



Notice of Meeting

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

County Gov't. Center, Rm. D361 – 1055 Monterey Street, San Luis Obispo, CA 93408

Friday, November 14, 2025 – 10:00 – 11:30 AM

For agenda packet attachments and more information: <https://www.slocounty.ca.gov/Departments/Public-Works/Committees-Programs/State-Water-Project-and-Subcontractors-Advisory-Co.aspx>

Chair: Brad Hagemann (Avila Beach CSD)

Vice Chair: Courtney Howard (District)

AGENDA

1. **CALL TO ORDER** – Roll Call & Quorum Count
2. **PUBLIC COMMENT** – For matters not on the agenda, within the Committee's jurisdiction. Limited to 3 minutes each.
3. **MEETING MINUTES**
Staff Recommendation: Approve the Minutes from August 2025 meeting.
4. **PRESENTATIONS**
 - A. California Aqueduct Subsidence
Staff Recommendation: Informational item only.
 - B. DWR Annual Charges & SWP Finance
Staff Recommendation: Informational item only.
5. **REPORTS FROM THE DISTRICT**
 - A. Water Supply & Delivery Operations
Staff Recommendation: Informational item only.
 - B. DCP Planning Update
Staff Recommendation: Informational item only.
 - C. Water Management Update
Staff Recommendation: Informational item only.
 - D. Update on Post-Policy Adoption Work (July 2025)
Staff Recommendation: Informational item only.
6. **REPORTS FROM SUBCONTRACTORS** (FOR INFORMATION ONLY)
7. **FUTURE AGENDA ITEMS:** Committee members may suggest items for future agendas.
8. **DATE OF NEXT MEETING** (Proposed: Friday, Feb. 6, 2026, 10:00-11:30a)
Staff Recommendation: Set next meeting date and consider approval of proposed calendar in 2026.
9. **ADJOURNMENT**

Attachments

1. Agenda Item 3 – Draft Minutes, August 2025
2. Agenda Item 5A – Delivery Report
3. Agenda Item 5D – Approved Policy (7/15/25)
4. Agenda Item 8 – Proposed Calendar (2026)

CONTACT: Please contact SWSAC Secretary, Wes Thomson, with any questions: wthomson@co.slo.ca.us or (805) 781-5252. *All Americans with Disabilities Act (ADA) accommodations shall be promptly reviewed and resolved.*

Regular Meeting Minutes – August 8, 2025 (DRAFT FOR REVIEW)

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE

San Luis Obispo County Flood Control and Water Conservation District

Chair: Brad Hagemann
 Vice Chair: Courtney Howard
 Secretary: Wes Thomson

The following minutes reflect actions taken by the State Water Subcontractors Advisory Committee (SWSAC) at its Regular Meeting on August 08, 2025. Agenda items are presented in the order listed on the published agenda. Staff reports and related documents attached and incorporated by reference.

1. CALL TO ORDER & ROLL CALL

The meeting was called to order by Chair Hagemann at approximately 10:04 a.m. A quorum was established (five or more members present).

No.	Representative	Agency
1	Nola Engelskirger	County of SLO (CSA 16, Shandon)
2	Cindy Treichler	County of SLO (COC / El Chorro)
3	Scott DeMello	SLOCCCD (Cuesta College)
4	Rosemarie Gaglione	City of Pismo Beach
5	Peter Brown	Oceano CSD
6	Brad Hagemann	Avila Beach CSD
7	Courtney Howard	District (non-voting)

2. PUBLIC COMMENT

None

3. REVIEW OF LAST MEETING'S MINUTES

Staff Recommendation: Approve the Minutes from May 2025 meeting.

- Motion from Gaglione to approve the minutes; seconded by Engelskirger.
- Approved by unanimous verbal vote.

4. REPORTS FROM THE DISTRICT

A. Water Supply & Delivery Operations:

Staff Recommendation: Informational item only.

- Thomson reported that the current SWP allocation remains at 50% and is expected to last through the end of the year. There is up to 7,000 AF available for transfer opportunities in 2025 and approximately 9,000 AF is targeted for carryover into 2026. San Luis Reservoir storage levels are not a current concern, but a wet fall would increase the spill risk.
- An SWP emergency outage in June affected the Chorro Valley turnout for several days.
- Deliveries have resumed at the Lopez turnout as a backup supply in response to the Gifford Fire east of Arroyo Grande.
- Gaglione inquired about available extended rainfall forecasts for the fall/winter; Thomson said he would share when available.

B. DCP Planning Update

Staff Recommendation: Informational Item Only.

- Thomson reported that current efforts are focused on securing the change in the point of diversion for new north Delta diversion facilities and on proposed legislation to streamline upcoming decision points and limit the timeline for legal challenges, which could help control costs and keep the project on schedule.

C. Water Transfer Policy Update

Staff Recommendation: Informational Item Only.

- Thomson reported that the Board approved the updated Water Transfer Policies in July. County staff have been directed to coordinate with subcontractors to update contracts and to assist subcontractors pursuing transfer opportunities.
- County staff will solicit requests from subcontractors interested in participating in future transfers and will evaluate and bring recommendations to the Board for consideration.
- Work efforts will also include the development of related administrative procedures and new contracting options.
- Brown inquired whether County Counsel or staff would prepare redlined amendments to incorporate the master DWR contract. Engelskirger responded that discussions with County Counsel are underway and that initial efforts are anticipated to focus on changes offering the most benefit to both the County and subcontractors.

D. Water Management Working Group Update

Staff Recommendation: Informational Item Only.

- Thomson reminded the committee that the purpose of the working group is to optimize SWP water management for the benefit of the County and subcontractors.
- Ongoing efforts include developing recommendations for contract amendments and transfer procedures, with concepts addressing:
 - o Storage options
 - o Short-term transfer and exchange provisions
 - o Cost recovery and financial terms
 - o Permanent transfer and sale provisions
 - o Eligibility and governance clarifications
 - o Alignment with the master DWR contract and Board policies
- Gaglione asked about interest levels among potential buyers and sellers. Engelskirger noted that County staff plan to assess this when soliciting transfer opportunities.

5. SCHEDULED ACTION ITEM: 2025 WATER TRANSFER OPTIONS

Staff Recommendation: Review and endorse the 2025 water transfer options prior to District BOS approval.

- Thomson summarized the proposed transfer options:
 - o Option 1 (Buyer A): \$250/AF (October), \$225/AF (November), \$200/AF (December). High likelihood of completion; Buyer A can take all water offered.
 - Possible County action: Commit a minimum of 4,000 AF to secure no-loss volume.
 - o Option 2 (Buyer B): \$325/AF, up to 7,000 AF. Buyer interest uncertain; not obligated.
 - Possible County action: Offer 3,000 AF; confirm by early October; fallback to Option 1 if Option 2 is not confirmed or if Buyer A's price increases favorably.
 - o Discussion included potential strategies for implementation. Tom McCarthy (Confluence

- Engineering Solutions) noted that current spill risk for 2025 is relatively low.
- Brown moved to endorse the 2025 water transfer options for recommendation to the District Board; Gaglione seconded. Vote: Motion passed unanimously by roll call.
- Chair Hagemann asked about streamlining Board approval for future transfers.
 - Howard and Thomson noted multi-year agreements could reduce repeated Board review.
 - Brown suggested initial agreements go to the Board to establish the process. Gaglione added that depending on the financial conditions, transfer approvals may still require Board action, but subsequent actions under multi-year agreements may be possible on the consent calendar.

6. REPORTS FROM SUBCONTRACTORS (FOR INFORMATION ONLY)

Gaglione raised the question of whether cost recovery is feasible for water used in firefighting efforts. The committee noted that such volumes tend to be relatively small and that recovery is uncommon in practice.

7. FUTURE AGENDA ITEMS

- District is planning to bring a presentation on SWP financials.
- Brown would like to see a bullet outline of operations/procedures related to the newly adopted SWP policies (for the Nov 2025 meeting).

8. DATE OF NEXT MEETING

November 14, 2025, at 10:00 a.m.

9. ADJOURNMENT

Chair Hagemann adjourned the meeting at approximately 11:06 a.m.

Minutes prepared by J. Trout / W. Thomson

Draft – For Committee Review and Approval

2025 STATE WATER DELIVERY REPORT (DRAFT)

Subcontractor Deliveries for Jan-Sep 2025.
Schedule Requests as of 7/1/25 (REV 3).
Prepared by WT, 11/11/25.

District SWP Water Balance -- 2025

SUPPLY		
Stored "Carryover" Water (Art 56c) at SLR,1/1/2025 =	6,294	AF
SWP Allocation (as of 4/29/2025) =	50%	
2025 "Table A" allocation (per 25,000 AF contract) =	12,500	AF
Total SWP Water Available (2025) =	18,794	AF

DEMAND		
Scheduled Deliveries to Subs (for DWR) (2025) =	2,855	AF
District Surplus to Others In-District (Placeholder) =	0	AF
Total In-District Deliveries Scheduled (2025) =	2,855	AF
Surplus to Others Out-of-District (Potential Transfer) =	7,150	AF
Balance of SWP Water Available =	8,789	AF

DELIVERIES TO SUBCONTRACTORS (2025)^{1,2}

SWP Allocation for 2025 (set by DWR) >>				15%	20%	35%	40%	50%	50%	50%	50%	50%	50%	50%	50%	50%	Total as % of Request ³
AGENCY	SCHEDULED >	Avail. TLBA	C/O Need	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
SHANDON CSA 16	0	50	0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0.0	--
CHORRO CMC	396	400	0	18.48	18.37	19.98	20.28	28.57	25.3	25.2	26.6	23.2	0	0	0	206.0	52%
County Ops	420	425	0	19.60	19.48	21.19	21.50	30.30	26.8	26.7	28.3	24.6	0	0	0	218.4	52%
Cuesta	192	200	0	8.96	8.91	9.69	9.83	13.85	12.3	12.2	12.9	11.2	0	0	0	99.9	52%
City of Morro Bay	1100	1802	0	68.96	58.24	68.13	84.39	91.27	94.7	107.9	82.2	86.0	0	0	0	741.7	67%
Subtotal (CV)	2108	2827	0	116.0	105.0	119.0	136.0	164.0	159	172	150	145	0	0	0	1266.0	60%
LOPEZ City of Pismo Beach	496	1240	0	95.0	85.4	43.5	103.0	103.0	0.0	0.0	0.0	0.0	0	0	0	429.9	87%
Oceano CSD	95	750	0	0.0	0.0	4.2	0.0	0.0	0.0	20.0	20.0	20.0	0	0	0	64.2	68%
San Miguelito MWC	90	275	0	11.0	8.9	10.0	5.5	0.0	6.9	8.9	9.6	7.5	0	0	0	68.2	76%
Avila Beach CSD	34	100	0	5.0	4.6	3.7	5.5	6.0	6.0	0.0	0.0	0.0	0	0	0	30.8	91%
Avila Valley MWC	20	40	0	1.0	0.8	0.7	2.0	2.0	2.0	2.0	2.0	2.0	0	0	0	14.5	72%
San Luis Coastal USD	6.0	7.0	0.0	0.23	0.17	0.25	0.50	0.50	0.47	0.5	0.4	0.0	0	0	0	2.98	50%
Subtotal (Lpz.)	741.0	2412	0.0	112.2	99.8	62.3	116.5	111.5	15.4	31.4	32.0	29.5	0	0	0	610.6	82%
TOTAL	2849	5289	0	228	205	181	253	276	174	203	182	175	0	0	0	1877	66%

- Notes:
- Deliveries based on CCWA monthly delivery reporting and subcontractor request.
 - All delivery values reported are in volumetric units of acre-feet (AF).
 - Total as a percent of the request for the period of the water delivery year completed.

FOR REFERENCE:

SUBCONTRACTOR DELIVERIES SCHEDULED (2025; REV 3)^{1,2,3,4}

AGENCY	CONTRACT	Drought Buff.	Mx.TBLA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Total as % of Contract
SHANDON CSA 16	100	0	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
				0	0	0	0	0	0	0	0	0	0	0	0	0	< adjusted for DWR ²
CHORRO CMC	400	400	400	33	33	33	33	33	33	33	33	33	33	33	33	396	99%
County Ops	425	425	425	35	35	35	35	35	35	35	35	35	35	35	35	420	99%
Cuesta	200	200	200	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	192	96%
City of Morro Bay	1313	2290	1802	90	90	100	100	109	109	109	89	89	75	70	70	1100	84%
Subtotal (CV)	2338	3315	2827	174.0	174.0	184.0	184.0	193.0	193.0	193.0	173.0	173.0	159.0	154.0	154.0	2108.0	90%
				174	174	184	184	193	193	193	173	173	159	154	154	2108	< adjusted for DWR ²
LOPEZ City of Pismo Beach	1240	1240	1240	95.0	95.0	100.0	103	103	0	0	0	0	0	0	0	496.0	40%
Oceano CSD	750	750	750	0	0	20	0	0	0	20	20	20	15	0	0	95	13%
San Miguelito MWC	275	275	275	7	7	8	8	8	8	8	8	7	7	7	7	90	33%
Avila Beach CSD	100	100	100	5	5	6	6	6	6	0	0	0	0	0	0	34	34%
Avila Valley MWC	20	60	40	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0	20	100%
San Luis Coastal USD	7	7	7	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	6	86%
Subtotal (Lpz.)	2392	2432	2412	108.5	108.5	135.5	119.5	119.5	16.5	30.5	30.5	29.5	24.5	8.5	9.5	741.0	31%
				109	109	136	120	120	17	31	31	30	25	9	10	747	< adjusted for DWR ²
TOTAL	4830	5747	5289	282.5	282.5	319.5	303.5	312.5	209.5	223.5	203.5	202.5	183.5	162.5	163.5	2849	59%
ADJUSTED TOTAL ²				283	283	320	304	313	210	224	204	203	184	163	164	2855	< adjusted for DWR ²

- Notes:
- Assumes District can supply requested delivery regardless of the current DWR allocation.
 - Adjusted for DWR to be in whole acre-feet units.
 - Total monthly contracts: Shandon (8.33 AF), Chorro (194.83 AF), Lopez (199.33 AF) = 402.5 AF Total.
 - Mx.TBLA = Max Table A available to Subcontractor under current DWR allocation.

State Water Project Water Transfer Policies

I. INTRODUCTION

A. Background

The State Water Project (SWP) Water Supply Agreement (Master Contract) is a long-term contract between the Department of Water Resources (DWR) and the San Luis Obispo County Flood Control and Water Conservation District (District) which provides for the annual delivery of and payment for up to 25,000 acre-feet (AF) of SWP water (Project Water) to San Luis Obispo County. The District, as a wholesaler of Project Water, has in turn contracted with local public water agencies and others for delivery of Project Water within its service area (each a Subcontractor and collectively, the Subcontractors) pursuant to certain agreements (collectively, the SWP Subcontracts).

Additionally, the District has a side agreement with the Central Coast Water Authority (CCWA) for annual treatment of up to 4,830 AF of Project Water (CCWA Agreement), and coordinates delivery operations with DWR and CCWA for the delivery of Project Water to the District's turnouts within the DWR-owned SWP Coastal Branch pipeline. As a result, each Subcontractor has also entered into a Local Water Treatment Agreement (collectively, the Water Treatment Agreements) with the District setting forth the terms and conditions under which the delivered water will be treated consistent with the CCWA Agreement.

One of the primary purposes of these Policies is to establish a framework for the District and Subcontractors that promotes flexibility and cost recovery to minimize the long-term financial burden on County taxpayers and ratepayers.

B. Description of the Coastal Branch System

In the 1990s, the District (on behalf of its Subcontractors) and CCWA (on behalf of its Santa Barbara County members) partnered with DWR to plan and design "Phase II" of the SWP Coastal Branch Aqueduct ("Phase I" was completed in 1968). This extension of the SWP brought Project Water supplies into San Luis Obispo and Santa Barbara Counties starting in 1997.

The DWR-owned pipeline (with pumping plants and storage tanks) and CCWA treatment plant (collectively, the Coastal Branch System) were developed to provide supplemental water for municipal use. For the District, the facilities were sized to deliver up to 4,830 AF annually based on its SWP Subcontracts at the time.

The Coastal Branch System delivers treated water to three turnouts in San Luis Obispo County – Shandon, Chorro Valley, and Lopez – before continuing south to serve communities in Santa Barbara County (see Exhibit A). Once the water passes through these District turnouts, it enters local distribution systems and becomes subject to local agreements, policies, and oversight. In some areas, the District or County may continue to have responsibilities – either as a water service provider or in their role as a land use and permitting authority – depending on local governance.

C. SWP Allocation

The “SWP Allocation” is the “Annual Table A Amount” of 25,000 AF available to the District under the Master Contract and represents the maximum annual amount of Project Water that can be delivered to the District under certain conditions. A portion of the District’s SWP Allocation is committed to the Subcontractors (Subcontracted Amount) for municipal (domestic) supply use. The Subcontractors’ annual Water Supply Agreements total 4,830 AF, and Drought Buffer Water Agreements total 5,747 AF (for a combined total Subcontracted Amount of 10,577 AF).

The Subcontractors’ Water Supply Agreements are long-term “take-or-pay” arrangements (i.e., for annual delivery of up to 4,830 AF) and provide them with the first right each year to schedule monthly Project Water deliveries to the three existing SWP turnouts within the District. Under certain conditions, this benefit means the Subcontractors may decide to utilize 100% of the District’s conveyance capacity within the Coastal Branch in a given month or “delivery year” (Jan. 1 to Dec. 31). However, the take-or-pay condition means that regardless of whether the Subcontractors use 100% of the available Coastal Branch capacity needed to take delivery of the subcontracted amount under their Water Supply Agreements (i.e., the 4,830 AF), they are still obligated to pay 100% of the annual DWR Coastal Branch and CCWA treatment plant costs that are allocated to the District. Accordingly, Subcontractors shall have the first right to utilize all Project Water and Coastal Branch System capacity (conveyance and treatment) made available to the District under the Master Contract and CCWA Agreement.

The remaining portion of the 25,000 AF of SWP Allocation not subcontracted totals 14,423 AF (the District’s Reserve Amount). Consistent with the requirements of the Master Contract, the District’s Reserve Amount is paid for primarily by property tax revenue which enables the District to maintain the balance of its contracted SWP water supply from DWR for the long-term benefit of the County.

When there is available Project Water in a given year that is not needed by the District to fulfill the Subcontractors’ Water Supply Agreements, then that water is considered surplus Project Water (the District’s Surplus Water).

II. GENERAL

A. Relationship to Previously Adopted Policies

These Policies replace / supersede the District’s 2003 Excess Entitlement Policies approved by the Board of Supervisors sitting as the District Board (Board) on January 14, 2003.

B. Application and Interpretation

These Policies apply to all of the District’s Project Water. The purpose of these Policies is to establish a framework that will guide District staff, the Board and its Subcontractors in maximizing the Project Water supply. The goal is to fully utilize the District’s Surplus Water within the County and develop opportunities to optimize the Subcontracted Amount with a recognition that water transfers/exchanges (on an annual, multi-year, or permanent basis) are going to be one of the primary water management tools to achieve these objectives.

These Policies are intended to apply and be limited to water management decisions concerning water delivery contracts within DWR's SWP conveyance facilities, primarily those within the Coastal Branch, as shown in Exhibit A. Although these policies apply to the entire annual SWP water supply available to the District, the District is only a wholesaler of the Project Water, and so these Policies are limited to SWP water transfers within the District's contracted share of the DWR-owned part of the SWP system. The District is a separate legal entity from the County, and recognizes that other laws, regulations, and policies may govern how, where, or under what conditions the Project Water can be used locally. As such, these policies are not intended to address water management decisions about Project Water once that water is within local systems, that is, once that water has passed through the DWR-owned turnout (i.e., Shandon, Chorro Valley, Lopez, etc.). Water management actions for the water at that point are subject to the respective policies and contractual arrangements of the local systems (e.g., Chorro Valley Pipeline, Zone 3/Lopez, etc.). However, these Policies shall not be deemed to limit future discretionary actions by the District Board.

C. SWP is a Supplemental Supply – Primarily for Urban Water Needs (But Not Exclusively)

Given that SWP water is an imported supply and subject to delivery reductions and operational interruptions (annually, for up to several weeks at a time) for operations maintenance, it is the responsibility of the local water purveyors to integrate this supply into their local systems and to comply with local land use policies for water supply.

For the County, the SWP water supply was developed as a supplemental supply to meet municipal water needs. Domestic use shall be considered the highest priority use of all SWP water made available for local use in the County under the Master Contract. Domestic use is needed for sustenance, public health and safety, and welfare. State Water shall be used first to address public health, ensure reliable access to safe, affordable drinking water and sanitation. However, these Policies acknowledge that domestic use occurs both within public water supply system service areas and outside of those areas in the rural areas of the County where domestic water supplies are from individual water supply wells.

For supply reliability and emergencies, 5,000 AF of the District's Reserve Amount (currently 14,423 AF) shall be held by the District on a long-term basis as a "reliability reserve," leaving 9,423 AF as the balance of the District's Reserve Amount that could be made available under a long-term contract option.

As part of a future program, the District will incorporate the 5,000 AF reliability reserve (20% of its 25,000 AF SWP allocation) for short-term use only (one-year or less). This reserve is intended to help meet Subcontractor obligations and support countywide water resiliency and response needs. It will not be available for long-term contracts.

III. PRIORITIES (GUIDING PRINCIPLES FOR HOW THE DISTRICT'S SWP ALLOCATION SHOULD BE PRIORITIZED)

A. FIRST – Prioritize Needs of Subcontractors.

The Subcontractors shall have first rights to Project Water. The District will prioritize meeting the needs of its Subcontractors before making Project Water available to third parties. If any Subcontractor plans to acquire additional supplies, the District will attempt to meet the needs of these Subcontractors first, before entering into transactions with third parties. In addition and without limiting the foregoing:

- District Surplus Water made available to third parties must not harm the District's ability to meet its obligations to the existing Subcontractors.
- Transfers/exchanges of the District's Surplus Water with third parties can only be considered – whether temporary (short-term/single-year or multi-year) or permanent (long-term) – under a second-priority/standby basis in which the Subcontractors' first right of refusal to use the District's Surplus Water is preserved, and they retain the first priority option for delivery scheduling.
- Financial considerations shall be provided to Subcontractors providing capacity to deliver second-priority water. This ensures deliveries of transferred water do not detrimentally impact the ability of the District to fulfill existing delivery contracts for the other Subcontractors.

B. SECOND – Prioritize Local Public Water Agencies and Purpose of Use.

After all Subcontractors' Project Water needs are met, the District will give preference to local public water agencies and other water purveyors using the water for domestic needs (e.g., drinking water, sanitation, and fire protection) within the County, with water allocated according to the purpose of use – which may include direct delivery, in-lieu use, or groundwater recharge:

- **1st Order – Emergency Use:** Project Water needed for emergency use to ensure public safety and well-being. The intention is to give priority to transfers that address a public health need or a water shortage emergency pursuant to Water Code Section 350.
- **2nd Order – Domestic Use:** Use of Project Water as a supplemental supply to improve water system resiliency and reliability for drinking, sanitation, and fire protection for urban and rural water users.
- **3rd Order – Agricultural Use:** Use of Project Water for production agricultural irrigation or other farm and ranch purposes.
- **4th Order – Non-Domestic/Non-Agricultural Use:** Water allocated for non-domestic, non-agricultural purposes such as industrial, commercial, recreational or other non-essential uses.

C. THIRD – Prioritize Place of Use.

The original delivery location established under each of the Subcontractors' Water Supply Agreements is considered the preferred place of use. However, when capacity allows, requests for emergency or domestic use at other locations should take precedence over requests for agricultural or non-domestic use at a preferred place of use.

Among requests of the same priority (e.g., two domestic use requests), preference is given to those uses within the same/upstream financial reach – to minimize the “allocation without capacity” issue.

Downstream deliveries (including transfers or new water supply agreements involving turnout locations beyond the financial/conveyance reaches with dedicated capacity for that allocation) can be considered only under short-term (single-year) or on a second-priority/standby basis in which the Subcontractors’ first right of refusal is preserved, and they retain priority for delivery scheduling.

D. FOURTH – Prioritize Internal Temporary Transfers/Exchanges within the District.

(Temporary reallocation to balance supply among local entities.)

If water remains available after meeting the needs described in Orders 1-4, the District will consider transfers or exchanges of District Surplus Water between local public water agencies and other eligible users within the District, to balance out the supply.

E. FIFTH – Consider External Temporary Transfers/Exchanges.

Consider only after internal priorities are met; temporary transfers only, for achieving water management objectives and/or cost recovery.

F. SIXTH – Additional Considerations.

Additional consideration should be given to uses that:

- Help the District manage the District’s Surplus Water to better match the variation in local domestic need that varies from year-to-year and seasonally.
- Store available and/or unscheduled water deliveries for later use during times of water shortages to support municipal, groundwater basin replenishment, and agricultural benefits provided these uses are integrated with domestic or other priority uses.
- Complement demonstrated efforts to maximize the efficiency and beneficial use of locally available supplies.
- Solve or mitigate water supply problems in key watersheds/groundwater basins identified by the Board.
- Support SWP supply planning objectives and create opportunities for the District and Subcontractors to benefit from revenue-generating water market activities that offset or recover costs.
- Align with State, District, or County water management plans, strategies, and priorities.

IV. CRITERIA FOR USE

Requests for use of the District’s Surplus Water must meet the following Board-established criteria:

- A. Eligible Users** – The District’s Surplus Water may be provided to Subcontractors, public water agencies, special districts, groundwater sustainability agencies, mutual water companies, and investor-owned utilities regulated by the California Public Utilities

Commission, provided they are formally established and recognized under State law with a primary mission focused on the management or delivery of water for municipal, agricultural, or basin-level water management needs. Eligible users must demonstrate the ability to participate in the District's Surplus Water program, including meeting operational, financial, and regulatory requirements.

- B. Approval Requirements** – An eligible entity under Section A must request and approve the contract for supplemental use – whether for domestic, agricultural, or non-domestic use.
- C. Emergency Use** – Allowed if both County Board and requesting agency declare an “Emergency Condition”; use is subject to emergency declarations and all costs at that time.
- D. System Reliability** – Use of the District's Surplus Water must not compromise the SWP system reliability or reduce delivery capabilities to the Subcontractors.
- E. Financial Considerations** – All costs must be paid by the water user. Uses shall not detrimentally impact existing Subcontractors from a financial standpoint. There shall be no increase in administrative costs to the Subcontractors.
- F. Investment Recovery** – An investment recovery program is necessary to recover current and past costs. An amendment(s) to the SWP Subcontracts is anticipated to be the mechanism by which the investment recovery program is created and implemented, the development of which will necessitate the involvement of the Subcontractors.
- G. Regional Water Collaboration** – Requests should demonstrate how the proposed use of Project Water supports regional water supply reliability and maintains or strengthens existing partnerships that improve regional water resilience for the County.
- H. Compliance with Obligations and Laws** – Transfers and exchanges shall be carried out consistent with all applicable requirements and obligations, including but not limited to these policies, the Master Contract, Subcontracts, Water Treatment Agreements and all applicable laws and regulations, including the California Environmental Quality Act (CEQA).

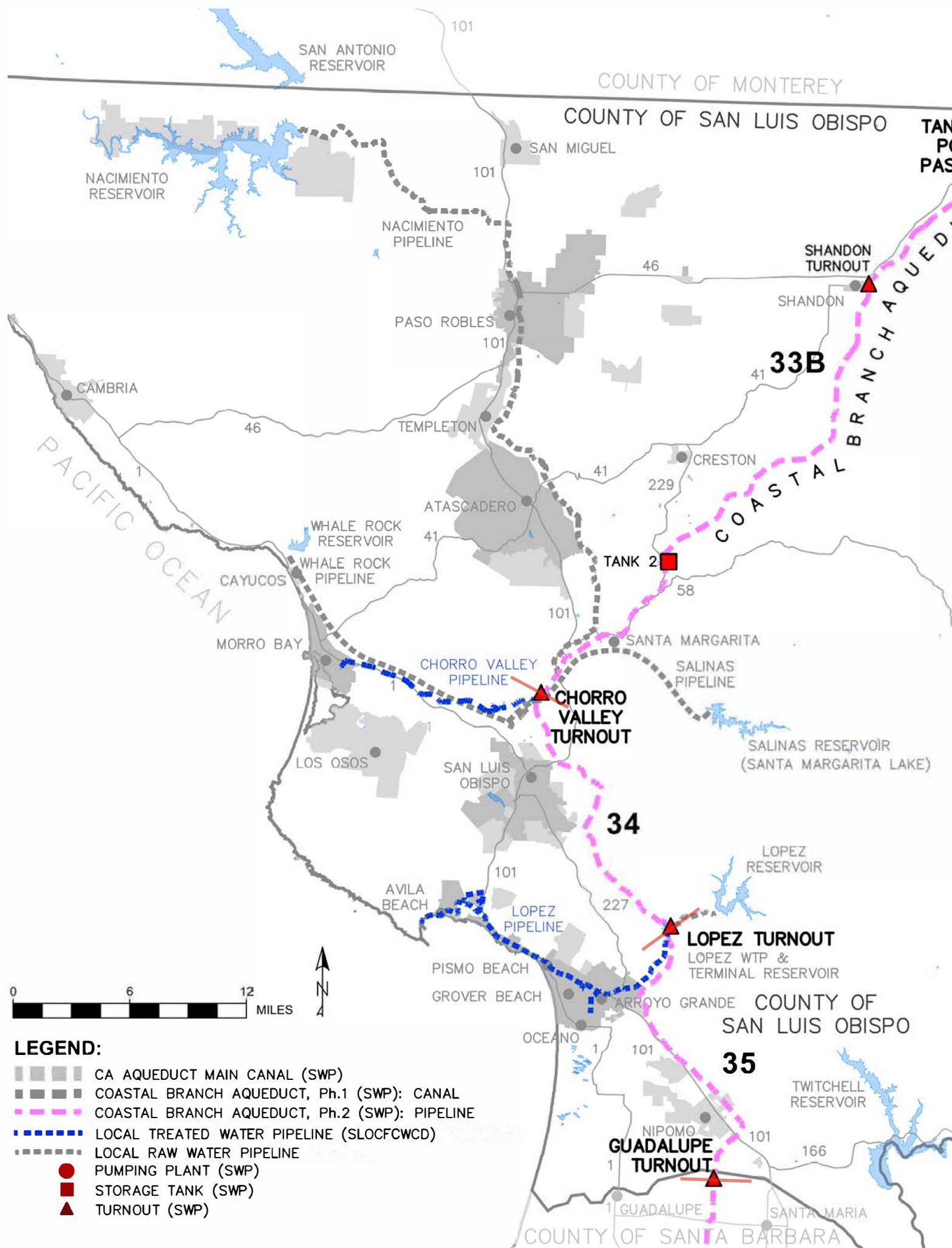
V. IMPLEMENTATION

The District Board acknowledges that the existing SWP Subcontracts do not provide for a water transfer program. These Policies are intended to guide the District staff and Board in considering transfer requests and in preparing amendments to the SWP Subcontracts that would make implementation of said requests possible by creating a defined process for temporary and permanent transfers; and it is not anticipated that any new long-term contracts will be established between the District and others for use of the District's Surplus Water until the updated SWP Subcontracts are in place.

SWP Water Transfer Policies

San Luis Obispo County Flood Control and
Water Conservation District
7/15/2025, BOS Approved

Notwithstanding, as indicated above, these Policies shall not be deemed to limit future discretionary actions by the District Board, including, without limitation, approval of a permanent transfer of existing water supply amounts under the SWP Subcontracts while the amendments needed to provide for the program contemplated herein are completed.



STATE WATER PROJECT (SWP) COASTAL BRANCH AQUEDUCT CONVEYANCE CAPACITY

SWP REACH NO.	SWP REACH DESCRIPTION	SLOCFCWCD ¹ CONTRACTED CAPACITY (AFY)	SBCFCWCD ² CONTRACTED CAPACITY (AFY)	TOTAL CONTRACTED CAPACITY (AFY)	OWNER-SHIP	O & M
31A	AVENAL GAP TO DEVIL'S DEN PUMPING PLANT	25,000	45,486	N/A ³	DWR	DWR
33A	DEVIL'S DEN PUMPING PLANT TO TANK 1 SITE	4,830	42,986	47,816	DWR	DWR
33B	TANK 1 SITE TO CHORRO VALLEY TURNOUT	4,830	42,986	47,816	DWR	CCWA
34	CHORRO VALLEY TURNOUT TO LOPEZ TURNOUT	2392	42,986	45,378	DWR	CCWA
35	LOPEZ TURNOUT TO GUADALUPE TURNOUT	0	42,986	42,986	DWR	CCWA

SLOCFCWCD ¹ TURNOUT	TURNOUT DESCRIPTION	CONTRACTED CAPACITY (AFY)	OWNER-SHIP	O & M
SHANDON	2-INCH PIPELINE CONNECTION NEAR INTERSECTION OF TOBY WAY AT SAN JUAN RD., SHANDON, CA	100	DWR	CCWA
CHORRO VALLEY	16-INCH PIPELINE CONNECTION NEARBY THE SOUTH PORTAL OF CUESTA TUNNEL, 3 MILES NORTH OF SAN LUIS OBISPO, CA	2,338	DWR	CCWA
LOPEZ	8-INCH PIPELINE CONNECTION NEAR INTERSECTION OF ORCUTT RD. AT LOPEZ DR., 3 MILES NORTHEAST OF ARROYO GRANDE, CA	2,392	DWR	CCWA

NOTES:

1. SLOCFCWCD = SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

2. SBCFCWCD = SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

3. TOTAL CONTRACTED CAPACITY WITHIN PHASE 1 OF THE COASTAL BRANCH IS NOT AVAILABLE AT THIS TIME. KERN COUNTY WATER AGENCY HAS CONTRACTED CAPACITY TO DELIVER STATE WATER TO BERRENDA MESA WATER DISTRICT (AG) WHICH UTILIZES CAPACITY IN THE COASTAL BRANCH CANAL. THERE IS ADDITIONAL CAPACITY FOR SANTA CLARITA (DDWD) AND A FUTURE SJV CONTRACTOR.



INITIAL 2026 CALENDAR – PROPOSED 11/14/25.

2026 SWSAC CALENDAR

State Water Subcontractors Advisory Committee (SWSAC) & Water Management Working Group (WMWG)

SWSAC (Public Meetings): Dates as shown, from 10:00 -11:30 AM – quarterly meetings in San Luis Obispo, downtown at the County Government Center (Rm. D361) (unless noticed otherwise).

WMWG (District & Subcontractor Staff): Technical review/coordination as needed; dates/times TBD.

<u>JAN</u> SWSAC – Dark	<u>FEB</u> Regular SWSAC – Feb 6 (Fri.) -- <i>(1) Annual election of Chair & Vice Chair; (2) Approval of 2026 Calendar.</i>	<u>MAR</u> SWSAC – Dark
<u>APR</u> SWSAC – Dark	<u>MAY</u> Regular SWSAC – May 8 (Fri.)	<u>JUN</u> SWSAC – Dark
<u>JUL</u> SWSAC – Dark	<u>AUG</u> Regular SWSAC – Aug 7 (Fri.)	<u>SEP</u> SWSAC – Dark -- <i>Subcontractors submit SWP water delivery request for 2027 (on or before 9/1/26).</i>
<u>OCT</u> SWSAC – Dark -- <i>District submits SWP water delivery request for 2027 to DWR (on or before 10/1/26).</i>	<u>NOV</u> Regular SWSAC – Nov 13 (Fri.) -- <i>Distribution of draft proposed calendar for 2027.</i>	<u>DEC</u> SWSAC – Dark -- <i>(1) DWR issues Initial SWP Allocation for 2027 (on or before 12/1/26); (2) District furnishes 2027 delivery schedule to Subcontractors (on or before 12/15/26).</i>

***Meeting logistics are subject to change.** Please contact County Public Works at 805-781-5252 or pwd@co.slo.ca.us for confirmation of date, location & time.