

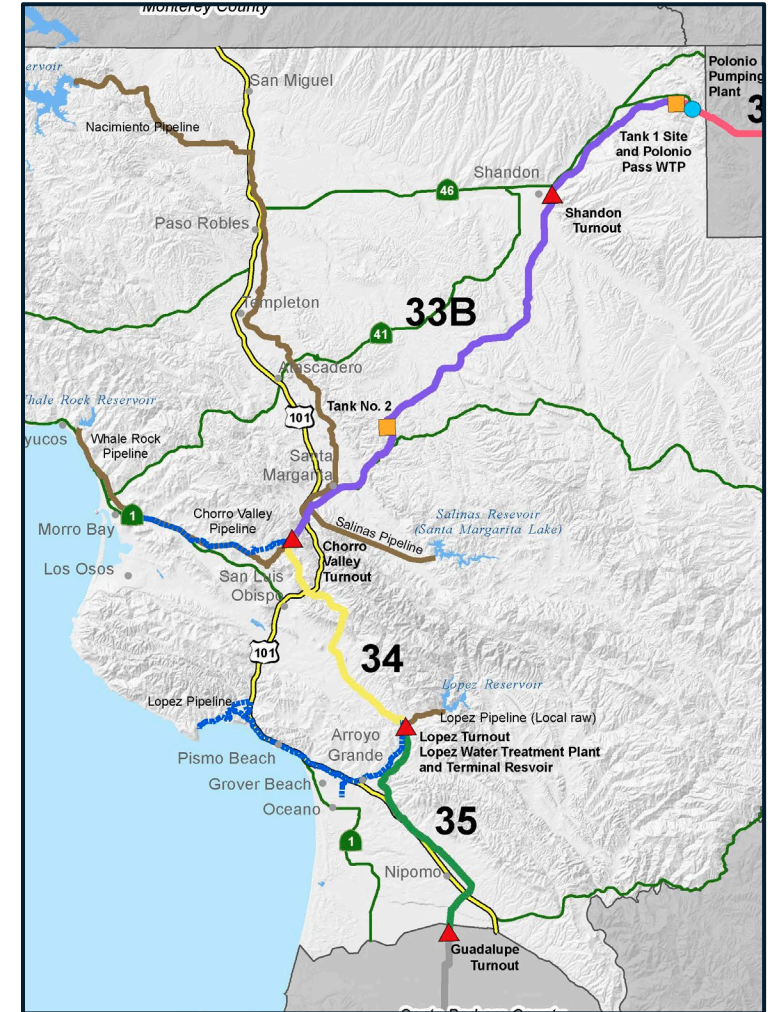


State Water Project Water Management Tools Study and Amendment

Subcontractors Advisory Committee Meeting
January 8, 2021

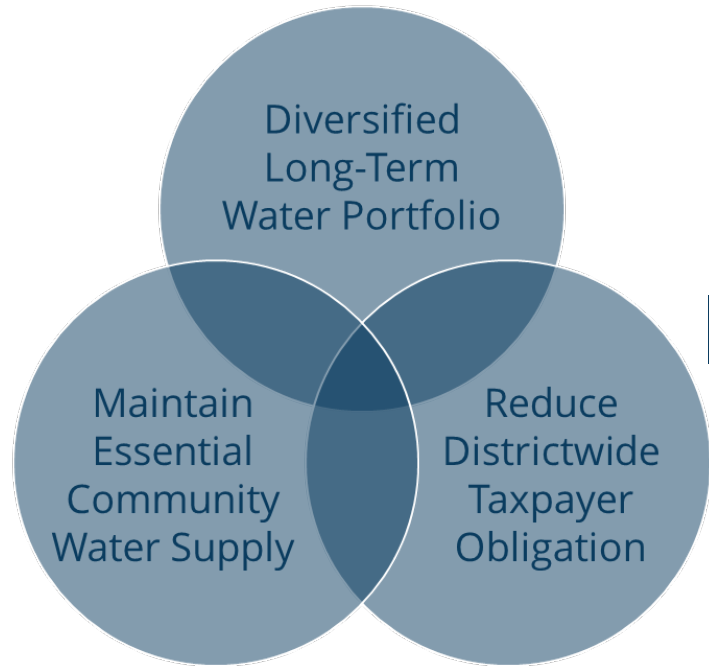
Items V & VI

- November 30th Kick-off Meeting Recap
- Summary of Needs Assessment
- Input on Draft SLO County Goals
- Recommendation to approve Water Management Amendment
- Next Steps



Kick Off Meeting Recap & Needs Assessment Summary





Input on Draft SLO County Goals

Subcontractor Considerations

- Determine reliability needs
 - Additional drought buffer, utilize available storage programs and/or buy at market rate at time of need
- Open to local wheeling to non-subcontractors?
 - E.g., local water purveyors and/or agricultural users
 - Acceptable pricing and contract terms would need to be developed
 - Shared infrastructure may require cooperative approach
- Ongoing District oversight or other governance model?
- Relationship to Delta Conveyance participation decision



District-wide Taxpayer Considerations

- Interest in relieving tax roll of unsubscribed amount
 - Continuing to invest to reserve for emergencies/future needs vs. funding other projects
- Less certainty of tax roll relief when relying on annual transfers vs. more certainty with a longer-term transfer
 - Ability to get it back for emergencies subject to negotiation
- Interest in long-term and/or permanent transfers uncertain if there are no local buyers

New Participants Considerations

- Local interest in State Water as a supplemental supply for resiliency and to address groundwater declines
 - Different participation levels possible – full buy-in vs. annual or multi-year purchase from an existing subcontractor/the District
 - No harm to existing participants
- Acceptable pricing and contract terms would need to be developed
 - More expensive water supply for buyer; degree of cost recovery for seller
 - Water rights issues



Draft Goals/Considerations Discussion



Recommendation

- Recommendation that the Board approve the Water Management Amendment on February 9th
 - No obligation to use the tools provided for in the amendment
 - Specific use of the tools would be separate actions
 - Would put District staff in a position to engage when DWR starts implementing in March
 - Two lawsuits filed against DWR (not individual Contractors)
- March 2nd Board update on study and input on goals
 - May include recommendation for pilot program for 2021 only



Next Steps

- State Water Subcontractors Advisory Committee Meeting
 - Friday, January 8th, 10 – 11 am
- Water Management Tools Study Public Meeting
 - Thursday, January 14th, 10:30 am
- February 3rd WRAC Meeting
 - Input on goals and recommendation to approve amendment
- February 9th Board of Supervisors Meeting
 - Recommendation to approve amendment
- March 2nd Board of Supervisors Meeting
 - Input on goals and potential pilot project for 2021





State Water Project Recommendations