

Notice of Meeting

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

County Government Center, Rm. D361
1055 Monterey Street, San Luis Obispo, CA 93408

Wednesday, Nov 20, 2019 – 9:00 to 10:30 AM

Chair: Rob Livick, City of Morro Bay
Vice Chair: Brad Hagemann, Avila Beach CSD
Clerk: Wes Thomson, County of San Luis Obispo

AGENDA

- I. **Call to Order & Roll Call – 9:00 AM** (*Quorum Count*)
- II. **Public Comment** (*Opportunity for members of the public to address the committee on matters within the committee's jurisdiction. Time for each comment may be limited to three minutes.*)
- III. **Review of Last Meeting's Minutes**
 - A. Approve Minutes of the Sept 25 (Regular Meeting) & Oct 23 (Special Meeting)
- IV. **Water Delivery Operations Report**
 - A. 2019 Water Delivery Report (thru Oct 2019)
 - B. Projected 2019 "End of Year" Stored Water
- V. **District Staff Report**
 - A. Recommend that the District participate in preliminary efforts associated with the Delta Conveyance Project.
 - B. Recommend that the District move forward with executing the water supply contract extension amendment.
 - C. Recommend that the District approve the draft bylaws for the State Water Subcontractors Advisory Committee.
- VI. **Future Agenda Items**
- VII. **Date of Next Regular Meeting:** Jan. 22, 2020
- VIII. **Adjournment**

Attachments

1. SWSAC Minutes– Sept & Oct 2019.
2. 2019 Delivery Report (thru Oct 31)
3. 2019 EOY Storage Projection

CONTACT: Wes Thomson, County Public Works Dept., (805) 781-5252
976 Osos St., Rm 206, County Government Center, San Luis Obispo, CA 93408

The purpose of the Committee is, "to monitor all aspects of this agreement and related agreements and to advise the governing bodies of District and Contractor on the functioning of this agreement and related agreements, and to recommend to the governing bodies of District and Contractor any modifications to said agreements that may, from time to time, be appropriate."
(Art. 31, Water Supply Agreement, 1992)



MEETING MINUTES

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE (SWSAC)

WED., SEPT. 25, 2019 – 4:00-5:00 PM

LIBRARY CONFERENCE RM., COUNTY LIBRARY, 995 PALM ST.

SAN LUIS OBISPO, CA 93401

I. CALL TO ORDER & ROLL CALL

- The meeting convened at approximately 4:00 PM.
- Quorum Established (7+): YES.
- Member Agencies Not Present/Represented: Cuesta, Avila Beach CSD, San Miguelito MWC, and SLCUSD.

II. PUBLIC COMMENT

- Randy Diffenbaugh (farmer, Shandon area) – noted the County has a significant opportunity to utilize the excess Table A allocation to serve the local GSA projects, and it would be a shame to see that opportunity wasted. He asked if there is anything he can do to help initiate a response from the County? Also, he understands the County may have about 3500 AF of Table A water that will be “left on the table” at the end of this year, and he’s interested in acquiring that water.

III. REVIEW OF LAST MEETING’S MINUTES

- Members received and approved the July 2019 minutes.

IV. WATER DELIVERY OPERATIONS REPORT

A. 2019 Water Delivery Report (thru Aug 2019)

- Report on 2019 deliveries -- DWR allocation remains at 75% (the allocation was increased 5% in June, up from 70%). All though it has been a wet year and there was the potential for the allocations to be higher, DWR had to hold supply to address potential project obligations to maintain fall seasonal regulatory flow and water quality requirements in the system/Delta.

B. Projected 2019 EOY Stored Water

- The District continues to be in a situation where it could end up having to leave about 3,500 AF of water on the table (unless it can find a supplemental storage option). However, District will be able to maximize carryover at San Luis Reservoir with projected EOY Storage of 12,500 AF (on 12/31/2019). Staff reiterated that this is a very good position for the 2020 delivery year.
- Local system capacity (both conveyance and storage) presents the main constraint on being able to take delivery of the water that could end up left on the table. This is an issue that needs to be revisited by the District and Subcontractors in order to improve long-term supply management options.
- The question was raised concerning the option for “landowner to landowner” transfers; staff indicated that the issue needs further review to determine how a short-term sale could work given the District’s “like-contract” requirement with existing Subcontractors.

V. DISTRICT STAFF REPORT

A. Delta Conveyance Project Update

- Review of the District staff report concerning the upcoming decision for the District on the option to participate in the next phase of the Delta Conveyance Project, and which would include a funding component for preliminary design and environmental review.
- The SWSAC was presented with an estimated cost breakdown (financing period), and the District staff's initial recommendation was presented as a starting point to stimulate discussion.
- Staff noted that commitment by the District for the next phase of planning and design work does not financially obligate the District/Subcontractors to the long-term participation in the project. There will be another decision point once the preliminary design and environmental review work is completed and the DCP contract amendment is ready.
- Regardless of the District's decision on participation, it's clear that the additional water supply made possible by a new Delta conveyance facility will impact SWP project operations, particularly at San Luis Reservoir (a facility that provides temporary storage for the District).
- The District is interested in collaborating with CCWA on a special study to examine the proposed "water management tools" (exchange and transfer provisions) as an opportunity to optimize State water for the central coast and as a means address potential impacts to project operations with the introduction of the DCP tunnel facility.
- A special meeting on Oct 23 (9:00 AM) is scheduled to present more details on the DCP for the Subcontractors to consider so that they can make a recommendation to the District on participation in the next phase of the DCP. Subcontractors said they could accommodate the date/time.

VI. REPORTS FROM COMMITTEE MEMBERS (INFO ONLY)

No reports on State Water items from committee members.

VII. FUTURE AGENDA ITEMS

- Staff noted that the updated Water Management Tools AIP (mentioned at the SWSAC meeting in July) was sent out to Subcontractors via email for review, and we'll be visiting this topic at an upcoming meeting.
- Pismo (Ben Fine) would like to have the District & Subcontractors look at banking programs as a potential means for addressing storage needs. He noted the AVEK program (Dwayne Chisolm) as one option for review.

VIII. DATE OF NEXT MEETING: October 23, 2019.

IX. ADJOURNMENT

The meeting adjourned at approximately 5:00 PM.



MINUTES (SPECIAL MEETING)

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE (SWSAC)

WED., OCT. 23, 2019 – 9:00-10:30 AM

COUNTY GOVERNMENT CENTER, RM. D361

1055 MONTEREY STREET, SAN LUIS OBISPO, CA 93408

I. CALL TO ORDER & ROLL CALL

- The meeting convened at approximately 9:00 AM.
- Quorum Established (7+): YES.
- Member Agencies Not Present/Represented: Avila Valley MWC and SLCUSD.

II. PUBLIC COMMENT

- None.

III. DISTRICT STAFF REPORT

A. Update regarding proceeding on one or more studies to evaluate benefits of the anticipated water management tools contract amendment and south of Delta storage options.

- Review of the District staff report concerning the upcoming decision for the District on the option to participate in the next phase of the Delta Conveyance Project, and which would include a funding component for preliminary design and environmental review.
- Discussion of rationale in support of staff recommending District participation; staff to develop talking points for members to discuss and return in November with a recommendation from their agency to the District on the decision to participate in the next phase to keep the door open for potential long-term participation.

B. Consider recommending that the District participate in preliminary efforts associated with the Delta Conveyance Project.

- Brief discussion on District's intent to partner with CCWA on study of proposed water management tools; District plans to also conduct separate study to identify alternative storage options to address long-term state water management needs, regardless of decision to participate in the DCP.

IV. FUTURE AGENDA ITEMS

- None requested.

V. DATE OF NEXT REGULAR MEETING: November 20, 2019.

VI. ADJOURNMENT

The meeting adjourned at approximately 10:25 AM.

ATTACHMENT

DCP Talking Points (based on today's discussion with SWSAC; distributed on 10/24 to SWSAC members via email).

Talking Points from SWSAC on Delta Conveyance Project (DCP)

Points by SWSAC for recommending District participation in Phase 1 of the DCP.

1. A DCP was part of the original State Water Project.

- A Delta conveyance facility was part of the original State Water Project (SWP) plan, as approved by voters in 1960, to address the inherent challenges with moving water through the Delta. The single-tunnel DCP will be a major step towards completing the SWP as originally envisioned.

2. The DCP will improve long-term SWP supply reliability.

- The DCP seeks to restore lost delivery capacity due to new water quality and environmental regulatory restrictions now in place to protect the long-term welfare of the Delta ecological system. With DCP, projected average allocation for participants to “effectively” increase to 67%. Non-participants average Table A allocation to be around 48%.

3. DCP mitigates risk of catastrophic failure of Delta levees and sea level rise.

- DCP is the preferred project alternative to address the risks for (1) potential levee failure due to the high probability of significant seismic activity in the region, and (2) salinity increase in south Delta water exports due to sea level rise.

4. Water portfolio diversification.

- Over the course of the 2012-2016 drought, State water proved reliable and saved us in 2016 when both local surface (Lopez) and groundwater supplies were running critically low.
- State water provides resilience to local agencies, in part, through:
 - o **Supply type diversification:** SWP is an imported surface water supply; other supply types may include local or imported surface water, groundwater, recycled water, desal.
 - o **Geographical diversification:** Often when it is dry locally, it is wet in northern California.

5. Reasonable cost-benefit.

- DCP water is relatively low-cost and provides great value compared with other options for developing new local supplies since the DCP is part of the larger State Water Project which the District has been part of since 1963.

6. Preliminary engineering costs for DCP amortized over 5 years.

- The District (subject to Board approval) is willing to amortize costs over five years to help finance the preliminary engineering, planning and environmental review costs associated with this next phase.

7. “Keeps the door open” (District can opt-out later).

- Participation in this preliminary phase keeps the option open for DCP participation. If the District does not participate, then it would be opting-out of the DCP. There’s a future “opt-out” decision point (before construction begins).

8. Consistent with approach to Nacimiento Water Project.

- A decision to participate in the preliminary phase is consistent with how the District approached evaluation of the Nacimiento Water Project (NWP) in which there was an opt-out provision for potential participants after the NWP design was presented for review. In this case, the District has to make the final decision on DCP participation, but it desires to work in partnership with the Subcontractors to determine whether to opt-in or out.

2019 STATE WATER DELIVERIES

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<i>SHANDON TO</i> CSA 16	3.8	1.6	3.4	3.3	4.7	5.3	5.4	0.8	0.0	0.0	-	-	28
<i>CHORRO V. TO</i> CMC	30.4	28.2	16.5	15.1	23.6	32.4	35.1	33.8	30.1	27.9	-	-	273
County Ops	32.3	30.0	17.5	16.1	25.1	34.4	37.3	35.9	32.0	29.7	-	-	290
Cuesta	14.6	13.5	8.4	7.7	12.1	16.5	17.9	17.2	15.4	14.2	-	-	138
City of Morro Bay	75.8	66.3	75.6	83.0	88.2	92.6	101.8	99.1	92.6	89.2	-	-	864
<i>LOPEZ TO</i> City of Pismo Beach	96.1	84.0	98.5	39.0	68.0	70.0	100.0	0.0	0.0	0.0	-	-	556
Oceano CSD	0.0	0.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	11
San Miguelito MWC	7.7	7.1	7.8	8.5	10.4	12.4	10.1	13.7	16.8	11.9	-	-	106
Avila Beach CSD	5.0	4.1	4.8	6.0	6.0	6.0	6.0	7.0	6.0	6.0	-	-	57
Avila Valley MWC	0.7	0.3	0.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-	15.7
San Luis Coastal USD	0.1	0.1	0.1	0.2	0.4	0.2	0.2	0.6	0.4	0.5	-	-	2.7
TOTAL	266	235	244	181	240	272	316	210	195	181	0	0	2341

Note: 1. Deliveries based on CCWA monthly delivery reporting and subcontractor request.
 2. All delivery values reported are in volumetric units of acre-feet (AF).

2019 DELIVERY REQUESTS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<i>SHANDON TO</i> CSA 16	5	6	6	8	10	12	12	12	0	0	0	0	71
<i>CHORRO V. TO</i> CMC	33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.37	33.33	33.33	33.33	33.33	400
County Ops	35.42	35.42	35.42	35.42	35.42	35.42	35.42	35.42	35.42	35.42	35.42	35.42	425
Cuesta	16	16	17	17	17	17	17	17	17	17	16	16	200
City of Morro Bay	100	100	100	100	100	100	100	100	100	100	100	100	1200
<i>LOPEZ TO</i> City of Pismo Beach	9	0	19	39	68	70	100	0	0	0	0	0	305
Oceano CSD	0	0	0	0	0	0	0	0	0	0	62.5	62.5	125
San Miguelito MWC	7	7	10	12	13	13	13	12	9	9	7	8	120
Avila Beach CSD	5	5	6	6	6	6	6	7	6	6	6	5	70
Avila Valley MWC	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	20
San Luis Coastal USD	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	7
TOTAL	212	204	228	253	285	289	319	219	203	203	263	262	2943

Note: DWR delivery allocation assumed* = 100%

*Assumes District can supply requested delivery under 100% allocation scenario.

STATE WATER PROJECT

San Luis Obispo County Flood Control and Water Conservation District

P:\State Water\Water Ops_DELIVERY\Actuals\2019\District Accounting and Analysis\Subcon Delivery Reports\Subcon-Deliveries_2019-01 thru 10

Projected Stored Water EOY 2019

Prepared by WT, 11/15/19 (for SWP deliveries thru Oct. 2019)

75%	= DWR Delivery Allocation
50%	= Max % of "Table A" To Carryover (Per Art 56c)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
Subcontractor	Annual Water Supply Amount	Annual Drought Buffer	Annual Contracted "Table A" = (B) + (C)	2019 "Table A" Allocation = (D) x 75%	Stored Water on Jan 1, 2019	Total 2019 Supply Avail. = (E) + (F)	Total 2019 Delivery Request	Total Water Delivered in 2019	Total "Table A" Delivered	2019 "Table A" Remaining	Stored Water Delivered	Stored Water Spilled	Stored Water Balance (Midyear) = (F) - (L) - (M)	Scheduled "Table A" Delivery Remaining	District Water Needed / Used (Est.)	"Table A" Water Avail. to Carryover = (K) - (O)	Max Allowable "Table A" for Storage = (D) x 50%	Water Added to Storage (Est.)	Projected Stored Water EOY = (N) + (S)
SHANDON TO																			
CSA 16	100	0	100	75	13	88	100	28	25.6	49	3	10	0	0	0	49	50	49	49
CHORRO V. TO																			
Ca Mens Colony	400	400	800	600	402	1,002	400	273	237.3	363	36	366	0	67	0	296	400	296	296
Co. Ops Center	425	425	850	638	427	1,065	425	290	279.1	358	11	416	0	71	0	288	425	288	288
Cuesta College	200	200	400	300	200	500	200	138	126.4	174	12	188	0	32	0	142	200	142	142
City of Morro Bay	1,313	2,290	3,603	2,702	2,103	4,805	1,200	864	858.6	1,844	5	2,098	0	200	0	1,644	1,802	1,644	1,644
CV Subtotal	2,338	3,315	5,653	4,240	3,132	7,372	2,225	1,565	1,501	2,738	64	3,068	0	369	0	2,369	2,827	2,370	2,370
LOPEZ TO																			
City of Pismo Beach	1,240	1,240	2,480	1,860	1,860	3,720	608	556	521.8	1,338	34	1,826	0	0	0	1,338	1,240	1,240	1,240
Oceano CSD	750	750	1,500	1,125	1,125	2,250	0	11	11.0	1,114	0	1,125	0	125	0	989	750	750	750
San Miguelito MWC	275	275	550	413	357	770	120	106	98.5	314	7	350	0	15	0	299	275	275	275
Avila Beach CSD	100	100	200	150	113	263	70	57	54.3	96	3	110	0	11	0	85	100	85	85
Avila Valley MWC	20	20	40	30	48	78	20	16	15.2	15	0.5	47	0	3	0	12	20	12	12.0
SLC USD	7	7	14	11	7	18	7	3	2.5	8	0.2	7	0	1	0	7	7	7	7.0
Lopez Subtotal	2,392	2,392	4,784	3,588	3,510	7,098	825	748	703	2,885	45	3,465	0	155	0	2,730	2,392	2,369	2,369
Subcontractors	4,830	5,707	10,537	7,903	6,655	14,558	3,150	2,341	2,230	5,673	111	6,544	0	525	0	5,148	5,269	4,788	4,788
District	--	--	14,463	10,847	12,095	22,942	0	0	0	10,847	0	12,206	0	0	0	10,847	7,232	7,712	7,712
District +Subs Total	--	--	25,000	18,750	18,750	37,500	3,150	2,341	2,230	16,520	111	18,750	0	525	0	15,995	12,500	12,500	12,500

Projected District Loss (AF) = 3,495
(i.e., "Unused Water Left on the Table")

NOTES:

1. At 75% delivery, the max allowed storage per Article 56c of Master Contract is 50% of District's Table A (25,000 x 0.50 = 12,500 AF).
2. Subcontractors projected addition to Storage is 4,788 AF.
3. Under given allocation and demand, max total "Table A" District (+Subs) could potentially add to storage at EOY is 12,500 AF.
4. Water delivered first is "Table A," then stored water is used as-needed (or delivered in-lieu to minimize loss to spill).



SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT

TO: District State Water Subcontractors Advisory Committee (SWSAC)

FROM: Wes Thomson, P.E.
Water Utilities Engineer

Via: Courtney Howard
Water Resources Division Manager

DATE: November 20, 2019

SUBJECT: Agenda Item V.A. – Recommend that the District participate in preliminary efforts associated with the Delta Conveyance Project.

RECOMMENDATION

Recommend that the District Board of Supervisors sign the Agreement in Principle (AIP) for the Delta Conveyance Project (DCP) and the funding agreement for a proportionate share of the cost for planning and environmental review for the DCP.

DISCUSSION

The District anticipates receiving a letter from DWR within the next few months requesting a decision on signing the AIP¹. Staff anticipate that the letter will also require the execution of a funding agreement for a proportionate share of the cost of planning and environmental review for the DCP in order to be included in those preliminary efforts.

- If the District **signs** both, the District can finish working with the Subcontractors and CCWA to analyze whether or not to participate in the Delta Conveyance Project.
- If the District **does not sign** both, the District would be deciding that it will **not** participate in the Delta Conveyance Project.

The SWSAC may wish to recommend that the District sign the agreements for the following reasons:

¹ The AIP, to be signed by DWR and participating State Water Project Contractors, describes a methodology for the DCP cost allocation and other related matters that would be the basis of a contract amendment if a DCP is approved and after all necessary environmental review.

1. By providing a second conveyance system under the delta, the DCP would provide increased reliability of the State Water Project given the known seismic risk and vulnerabilities of the Delta levees.
2. Participating in the next phase would provide time to evaluate different scenarios, particularly with respect to the impact of the DCP on reliability of storage at San Luis Reservoir and the timing of water availability, and decide whether to opt-in or out when the contract amendment is ready to sign or sooner.
3. The DCP would provide increased overall reliability for state water deliveries long term, addressing the decreased capability of the existing facilities due to the biological opinions.
4. Signing the agreements now is consistent with the District's decisions in 2009 and 2010 to fund its share of the multi-year "alternatives" study, under the "Delta Habitat Conservation and Conveyance Program" (DHCCP), which has led to the current preferred alternative proposal – the single tunnel Delta Conveyance Project.
5. The long-term availability of the District's "excess allocation" to Subcontractors is uncertain.

Preliminary Evaluation of Reliability Options

Staff has provided the attached preliminary analysis of scenarios using the period 2008 – 2019, which had an average annual delivery percentage of 49% and is reflective of the projected future long-term reliability of the State Water Project for Contractors that do not participate in the DCP. The analysis also takes into account DCP operations and staff's preliminary understanding of the impact to storage and deliveries. Also included are copies of information that the Central Coast Water Authority provided to its members earlier this year.

FINANCIAL CONSIDERATIONS

Costs for the first phase of the environmental review (per CEQA) and the preliminary planning and engineering efforts are projected to be about \$350 million in total for the participating State Water Contractors. The District's anticipated prorated cost share would be approximately \$2.5 million. The preliminary efforts are anticipated to take 2 – 3 years.

Table 1 below provides a cost breakdown for the District and Subcontractors in proportion to their total subscribed water (base Water Service Amount plus Drought Buffer). The recommendation to the Board from the Subcontractors could include a request to bill the Subcontractor's proportionate share over a longer period.

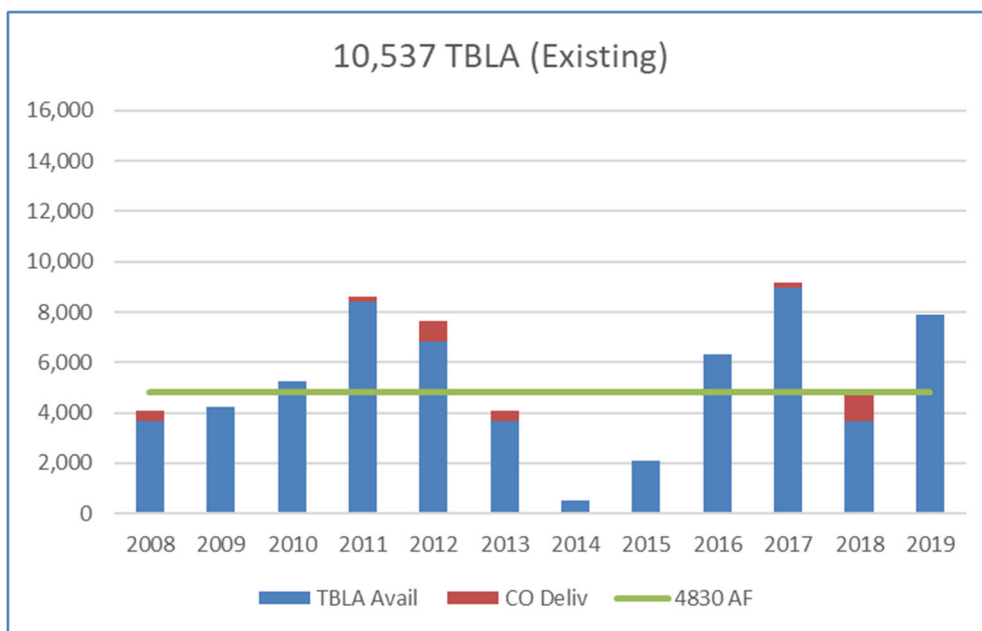
Table 1: Estimated Cost of Preliminary DCP Efforts

	SUBCONTRACTOR	WSA (AFY)	DB (AFY)	WSA + DB (AFY)	Subscription Percentage	Est'd Cost Share of DCP Phase 1
<i>SHANDON</i>	CSA 16 (Shandon)	100	0	100	0.004	\$ 10,000
<i>TURNOUT</i>	<i>Subtotal</i>	<i>100</i>	<i>0</i>	<i>100</i>		
<i>CHORRO VALLEY</i>	City of Morro Bay	1,313	2,290	3,603	0.14412	\$ 360,300
<i>TURNOUT</i>	CMC	400	400	800	0.032	\$ 80,000
	County Ops Center	425	425	850	0.034	\$ 85,000
	Cuesta College	200	200	400	0.016	\$ 40,000
	<i>Subtotal</i>	<i>2,338</i>	<i>3,315</i>	<i>5,653</i>		
<i>LOPEZ</i>	City of Pismo Beach	1,240	1,240	2,480	0.0992	\$ 248,000
<i>TURNOUT</i>	Oceano CSD	750	750	1,500	0.06	\$ 150,000
	San Miguelito MWC	275	275	550	0.022	\$ 55,000
	Avila Beach CSD	100	100	200	0.008	\$ 20,000
	Avila Valley MWC	20	20	40	0.0016	\$ 4,000
	San Luis Coastal USD	7	7	14	0.00056	\$ 1,400
	<i>Subtotal</i>	<i>2,392</i>	<i>2,392</i>	<i>4,784</i>		
	TOTAL	4,830	5,707	10,537	0.42148	\$ 1,053,700
	<i>*Contracted Delivery Capacity in Coastal Branch (AFY)</i>			<i>4,830</i>		
				District's "Table A" Allocation (AFY)	<i>25,000</i>	
				Total "Table A" Subcontracted (AFY)	10,537	
				District's "Unsubscribed" Allocation (AFY)	<i>14,463</i>	\$ 1,446,300
	ABBREVIATIONS					
	AFY = Acre-Feet per Year					
	WSA = Water Service Amount					
	DB = Drought Buffer					

Attachment 1
Preliminary Costs and Benefits Analysis

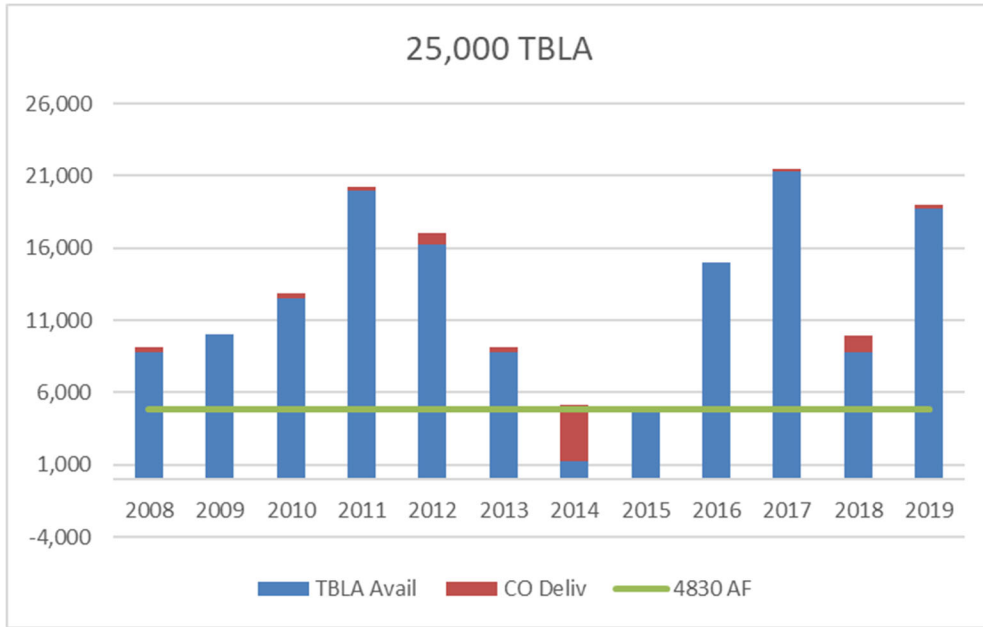
	Scenario	Table A AFY	Additional "Insurance" Allocation	Cost per AF	Notes
A	Subcontractor Allocation Current Drought Buffer	10,537	NA	NA	Other supplies/conservation may be needed at unknown cost
B	Subcontractor Allocation Increased Drought Buffer	25,000	14,463	\$200	Drought Buffer currently \$173/AF; assume increased costs in future
C	Subcontractor Allocation Current Drought Buffer DCP @ 10,537 Table A	10,537	1,981	\$230	\$2.4M estimated annual DCP cost
D	Subcontractor Allocation Increased Drought Buffer DCP @ 25,000 Table A	25,000	19,123	\$440	\$6M estimated annual DCP cost plus increased drought buffer cost

Scenario A

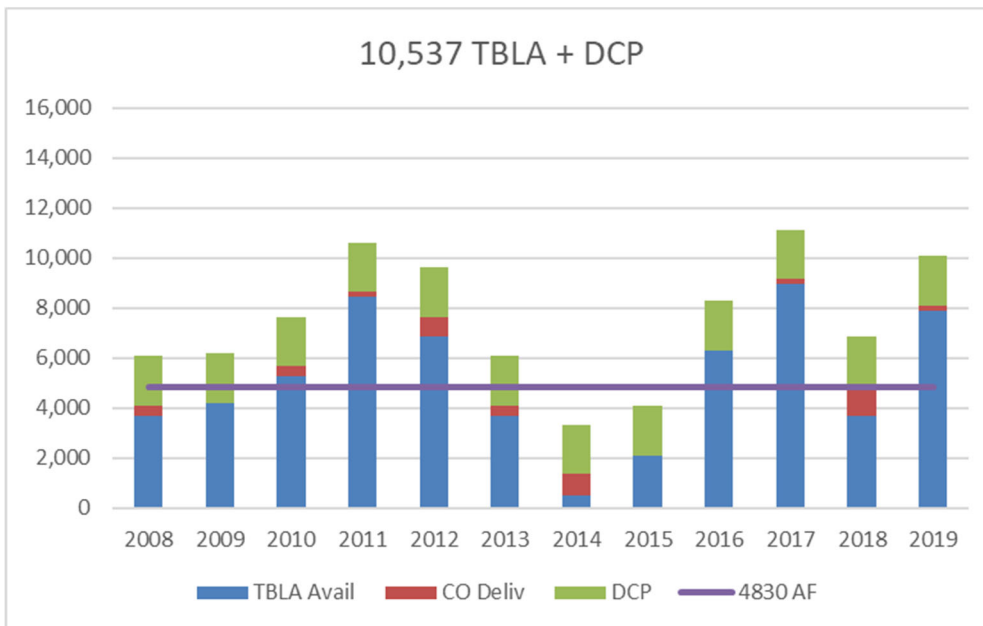


Attachment 1
Preliminary Costs and Benefits Analysis

Scenario B

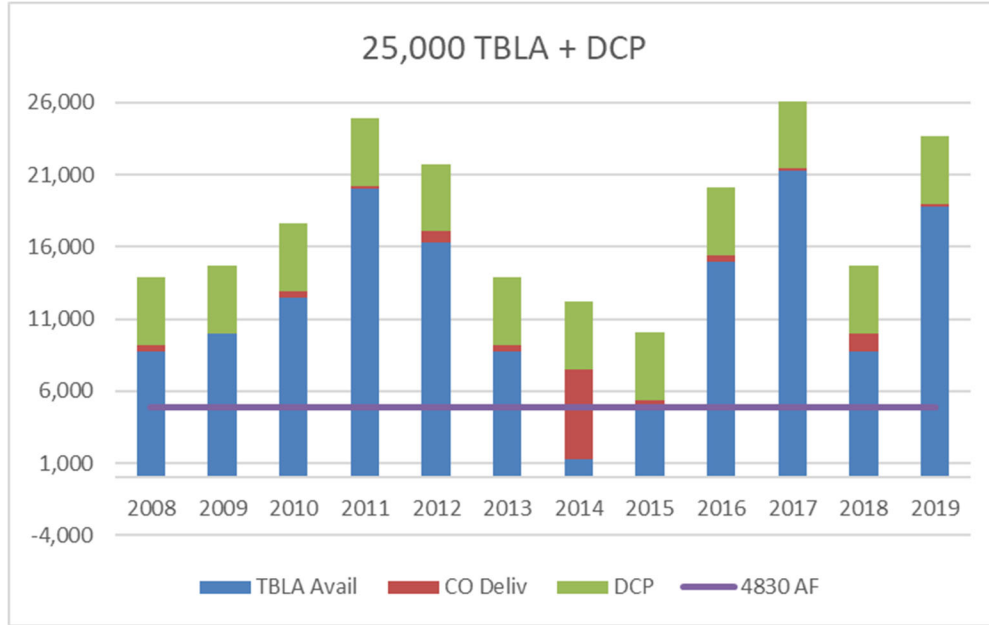


Scenario C



Attachment 1
Preliminary Costs and Benefits Analysis

Scenario D






CENTRAL COAST WATER AUTHORITY

MEMORANDUM

August 1, 2019

TO: CCWA Board of Directors
 CCWA Member Agencies
 CCWA Project Participants

FROM: Ray A. Stokes 
 Executive Director

SUBJECT: Participation Decision in the State of California Department of Water Resources
 Delta Conveyance Project

SUMMARY

At the Direction of Governor Newsom, the Department of Water Resources (DWR) rescinded all approvals and withdrew all requested applications for permits and approvals for the project previously referred to as “Cal Waterfix” or, more commonly, the “twin-tunnels” project. Governor Newsom directed DWR to engage in planning efforts for a strategically designed single tunnel to deliver water through the Delta. As a result, on May 2, 2019, DWR informed the State Water Project Contractors (SWC) that it had rescinded its approvals and began withdrawing proposed permits for the Cal Waterfix project and planning for a smaller, single-tunnel project.

DWR is currently working on defining a proposed single tunnel project, which is being referred to as the “Delta Conveyance” project” (DC). As part of this, on July 24, 2019, DWR and the State Water Project (SWP) Contractors began negotiations to amend the long-term water supply contracts to define the cost allocation and water supply benefits from a DC facility. It is anticipated that at the conclusion of the contract amendment negotiations, anticipated to be completed by the end of August 2019, a set of “Agreements in Principle” (AIP) will be made available summarizing the various proposed amendments to the State Water Contract for consideration by each of the SWP Contractors. DWR is requesting that each SWP Contractor take an action to approve a proposed AIP and indicate whether each will be participating in the planning costs for DC. It is expected that DWR will set a date-certain for these votes to occur.

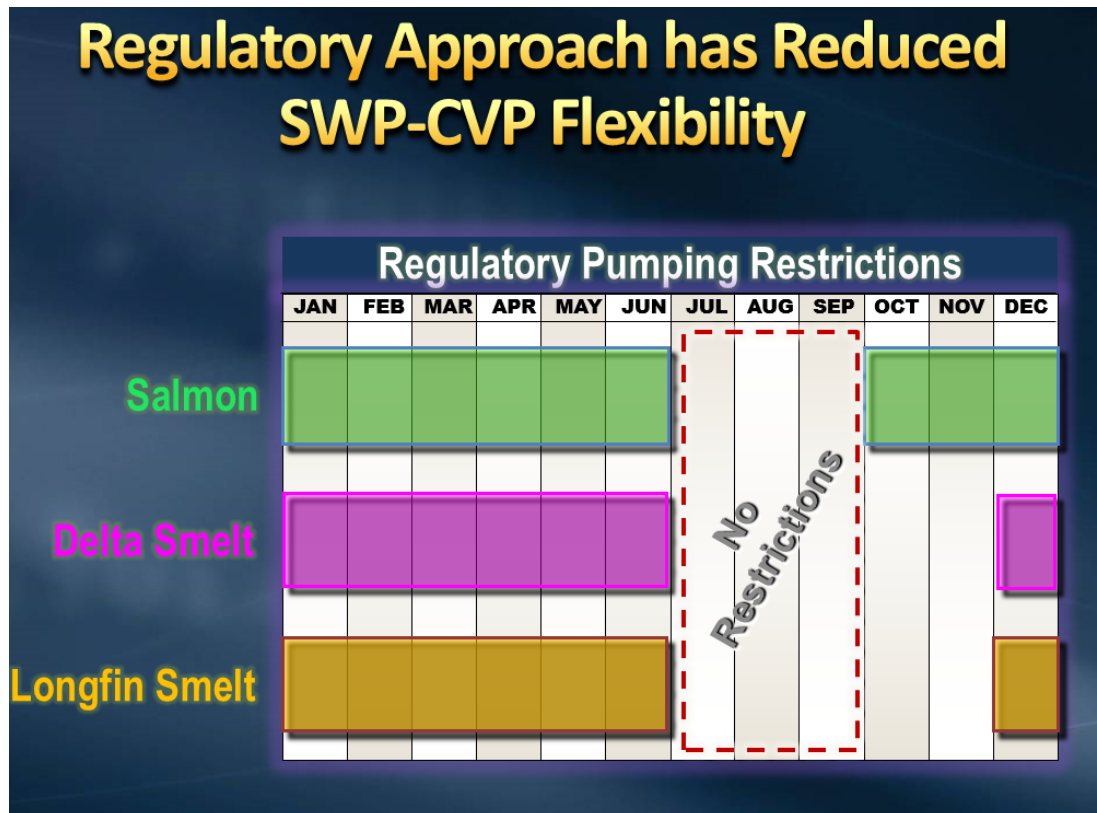
This report will summarize the following:

1. What problems is Delta Conveyance trying to address?
2. How did Cal Waterfix (formally withdrawn) propose to address those issues?
3. Benefits of Delta Conveyance
4. DWR/SWP Contract Amendment Negotiations
5. Single Tunnel Delta Conveyance Cost Estimates
6. Key Considerations
7. Likely DWR Requests of Individual SWP Contractors
8. CCWA Project Participant and Board Decisions

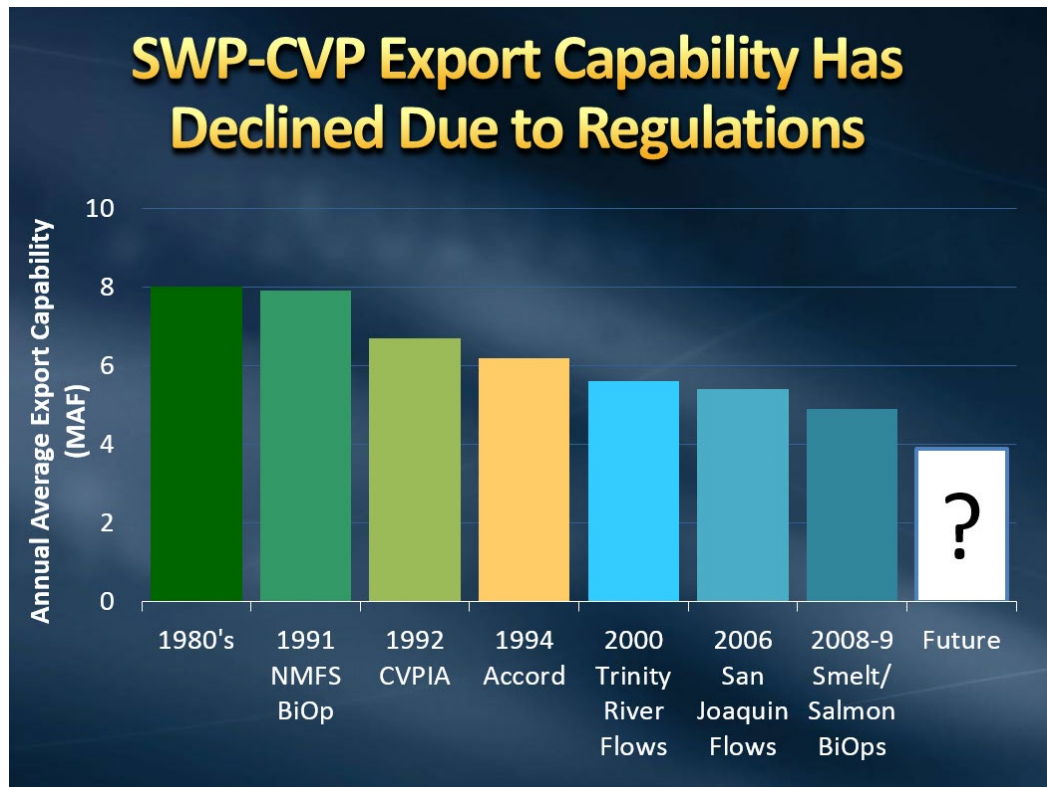
What Problems is Delta Conveyance Trying to Address?

There has been a continual decline in the amount of water than can be exported from the Sacramento-San Joaquin Delta over the years.

The various fish regulatory agencies have continued to impose pumping restrictions on both the state and federal water projects. In fact, the following graph shows that the only months in which there is not some sort of pumping restrictions for endangered fish species are in the months of July to September.



Due to the increased pumping restrictions, there has been a continual decline in the amount of exports through the Sacramento-San Joaquin Delta (the Delta) as shown below.



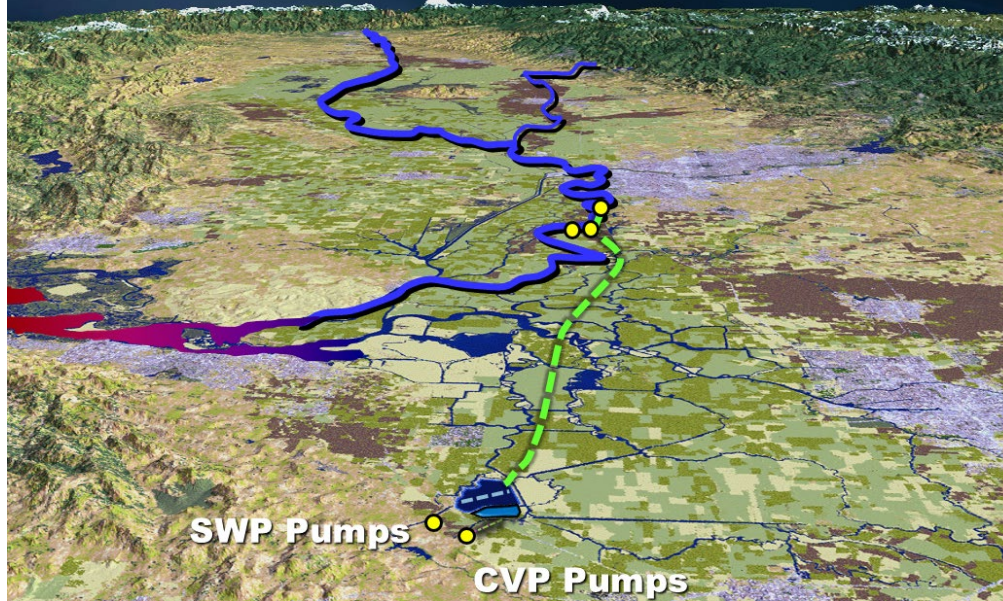
In addition to the increasingly restrictive regulatory environment, the current conveyance relies on a levee system that is vulnerable to earthquakes and other failures, does not easily respond to inner seasonal swings in hydrology projected under climate change, and is not situated to be resilient to sea level rise. DWR estimates that without some form of alternative conveyance to move water around or under the Delta (i.e., tunnel), that the long-term export capabilities of the SWP will be around 48%, down from the current 62%.

How Did Cal WaterFix Propose to address those problems?

Cal Waterfix proposed to construct two 40 foot diameter tunnels underneath the Delta, about 30 miles long, 150 feet underground with a total capacity of 9,000 cubic feet per second (cfs) of capacity. The project would have installed three new intakes on the Sacramento River, which would then flow into the underground tunnels to the existing State and Federal pumps located in the south Delta as shown below.

The use of a dual conveyance system would address some regulatory issues by installing state of the art fish screening techniques; would address levee failure risks by providing an ability to convey water to the export facilities even under conditions where movement through leveed channels could not occur; and would address climate change by providing a second point of diversion for more flexibility, located at a higher elevation than the existing pumps to ensure access to fresh water.

New North Delta Diversions To Provide a Flexible Intake System



With the Governor's revised direction for Delta Conveyance, it is anticipated that there would be a single tunnel with less capacity, but still moving water under the Delta to the existing SWP pumps in the south Delta.

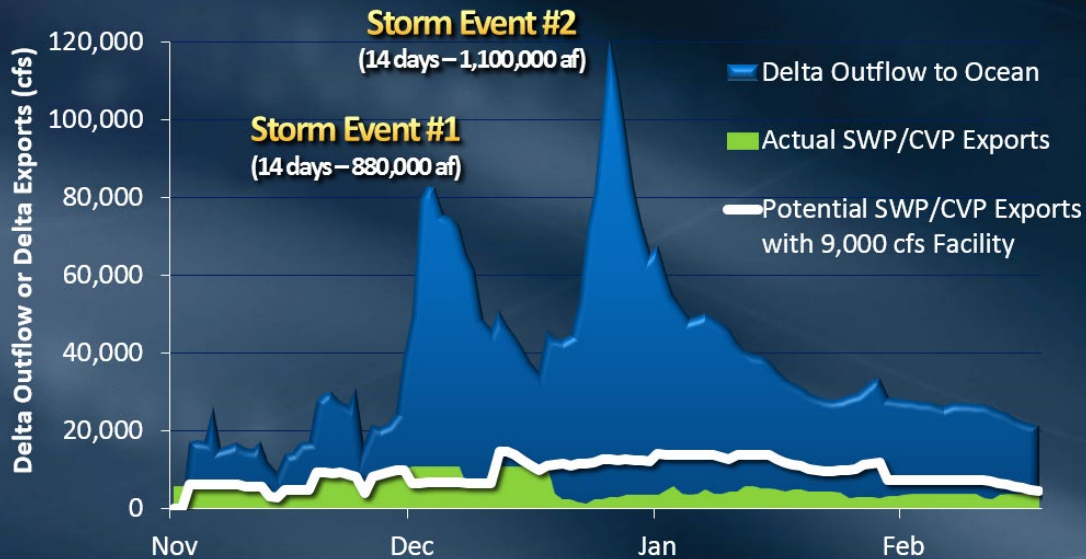
Benefits of Alternative Conveyance

Again, we do not yet know the scope of the project that DWR will propose, but the prior analysis done under Cal Waterfix provides some idea of the "type" of benefits moving SWP under the Delta could achieve.

Additional Exports During High Flow Events

One of the benefits of dual conveyance and moving a portion of the SWP water under the Delta as opposed to "through the Delta", is the ability to take "big gulps" of water when there is high flow due to storm activity. The following graph shows an analysis of two storm events in the winter of 2012-13, the amount of flow to the ocean, the actual amount of state and federal project exports and the amount that could have been exported, if Cal Waterfix had been in place, while still meeting the various regulatory protections currently in place. Again, we don't know the benefits a revised DC will provide, but this gives a general idea of the concept.

Analysis of Excess Storm Flow Winter 2012-2013



*Increased export with California WaterFix ~ 781,000 acre-feet (thru Feb 17)
SWP/CVP export losses due to BioOp ~ 800,000 AF (larger amount of SWP loss)
Analysis by State Water Contractors – Feb 2013*

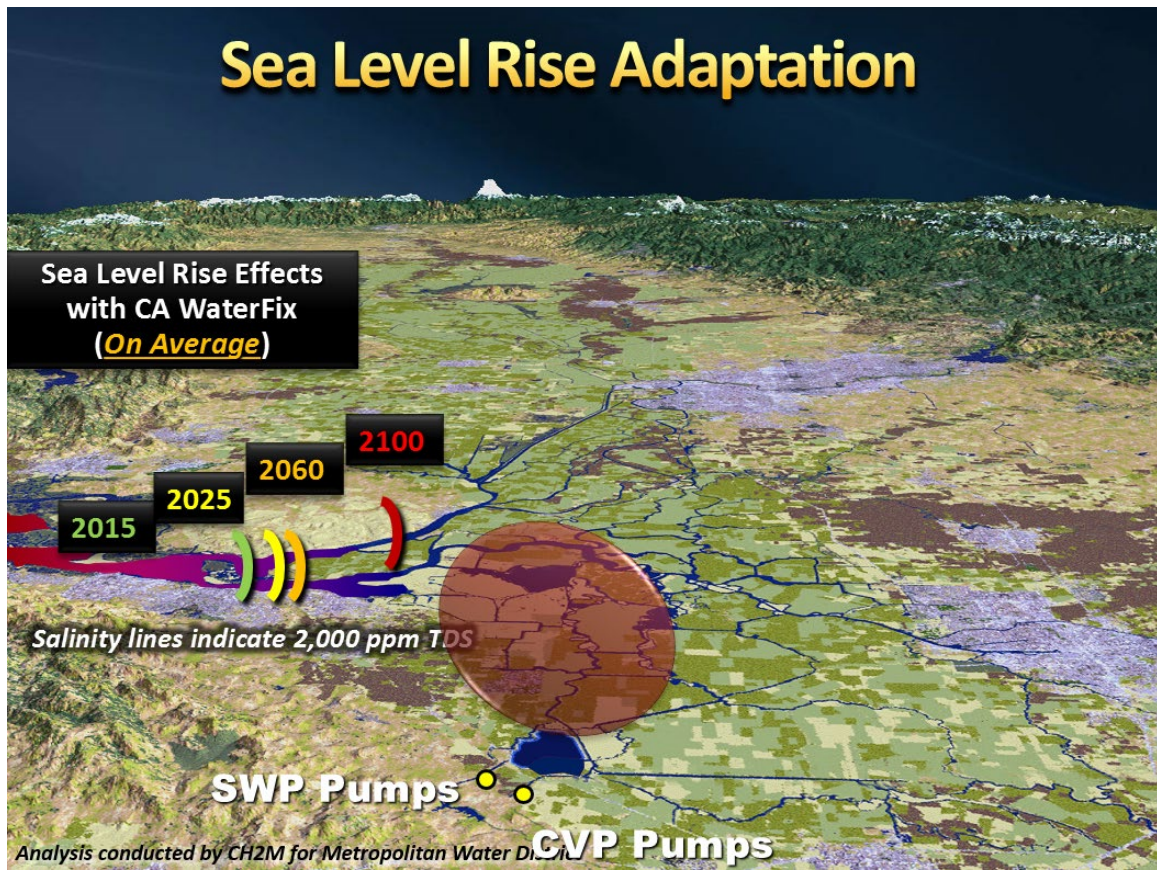
Climate Change Risk

Climate change will have a significant impact on the export capability of the SWP. That's due to:

- Sea level rise
- Reduced snowpack
- Changing precipitation patterns
- Changing runoff timing and intensity

The following graphic shows estimates of additional salinity within the Delta due to sea level rise and highlighting the close proximity to the interior of the Delta and the pathway to the pumps.

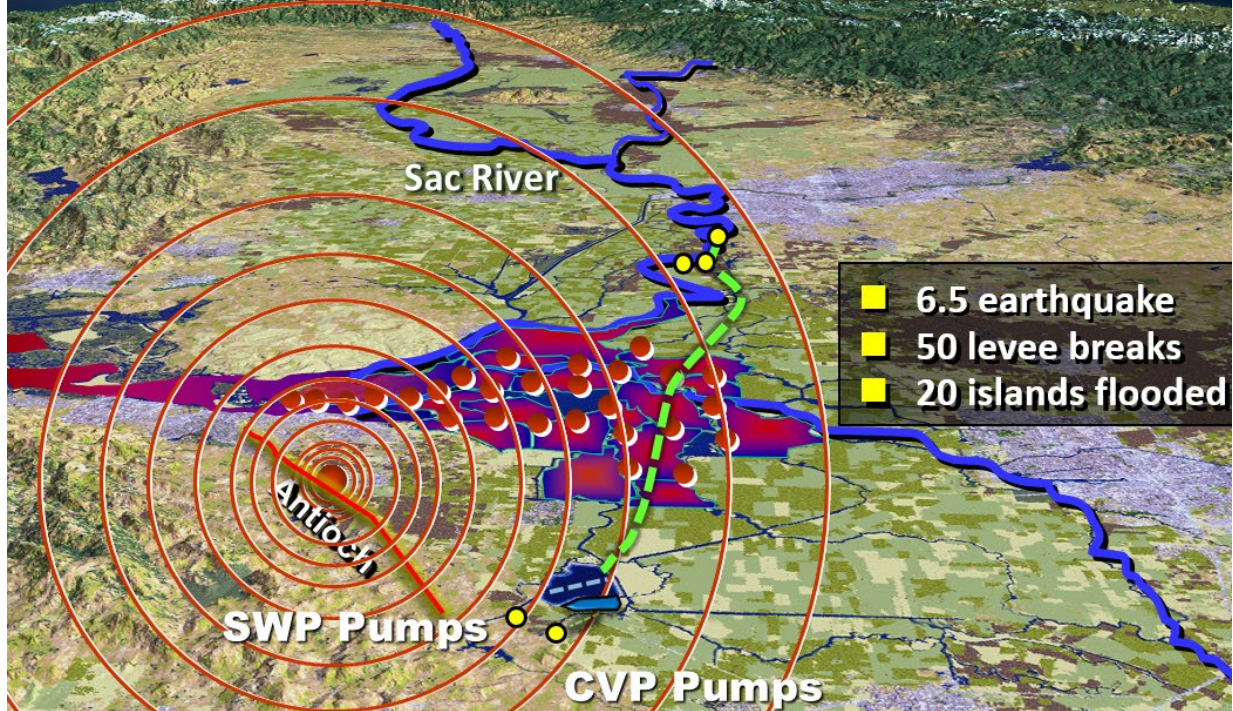
Sea Level Rise Adaptation



Seismic Risk

Studies on the impact of seismic risk in the Delta show that there is a 63% probability of a 6.5 magnitude earthquake or greater by the year 2032. The impact of such an earthquake on the ability to deliver SWP through the Delta, is that there is a great potential for significant levee failures within the delta, resulting in the flooding of delta islands and large quantities of seawater rushing in to flood the breached levees and islands. By installing a tunnel underneath the Delta, the seismic risk to water supply is substantially reduced.

Reduce Seismic Risk



DWR/SWP Contract Amendment Negotiations

On July 24, 2019, DWR and the SWP Contractors entered into negotiations to amend the SWP Contract for a single-tunnel DC. While DWR has not yet provided information on the revised DC, it is anticipated that the basic framework for the cost allocation and accounting for benefits can be addressed in an AIP. The negotiations will inform a Notice of Preparation for DC project environmental review.

The following represents the SWP Contractor's initial offer to DWR on July 24, 2019 for the cost-allocation portion of the proposed amendments. Obviously, since this is a negotiation process, this is just a starting point and it may change. However, the following general principles represent the current basis for consideration to be used in deciding to participate in the planning of DC or not (a more detailed version of the SWP Contractor initial offer is attached to this report).

1. "Opt-In" approach: SWP Contractors can either opt-in to the project for their full contracted Table A amount, or opt-out completely.
2. DC is a SWP facility integrated with the existing SWP
3. DC water established as a new type of SWP water
4. DC water and rights to use available capacity allocated to participating SWP Contractors.
5. "Non-Participants" may use available capacity (if any) and pay all associated costs of DC
6. Five north of Delta public water agencies excluded from the DC

7. AIP from contract negotiations to include:
 - a. Description of Opt-In framework
 - b. Schedule of SWP Contractor proposed participation
 - c. Cost accounting principles
 - d. Water accounting/forecasting/administration
 - e. General Operations Principles:
 - i. Delivery priority
 - ii. Use of available capacity in DC
 - iii. Use of San Luis Reservoir
 - iv. Carriage water savings
 - f. Dispute resolution – a description of a dispute resolution process

Single Tunnel Delta Conveyance Cost Estimate

Since we do not yet know the project DWR will propose, we can only use cost estimates that were performed under Cal Waterfix. In the environmental analysis done for Cal Waterfix, a single tunnel, 6,000 cfs facility was analyzed. The following cost estimates are based on estimates provided in that analysis.

Key Principles

- Opt In/Out (full Table A or opt out completely)
- May be able to enter into an agreement for a portion of the project from those SWP Contractors opting in (i.e., another SWP Contractor may be willing to transfer a portion of their participating rights in the project if CCWA opts out of the DC)
- Costs follow the water

Key Financing Assumptions

- 40-year bond term at 6%
- Construction Costs (\$11 billion cost estimate, with 3% inflation per year over a ten-year construction period resulting in a total construction cost of \$14 billion)
- Estimated average cost per year when operational of about \$1 billion
- CCWA share of the project: 1.09% (Table A contract percentage of 45,486 AF)

Preliminary Cost Estimate

The following table shows that CCWA's share of a \$14 billion project would be about \$153 million. Based on an estimated \$1 billion cost per year (includes operations and maintenance costs and repayment of capital costs), CCWA's share would be about \$10.9 million per year, or \$240 per acre-foot (\$10.9 million divided by 45,486 AF).

PRELIMINARY COST ESTIMATES ONLY

Construction Cost Estimate	\$14 Billion
(CCWA share of construction Cost \$14 B times 1.09%)	\$ 152,600,000
Bonding Term	40 years
Interest Rate:	6%
Estimated Average Costs per year with O&M	\$1 Billion

CCWA Estimated Annual Costs	\$ 10,900,000
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CCWA Estimated Annual Costs per AF: (1)	\$ 240
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(1) \$10.9M divided by 45,486 AF Table A amount.

Incremental Water

Again, not knowing what additional water supply benefits will be provided (and based on the previous Cal Waterfix analysis), if one assumes the long-term reliability of the SWP will continue to decline to around 48% of current contract amounts, and that DC will provide on average, 67%, CCWA could realize an increase in water (incremental water) of 8,459 acre-feet per year above what is projected to occur in the future given the regulatory, climate change, and seismic risks described above. If you divided the \$10.9 million by the additional water supply of 8,459 AF, the additional cost for the incremental water is \$1,289/AF.

Cost of Additional Reliability from Participating in the Project

Annual additional Reliability from participating in the conveyance project (acre-feet)	8,459
Est. Annual Cost to CCWA:	\$ 10,900,000

Annual Cost Per Acre-Foot of Additional Reliability	\$ 1,289
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Additional Planning Costs

The Delta Conveyance Design and Construction Authority (DCA) is the agency that would design and construct the DC facilities. The DCA will not begin construction until a DC project is defined and has secured necessary permits, but can begin planning and design work that can advance design to better inform the environmental analysis, including defining appropriate mitigation. The DCA has stated it needs an additional \$350 million in planning costs to continue the design of the project. The additional funds will be paid by those SWP Contractors that opt-in to the project and a separate funding agreement will be executed with DWR so that the funds can be collected on the annual Statement of Charges.

If CCWA were to opt-in to the DC, based on the Cal Waterfix analysis, CCWA's share of the \$350 million would be approximately \$3.8 million.

Summary of Estimated Costs

The following table shows an estimate of the cost to CCWA by project participant using the criteria listed above.

- Column 1: Shows CCWA's estimated share of \$14 billion in construction costs
 Column 2: Shows each CCWA project participant's share of the additional \$350 million in planning costs, should CCWA opt-in to the project.
 Column 3: Shows the estimate by project participant of the annual cost of participating in DC. Based on \$1 billion per year on average to repay the capital costs and annual operations and maintenance costs.
 Column 4: Estimated annual costs (column 3) divided by Table A amount, including drought buffer

Project Participant	Table A Including Drought Buffer		(1)	(2)	(3)	(4)
	Drought Buffer	Percentage	Estimated Total Capital Cost	Additional Planning Costs (\$350M)	Est. Annual Costs of DCP w/O&M	Est. Annual Costs of DCP (\$/AF)
Guadalupe	605	1.33%	\$ 2,029,701	50,743	\$ 144,979	\$ 240
Santa Maria	17,820	39.18%	59,783,934	1,494,598	4,270,281	240
Golden State Water Co.	550	1.21%	1,845,183	46,130	131,799	240
VAFB	6,050	13.30%	20,297,014	507,425	1,449,787	240
Buellton	636	1.40%	2,133,703	53,343	152,407	240
Santa Ynez (Solvang)	1,500	3.30%	5,032,318	125,808	359,451	240
Santa Ynez	700	1.54%	2,348,415	58,710	167,744	240
Goleta	7,450	16.38%	24,993,844	624,846	1,785,275	240
Morehart	220	0.48%	738,073	18,452	52,720	240
La Cumbre	1,100	2.42%	3,690,366	92,259	263,598	240
Raytheon	55	0.12%	184,518	4,613	13,180	240
Santa Barbara	3,300	7.25%	11,071,099	276,777	790,793	240
Montecito	3,300	7.25%	11,071,099	276,777	790,793	240
Carpinteria	2,200	4.84%	7,380,733	184,518	527,195	240
Subtotal	45,486	100.00%	\$ 152,600,000	\$ 3,815,000	\$ 10,900,000	\$ 240

KEY CONSIDERATIONS

Participation Risk

As stated earlier, CCWA could opt out of DC right now and then determine if any individual CCWA project participants wish to participate in DC and try to enter into a separate transfer agreement with another participating SWP Contractor. However, there are risks to this approach:

- It is anticipated that if an individual SWP Contractor does not approve the AIP shortly after the AIP is developed and agree to provide planning funds, the project that DWR defines and is analyzed will not include participation by such Contractor and they will be assumed to be out of the project

- DWR may size the project for only those SWP Contractors opting in
- Other SWP contractors may not have excess to transfer to CCWA
- Might be a premium to get in later
- If we don't participate now, the primary mechanism to participate later would be through transfer agreements with a participating contractor.
- Participating now (approving an AIP and approving planning funds) only "reserves" our participation until we can review and analyze the actual project DWR will analyze and propose (i.e., the FINAL decision will occur when DWR presents the proposed contract amendments to the SWP Contractors AFTER the full environmental analysis).

Seismic Risk

If CCWA does not participate in DC and the Delta is not available to convey SWP water, we may not be able to receive SWP water for an extended period of time.

Reliability Risk

Is 48% long-term reliability for those not participating in the DC realistic? If it is, can individual CCWA project participants live with a continued decline in the long-term reliability of the SWP?

DWR Requests of Individual SWP Contractors

We anticipate DWR requesting each SWP Contractor to do the following:

1. At the conclusion of the contract amendment negotiations, take an action on the Agreements in Principle (AIP) indicating whether they approve the AIP and if they are electing to participate in DC.
2. If the SWP Contractor is electing to participate in DC, sign a funding agreement for their allocated share of the additional \$350 million in planning costs.

CCWA Project Participant and Board Decisions

1. CCWA will share with all CCWA project participants the AIP and any other pertinent information developed over the course of the negotiation as it is developed.
2. CCWA is asking each CCWA project participant to consider their position on participating in DC. This includes those project participants that are not represented on the CCWA Board of Directors, as shown below:
 - La Cumbre Mutual Water Company
 - Vandenberg Air Force Base
 - Golden State Water Company
 - Morehart Land Company
 - Raytheon Systems, Inc.

For the project participants listed above, please communicate your participation interest to Ray Stokes before September 26, 2019 at ras@ccwa.com

For CCWA member agencies represented on the Board of Directors, your participation decisions will be made at the Board meeting.

3. The CCWA Board of Directors will vote to consider CCWA participation in DC at its meeting on September 26, 2019 (note: This date might get pushed to the October 24, 2019 meeting if the SWP contract amendment negotiations extend beyond August 2019).
4. Following the vote by the CCWA Board of Directors, CCWA will communicate its decision to the Santa Barbara County Flood Control and Water Conservation District (SB County), as the contracting agency with DWR.

If you have any questions regarding this information, please contact Ray Stokes at (805) 697-5214 or ras@ccwa.com

RAS

Attachment



SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT

TO: District State Water Subcontractors

FROM: Wes Thomson, P.E.
Water Utilities Engineer

DATE: November 20, 2019

SUBJECT: Agenda Item V.B. – Recommend that the District move forward with executing the water supply contract extension amendment.

RECOMMENDATION

Recommend that the District Board of Supervisors move forward with executing the water supply contract extension amendment between the District and DWR.

DISCUSSION

The District was presented with a request from DWR in December 2018 for a decision on signing the water supply contract extension amendment¹. Feedback from the District's Subcontractors in January 2019 clearly indicated all agencies intend to keep State water as a supply source long term. The extension of the contract 50 years (out to 2085) is important because:

1. DWR will be able to issue bonds beyond 2035 to address needed capital upgrades and repairs and this will provide relief from financial compression. Without extending the contract, it is anticipated that the District and Subcontractors' state water bills would become unaffordable.
2. Cost management tools for DWR can be restructured, resulting in less complicated billing; and
3. Financial transparency and coordination will be improved with the Contractors related to financial planning and policies – leading to an overall modernized financial structure that will support the long-term supply plans of the State Water Project (SWP).

The attached fact sheet developed by the State Water Contractors provides more information on the importance of extending the water supply contracts to help agencies finance the SWP and mitigate impacts to ratepayers.

¹ The *Draft Agreement in Principle Concerning Extension of the SWP Water Supply Contracts*, was completed in 2014, and was then developed into formal contract language. The final EIR was completed in November 2018.

THE STATE WATER PROJECT

Extending Long-Term Water Supply Contracts to Address Financing the SWP and Impact to Ratepayers



For over 10 years, Public Water Agencies that contract with the California Department of Water Resources have acknowledged the need to extend the long-term water supply contracts to allow DWR to issue bonds beyond 2035.

DID YOU KNOW?

DWR and the Public Water Agencies engaged in 23 public negotiation sessions spanning May 1, 2013 through June 18, 2014 to reach an Agreement in Principle. DWR released for public review and comment a Draft Environmental Impact Report on August 17, 2016.

Long-Term Contracts Enable the State to:

- Obtain a Commitment for Continued Service Beyond 2035
- Provide Capital Financing Beyond 2035
- Ease Financial Compression on Water Rates Statewide
- Enhance Financial Management and Transparency

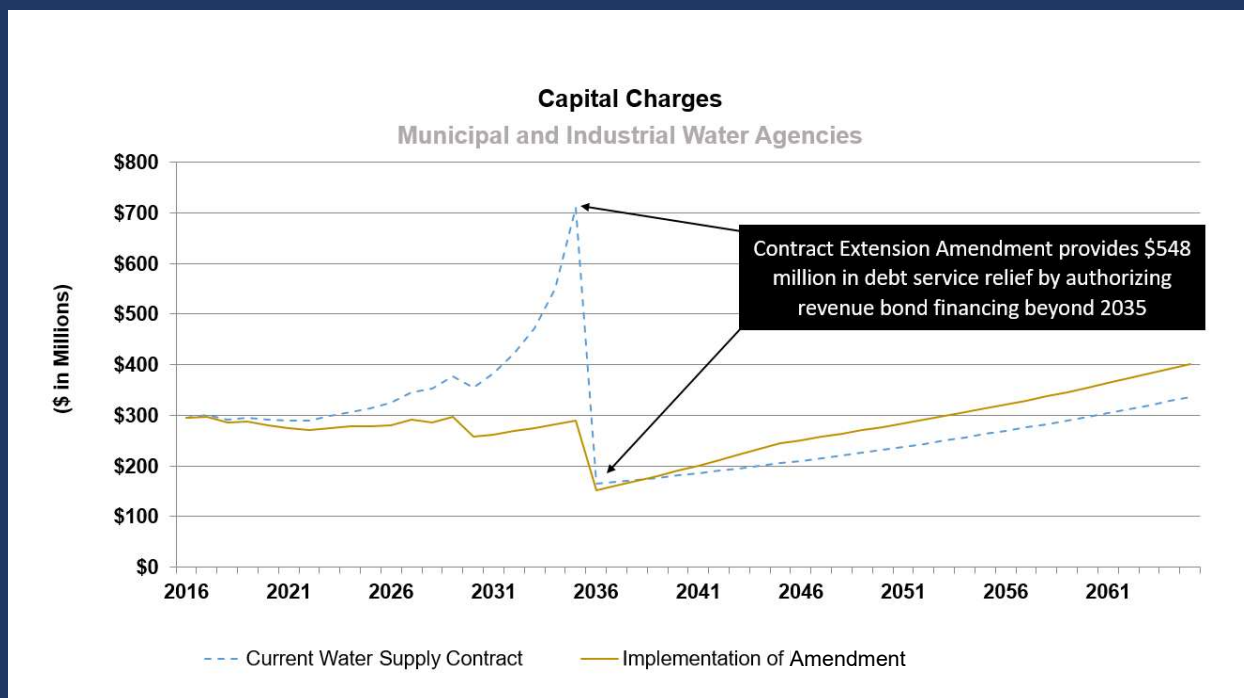
Financial Compression Will Create Higher Water Rates

Think about “financing compression” in terms of financing a mortgage. If a homeowner has a 15-year mortgage, they pay less in interest over time but their monthly payments are much higher than if they were to finance a 30-year mortgage. The contract extension is equivalent to changing from a 15-year to 30-year mortgage for ratepayers, which makes sense given the useful life of this critical infrastructure.

A Contract Extension Will Reduce the Steep Increase to Ratepayers

By extending the repayment of debt service beyond 2035, the state can avoid the steep water rate increases statewide.

FACT: Municipal and industrial public water agencies’ capital charges are projected to increase from \$300 million to \$700 million annually without the contract extension.

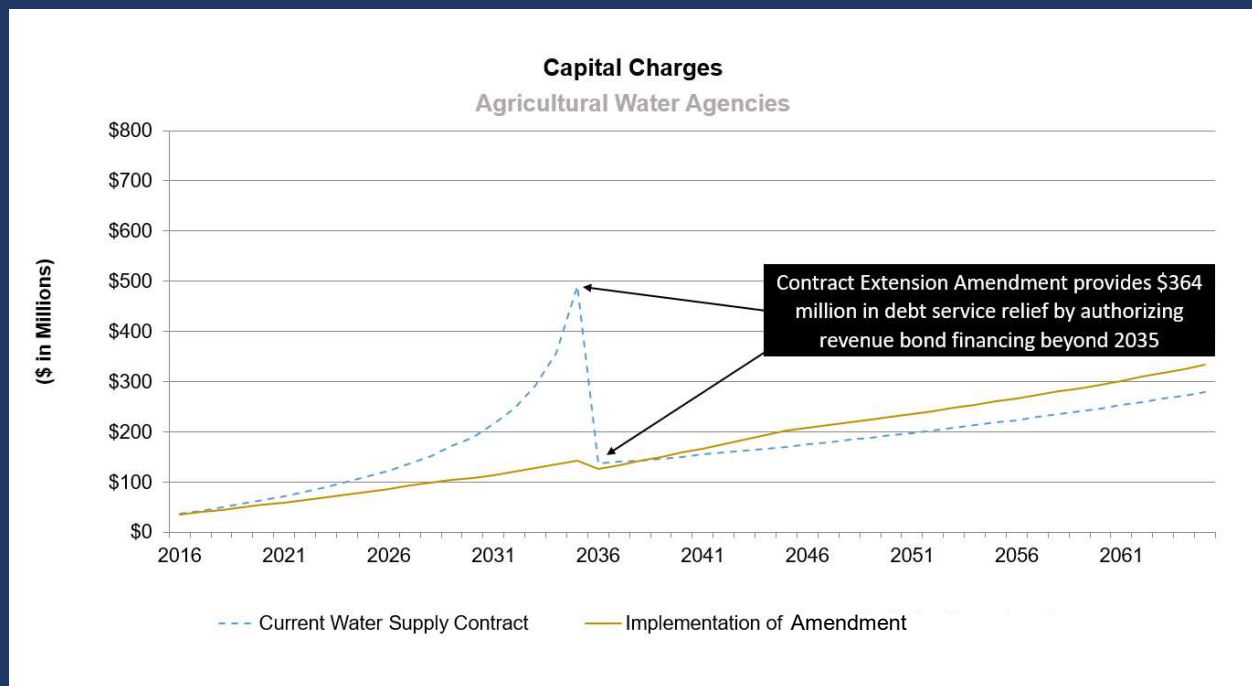


THE STATE WATER PROJECT

Extending Long-Term Water Supply Contracts to Address Financing the SWP and Impact to Ratepayers



FACT: Agricultural public water agencies' capital charges are projected to increase from \$36 million to \$490 million annually without the contract extension.



Extending long-term contracts is necessary to address DWR's current capital plan even without CA WaterFix and Oroville Spillway repairs.

The Contract Extension Process Is Nearly Complete

- ✓ Agreement in Principle was developed in 2014.
- ✓ CEQA draft environmental document has been completed and comments have been received.
- ✓ Agreement in Principle has been converted to contract language, which has been evaluated in the CEQA document.

Contract Amendments: Benefits of the New Reserve Funds

- ✓ Clearly defined as to use and purpose, providing transparency to the public and ratepayers
- ✓ Provide financial stability to the State Water Project in times of operational emergency, maintaining rate stability for ratepayers
- ✓ Help maintain high bond ratings, keeping interest costs low and leading to cost savings for ratepayers



SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT

TO: District State Water Subcontractors

FROM: Wes Thomson, P.E.
Water Utilities Engineer

DATE: November 20, 2019

SUBJECT: Agenda Item V.C. – Recommend that the District approve the draft bylaws for the State Water Subcontractors Advisory Committee.

RECOMMENDATION

Recommend that the District Board of Supervisors approve the draft bylaws for the State Water Subcontractors Advisory Committee.

DISCUSSION

The State Water Subcontractors Advisory Committee¹ was established to serve as an advisory body to the District on matters pertaining to their water supply agreement. Summarized below for consideration are recommended updates to the previous draft bylaws approved by the committee. A revised draft of the bylaws with the recommended changes is attached.

1. Designating the District as a non-voting member since the committee is advisory to the District and need not be advisory to itself. The District member/alternate is assigned to manage committee administrative duties.
2. Authorizing the Public Works Director to appoint appropriate staff as members/alternates to County-managed agencies (County Operations Center, CSA 16) and the District.
3. Calendar – (A) The “first meeting of the year” is stated generically rather than specifying it as January, in case there is a need to hold it in a different month occasionally. (B) Calendar will be mapped out 15 months in advance to support planning and coordination efforts with the committee. Meetings will be scheduled per member availability to the greatest extent possible.
4. Reduced quorum from 7 (old) to 3 (new). This change will help the committee maintain the ability to conduct regular business during fluctuations in member attendance.

¹ The purpose of the Committee is, “to monitor all aspects of this agreement and related agreements and to advise the governing bodies of District and Contractor on the functioning of this agreement and related agreements, and to recommend to the governing bodies of District and Contractor any modifications to said agreements that may, from time to time, be appropriate.” (Art. 31, Water Supply Agreement, 1992)

BYLAWS

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE

SAN LUIS OBISPO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

Adopted ~~November 2019~~; Approved by the Board of Supervisors ~~January 2020~~

- Deleted: January
- Deleted: February
- Deleted: 2019

1. NAME

The name of the advisory committee described herein shall be the State Water Subcontractors Advisory Committee ("Committee").

2. BACKGROUND

The San Luis Obispo County Flood Control and Water Conservation District ("District") entered into an agreement with the State of California ("State") pursuant to which the State furnishes a water supply ("State Water") to the District. The District subsequently entered into subcontracts ("Water Supply Agreements") with various water suppliers ("Subcontractors") pursuant to which the District furnishes State Water to the Subcontractors. Article 31 of the Water Supply Agreements provides for the formation of an advisory group as more specifically described below.

3. PURPOSE, RESPONSIBILITY, AND AUTHORITY

- a. **Purpose:** Pursuant to Article 31 of the Water Supply Agreements, the purpose of the Committee is *"to monitor all aspects of [the Water Supply Agreements] [...] and to advise the governing bodies of District and [Subcontractors] on the functioning of [the Water Supply Agreements] [...], and to recommend to the governing bodies of District and [Subcontractors] any modifications to said agreements that may, from time to time, be appropriate."*
- b. **Authority and Limitations:** The Committee's authority is that of an advisory committee to the San Luis Obispo County Board of Supervisors in its capacity as the San Luis Obispo County Flood Control and Water Conservation District Board of Supervisors ("District Board of Supervisors") regarding the needs and desires of the Subcontractors.
- c. **Role of the District Board of Supervisors:** The District Board of Supervisors may approve, alter, or return any recommendation of the Committee.
- d. **Brown Act Compliance:** The Committee shall comply with all applicable laws, including, but not limited to, the Ralph M. Brown Act (Government Code §§ 54950 et seq.).

4. MEMBERS AND TERMS OF MEMBERSHIP

General Membership: Membership on the Committee shall be available to representatives from all Subcontractors and the District. The Committee shall consist of one member (and one alternate member) representing each Subcontractor and one member (and one alternate member) representing the District. The alternate member representing each Subcontractor and the District is only authorized to participate as a member on the Committee in the absence of the member.

a. Appointment of Members: Each Subcontractor may nominate a member and an alternate member to represent them on the Committee subject to confirmation by the District Board of Supervisors. Said members shall serve at the pleasure of the governing board of the respective Subcontractor and may be removed at any time by either the District Board of Supervisors or the Subcontractor's governing body, provided that the District Board of Supervisors shall have no authority to replace a removed member with an individual who has not been nominated by the relevant Subcontractor. **The member and alternate member representing the District and County Subcontractors shall be County staff from the Public Works Department appointed by and servng at the pleasure of the San Luis Obispo County Director of Public Works.**

- b. Subcontractors:** Committee membership is available to the following District Subcontractors:
1. County Service Area No.16 (Improvement District No. 1, Shandon)
 2. State of California Department of Corrections (California Men's Colony, San Luis Obispo)
 3. County of San Luis Obispo (County Operations Center and El Chorro Regional Park)
 4. San Luis Obispo County Community College District (Cuesta College Campus, San Luis Obispo)
 5. City of Morro Bay
 6. City of Pismo Beach
 7. Oceano Community Services District
 8. San Miguelito Mutual Water Company
 9. Avila Beach Community Services District
 10. Avila Valley Mutual Water Company
 11. San Luis Coastal Unified School District

c. Vacancies: Should a member resign or leave the Committee, the alternate member shall serve until a new appointment is made.

Deleted: Water Resources Division (Division Manager and senior engineer from the Regional Unit)

Deleted: serve

Deleted: The member and alternate member representing the County (Operations Center) shall be County staff from the Utilities Division (Division Manager and senior engineer from the Water Unit), or the Public Works Facilities Planning Team Capital Planning & Facilities Manager and Energy & Water Coordinator) The member and alternate member representing CSA 16 shall be appointed by the Shandon Advisory Council (or the SAC may request the positions be appointed by the County Director of Public Works or left vacant until they elect to make appointments.)...

5. OFFICERS

- a. **Officers:** Officers of the Committee shall consist of a Chair and Vice Chair who shall be elected by the Committee at the regular meeting in January of each year.
- b. **Chair Duties:** It shall be the duty of the Committee Chair to (1) preside over all meetings of the Committee, (2) call special meetings of the Committee when necessary consistent with all legal requirements, and (3) appoint subcommittees subject to the confirmation of the Committee.
- c. **Vice Chair Duties:** It shall be the role of the Vice Chair to fulfill the duties of the Chair in his or her absence, and then the Vice Chair shall become the Chair in the following year.
- d. **Committee Administrative Duties:** The administrative duties that are of a secretarial nature shall be handled by District Staff, including keeping meeting minutes, agenda preparation, and correspondence.
- e. **Term:** No elected officer of the Committee shall serve more than two (2) consecutive full one-year terms in the same office.
- f. **Vacancies:** The Vice Chair shall assume the role of Chair in the absence or resignation of the Chair. Vacated officer positions shall be filled by election of the Committee at the next meeting.

6. SUBCOMMITTEES

- a. **Purpose:** Subcommittees shall be formed for the limited purpose of providing in-depth knowledge on specific issues related to the interest of the Subcontractors.
- b. **Formation:** Subcommittees shall be formed, and its members appointed by the Chair, subject to the confirmation of the Committee.

7. MEETING CONDUCT AND ADMINISTRATION

- a. **Notice of Meetings:** Meetings shall be noticed and conducted in accordance with all applicable laws, including but not limited to the Ralph M. Brown Act (Government Code §§ 54950 et seq.).

- b. **Preferred Meeting Dates, Duration and Location:** Regular meetings of the Committee shall be held on a schedule established by the Committee at the first meeting of each year.
- c. **Frequency:** Meetings of the Committee shall meet at least four times per year. Additional meetings may be scheduled as agreed upon by a majority vote of the Committee.
- d. **Presiding Officer:** If both the Chair and the Vice Chair are unable to preside, District Staff shall assume the role of Chair for the Committee meeting.
- e. **Minutes and Other Records of Business:** District Staff shall keep written notes and an audio recording of each Committee meeting, and shall also be responsible for correspondence, files, and general administration of the Committee. Audio recordings will be kept on file in the San Luis Obispo County Public Works Department office until meeting minutes have been approved by the Committee.
- f. **Special Meetings:** Special meetings of the Committee may be called at any time by the Chair or a majority of the Committee members subject to satisfaction of all legal requirements.
- g. **Quorum:** A quorum of the Committee shall consist of 3 members.
- h. **Voting:** Each member of the Committee shall be entitled to one (1) vote on all matters before the Committee and any decision (i.e. election of Chair and Vice Chair) or recommendation to the District Board of Supervisors shall be supported by a majority vote.
- i. **Alternate Notification:** It shall be the responsibility of a Committee member who will be absent to contact said member's alternate to attend the meeting in his or her place.
- j. **Member Updates:** Members are encouraged to provide an update on water resource issues relevant to his or her agency at least once per year.

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8. BYLAW REVISIONS

Bylaws shall be reviewed every two (2) years for recommended updates, or more often if requested by the Committee.