate production capacities of 3,500 gallons per minute (GPM) and 4,000 GPM, respectively. BWD is also in the process of purchasing land for the future installation of a third production well that would also be used if completed within the five-year project duration. BWD also owns three groundwater monitoring wells and uses these wells, among others that are not owned by the District (such as those defined in transfer agreements and DWR's Water Transfer Information Management System, among others), to monitor groundwater levels in the vicinity of the production wells to ensure that no substantial depletion of groundwater supplies occurs as a result of groundwater production. The District has operated these wells in the past at similar production rates and, consistent with extensive monitoring and reporting for such past usage, BWD has not observed any substantial impacts on groundwater levels, groundwater supplies, or to third parties or other environmental resources.

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[2] Ibid.

[3] (Department of Water Resources, 2019)

[4] ETAW is defined as the portion of the total evapotranspiration that is provided by irrigation. The portion of evapotranspiration met by precipitation occurring during the growing seasons or stored as soil moisture within the root zone before the growing season does not qualify as transferable water. ETAW values used for water transfer calculations are based upon crop water demands reflecting average rainfall and evaporative demand.

Water Transfer Operations

No new construction or improvements by BWD, Valley Water or other potential buyers, or DWR would be necessary for the production and transfer of water resulting from the Project. However, the aforementioned third production well could be installed during the five-year Project duration and would likely be used for Project activities if completed. As mentioned above, BWD receives water from Oroville Reservoir under a Diversion Agreement with the State of California. Normal operations involve DWR releasing water from the Oroville Reservoir to the Thermalito Afterbay to be diverted by BWD. For water transfers, DWR reduces what it releases, and, as a result, BWD also reduces its water diversions. Water would be stored in the Oroville Reservoir if capacity is available and stored water follows DWR's applicable policies and regulations. Storing transfer water could not affect the ability of DWR to meet environmental commitments or water deliveries and would not be possible if flood releases were being made from the Oroville Reservoir as no capacity would be available. Water would become available for transfer on the same schedule that it would have been delivered to BWD. In most cases, this would involve water accruing in storage at the Oroville Reservoir in May and June before being conveyed downstream in July through September.

Santa Clara Valley Water District

It is anticipated that a key recipient of BWD's transfer supplies will be Valley Water, who has the first right of refusal of water transfers as a part of the Project. In the event that Valley Water does not elect to receive the transferred water, the District may pursue transfers to the environment or other buyers where BWD can utilize its existing water infrastructure to convey transfer water. If both Valley Water and direct conveyance route for the transfer water are not available, BWD may pursue a simultaneous water exchange to convey water to the environment or other buyers.

Valley Water has contracts for 100,000 AF per year (AFY) of SWP water and 152,500 AFY of CVP water. However, water availability and environmental conditions impact the actual amount of water delivered. As a result, Valley Water receives an average of approximately 170,000 AFY from the two sources combined. During periods of water shortage in contract allocations, Valley Water has historically participated in water transfers with other SWP and CVP contractors as well as in transfer and banking projects involving other types of contractors. In addition, Valley Water's Anderson Reservoir is currently limited to approximately 3% of its capacity due to seismic concerns, which, in turn, takes away substantial drinking water resources for Santa Clara County. The Anderson Dam is presently undergoing a seismic retrofit, but the project is not anticipated to be completed until 2033.[5] As such, Valley Water's dependence on water transfers is expected to be higher until project completion.

Since 1996, Valley Water has participated in a water banking and exchange program with the Semitropic Water Storage District located in Kern County. In wet years, Valley Water stores excess Delta-conveyed water in the Semitropic Groundwater Bank for later use, such as during dry years. Valley Water can also store imported water supplies for shorter periods of time in the San Luis Reservoir in Merced County and locally in Calero Reservoir in Santa Clara County.

To meet current and future demands, Valley Water has also implemented a long-term water conservation program. With a target of saving 100,000 AFY by 2030, the long-term program offers a variety of incentives and rebates that achieve sustainable water savings. The program saved approximately 86,000 AF in 2024.

[5] (Santa Clara Valley Water District, 2024)

Public Review and Scoping Meeting:
Comments on the proposed scope and content of the EIR may be submitted in writing to the attention of:

Donnie Stinnett, General Manager
Butte Water District
735 Virginia Street
Gridley, CA 95948
Phone: (530) 846-3100
Email: donnie@buttewater.net

Dawn E. Marple, Principal Planner, Environmental Project Manager
Provost & Pritchard Consulting Group
455 W. Fir Ave
Clovis, CA 93611
Phone: (559) 449-2700
Email: dmarple@ppeng.com

Comments in response to the Notice of Preparation will be accepted from August 29, 2025, through September 29, 2025. Persons with questions or requests for information may also use the above contact information.

All written scoping comments should reference Butte Water District One Year Water Transfers over Five Years Project. Please include your name, address, and phone number, and/or email so that we may contact you for clarification, if necessary.

All supporting documents can also be found at https://buttewaterdistrict.org/.
Pursuant to Section 15083 of the CEQA Guidelines, Public Scoping Meetings will be held to solicit public comments on the scope and content of the EIR. The Public Scoping Meetings will be held as follows:

At the Butte Water District – District Office
Date: Wednesday, September 17, 2025
Time: 6:00 P.M. to 7:00 P.M.
Place: District Office located at 735 Virginia Street, Gridley CA 95948

Newspaper Notice of Preparation Published:
Gridley Herald, August 29, 2025

Summary

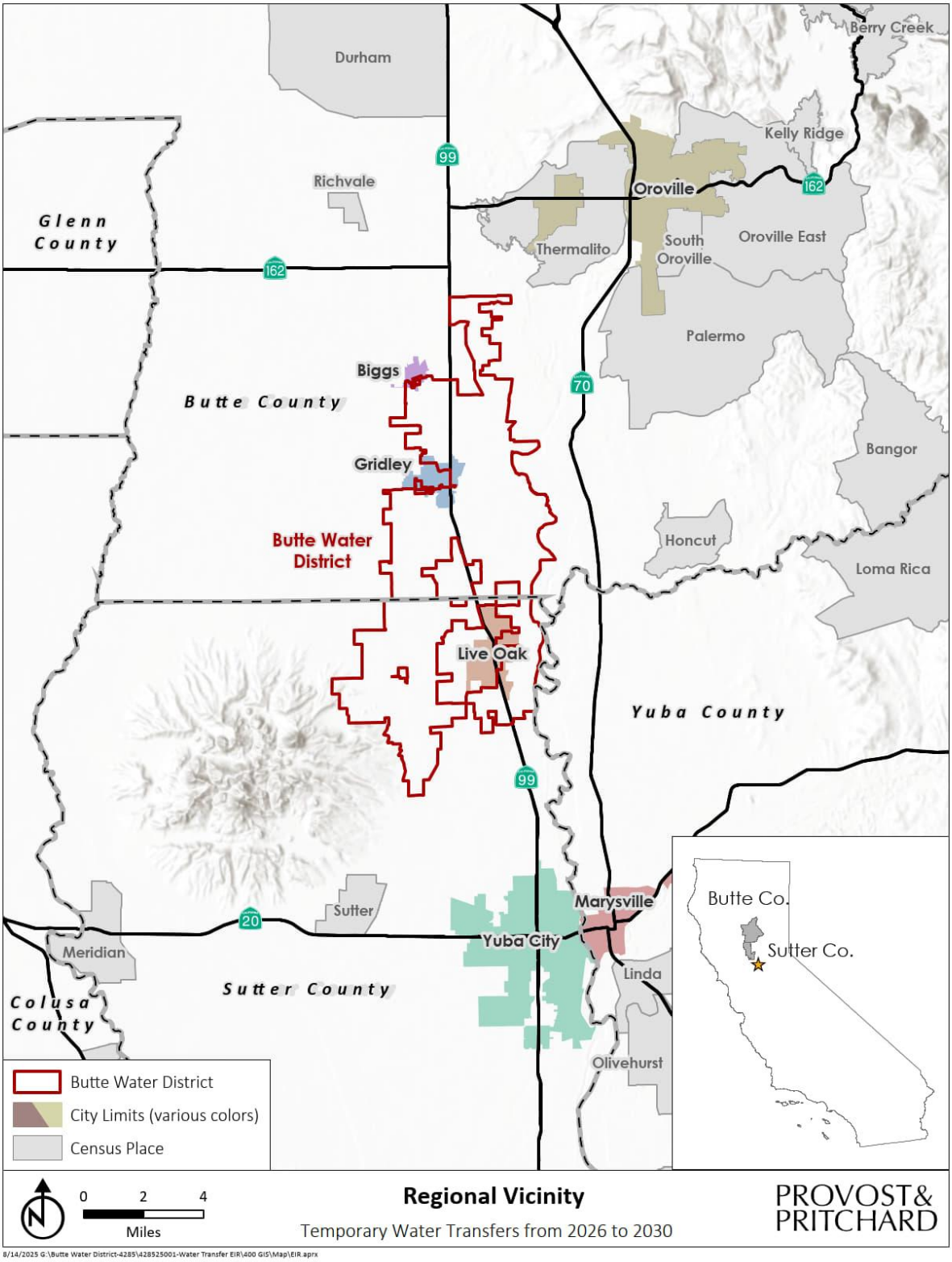
Potential Environmental Effects: The Draft EIR will describe the significant direct and indirect environmental impacts of the Project. The Draft EIR also will evaluate the cumulative impacts of the Project, defined as impacts that could be exacerbated when considered in conjunction with other related past, present, and reasonably foreseeable future projects. The BWD anticipates that the Project could result in potentially significant environmental impacts in the following resource areas, which will be further evaluated in the draft EIR: Agricultural and Forestry Resources, Biological Resources, Hydrology and Water Quality.

These potential impacts will be analyzed and discussed in detail in the Draft EIR, and feasible and practicable mitigation measures will be recommended to reduce any identified significant or potentially significant impacts. The discussion in the draft EIR will also include an alternatives analysis.

The BWD anticipates that the Project would not result in significant environmental impacts in the following resource areas, which will not be further evaluated in the draft EIR: Aesthetics, Air Quality, Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, Utilities and Service Systems, and Wildfire.

Potential Approvals and Permits Required: Elements of the Project could be subject to permitting and/or approval authority of other agencies. As the lead agency pursuant to CEQA, the BWD is responsible for considering the adequacy of the Draft EIR. Other potential approval and/or permits required from other agencies could include:

- Department of Water Resources
- Santa Clara Valley Water District
- United States Bureau of Reclamation



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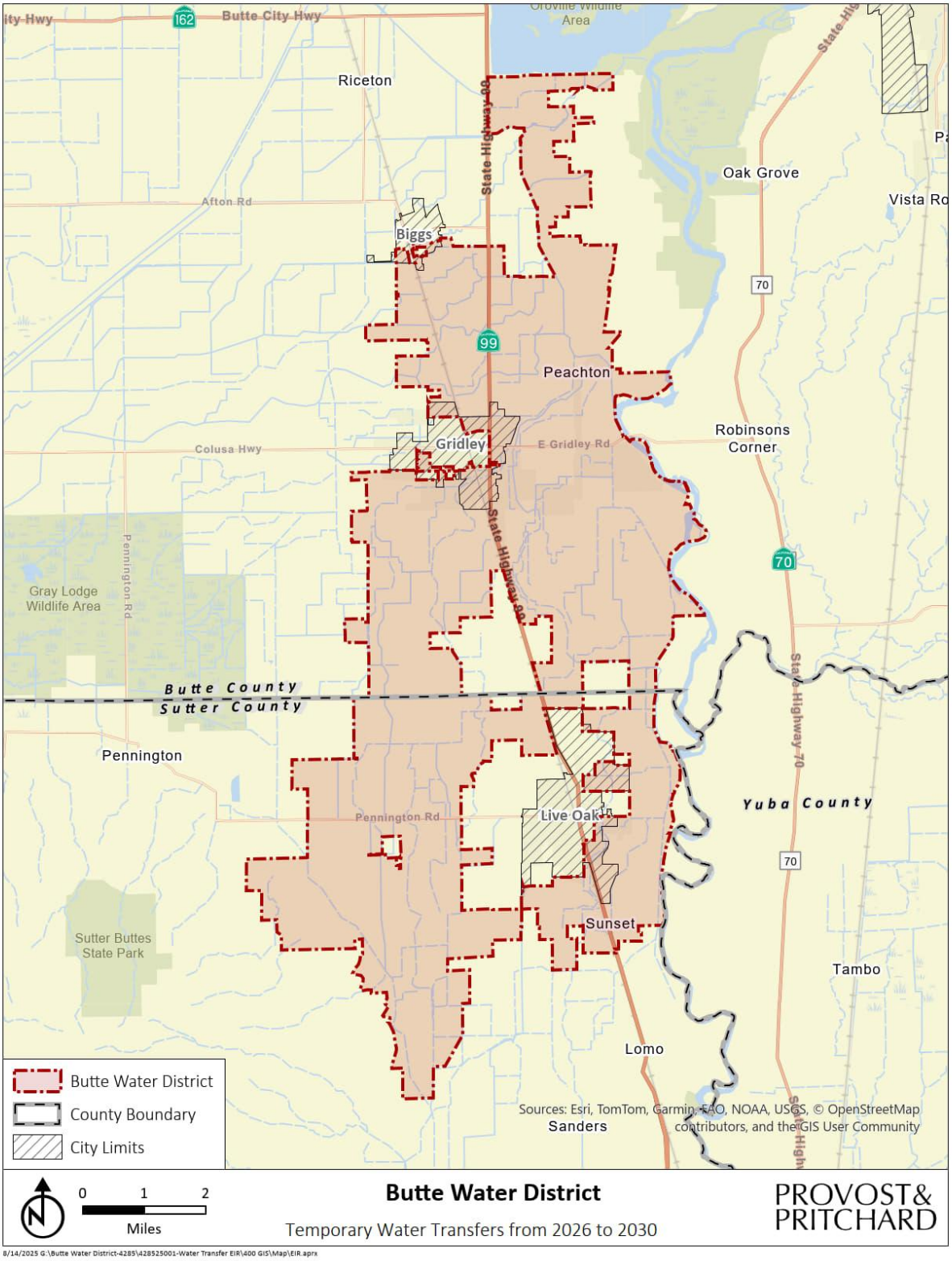

Butte Water District

Temporary Water Transfers from 2026 to 2030

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