SWSAC MEMBER AGENCIES: *COUNTY (CSA 16), STATE (CMC), COUNTY (COC), SLOCCD (CUESTA), MORRO BAY, PISMO BEACH, OCEANO CSD, SAN MIGUELITO MWC, AVILA VALLEY MWC, AVILA BEACH CSD, SLCUSD, SLOCFC&WCD*

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, October 23, 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)

Recording Notice: The open-session proceedings of this meeting may be audio recorded to assist the secretary in preparing meeting minutes.

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 August 28, 2026.
4. **COMMITTEE INFORMATIONAL ITEMS** (No Action Required)
   District Reports:
   - A. Water Supply & Delivery Operations (2026)
   - B. Delta Conveyance Project (DCP)
   - C. California Aqueduct Subsidence Program (CASP)
   - D. SWP Transfer Policies (2025): Implementation Update
     - i. Solicitation for Interest in Future SWP Water
     - ii. 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** (Proposed: Friday, Feb 19, 2027 – 10:00-11:30am)
   Staff Recommendation: Set next meeting date and consider approval of proposed 2027 calendar.
9. **ADJOURNMENT**

Attachments

1. Agenda Item 3 – Draft Minutes (8/28/2026)
2. Agenda Item 4A – Delivery Report
3. Agenda Item 4D – Reference: SWP Transfer Policies (2025)
4. Agenda Item 8 – Proposed Calendar (2027)

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 (SWSAC)
San Luis Obispo County Flood Control and Water Conservation District

Regular Meeting Minutes – August 28, 2026 (DRAFT FOR REVIEW)

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

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

These minutes summarize actions taken and reports received at the Committee's regular meeting on August 28, 2026. Agenda numbering follows the published agenda, which inadvertently omitted Item 5.

1. CALL TO ORDER & ROLL CALL
In the absence of Chair Hagemann, Vice Chair Gaglione called the meeting to order at approximately 10:01 a.m. A quorum was established.

Members Present: Nola Engelskirger (CSA-16); Cindy Treichler (County Operations Center); Damaris Hanson (Morro Bay); Rosemarie Gaglione (Pismo Beach); Courtney Howard (District, non-voting).

2. PUBLIC COMMENT
No public comments were received.

3. APPROVAL OF PREVIOUS MINUTES
The minutes of the May 29, 2026, meeting were approved as presented on motion by Hanson seconded by Treichler. The motion carried by unanimous voice vote of the four voting members present.

4. COMMITTEE INFORMATIONAL ITEMS (No Action Required)
District Reports:

A. Water Supply & Delivery Operations (2026)
Herzog reported that the 2026 SWP Table A allocation is 45% (11,250 AF), with approximately 20,710 AF of total SWP supply projected to be available. Estimated in-District demand remains approximately 3,600 AF. Up to approximately 9,000 AF could be available for transfer or other water management opportunities, subject to operational conditions, with projected year-end storage of approximately 8,000 AF.

B. Delta Conveyance Project (DCP) – Planning Update
Thomson provided an update on DCP planning and reported DWR's estimate that the project, if operational, could have captured an additional 585,000 AF during the water year.

C. California Aqueduct Subsidence
Thomson reported that SB 872, concerning Delta levees and canal subsidence funding, had passed the Legislature and awaited gubernatorial action. Funding for repairs remained unresolved.

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

i. Solicitation for Interest in Future SWP Water
Brown summarized survey results indicating interest in future SWP supplies for domestic, agricultural, and groundwater recharge uses. Existing subcontractors expressed interest in annual sales of undelivered supplies but did not indicate interest in increasing or reducing their contracted amounts. A more detailed update was planned for the Committee's October meeting.

ii. Subcontract Modernization (Status Update)
Thomson outlined the SWP Subcontract Modernization process, including development of an Agreement in Principle to guide updated subcontracts. Consultant selection through the RFP process was underway, a consultant team had been identified, and further updates would be provided as information became available.

Report from the Water Management Working Group (WMWG):

E. Water Management Update
Dan Heimel (Confluence Engineering Solutions) reported on potential 2026 transfers and sales involving the Westside Districts, United Water Conservation District, and Palmdale Water District to recover costs and reduce spill risk. He also outlined a potential multi-year agreement being developed with the Westside Districts, including allocation-based pricing and water return options, intended to facilitate future transactions.

6. REPORTS FROM SUBCONTRACTORS (Informational)
No subcontractor reports were provided.

7. FUTURE AGENDA ITEMS
No future agenda items were requested.

8. DATE OF NEXT MEETING
The next Regular Meeting is scheduled for Friday, Oct 23, 2026, from 10:00–11:30 a.m.

9. ADJOURNMENT
Vice Chair Gaglione adjourned the meeting at approximately 11:08 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-Sep 2026.
Scheduled Requests as of 9/30/26 (Rev. 3).
Prepared by WT, 10/20/26.
Data current as of 10/20/26.

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) =	3,382	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) =**	**3,382**	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) =**	**8,328**	AF

DELIVERIES TO SUBCONTRACTORS (2026)[1,2,3,4]

	SWP Allocation for 2026 (set by DWR) >>			*10%*	*30%*	*30%*	*30%*	*45%*	*45%*	*45%*	*45%*	*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	29.4	26.2	0	0	0	**227.1**	*57%*
	County Ops	420	383	0	21.7	26.2	26.2	23.8	26.7	26.2	31.0	31.2	27.8	0	0	0	**240.8**	*57%*
	Cuesta	192	180	0	9.9	12.0	12.0	10.9	12.2	12.0	14.2	14.3	12.7	0	0	0	**110.1**	*57%*
	City of Morro Bay	1190	1621	0	68.0	71.2	67.0	63.9	70.8	70.1	78.5	71.1	66.4	0	0	0	**627.0**	*53%*
	Subtotal (CV)	***2198***	***2544***	***0***	***120.0***	***134.0***	***130.0***	***121.0***	***135***	***133***	***153***	***146***	***133***	***0***	***0***	***0***	***1,205***	***55%***
LOPEZ	City of Pismo Beach	715	1116	0	0.0	0.0	67.9	103.0	103.0	103.0	103.0	103.0	100.0	0	0	0	**682.9**	*96%*
	Oceano CSD	300	675	0	36.9	39.5	28.2	15.0	15.0	15.0	35.0	30.0	25.0	0	0	0	**239.7**	*80%*
	San Miguelito MWC	90	248	0	5.6	4.3	7.2	7.5	8.1	7.3	7.9	8.3	12.5	0	0	0	**68.5**	*76%*
	Avila Beach CSD	47	90	0	5.0	5.0	3.41	6.0	6.0	6.0	6.0	7.0	6.0	0	0	0	**50.4**	*107%*
	Avila Valley MWC	20	36	0	0.67	1.00	0.48	2.0	2.0	2.0	2.0	2.0	2.0	0	0	0	**14.2**	*71%*
	San Luis Coastal USD	6.0	6.3	0.0	0.37	0.39	0.23	0.50	0.50	0.50	0.50	0.50	0.50	0	0	0	**3.99**	*67%*
	Subtotal (Lpz.)	***1178.0***	***2171***	***0.0***	***48.5***	***50.2***	***107.4***	***134.0***	***135***	***134***	***154***	***151***	***146***	***0***	***0***	***0***	***1059.6***	***90%***
	TOTAL	**3376**	**4760**	**0**	**168.5**	**184.2**	**237.4**	**255.0**	**269.6**	**266.8**	**307.4**	**296.8**	**279.0**	**0.0**	**0.0**	**0**	**2,265**	***67%***

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

FOR REFERENCE:

SUBCONTRACTOR DELIVERIES SCHEDULED (2026; REV 3) [1,2,3,4]

	SCHEDULE VERSION (REV 0 = INITIAL) >>			*0*	*0*	*0*	*0*	*0*	*0*	*1*	*1*	*2*	*3*				*Total as*
	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	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]*
CHORRO	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]*
LOPEZ	City of Pismo Beach	**1240**	1240	1116	0.0	0.0	100.0	103	103	103	103	103	100	**0**	**0**	**0**	**715**	*58%*
	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	0	0	0	0	**47**	*47%*
	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***	***134.5***	***34.5***	***28.5***	***29.5***	***1,178***	***49%***
					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**	**323.5**	**218.5**	**202.5**	**203.5**	**3,376**	***70%***
	ADJUSTED TOTAL[2]				208	228	340	319	319	326	348	344	330	320	304	304	**3,690**	*< adjusted for DWR[2]*

Notes:
1. Assumes District can supply requested delivery regardless of the current DWR allocation.
2. Adjusted for DWR to be in whole acre-feet units.
3. Total monthly contracts: Shandon (8.33 AF), Chorro (194.83 AF), Lopez (199.33 AF) = 402.5 AF Total.
4. 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.

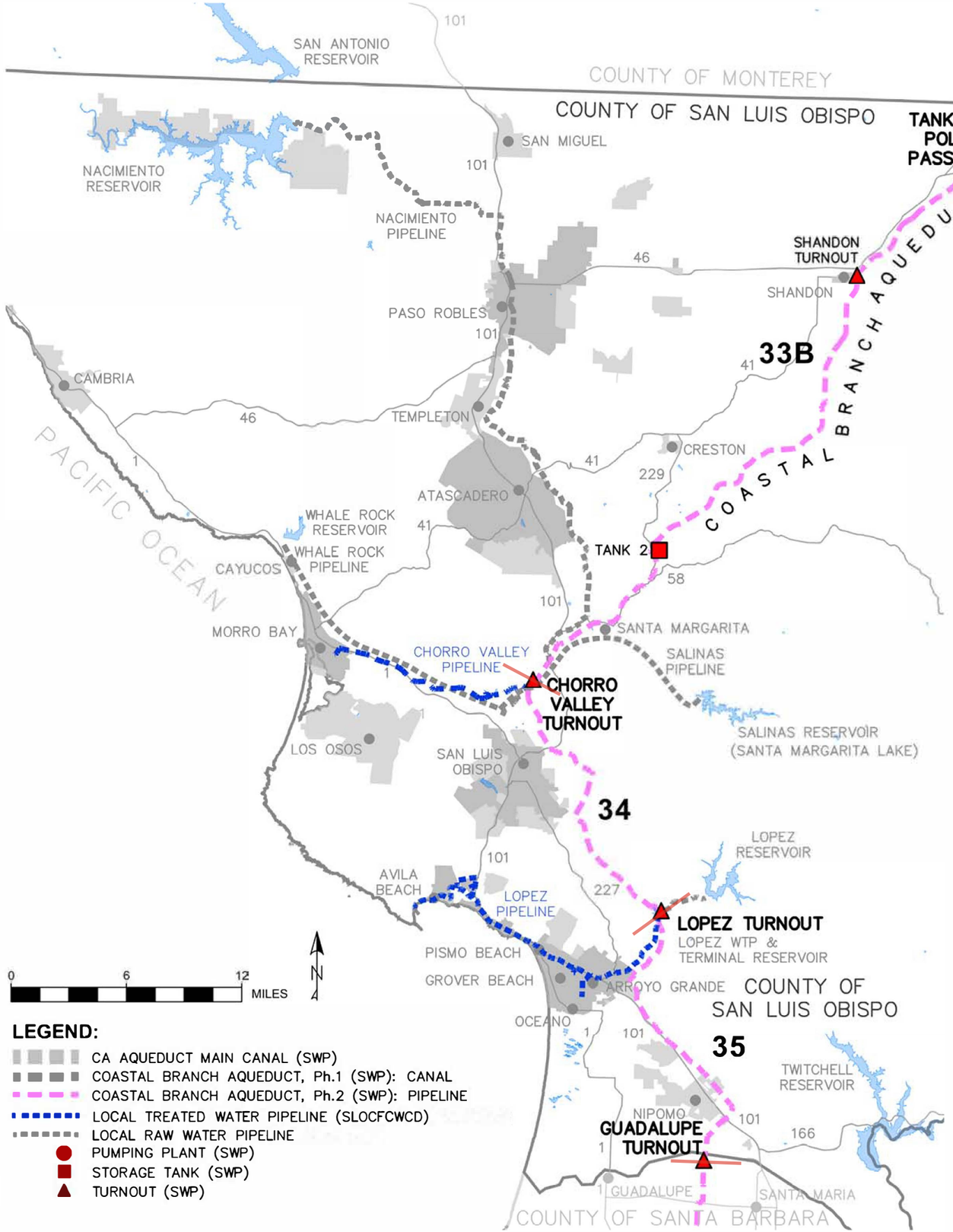
G. Regional Water Collaboration – Requests should demonstrate how the proposed use of Project Water supports regional water supply reliability and maintains or strengthens existing partnerships that improve regional water resilience for the County.

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	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.

DRAFT CALENDAR – SWSAC Approved, XX/XX/2027.

2027 SWSAC CALENDAR

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

SWSAC (Public Meetings): Quarterly meetings – the four dates proposed are on Fridays 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.

JAN **SWSAC** – Dark	FEB **Regular SWSAC** – Feb 19 (Fri.) -- *(1) Annual election of SWSAC Chair & Vice Chair; (2) Approval of 2027 SWSAC Calendar.*	MAR **SWSAC** – Dark
APR **Regular SWSAC** – Apr 30 (Fri.)	MAY **SWSAC** – Dark	JUN **SWSAC** – Dark
JUL **SWSAC** – Dark	AUG **Regular SWSAC –** Aug 20 (Fri).	SEP **SWSAC** – Dark -- *District prepares draft SWP water delivery schedule for 2028.*
OCT **Regular SWSAC** – Oct 29 (Fri.) -- *(1) District submits request for 2028 SWP water delivery schedule to DWR (on or before 10/1/26). (2) District distribution of 2028 draft proposed calendar for SWSAC review.*	NOV **SWSAC** – Dark	DEC **SWSAC** – Dark -- *(1) DWR issues Initial SWP Allocation for 2028 (on or before 12/1/27); (2) District furnishes 2028 delivery schedule to Subcontractors (on or before 12/15/27).*

***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.*

DRAFT