



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, February 27, 2026 – 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 November 2025 meeting.
4. **SELECTION OF 2026 SWSAC OFFICERS**
Staff Recommendation: Nominate and Approve Chair and Vice Chair for 2026.
5. **SET DATES FOR THE 2026 CALENDAR**
Staff Recommendation: Approve the Proposed 2026 SWSAC Calendar.
6. **REPORTS FROM THE DISTRICT**
 - A. Water Supply & Delivery Operations
Staff Recommendation: Informational item only.
 - B. DCP Planning Update
Staff Recommendation: Informational item only.
 - C. California Aqueduct Subsidence
Staff Recommendation: Informational item only.
 - D. Water Management Update
Staff Recommendation: Informational item only.
 - E. SWP Transfer Policy – Quarterly Implementation Update
Staff Recommendation: Informational item only.
7. **REPORTS FROM SUBCONTRACTORS** (FOR INFORMATION ONLY)
8. **FUTURE AGENDA ITEMS:** Committee members may suggest items for future agendas.
9. **DATE OF NEXT MEETING** (Proposed: Friday, May 22, 2026 – 10:00-11:30a)
10. **ADJOURNMENT**

Attachments

1. Agenda Item 3 – Draft Minutes, November 2025
2. Agenda Item 5 – Proposed Calendar (2026)
3. Agenda Item 6A – Delivery Report
4. Agenda Item 6D – Reference (Adopted Policy, 7/15/25)

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 – November 14, 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 November 14, 2025. Agenda items are presented in the order listed on the published agenda. Staff reports and related documents are attached to the official record and incorporated herein by reference.

1. CALL TO ORDER & ROLL CALL

Chair Hagemann called the meeting to order at approximately 10:07 a.m. A quorum was established.

Members Present:

Suchecky (CSA 16 Shandon); Treichler (County Operations Center); DeMello (Cuesta College); Gaglione (Pismo Beach); Brown (Oceano CSD); Chisam (San Miguelito MWC); Hagemann (Avila Beach CSD); Howard (District, non-voting).

2. PUBLIC COMMENT

None.

3. APPROVAL OF PREVIOUS MINUTES

The minutes of the August 8, 2025, meeting were approved as presented on motion by Gaglione, seconded by Brown. Motion carried unanimously by voice vote.

4. PRESENTATIONS

A. California Aqueduct Subsidence (Informational)

Manny Bahia (State Water Contractors) presented on subsidence impacts to the California Aqueduct, including monitoring efforts, interim mitigation measures, and long-term remediation planning. Discussion included potential impacts to SWP conveyance capacity and funding considerations.

B. DWR Annual Charges & SWP Finance (Informational)

Suchecky presented an overview of the 2026 DWR Statement of Charges, including capital, transportation, and variable charge components, subcontractor billing structure, and timing of invoicing.

5. REPORTS FROM THE DISTRICT

A. Water Supply & Delivery Operations (Informational)

Thomson reported:

- 2025 SWP Table A allocation is 50% (12,500 AF).
- End-of-year storage target is 8,500 AF.

- Approximately 7,500 AF is reserved for potential transfers.
- Installation of a new meter at Lopez turnout for low-flow deliveries.

B. DCP Planning Update (Informational)

Thomson reported that the preliminary injunction delaying progress on pre-construction geotechnical work was overturned in October, clearing the way for the data gathering work to resume.

C. Water Management Working Group Update (Informational)

Thomson reported that the Westside water transfer approval process for approximately 7,000 AF is nearing completion. Staff also provided an update on a proposed 500 AF Palmdale transfer pilot action intended to reduce risk of spill at San Luis Reservoir and support future storage partnership opportunities.

D. Post-Policy Adoption Work (Informational)

Thomson reported that staff are evaluating contract modernization approaches to improve alignment with SWP operations and policies, and documenting needed administrative procedures or agreements. The District anticipates needed consultant support (technical and legal) to advance the subcontract modernization process. Staff anticipate engaging subcontractors in preliminary discussions in late spring or early summer to identify who may have interest in future permanent transfer opportunities.

6. REPORTS FROM SUBCONTRACTORS

None.

7. FUTURE AGENDA ITEMS

- Additional discussion of California Aqueduct subsidence.
- Brown requested an outline of operational procedures related to the newly adopted SWP policies.

8. DATE OF NEXT MEETING

The next Regular Meeting is scheduled for February 6, 2026, at 10:00 a.m.
Brown suggested considering a standing meeting schedule to simplify planning.

9. ADJOURNMENT

Chair Hagemann adjourned the meeting at approximately 11:40 a.m.

Minutes prepared by: J. Thomson / W. Thomson
Draft – For Committee Review and Approval



2026 CALENDAR – UPDATED DRAFT, PROPOSED 1/23/26.

2026 SWSAC CALENDAR

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

SWSAC (Public Meetings): Quarterly meetings – the four dates proposed are the [4th Friday](#) of the month, from [10:00 -11:30 AM](#). Location is at the [County Government Center - Rm. D361](#), in downtown San Luis Obispo (unless noticed otherwise).

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

<p><u>JAN</u> SWSAC – Dark</p>	<p><u>FEB</u> Regular SWSAC – Feb 27 (Fri.) -- <i>(1) Annual election of SWSAC Chair & Vice Chair; (2) Approval of 2026 SWSAC Calendar.</i></p>	<p><u>MAR</u> SWSAC – Dark</p>
<p><u>APR</u> SWSAC – Dark</p>	<p><u>MAY</u> Regular SWSAC – May 22 (Fri.)</p>	<p><u>JUN</u> SWSAC – Dark</p>
<p><u>JUL</u> SWSAC – Dark</p>	<p><u>AUG</u> Regular SWSAC – Aug 28 (Fri.)</p>	<p><u>SEP</u> SWSAC – Dark -- <i>Subcontractors submit SWP water delivery request for 2027 (on or before 9/1/26).</i></p>
<p><u>OCT</u> Regular SWSAC – Oct 23 (Fri.) -- <i>(1) District submits to DWR the SWP water delivery request for 2027 (on or before 10/1/26). (2) District distribution of 2027 draft proposed calendar for SWSAC review.</i></p>	<p><u>NOV</u> SWSAC – Dark --</p>	<p><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></p>

***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.

2025 STATE WATER DELIVERY REPORT (DRAFT)

Subcontractor Deliveries for Jan-Dec 2025.
 Schedule Requests as of 7/1/25 (REV 3).
 Prepared by WT, 2/24/26.

District SWP Water Balance -- 2025/2026

SUPPLY		DEMAND	
Stored "Carryover" Water (Art 56c) at SLR, 1/1/2025 =	6,294 AF	Delivered SWP Water to Subcontractors (2025) =	2,185 AF
SWP Allocation (as of 4/29/2025) =	50%	District Surplus to Others In-District (Placeholder) =	0 AF
2025 "Table A" allocation (per 25,000 AF contract) =	12,500 AF	Total In-District Deliveries Scheduled (2025) =	2,185 AF
Total SWP Water Available (2025) =	18,794 AF	Surplus to Others Out-of-District (Estimated Transfer) =	7,500 AF
		Net Storage Gain (Out-of-District) =	350 AF
		Stored Carryover at SLR (End of Year 2025, estimated) =	9,109 AF
		Balance of Available SWP Water (Jan. 1, 2026, estimated) =	9,459 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%	Total as	
AGENCY	SCHEDULED >	Avail. TLBA	C/O Need	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% of Request ³
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	16.7	15.5	20.1	258.3	65%
County Ops	420	425	0	19.60	19.48	21.19	21.50	30.30	26.8	26.7	28.3	24.6	17.7	16.4	21.4	273.9	65%
Cuesta	192	200	0	8.96	8.91	9.69	9.83	13.85	12.3	12.2	12.9	11.2	8.1	7.5	9.8	125.2	65%
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	59.6	43.5	72.7	917.6	83%
Subtotal (CV)	2108	2827	0	116.0	105.0	119.0	136.0	164.0	159	172	150	145	102	83	124	1,575	75%
LOPEZ City of Pismo Beach	496	1240	0	95.0	85.4	33.1	103.0	103.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	419.5	85%
Oceano CSD	95	750	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5	20.0	15.0	0.0	0.0	54.5	57%
San Miguelito MWC	90	275	0	11.0	8.9	10.0	5.5	0.0	6.9	8.9	9.6	7.5	7.2	6.1	5.7	87.2	97%
Avila Beach CSD	34	100	0	5.0	4.6	0.61	5.5	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	27.7	82%
Avila Valley MWC	20	40	0	1.00	0.79	0.00	1.60	2.00	2.00	2.00	2.00	2.00	2.00	1.00	0.94	17.3	87%
San Luis Coastal USD	6.0	7.0	0.0	0.23	0.17	0.25	0.57	0.64	0.47	0.49	0.37	0.00	0.00	0.03	0.28	3.51	58%
Subtotal (Lpz.)	741.0	2412	0.0	112.2	99.8	44.0	116.2	111.6	15.4	11.4	31.5	29.5	24.2	7.1	7	609.8	82%
TOTAL	2849	5289	0	228.2	204.8	163.0	252.2	275.6	174.4	183.4	181.5	174.5	126.2	90.1	131	2,185	77%

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	% of Contract
SHANDON CSA 16	100	0	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
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	1,100	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	2,108	90%
LOPEZ City of Pismo Beach	1240	1240	1240	95.0	95.0	100.0	103	103	0	0	0	0	0	0	0	496	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	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	2,849	59%
ADJUSTED TOTAL²				283	283	320	304	313	210	224	204	203	184	163	164	2,855	< 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

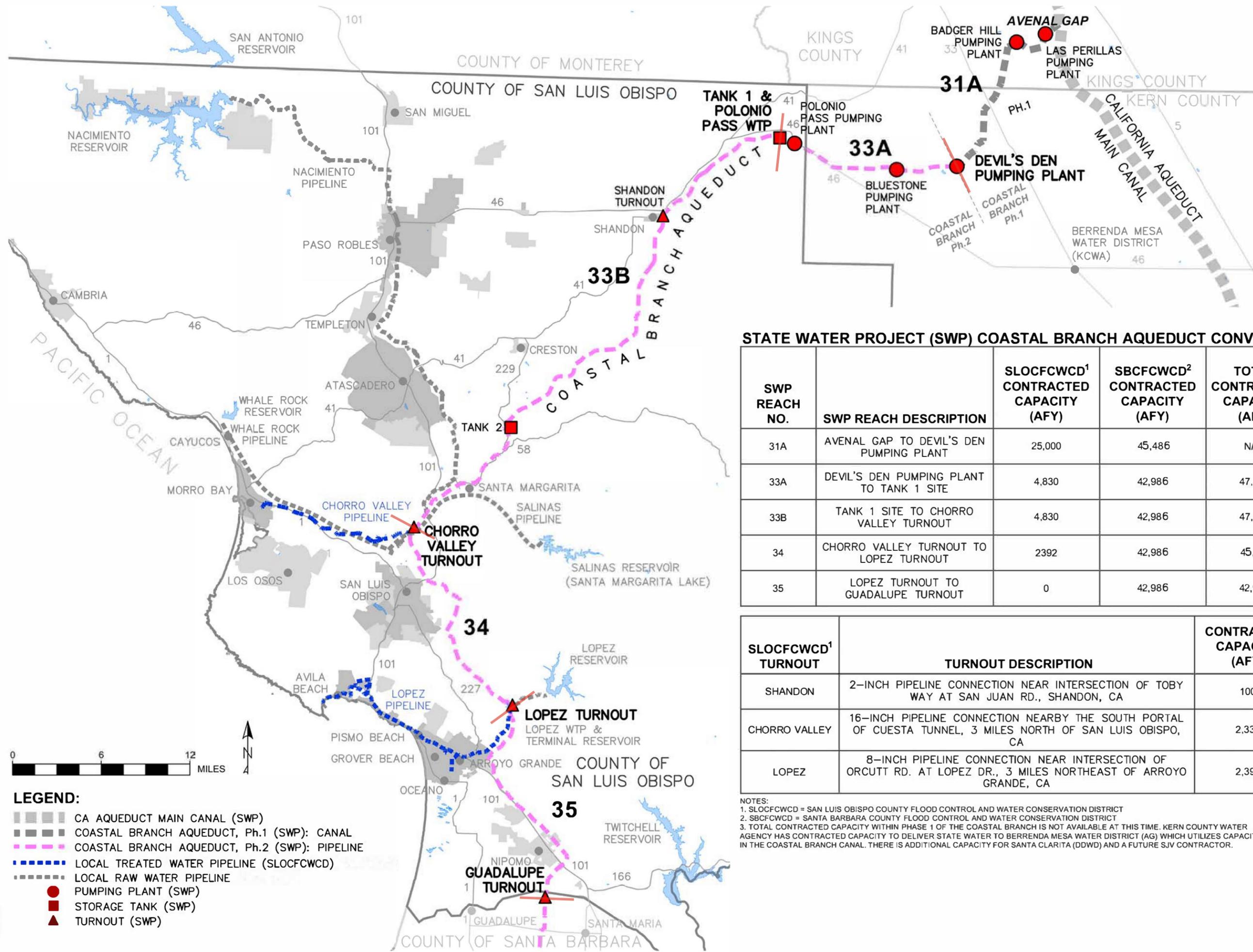
Commission, provided they are formally established and recognized under State law with a primary mission focused on the management or delivery of water for municipal, agricultural, or basin-level water management needs. Eligible users must demonstrate the ability to participate in the District’s Surplus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

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	2,392	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.

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 UTILITIES DIVISION, PUBLIC WORKS DEPT., COUNTY OF SAN LUIS OBISPO
 8/15/2017, WT