



## Notice of Meeting

### STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Library Conference Room, City/County Library

995 Palm Street, San Luis Obispo, CA 93401

Friday, Dec. 6, 2024 – 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:** Greg Kwolek (Morro Bay)

**Vice Chair:** Brad Hagemann (Avila Beach CSD)

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## AGENDA

1. **CALL TO ORDER** – Roll Call & Quorum Count
2. **PUBLIC COMMENT**  
*For matters not on the agenda, within the Committee's jurisdiction. Limited to 3 minutes each.*
3. **MEETING MINUTES**  
*Staff Recommendation: Approve the Minutes from Sept. 2024.*
4. **SET DATES FOR THE 2025 CALENDAR**  
*Staff Recommendation: Approve the Proposed 2025 SWSAC Calendar.*
5. **UPDATE ON COUNTY GSD STUDY: "PASO BASIN SWP SUPPLEMENTAL SUPPLY"**  
*Staff Recommendation: Informational Item Only.*
6. **REPORTS FROM THE DISTRICT**
  - A. Water Supply & Delivery Operations  
*Staff Recommendation: Informational Item Only.*
  - B. Westside Water Transfer Update  
*Staff Recommendation: Informational Item Only.*
  - C. DCP Planning Update  
*Staff Recommendation: Informational Item Only.*
  - D. Water Management Working Group Update  
*Staff Recommendation: Informational Item Only.*
  - E. Update on the Draft Policy (SWP Priorities and Criteria for Use)  
*Staff Recommendation: Informational Item Only.*
7. **REPORTS FROM SUBCONTRACTORS (FOR INFORMATION ONLY)**
8. **FUTURE AGENDA ITEMS**
9. **DATE OF NEXT REGULAR MEETING**
10. **ADJOURNMENT**

### Attachments

1. Agenda Item 3 – Draft Minutes, March 2024
2. Agenda Item 4 – Proposed 2025 SWSAC Calendar
3. Agenda Item 6.A – Staff Report
4. Agenda Item 6.C – Staff Report
5. Agenda Item 6.E – Staff Report

**SWSAC MEMBER AGENCIES:** SLOCFC&WCD, CSA 16 (SHANDON), CMC, COUNTY OPS CENTER, CUESTA COLLEGE, CITY OF MORRO BAY, CITY OF PISMO BEACH, OCEANO CSD, AVILA VALLEY MWC, AVILA BEACH CSD, SAN MIGUELITO MWC, SAN LUIS COASTAL USD

**CONTACT:** Please contact SWSAC Secretary, Wes Thomson, with any questions: [wthomson@co.slo.ca.us](mailto:wthomson@co.slo.ca.us) or (805) 781-5252. *All Americans with Disabilities Act (ADA) accommodations shall be promptly reviewed and resolved.*

1120 Mill Street,  
San Luis Obispo, CA

**MINUTES OF THE SEPTEMBER 13, 2024**  
**STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE**  
San Luis Obispo County Flood Control and Water Conservation District  
*(DRAFT FOR REVIEW)*

Chair: Greg Kwolek (absent)  
Vice Chair: Brad Hagemann  
Secretary: Wes Thomson

The following minutes are listed as they were acted upon by the State Water Subcontractors Advisory Committee (SWSAC) and as listed on the Regular Meeting agenda for September 13, 2024, together with staff reports and related documents attached thereto and incorporated therein by reference.

1. CALL TO ORDER & ROLL CALL – Call to order at approx. 10:09 AM; quorum was established (5 or more Members present). Meeting location moved to 1120 Mill Street (SLO, CA 93401) due to power outage impacting the scheduled location (SLO City/County Library).

<u>Representative</u>	<u>Agency</u>
Nola Engelskirger	CSA 16 Shandon
John Philbrick	CMC
Scott DeMello	Cuesta
Brad Hagemann	Avila Beach CSD
Courtney Howard	District

2. PUBLIC COMMENT: None
3. REVIEW OF LAST MEETING’S MINUTES – The minutes are from March 1, 2024, since there was not a quorum for the June 7 meeting. Nola Engelskirger motioned to approve the minutes, Brad Hagemann seconded, all in favor. Meeting minutes were approved by a simple verbal vote.
4. REPORTS FROM THE DISTRICT
  - A. Water Supply & Delivery Operations:  
*Staff Recommendation: Informational Item Only.*
    - Wes Thomson commented on the delivery report, noting that the 2024 delivery allocation is at 40% and is expected to stay the same for the rest of the year. The Subcontractors have taken roughly 80% of their requested amounts (for the calendar year to date).
    - Annual SWP maintenance shutdown expected on October the 28<sup>th</sup> and resume CCWA operations on Tuesday November 12<sup>th</sup>.
      - o Hagemann asked for clarification on the date CCWA will be resuming coastal branch operations, and Thomson confirmed that date is independent of the date for resuming deliveries to the Lopez turnout since that is dependent on other operational conditions.
    - The initial SWP allocation for 2025 is expected from DWR on/before December 1.

#### B. DCP Planning Update

*Staff Recommendation: Informational Item Only.*

- Thomson reviewed the schedule for taking the next planning decision to the District Board and important dates for the DCP and associated projected costs.
  - Staff are preparing to take the request for the third round of funding on December 17, 2024, to cover 2026 and 2027 planning costs for the DCP.
  - The District anticipates the participating contractors making decisions on long-term participation in 2027.
- Peter Brown (OCSD General Manager) recommended that we refer to the cost description as "Planning, Environmental, and Design."
- Dan Heimel (Confluence Engineering) presented the estimated cost by Subcontractor.
  - Brown requested that the District try and supply to the subcontractors a rough estimate of expected future costs for the life of the project. Further discussion was had on cost and benefit of the DCP.
  - Thomson reiterated the purpose of the DCP.
  - The water transfer with Westside could help offset the cost of the DCP.

#### C. Westside Water Transfer Update

*Staff Recommendation: Informational Item Only.*

- Thomson gave a brief update on the Transfer that the County Board of Supervisors approved the transfer, and the Contract has been executed.
  - o Further coordination is needed but things are moving forward as expected and it is anticipated that Westside will be taking the full 8,500 AF.
  - o The District is considering the option to also make available the 5,000 AF of Article 56 Carryover, and that there is still interest from Westside on taking it.

#### D. Water Management Group Update

*Staff Recommendation: Informational Item Only.*

- Heimel reviewed the purpose and focus of the Water Management Group (Working Group).
  - o This is a technical working group formed to focus on SLO County State Water supply management challenges & opportunities and report back to the District's State Water Subcontractors Advisory Committee.
  - o The Working Group is concentrating on the opportunities that are easily accessible and are typically related to water transfers. The Group is still looking into the other opportunities that are more long-term options.
  - o Brown asked about the data presented on average annual spills/loss; requesting that data tables include details on the methods used to derive the data for consistency/clarification.
- Heimel highlighted the recent outreach that the Group has conducted, and the opportunities they have been able to identify.
  - o Heimel reiterated the ability to offset the DCP costs with water transfers.
  - o Thomson noted the potential for surface water storage options in addition to groundwater banking, and that the District should compare costs / benefits.
- Jeff Edwards asked to what extent the Working Group will investigate the opportunity to utilize excess conveyance and treatment capacity in the Coastal Branch and what can be done with CCWA to bring more water into the County.
  - o Thomson responded noting:

- The Working Group's focus has been to identify near-term storage and water management options, including cost recovery opportunities – like this year's temporary water transfer.
- The SWP policy document, which is being updated, will communicate the District priorities and criteria for allocating surplus SWP water on permanent and temporary bases. Once updated, the initial focus will be on how to maximize existing capacity within the District (i.e., the 4,830 AF per year), but the question of how to gain additional capacity is expected to eventually be explored as well – sooner than later, given the opportunity to use surplus SWP water to help meet basin management needs.
  - Kate Ballantyne added that the current priorities were established by the District Board over 20 years ago and that the Board has made it clear that they want to weigh in on the discussion regarding priorities from a 2024 perspective.
- Hagemann reiterated that the existing Subcontractors are not using all of their contracted supply with capacity available to them.
- Brief discussion on the future potential of working with CCWA to utilize available capacity, with recognition that availability of capacity is dependent on time of year, storage levels at Cachuma, and Santa Barbara's need for water at any given time (among other factors).
  - Heimel cited the Groundwater Sustainability Department's current effort that is looking at opportunities to bring in SWP for the Paso Basin, which may also identify ways to take advantage of the unused capacity. The Working Group is assisting the GSD and willing to support its efforts to identify SWP water management and contract solutions that could benefit both the Subcontractors and groundwater basins in the county.

## 5. SCHEDULED ACTION ITEMS

### A. Draft Policy on SWP Priorities and Criteria for Use

*Staff Recommendation: Review & comment on draft policy.*

- Thomson summarized the purpose and schedule for the policy update. It is intended to capture the District Board's priorities for using the SWP water supply within the County and provide guidance on the criteria that would be considered when evaluating requests to establish a new SWP water service Contract.
- The Subcontractors can provide comments on the draft policy individually and via the water management working group. An advisory vote on the draft policy is planned for December 2024 prior to taking it to the District Board for adoption in Q1 2025.
- Brief discussion was held on the priority of use and ranking on the priority. The District staff will review/evaluate the wording and consider making the priority ranking explicit.

## 6. REPORTS FROM SUBCONTRACTORS: None.

## 7. FUTURE AGENDA ITEMS:

- Thomson suggested the Subcontractors consider whether changing the meeting dates (quarterly, first Friday of the month, starting in March) might align better with member availability.
- Thomson mentioned that there are several Subcontractor vacancies that need to be filled and to contact him with those plans.

## 8. DATE OF NEXT MEETING – December 6, 2024, at 10:00 AM.

## 9. ADJOURNMENT – Hagemann adjourned the meeting at approximately 11:26 AM.

-- DRAFT MINUTES BY: JT / WT



PROPOSED DATES, 12/2/2024.

# 2025 SWSAC CALENDAR – PROPOSED

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

**SWSAC** (Public Meetings): Dates as shown, from 10:00 -11:30 AM – quarterly meetings in San Luis Obispo, downtown at the City/County Library Conference Room (unless noticed otherwise).

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

<u>JAN</u> <b>SWSAC</b> – Dark	<u>FEB</u> <b>SWSAC</b> – Feb 7 (Fri.) -- <i>(1) Annual election of Chair &amp; Vice Chair; (2) Approval of 2025 Calendar.</i>	<u>MAR</u> <b>SWSAC</b> – Dark
<u>APR</u> <b>SWSAC</b> – Dark	<u>MAY</u> <b>SWSAC</b> – May 2 (Fri.)	<u>JUN</u> <b>SWSAC</b> – Dark
<u>JUL</u> <b>SWSAC</b> – Dark	<u>AUG</u> <b>SWSAC</b> – Aug 1 (Fri.)	<u>SEP</u> <b>SWSAC</b> – Dark -- <i>Subcontractors submit SWP water delivery request for 2026 (on or before 9/1/25).</i>
<u>OCT</u> <b>SWSAC</b> – Dark -- <i>District submits SWP water delivery request for 2026 to DWR (on or before 10/1/25).</i>	<u>NOV</u> <b>SWSAC</b> – Nov 7 (Fri.) --	<u>DEC</u> <b>SWSAC</b> – Dark -- <i>(1) DWR issues Initial SWP Allocation for 2026 (on or before 12/1/25); (2) District furnishes 2026 delivery schedule to Subcontractors (on or before 12/15/25); (3) Distribution of draft proposed calendar for 2026.</i>

**\*Meeting logistics are subject to change.** Please contact County Public Works at 805-781-5252 or [pwd@co.slo.ca.us](mailto:pwd@co.slo.ca.us) for confirmation of date, location & time.

## 2024 STATE WATER DELIVERY REPORT (DRAFT)

Subcontractor Deliveries for Jan-Oct 2024.

Schedule Requests as of 6/27/24.

Prepared by WT, 12/2/24.

### District SWP Water Balance -- 2024

Stored "Carryover" Water (Art 56c) at SLR,1/1/2024 =	12,500	AF
Current SWP Allocation (as of 4/23/2024) =	40%	
District's 2024 "Table A" allocation (per 25,000 AF contract) =	10,000	AF
<b>Total SWP Water Available (2024) =</b>	<b>22,500</b>	AF
<b>Projected Total Deliveries to District (2024) =</b>	<b>2,600</b>	AF
*Reserved for Westside Transfer (2024) =	13,500	AF
<b>Balance of SWP Water Available (2024) =</b>	<b>6,400</b>	AF

### DELIVERIES TO SUBCONTRACTORS (2024)<sup>3</sup>

	AGENCY	SCHEDULED	TLBA	C/O	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Total as % of Request <sup>4</sup>
SHANDON TO	CSA 16	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	--
CHORRO V. TO	CMC	396	320	76	18.4	17.8	22.6	18.7	24.1	22.4	24.9	27.0	27.4	25.5	0	0	228.8	69%
	County Ops	420	340	80	19.5	18.8	24.0	19.9	25.5	23.8	26.5	28.7	29.1	27.0	0	0	242.6	69%
	Cuesta	192	160	32	8.9	8.6	11.0	9.1	11.7	10.9	12.1	13.1	13.3	12.3	0	0	110.9	69%
	City of Morro Bay	1180	1441	0	76.2	63.8	79.5	76.3	91.7	96.9	106.5	106.2	93.3	80.2	0	0	870.7	87%
LOPEZ TO	City of Pismo Beach	412	992	-580	90.6	84.2	102.1	0.0	0.0	103.0	0.0	0.0	0.0	0.0	0	0	380.0	92%
	Oceano CSD	357.5	600	-243	42.4	38.9	45.0	43.3	51.9	59.5	0.0	0.0	0.0	0.0	0	0	281.0	79%
	San Miguelito MWC	90	220	0	4.4	7.8	3.1	1.2	5.1	5.7	6.1	5.9	6.8	5.3	0	0	51.5	68%
	Avila Beach CSD	70	80	0	4.4	4.6	6.0	6.0	6.0	6.0	6.0	7.0	6.0	6.0	0	0	57.9	98%
	Avila Valley MWC	20.0	32	0	0.9	0.7	1.0	1.1	2.0	2.0	2.0	2.0	2.0	2.0	0	0	15.8	93%
	San Luis Coastal USD	6.0	5.6	0.4	0.17	0.29	0.31	0.50	0.42	0.46	0.50	0.50	0.50	0.50	0	0	4.15	83%
	<b>TOTAL</b>	<b>3144</b>	<b>4231</b>	<b>-634</b>	<b>265.8</b>	<b>245.5</b>	<b>294.5</b>	<b>176.1</b>	<b>218.4</b>	<b>330.7</b>	<b>184.6</b>	<b>190.4</b>	<b>178.3</b>	<b>158.8</b>	<b>0</b>	<b>0</b>	<b>2243.2</b>	<b>81%</b>

- Notes:**
- Deliveries based on CCWA monthly delivery reporting and subcontractor request.
  - All delivery values reported are in volumetric units of acre-feet (AF).
  - Deliveries to Lopez during March were increased to supplement during the tank replacement project at the Lopez WTP.
  - Total as a percent of the request for the period of the water delivery year completed.

### SUBCONTRACTOR DELIVERY SCHEDULED (2024)<sup>1,2,3</sup>

	AGENCY	CONTRACT	DB	Mx.TBLA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Total as % of Contract
SHANDON TO	CSA 16	100	0	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
CHORRO V. TO	CMC	400	400	320	33	33	33	33	33	33	33	33	33	33	33	33	396	99%
	County Ops	425	425	340	35	35	35	35	35	35	35	35	35	35	35	35	420	99%
	Cuesta	200	200	160	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	1441	90	90	100	100	100	105	105	105	105	100	90	90	1180	90%
LOPEZ TO	City of Pismo Beach	1240	1240	992	103.0	103.0	103.0	0	0	103	0	0	0	0	0	0	412.0	33%
	Oceano CSD	750	750	600	62.5	62.5	62.5	50	60	60	0	0	0	0	0	0	357.5	48%
	San Miguelito MWC	275	275	220	7	7	8	8	8	8	8	8	7	7	7	7	90	33%
	Avila Beach CSD	100	100	80	5	5	6	6	6	6	6	7	6	6	6	5	70	70%
	Avila Valley MWC	20	60	32	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%
	<b>TOTAL</b>	<b>4830</b>	<b>5747</b>	<b>4231</b>	<b>353</b>	<b>353</b>	<b>365</b>	<b>251</b>	<b>261</b>	<b>369</b>	<b>206</b>	<b>207</b>	<b>205</b>	<b>200</b>	<b>189</b>	<b>189</b>	<b>3144</b>	<b>65%</b>

- Notes:**
- Assumes District can supply 100% of requested delivery, to meet requests that exceed current DWR allocation.
  - Updated schedule reflects mid-year revisions requested by Pismo and OCSD; changes effective 6/27/2024.
  - Mx.TBLA = Max Table A available to Subcontractor under current allocation.



**TO: State Water Subcontractors Advisory Committee**  
**FROM: Wes Thomson, Supervising Engineer**  
**DATE: December 6, 2024**  
**SUBJECT: Update on the Delta Conveyance Project**

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## **Recommendation**

Informational item only.

## **Discussion**

The proposed Delta Conveyance Project (DCP) objective is to protect the SWP's ability to deliver water by modernizing the aging SWP infrastructure and providing two complementary methods to divert and convey water south of the Delta. This would be accomplished by constructing two new points of diversion in the north Delta along the Sacramento River with a single tunnel to convey water to existing SWP facilities in the south Delta.

In the spring of 2024, DWR released updated modeling data with an updated project cost estimate based on the preferred project design, all of which was used to develop the new benefit-cost analysis for the State and SWP Contractors to evaluate the benefits of the DCP and facilitate decisions on long-term participation.

Modeling shows that the DCP would protect against reductions of 10-17% in the annual average SWP deliveries compared to existing conditions. The SWP provides the District with greater geographical diversity of water supplies, and the DCP adds needed safeguards to mitigate for the risk of extended supply interruptions due to known seismic vulnerabilities of the Delta levee system.

The benefit-cost analysis for the DCP finds the project will deliver nearly \$38 billion in benefits: *"For every \$1 spent, the project will generate \$2.20 in benefits, which include critical climate change adaptation, improved resilience to sea level rise and earthquakes that can disrupt deliveries, and improved water quality and reliability for the 27 million Californians, 750,000 acres of farmland, and countless businesses that depend on State Water Project supplies."*

In November 2020, the District authorized \$750,000 in funding to participate in the first two years of the initial four-year preliminary planning effort. In 2022, the District decided to continue its participation, authorizing \$1,296,000 in funding for 2023 and 2024. DWR completed the environmental review in December 2023 and identified a preferred project alternative (per



CEQA). The funding from 2023/24 was sufficient to cover 2025, and this next funding round is to cover the planning, permitting, and design work in 2026 and 2027.

The District anticipates that it will need to decide on long-term participation and funding commitment in 2027.

### **Financial Considerations**

As of this recent benefit-cost analysis, the total project cost is estimated to be \$20.1 billion. Accounting for inflation, this is comparable to the preliminary cost assessment from 2020, showing that costs are holding steady.

DWR funds the SWP capital project costs by issuing revenue bonds, which are not taxpayer-funded (not the State of California liabilities). Participating public water agencies will pay for the bonds, and the bonds are the sole obligation of the SWP and are repayable from SWP revenue.

As a participating agency, the District's proportional share of the next phase of DCP planning costs is \$1.86 million (Attachment 1). Revenues from the 2024 water transfer could be used to help offset these costs.

### **REFERENCES**

#### **BENEFIT-COST ANALYSIS OF THE DELTA CONVEYANCE PROJECT (5/16/2024)**

[https://water.ca.gov/-/media/DWR%20Website/Web%20Pages/Programs/Delta%20Conveyance/Public%20Information/DCP%20Benefit-Cost%20Analysis%202024-05-13\\_ADA.pdf](https://water.ca.gov/-/media/DWR%20Website/Web%20Pages/Programs/Delta%20Conveyance/Public%20Information/DCP%20Benefit-Cost%20Analysis%202024-05-13_ADA.pdf)

#### **UPDATED DCP COST ESTIMATE (5/14/2024)**

<https://www.dcdca.org/wp-content/uploads/2024/05/2023-Bethany-Total-Project-Cost-Estimate.pdf>

#### **THE ECONOMY OF THE STATE WATER PROJECT (12/14/2023)**

<https://water.ca.gov/-/media/DWR-Website/Web-Pages/News/Files/FINAL-12-14-2023---The-Economy-of-the-State-Water-Project.pdf>

# DCP Round 3 Planning Cost (ESTIMATE)

## SLO County FCWCD

11/28/2024, WT

Total District Cost Share = **CY 2026/27**  
**\$ 1,860,000**  
 District "Table A" Contract (AFY) >> 25,000  
**\$ 37 \$/AF per Year**

Annual Cost - 2026 & 2027	
CY 2026	CY 2027
\$930,000	\$930,000
50%	50%

SUBCONTRACTOR	Water Service Contract	Drought Buffer Contract	Total Contract	Subscription Percentage	Est'd Cost of DCP Round 3 Planning	Commitment Year (2026)	Commitment Year (2027)
CSA 16 (Shandon)	100	0	100	0.40%	\$ 7,440	\$ 3,720	\$ 3,720
City of Morro Bay	1,313	2,290	3,603	14.41%	\$ 268,063	\$ 134,032	\$ 134,032
CMC	400	400	800	3.20%	\$ 59,520	\$ 29,760	\$ 29,760
County Ops Center	425	425	850	3.40%	\$ 63,240	\$ 31,620	\$ 31,620
Cuesta College	200	200	400	1.60%	\$ 29,760	\$ 14,880	\$ 14,880
City of Pismo Beach	1,240	1,240	2,480	9.92%	\$ 184,512	\$ 92,256	\$ 92,256
Oceano CSD	750	750	1,500	6.00%	\$ 111,600	\$ 55,800	\$ 55,800
San Miguelito MWC	275	275	550	2.20%	\$ 40,920	\$ 20,460	\$ 20,460
Avila Beach CSD	100	100	200	0.80%	\$ 14,880	\$ 7,440	\$ 7,440
Avila Valley MWC	20	60	80	0.32%	\$ 5,952	\$ 2,976	\$ 2,976
San Luis Coastal USD	7	7	14	0.06%	\$ 1,042	\$ 521	\$ 521
<b>Subcontractor Total &gt;&gt;</b>	<b>4,830</b>	<b>5,747</b>	<b>10,577</b>	<b>42.3%</b>	<b>\$ 786,929</b>	<b>\$ 393,464</b>	<b>\$ 393,464</b>
<b>District's Unsubscribed Total &gt;&gt;</b>			<b>14,423</b>	<b>57.7%</b>	<b>\$ 1,073,071</b>	<b>\$ 536,536</b>	<b>\$ 536,536</b>
<b>Total Due to DWR &gt;&gt;</b>					<b>\$ 1,860,000</b>	<b>\$ 930,000</b>	<b>\$ 930,000</b>

**TO:** State Water Subcontractors Advisory Committee  
**FROM:** Wes Thomson, Supervising Engineer  
**DATE:** December 6, 2024  
**SUBJECT:** Draft Policy on SWP Priorities and Criteria for Use

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**RECOMMENDATION**

Review & comment on updated draft policy document.

**DISCUSSION**

Attachment 1 is a draft policy document intended to capture the District Board’s priorities for using the SWP water supply within the County and provide guidance on the criteria that would be considered when evaluating requests to establish a new SWP water service contract.

**Timeline**

<b>Jun-Feb 2024</b>	- <b>Review of draft policy updates</b> with Subcontractor representatives and WRAC.
<b>Feb 2024</b>	- <b>Advisory votes</b> of draft policy updates with SWSAC and WRAC.
<b>Q2 of 2025</b>	- <b>District Board:</b> Review/adoption of draft proposed policy updates.

**ATTACHMENTS**

1. SWP Priorities and Criteria for Use (DRAFT)
2. 2003 Excess Entitlement Policies
3. Summary of District SWP Subcontracts

## **State Water Project Policies**

### **State Water Project Allocation - Definition**

The State Water Project Allocation is the total amount of State Water Project water that the San Luis Obispo County Flood Control and Water Conservation District (“District”) is entitled to have delivered under its contract with the California Department of Water Resources (“Master Contract”) on an annual basis. The District has entered into subcontracts with a number of entities (collectively, “Subcontractors”) for the delivery of 10,577 acre-feet of the State Water Project Allocation on an annual basis.

### **Relationship to Previously Adopted Policies**

These Policies replace / supersede the District’s 2003 Excess Entitlement Policies (Approved by Board of Supervisors January 14, 2003).

### **Purpose**

The Purpose of these Policies is to establish policies that will guide both District staff and the Board in implementing the existing Subcontracts and / or preparing amendments to the Subcontracts that address ways in which water that is not needed under the Subcontracts can be utilized. These policies shall not be deemed to limit future discretionary actions by the District Board of Supervisors or be read as directing action that is any way contrary to existing contractual obligations.

### **Priority of Use**

- A. Domestic use shall be considered the highest priority use of water made available 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. It is recognized that domestic use occurs both within the 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.
- B. Subcontractors with capacity in Phase II of the Coastal Branch shall have the first right to utilize water made available under the Master Contract.
- C. In priority order, preference will be given to uses that:
  1. Do not harm the District’s ability to meet its obligations to the existing Subcontractors,
  2. Address public health or a water shortage emergency pursuant to Water Code Section 350,
  3. Provide supplemental water supply to promote water supply resiliency to both urban and rural water users,

## State Water Project Policies

4. Store available and/or unscheduled water deliveries for later use during times of water shortages to support municipal, groundwater basin replenishment, agricultural, and environmental purposes.
  5. Manage demand to improve supply planning and water market opportunities to generate revenues that recover current costs and some or all of District's past costs.
  6. Solves or mitigates water supply problems in key watersheds/basins identified by the Board, including: Paso Robles GW Basin, Los Osos GW Basin, Arroyo Grande Creek Watershed, and Edna Valley GW Basin.
- D. Preference will be given to local agencies and water purveyors regardless of whether the use is on an annual, multi-year, or permanent basis.
- E. Preference will be given to the use at the same (or upstream) financial reach in which the capacity for that allocation terminates. This avoids the "allocation without capacity" issue.
- F. Uses terminating downstream of the original place of use (beyond financial reach with capacity for that allocation) would be on a "second priority" or short-term (year-to-year) basis. This ensures deliveries of transferred allocation do not detrimentally impact deliveries of existing allocation to subcontractors.
- G. Uses must meet the Board-established Criteria for Use of State Water.

## State Water Project Policies

### Criteria for Use

The following criteria would be used to evaluate requests for use of State Water:

1. Water be available to existing public agencies, public water companies regulated by the PUC and existing mutual water companies with no water being contracted to individuals.
2. Water may be used as a supplemental supply within the service area of an established public water system only if the water purveyor approves or requests the use.
3. Water may be delivered as an emergency supply when there is an “Emergency Condition” declaration by both the County Board and the governing body of the requesting public water agency or water purveyor. Water delivered under the Emergency Condition would be subject to all costs associated with delivery of State Water at the time of the Emergency Condition.
4. New uses should be consolidated with existing subcontractors, wherever possible.
5. Uses shall not compromise system reliability or reduce delivery capabilities to existing subcontractors.
6. All costs must be paid by the water user.
7. Uses shall not detrimentally impact existing subcontractors from a financial standpoint.
  - a. There shall be no increase in administrative costs to existing subcontractors. No new allocations of less than 20 acre-feet will be allowed.
  - b. There shall be an equitable investment recovery program for existing subcontractors that recover current costs and some or all of past costs.

State Water Project  
Excess Entitlement Policies  
Approved by Board of Supervisors January 14, 2003

Excess Entitlement - Definition

The District State Water Project “Excess” Entitlement is the portion of the District’s total entitlement that is not contracted to others for their deliverable or drought buffer uses.

Priority of Use

1. Prior to transferring the excess entitlement for any other use, contractors of state water entitlement with capacity in Phase II of the Coastal Aqueduct shall have the first right to utilize the excess entitlement for “drought buffer” (reliability) purposes under the terms of a drought buffer agreement.
2. Preference shall be given to local agencies and water purveyors regardless of whether a transfer is on an annual, multi-year, or a permanent basis.
3. No permanent transfer of the excess entitlement for use outside District boundaries shall be made prior to a final update of the District’s Master Water Plan adopted by the Board of Supervisors, and then only if the transfer is consistent with the then adopted Master Plan. (See ‘Note’ below)
4. No multi-year transfer for use outside District boundaries shall be made with a term in excess of five years prior to a final update to the District’s Master Water Plan adopted by the Board of Supervisors, and then out of District transfers can only take place if the transfer is consistent with the adopted Master Plan.
5. On any out -of-District transfer, preference shall be given to those that provide: a) revenues that recover current costs and some or all of the District’s past costs, b)

maintain the District's right to use the water in the future, or c) which are used for environmental mitigation.

6. The Public Works Director is authorized to determine the annual amount of the excess entitlement to transfer to the State Water Project "Turnback Pools" established under the existing terms of State Water Agreements. In making that determination, the Public Works Director shall first consider local needs and how the use of the Turnback Pool might impact other potential transfers.

Note:

These policies were adopted by the Board of Supervisors "with the understanding there will be no permanent sales outside the District."



# Subcontractor Delivery Contracts

9/29/2023 (REV), WT

SUBCONTRACTOR		Annual Water Service Contracted (AF)	Max. Monthly Delivery Contracted (AF)	Max. Flowrate Contracted (at Turnout) (cfs)	Drought Buffer Contracted (AF)	Water Service + Drought Buffer (AF)
<b><u>DISTRICT TURNOUT</u></b>						
<i>SHANDON**</i> CSA 16 (Shandon)		100	8.33	0.14	0	100
<b>Subtotal</b>		<b>100</b>	<b>8</b>	<b>0.14</b>	<b>0</b>	<b>100</b>
<i>CHORRO VALLEY (CV Pipeline)</i> CMC		400	33.33	0.56	400	800
County (Ops Center)		425	35.42	0.60	425	850
Cuesta College		200	16.67	0.28	200	400
City of Morro Bay		1,313	109.41	1.84	2,290	3,603
<b>Subtotal</b>		<b>2,338</b>	<b>195</b>	<b>3.28</b>	<b>3,315</b>	<b>5,653</b>
<i>LOPEZ (District Zone 3)</i> City of Pismo Beach		1,240	103.33	1.74	1,240	2,480
Oceano CSD		750	62.50	1.05	750	1,500
San Miguelito MWC		275	22.92	0.38	275	550
Avila Beach CSD		100	8.33	0.14	100	200
Avila Valley MWC		20	1.67	0.03	60	80
San Luis Coastal USD		7	0.58	0.01	7	14
<b>Subtotal</b>		<b>2,392</b>	<b>199</b>	<b>3.35</b>	<b>2,432</b>	<b>4,824</b>
<b>Total Contracted*</b>		<b>4,830</b>	<b>402.49</b>	<b>6.77</b>	<b>5,747</b>	<b>10,577</b>

\* Contracted Capacity to Chorro Valley Turnout (AFY) 4,830

\* Contracted Capacity to Lopez Turnout (AFY) 2,392

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\*\*District has contracted capacity in Coastal Branch for Shandon's 100 AF all the way to the CV Turnout.

**District's "Table A" Allocation (AF)** **25,000**

Total "Table A" Subcontracted (AF) **10,577**

**Unsubscribed (Excess) "Table A" Allocation (AF)** **14,423**