Water and Resource Conservation

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Superior Court of California
County of Butte
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Sherif Elmallah, Clerk
By _____ Deputy
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August 26, 2025

Hon. Michael R. Deems, Judge of the Superior Court
c/o Administrative Services
Superior Court of California, County of Butte
One Court Street, Oroville, CA 95965

Re: Response to the 2024-2025 Butte County Grand Jury Report, "Palermo Needs Clean Water"

Dear Honorable Judge Deems:

As invited by the Grand Jury, the Department of Water and Resource Conservation (Department) provides the following responses to the Findings and Recommendations to the 2024-2025 Grand Jury Report titled, *"Palermo Needs Clean Water."* We appreciate the long hours and diligence of the members of the Grand Jury in investigating, researching, reviewing, and attending meetings pertaining to water issues.

FINDINGS

F1: Dry wells in parcels on the East side of Palermo imply that residents must have water delivered to them paid for by temporary grants obtained by EH.

Response: The respondent disagrees with the finding in that it refers to the Environmental Health Division of Butte County Public Health as the administrator of grant funding, which is not the department administering grants for water delivery.

The Department of Water and Resource Conservation acknowledges identified dry wells in the eastern areas of the Palermo community exist. To clarify, the Butte County Office of Emergency Management (OEM) administers the Drought Resilience and Outreach Project (DROP) grant program, which is funded by the State Water Resources Control Board. This program provides water delivery to qualified domestic well owners whose wells have gone dry due to drought, which may include residences on the east side of Palermo. Prior to the DROP program, the water delivery program was implemented by OEM through funding received from the California Department of Water Resources Small Community Drought Relief Program.

The Department, in collaboration with the South Feather Water and Power Agency (SFWPA), is currently implementing the Palermo Dry Well Consolidation Project, which is a subcomponent of the Palermo Clean Water Consolidation Project (CWC), which will ultimately connect 380 additional

parcels to the existing SFWPA drinking water system. The Dry Well Consolidation Project is being funded by $2.5 million of County allocated American Rescue Plan Act (ARPA) funds for construction activities and $525,000 of California Department of Water Resources (DWR) Urban and Multi-Benefit Drought Relief (UMDR) funds for construction management. The Dry Well Consolidation Project will extend SFWPA treated drinking water infrastructure to the north east and south east areas of the Palermo community that have dry wells. Approximately 6,000 lineal feet of water infrastructure will be installed, providing an opportunity for approximately 34 parcels to connect to clean, safe drinking water. Construction of the Dry Well Consolidation Project will begin in August 2025 and will be completed by December 31, 2025.

The overall Palermo CWC Project is awaiting additional funding approval from the State Water Resources Control Board (Water Board). SFWPA, in collaboration with the Department, submitted an application to the Water Board's State Revolving Loan Fund (SRF) program requesting $11.4 million in funding for multiple project phases. In addition, the County has been designated as a recipient of $2 million of Congressionally Directed Spending under the Community Grants Program through the federal Environmental Protection Agency (EPA). The EPA funding is anticipated to be made available to the County in the spring of 2026.

F2: County Environmental Health does not provide maps with the location of reported dry wells and new well permits, thus not keeping Butte County residents informed of issues arising in their neighborhood.

Response: The respondent disagrees. While the Division of Environmental Health does not provide maps of the location of reported dry wells, the quarterly Well Permit Summary reports do list communities that have reported dry wells.

Well completion and dry well reports and maps are available through the California Department of Water Resources (DWR):): Well Completion Reports https://water.ca.gov/Programs/Groundwater-Management/Wells/Well-Completion-Reports and Dry Well Reporting System https://mydrywell.water.ca.gov/report/

In addition, applicants to the OEM DROP program who indicate they have a dry well are encouraged by OEM to submit a dry well report to the DWR my dry well program

F5: There has not been prompt, targeted communication to citizens about the status of stalled projects.

Response: The respondent disagrees with this finding.

The Department has conducted several public meetings and workshops for the Palermo Clean Water Consolidation Project, Palermo Drainage Master Plan Project, and the Wyandotte Creek Groundwater Sustainability Agency Regional Conjunctive Use Project. The public meetings provided status updates for each of these projects. Notification of the meetings was provided in press releases, mailed flyer notifications to residents within and around the project area's footprint, the Department's listserv, social media, and banners located at key locations within the Palermo community. In addition, status updates have been presented during public meetings to the Board of Supervisors, Water Commission, and Wyandotte Creek GSA Board of Directors.

F6: Wyandotte Basin GSA must sponsor and collaborate on projects addressing dry wells and water quality as mandated by SB 552.

Response: This finding is incorrect. This recommendation should be directed to the Wyandotte Creek GSA, which is a separate legal entity from Butte County with its own governing board.

SB 552 – Drought Planning for Small Water Suppliers and Rural Communities, requires counties to prepare a Drought Plan to achieve meaningful and long-term improvements in water resilience for their residents. SB 552 requires the establishment of a Drought Task Force to facilitate proactive planning and coordination across ongoing efforts to reduce the occurrence and associated consequence of water shortage and provides suggested efforts for collaboration including coordination with Groundwater Sustainability Agencies (GSAs). SB 552 does not mandate that a GSA sponsor and collaborate on projects addressing dry wells and water quality, although a GSA may address these issues through the Sustainable Groundwater Management Act and implementation of their associated Groundwater Sustainability Plan. The Department has provided updates to the Wyandotte Creek GSA Board of Directors regarding the status of the preparation of the Drought Plan and will solicit input on short-term actions and long-term mitigation to ensure consistency between the Drought Plan and the GSAs' identified projects and management actions, as appropriate and applicable.

RECOMMENDATIONS

R1: The Grand Jury recommends that the Water & Resource Conservation Department communicate to citizens the status of Palermo Projects, when milestones are or are not reached by December 31, 2025.

Response: The recommendation has been implemented and will continue to be implemented for the duration of the projects.

The Department has conducted several public meetings and workshops for the Palermo Clean Water Consolidation Project and Palermo Drainage Master Plan Project and has coordinated outreach efforts with the Wyandotte Creek GSA Regional Conjunctive Use Project. The meetings afforded opportunities for the community to engage with Department staff and consultant teams and provided status updates for each of the projects. Notification of the meetings were provided in press releases, mailed flyer notifications, the Department's listserv, social media, and banners located at key locations within the Palermo community. In addition, status updates have been provided to the Board of Supervisors, Water Commission, and Wyandotte Creek GSA Board of Directors. Lastly, these projects are ongoing; residents will continue to be notified of the status of the projects and opportunities to participate in the planning and implementation process.

R2: The Grand Jury recommends that the Wyandotte Creek GSA Advisory Committee or Water Commission TAC include a local well-driller who will provide empirical knowledge of groundwater availability by September 2025.

Response: This recommendation will not be implemented because it is not warranted.

Additionally, the recommendation should be directed to the Wyandotte Creek GSA, which is a separate legal entity with its own governing board, distinct from Butte County and the Board of Supervisors. With regard to the Butte County Technical Advisory Committee (TAC), the TAC members are

nominated by the Butte County Water Commission and are appointed by the Board of Supervisors. Each member of the TAC must have substantial expertise in water management and hydrology. The TAC was established to work in cooperation with the Butte County Water Commission to develop a Countywide groundwater monitoring program, per Butte County Ordinance, Chapter 33. The Department monitors groundwater levels throughout the County at least four (4) times per year through a network of monitoring wells in coordination with the California Department of Water Resources. The empirical data collected is then summarized and presented to the TAC and Water Commission twice a year and also in an Annual Groundwater Status Report that is presented by the Department's Water Resource Scientist to the TAC, Water Commission, and Board of Supervisors as well as the Groundwater Sustainability Agencies within Butte County and their respective advisory committees, as applicable.

In addition, the Department's Water Resource Scientist participates in the Butte County Division of Environmental Health's Water Well Advisory Group (WWAG) meetings. The WWAG is composed of stakeholders representing licensed well drillers and pump installation contractors. The Advisory Group makes recommendations to Environmental Health on matters pertaining to: a) development and maintenance of the Well Construction Manual, b) implementation of new well construction and development technology, and c) revisions to Butte County Code (BCC) Chapter 23B Water Wells.

The Wyandotte Creek GSA Advisory Committee has specific stakeholder members, including a domestic well user. A local well-driller is not precluded from applying for or being appointed to the TAC or GSA Advisory Committee, as long as they meet position's criteria.

R3: The Grand Jury recommends that SFWPA connect water to all parcels in Palermo, which will reduce groundwater depletion and provide potable water, by September of 2027.

Response: This recommendation is being implemented with the initiation of the Palermo Dry Well Consolidation Project, which will connect approximately 34 parcels to the South Feather Water and Power Agency water system. However, to connect the remaining 350 parcels is dependent upon funding. This recommendation should be directed to SFWPA, which is a separate legal entity with its own governing board distinct from Butte County and the Board of Supervisors.

As stated previously, the Department is working with the SFWPA to implement the Palermo Clean Water Consolidation Project, which will ultimately connect an additional 380 parcels within the Palermo community to the existing SFWPA drinking water system. The County allocated $2.5 million of ARPA funds to initiate construction of the Palermo Dry Well Consolidation Project and obtained an additional $525,000 of DWR UMDR funding for construction management. The Dry Well Consolidation Project will extend SFWPA treated drinking water infrastructure to the north east and south east areas of the Palermo community that have dry wells. Approximately 6,000 lineal feet of water infrastructure will be installed, providing an opportunity for approximately 34 parcels to connect to clean, safe drinking water. Construction of the Dry Well Consolidation Project will be completed by December 31, 2025.

The overall Palermo Clean Water Consolidation Project is awaiting funding approval from the Water Board. SFWPA, in collaboration with the Department, submitted an application for State Revolving Loan Funds (SRF) for $11.4 million in funding. In addition, the County has been designated as a

recipient of $2 million dollars of Congressionally Directed Spending under the Community Grants Program through the federal EPA. This funding is anticipated to be available in the spring of 2026, for initiation of subsequent project phases.

R4: The Grand Jury recommends that Environmental Health prepare and publish quarterly and annual reports of dry wells and well permits in Butte County include maps with their locations by September 2025.

Response: The recommendation will not be implemented because it is not warranted.

The Butte County Division of Environmental Health currently prepares and publishes quarterly Well Permit Summary reports, that includes a list of the communities with dry wells.

The quarterly report information is available to the public on the County's website: Well-Permit-Summary-Report-PDF or https://www.buttecounty.net/DocumentCenter/View/14025/Well-Permit-Summary-Report-PDF

Well completion and dry well reports and maps are available through the California Department of Water Resources (DWR):): Well Completion Reports or https://water.ca.gov/Programs/Groundwater-Management/Wells/Well-Completion-Reports and Dry Well Reporting System or https://mydrywell.water.ca.gov/report/

R6: The Grand Jury recommends that Butte County Administration utilize Facebook, public noticeboards at USPS, flyers at public gatherings to remind Butte County citizens that they should report issues via County Connect website, or its replacement, to log requests for work that must be expedited by December 31, 2025.

Response: The recommendation has been implemented.

The Department uses a variety of outreach materials and social media methods to inform the public of projects, provides education, and appropriate noticing. The Department will include links to the County Connect website, or its replacement, as appropriate in order to strengthen public engagement.

R7: The Grand Jury recommends that the District 1 Supervisor, Public Works Director, Water & Resource Conservation Director, Environmental Health Director, and 3 Palermo citizen representatives (including a Palermo Community Council member) meet quarterly as a Palermo Task Force formed by October 2025 for a minimum of 3 years.

Response: The recommendation will not be implemented because it is not warranted.

The Department remains committed to engaging with the Palermo community through ongoing public meetings and workshops. However, forming a separate Palermo Task Force will not be implemented, as it is not warranted. Existing advisory groups and community forums already provide effective opportunities for coordination and public input without the need for additional structure or resources.

The Department has conducted several public meetings and workshops associated with the Palermo Clean Water Consolidation Project, Palermo Drainage Master Plan Project, and the Wyandotte Creek GSA Regional Conjunctive Use Project. The meetings provided status updates for each of these

projects. Notification of the meetings was provided in press releases, mailed flyer notifications, the Department's listserv, social media, and banners located at key locations within the Palermo community.

Sincerely,

Kamie Loeser

Kamie Loeser, Director
Butte County Department of Water Resource and Conservation

CC: Board of Supervisors
Andy Pickett, Chief Administrative Officer