



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, August 28, 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: Rosemarie Gaglione (Pismo Beach)

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** (Action Item)
Staff Recommendation: Approve the Minutes from the SWSAC meeting on May 29, 2026.
4. **COMMITTEE INFORMATIONAL ITEMS** (No Action Required)
District Reports:
 - A. Water Supply & Delivery Operations (2026)
 - B. Delta Conveyance Project (DCP) – Planning Update
 - C. California Aqueduct Subsidence
 - D. SWP Transfer Policies (2025): Implementation Update
 - a. Solicitation for Interest in Future SWP Water
 - b. Subcontract Modernization*Report from the Water Management Working Group (WMWG):*
 - E. Water Management Update
6. **REPORTS FROM SUBCONTRACTORS** (For Information Only)
7. **FUTURE AGENDA ITEMS:** Committee members may suggest items for future agendas.
8. **DATE OF NEXT MEETING** (Friday, Oct 23, 2026 – 10:00-11:30a)
9. **ADJOURNMENT**

Attachments

1. Agenda Item 3 – Draft Minutes (5/29/2026)
2. Agenda Item 4 – Staff Report
3. Agenda Item 4 – Reference: SWP Transfer Policies (2025)

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.*

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE
San Luis Obispo County Flood Control and Water Conservation District

Regular Meeting Minutes – May 29, 2026 (DRAFT FOR REVIEW)

Chair: Brad Hagemann
Vice Chair: Rosemarie Gaglione
Secretary: Wes Thomson

The following minutes reflect actions taken by the State Water Subcontractors Advisory Committee (SWSAC) at its Regular Meeting on May 29, 2026. 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

Vice Chair Gaglione called the meeting to order at approximately 10:00 a.m. A quorum was established.

Members Present: Treichler (County Operations Center); DeMello (Cuesta); Hanson (Morro Bay); Gaglione (Pismo Beach); Howard (District, non-voting).

2. PUBLIC COMMENT

None.

3. APPROVAL OF PREVIOUS MINUTES

The minutes of the February 27, 2026, meeting were approved as presented on motion by DeMello, seconded by Hanson. Motion carried unanimously by voice vote.

4. COMMITTEE INFORMATIONAL ITEMS (No Action Required)

District Reports:

- A. Water Supply & Delivery Operations (2026)
 - Thomson reported that the 2026 SWP Table A allocation is 45% (11,250 AF), with approximately 21,252 AF of total SWP supply projected to be available. Estimated in-District demand remains approximately 3,500 AF, with up to approximately 9,500 AF potentially available for transfer or other water management opportunities, subject to operational conditions.
 - Staff continue to evaluate transfer, storage, and other management tools to reduce water-loss risk and improve supply management flexibility.
- B. Westside Transfer (2025)
 - Thomson reported that the District completed an approximately 7,000 AF transfer with Westside Districts in 2025, generating approximately \$1.45 million in transfer revenues. Final delivery and financial reconciliation is underway.
 - Staff continue discussions with Westside regarding potential 2026 and multi-year transfer opportunities.
- C. Delta Conveyance Project (DCP) – Planning Update

- Thomson reported that the Delta Stewardship Council recently determined the DCP to be largely consistent with the Delta Plan, allowing the project to continue through remaining approval and implementation steps. DWR estimates that approximately 585,000 AF of additional water could have been captured and conveyed between October 1, 2025, and May 14, 2026, with additional conveyance capacity.

D. California Aqueduct Subsidence

- Thomson reported that DWR continues to evaluate interim and long-term measures to address California Aqueduct subsidence and associated impacts to SWP conveyance capacity and reliability. Staff are also monitoring SB 872, which could provide funding for aqueduct subsidence repairs and reduce costs otherwise borne by SWP contractors.
- In response to a question regarding potential corrective measures, Thomson noted that DWR is evaluating multiple interim and long-term options and that continued subsidence remains an underlying concern.

E. SWP Transfer Policy (2025): – Implementation Update

Report from the Water Management Working Group (WMWG):

- Thomson reported that the subcontract modernization consultant RFP is nearing completion, with solicitation anticipated shortly.
- The selected consultant will assist with development of an Agreement in Principle and evaluation of modernization concepts, with continued subcontractor involvement.

F. Water Management Update

- Dan Heimel reported on development of water supply planning and pricing tools intended to support evaluation of storage, banking, delivery, and transfer opportunities while maintaining dry-year reserves and improving cost recovery.
- Discussion included coordination between the Water Management Working Group and the upcoming subcontract modernization effort, planned outreach regarding potential transfer participants, and opportunities to increase use of available Coastal Branch conveyance capacity in coordination with CCWA and other stakeholders.

5. COMMITTEE ACTION ITEM

A. Westside Transfer Option

Staff Recommendation: Endorse the proposed approach to secure a transfer option with Westside Districts for 2026 including the development of a multi-year option.

- Thomson presented the proposed approach for developing a 2026 transfer option with Westside Districts and a potential multi-year framework intended to establish pricing and general transfer terms in advance, improve administrative efficiency, and preserve annual flexibility. The proposed framework would not obligate annual transfers, purchases, or specific quantities, and future transfers would remain subject to applicable approvals and operational conditions.
- Gaglione moved to endorse continued development of the proposed transfer option, including exploration of a potential multi-year framework, for future consideration by the Board of Supervisors. DeMello seconded. Motion carried unanimously by voice vote.

6. REPORTS FROM SUBCONTRACTORS (Informational)

None.

7. FUTURE AGENDA ITEMS

Future updates regarding the Westside transfer framework and California Aqueduct subsidence.

8. DATE OF NEXT MEETING

The next Regular Meeting is scheduled for Friday, August 28, 2026, from 10:00–11:30 a.m.

9. ADJOURNMENT

Vice Chair Gaglione adjourned the meeting at approximately 10:48 a.m.

Minutes prepared by: J. Trout / W. Thomson

Draft – For Committee Review and Approval

2026 STATE WATER DELIVERY REPORT (DRAFT)

Subcontractor Deliveries for Jan-Jul 2026 .
Scheduled Requests as of 6/24/26 (Rev. 1).
Prepared by WT, 8/25/26.
Data current as of 8/25/26.

District SWP Water Balance -- 2026

SUPPLY			DEMAND		
Stored "Carryover" Water (Art 56c) at SLR,1/1/2026 =	9,110	AF	Scheduled SWP Water Deliveries to Subcontractors (2026) =	3,690	AF
Other Storage (Out-of-District) =	350	AF	District Surplus Delivery to Others In-District (Estimated) =	0	AF
Total District Stored Water Balance =	9,460	AF	Total In-District Deliveries Scheduled (2026) =	3,690	AF
SWP Allocation (as of 5/15/2026) =	45%		Estimated Surplus Available for Transfer =	9,000	AF
2026 "Table A" allocation (25,000 AF contract) =	11,250	AF	Stored Carryover at SLR (End-of-Year 2026, target) =	8,000	AF
Total SWP Water Available (2026) =	20,710	AF	Balance of Available SWP Water (Jan. 1, 2027, projected) =	8,020	AF

DELIVERIES TO SUBCONTRACTORS (2026)^{1,2,3,4}

SWP Allocation for 2026 (set by DWR) >>				10%	30%	30%	30%	45%									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	45	0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0.0	--
CHORRO CMC	396	360	0	20.4	24.7	24.7	22.4	25.2	24.7	29.3	0	0	0	0	0	171.5	43%
County Ops	420	383	0	21.7	26.2	26.2	23.8	26.7	26.2	31.0	0	0	0	0	0	181.9	43%
Cuesta	192	180	0	9.9	12.0	12.0	10.9	12.2	12.0	14.2	0	0	0	0	0	83.1	43%
City of Morro Bay	1190	1621	0	68.0	71.2	67.0	63.9	70.8	70.1	78.5	0	0	0	0	0	489.5	41%
Subtotal (CV)	2198	2544	0	120.0	134.0	130.0	121.0	135	133	153	0	0	0	0	0	926	42%
LOPEZ City of Pismo Beach	1000	1116	0	0.0	0.0	67.9	103.0	103.0	103.0	103.0	0	0	0	0	0	479.9	48%
Oceano CSD	300	675	0	36.9	39.5	28.2	15.0	15.0	15.0	35.0	0	0	0	0	0	184.7	62%
San Miguelito MWC	90	248	0	5.6	4.3	7.2	7.5	8.1	7.3	7.9	0	0	0	0	0	47.7	53%
Avila Beach CSD	70	90	0	5.0	5.0	3.41	6.0	6.0	6.0	6.0	0	0	0	0	0	37.4	53%
Avila Valley MWC	20	36	0	0.67	1.00	0.48	2.00	2.00	2.00	2.00	0	0	0	0	0	10.2	51%
San Luis Coastal USD	6.0	6.3	0.0	0.37	0.39	0.23	0.50	0.50	0.50	0.50	0	0	0	0	0	2.99	50%
Subtotal (Lpz.)	1486.0	2171	0.0	48.5	50.2	107.4	134.0	135	134	154	0	0	0	0	0	762.8	51%
TOTAL	3684	4760	0	168.5	184.2	237.4	255.0	269.6	266.8	307.4	0.0	0.0	0.0	0.0	0	1,689	46%

- 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.
 - All values preliminary and subject to reconciliation.

FOR REFERENCE:

SUBCONTRACTOR DELIVERIES SCHEDULED (2026; REV 0)^{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
CSA 16	100	0	45	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
CMC	400	400	360	33	33	33	33	33	33	33	33	33	33	33	33	396	99%
County Ops	425	425	383	35	35	35	35	35	35	35	35	35	35	35	35	420	99%
Cuesta	200	200	180	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	1621	90	90	100	100	100	107	109	109	105	100	90	90	1,190	91%
Subtotal (CV)	2338	3315	2544	174.0	174.0	184.0	184.0	184.0	191.0	193.0	193.0	189.0	184.0	174.0	174.0	2,198	94%
				174	174	184	184	184	191	193	193	189	184	174	174	2,198	< adjusted for DWR ²
City of Pismo Beach	1240	1240	1116	0.0	0.0	100.0	103	103	103	103	103	100	95	95	95	1,000	81%
Oceano CSD	750	750	675	20	40	40	15	15	15	35	30	25	25	20	20	300	40%
San Miguelito MWC	275	275	248	7	7	8	8	8	8	8	8	7	7	7	7	90	33%
Avila Beach CSD	100	100	90	5	5	6	6	6	6	6	7	6	6	6	5	70	70%
Avila Valley MWC	20	60	36	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	6	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	2171	33.5	53.5	155.5	134.5	134.5	134.5	154.5	150.5	140.5	135.5	129.5	129.5	1,486	62%
				34	54	156	135	135	135	155	151	141	136	130	130	1,492	< adjusted for DWR ²
TOTAL	4830	5747	4760	207.5	227.5	339.5	318.5	318.5	325.5	347.5	343.5	329.5	319.5	303.5	303.5	3,684	76%
ADJUSTED TOTAL ²				208	228	340	319	319	326	348	344	330	320	304	304	3,690	< 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).

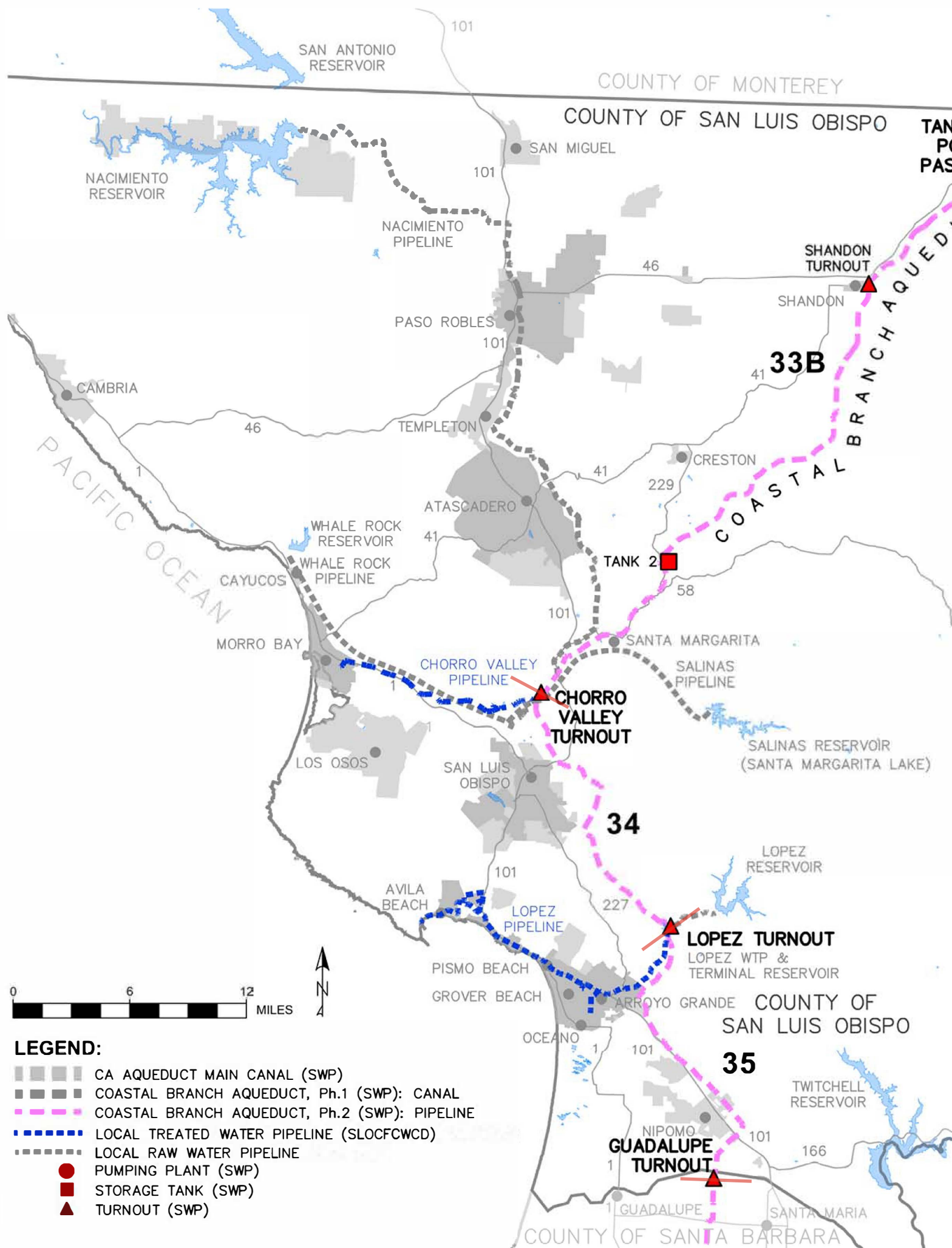
V. IMPLEMENTATION

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.



- LEGEND:**
- CA AQUEDUCT MAIN CANAL (SWP)
 - COASTAL BRANCH AQUEDUCT, Ph.1 (SWP): CANAL
 - COASTAL BRANCH AQUEDUCT, Ph.2 (SWP): PIPELINE
 - LOCAL TREATED WATER PIPELINE (SLOCFCWCD)
 - LOCAL RAW WATER PIPELINE
 - PUMPING PLANT (SWP)
 - STORAGE TANK (SWP)
 - TURNOUT (SWP)

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.