

SACRAMENTO REGIONAL WATER BANK

Governance: Organizational Framework, Functions, and Associated Roles and Responsibilities

Purpose

This paper is one of a series of papers that introduce and describe the process and considerations related to the implementation of the Sacramento Regional Water Bank (Water Bank). These processes are aspects of Water Bank governance functions.

Background

Governance can be described as “the conceptual model for how an entity is managed, its interactions with and relationship to partners and affiliates, and identification of the operations and systems it oversees.” Water Bank governance components include:

- **Vision and Strategy:** Goals, objectives, principles, and constraints
- **Structure:** Organizational framework, functions, and associated roles and responsibilities
- **Operations Support Tools:** Water accounting, monitoring, and reporting
- **Agreements and Finance:** Framework to incentivize water banking and codify roles and responsibilities for water banking

This paper focuses on the **structure** component of Water Bank governance. It outlines the required functions and activities to support successful implementation of the Water Bank, illustrates a general organizational framework to conduct these functions, and describes the associated rules and possibilities. This paper is intended to:

- (1) Establish shared understanding and common terminology among the Water Bank Program Committee members and the Water Bank Development Team, and
- (2) Help the Program Committee and the technical team maintain consistency in their ongoing engagements with other entities and stakeholders as part of the Water Bank development process.

This paper reflects feedback from the Program Committee on the draft *Governance: Roles and Responsibilities White Paper* (dated March 3, 2023). It also reflects additional input and feedback received during the Program Committee meetings on April 6 and April 10, 2023.

Required Functions and Activities

The required activities to support a successful Water Bank can be grouped into four functional areas:

- (1) Policy and legal activities
- (2) Operations activities
- (3) Administrative activities

(4) Outreach activities

Definitions of these required activities are informed by the *Groundwater Banking Guidelines for the Central Valley Project* (U.S. Department of the Interior, Bureau of Reclamation (Reclamation) 2019) (<https://www.usbr.gov/mp/waterbanking/index.html>), and the *Water Transfers White Paper* (California Department of Water Resources (DWR) and Reclamation 2019) (<https://water.ca.gov/Programs/State-Water-Project/Management/Water-Transfers>).

In addition, regional experience with recent single-year groundwater substitution transfers provides important insights into these activities. For example, activities required for the 2022 groundwater substitution transfers were memorialized in a series of agreements that defined the roles and responsibilities of the parties supporting each transfer. These agreements¹ included:

- **Buyer-Seller Agreements:** For transfer of surface waters involving the water rights holders (i.e., City of Sacramento, San Juan Water District, and Carmichael Water District).
- **Joint Groundwater Substitution Transfer Agreements:** Involving the water rights holders and agencies pumping groundwater as part of a transfer (e.g., Sacramento County Water Agency and Sacramento Suburban Water District).
- **Transfer Administration Memorandum of Agreement:** Involving the sellers (i.e., water rights holders) that established the sellers' agent, assigned roles and responsibilities for the administrative activities in support of the transfer, and defined fee contributions.
- **Staffing Support Agreement:** With the Regional Water Authority (RWA) assigned to provide technical assistance for facilitation of transfer-related coordination meetings, develop and implement monitoring and mitigation plans, conduct of periodic groundwater monitoring, perform the stream depletion factor analysis, and coordinate compliance with reporting requirements for DWR and the State Water Resources Control Board (SWRCB).
- **Consulting and Legal Support Agreements:** With participating agencies and the RWA for additional technical and/or legal support to prepare analysis or complete studies and/or aid in submitting petitions to the SWRCB or for preparation of environmental documentation.

Note that the Transfer Administration and Staffing Support agreements provide a blueprint for how Water Bank activities may be organized in the future.

Organizational Framework with Roles and Responsibilities

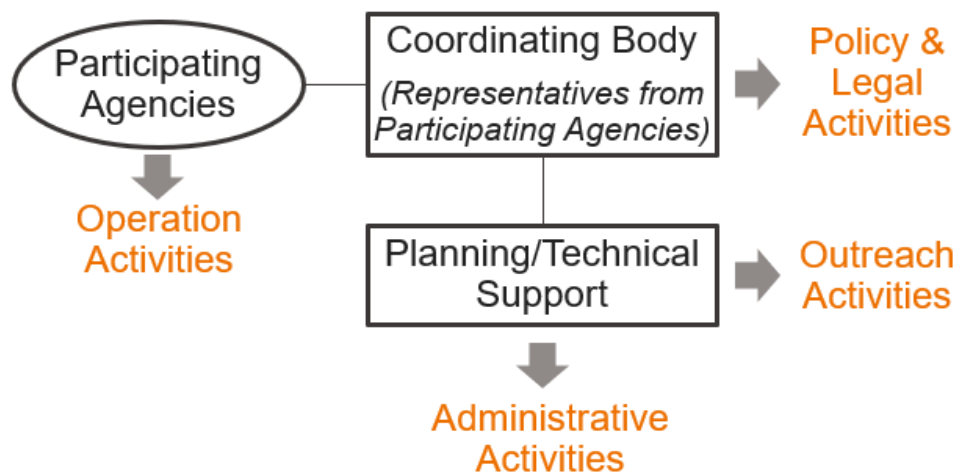
It is envisioned that Water Bank implementation activities will be carried out by three primary parties, as reflected in the figure below. These include:

- **Participating Agencies:** Defined as RWA Members/Associate Members actively involved in recharge and/or recovery actions under the Water Bank. A Participating Agency is an existing agency with water-related authority and/or responsibility and is accountable to an existing governing board or council that provides overarching guidance and direction for that

¹ In addition to the bulleted list other agreements were developed with consultants to complete Groundwater Substitution Transfers specifically for legal support and technical/administrative support to produce State Water Resources Control Board petitions and for preparation of an Initial Study with Negative Declaration.

Participating Agency’s actions. The framework described in this document, including the functions and associated roles/responsibilities, is not intended to supersede, limit, or otherwise control the individual autonomy and functionality of these existing agencies. The Water Bank is only able to exist due to Participating Agency involvement, operations, and guidance. For this reason, the Participating Agencies are delegating the roles and responsibilities as listed below to the other parties and can adjust those roles and responsibilities in the future as necessary.

- Coordinating Body:** Inclusive of representatives of each of the Water Bank Participating Agencies and responsible for overall oversight of Water Bank. The Coordinating Body will operate under a charter or equivalent agreement such as a memorandum of agreement (MOA) that will define the decision-making process as well as the core areas of necessary coordination and communication to effectively implement the Water Bank (e.g., how the Participating Agencies will follow the established Goal, Objectives, and Principles of the Water Bank; and how they will maintain engagement with key stakeholders such as Groundwater Sustainability Agencies (GSAs) under the Sustainable Groundwater Management Act (SGMA)). The Coordinating Body will not limit, or otherwise control, the individual autonomy and functionality of any Participating Agency. Furthermore, the MOA will be structured for efficiency – to limit unnecessary rules, requirements, meetings, formalities, official procedures, or other forms of bureaucracy.
- Planning/Technical Support:** Defined as conducting administrative, outreach, and related activities in support of the Water Bank. The specific types of planning/technical support will be determined by the Coordinating Body with defined responsibilities, scope, and delegated authority. A centrally run organization such as the RWA that already provides planning and technical support functions under the single year groundwater substitution transfer program may be the most qualified and prepared to serve in this capacity.



Tables 1 through 4 list the roles and responsibilities of each of the three parties, by each of the four implementation activity groupings. The roles and responsibilities are indicated using a RACI responsibility assignment matrix, as defined below:

- **R – Responsible** (the entity does the work to complete the task)
- **A – Accountable** (the entity delegates work and is the last one to review or approve the task or deliverable before its deemed complete)
- **C – Consulted** (the entity provides input based on how it will impact their project work or domain of expertise on the deliverable itself)
- **I – Informed** (the entity needs to be apprised of project progress, rather than directly involved in the details)

Note that for a given activity, there are not always separate R, A, C, and I are not designations, as accountability (A) is often in tandem with the other R-C-I elements.

Table 1. Water Bank Policy and Legal Activities

Activity	Participating Agencies	Coordinating Body	Planning/ Technical Support
1. Provide oversight and accountability for consistency with Water Bank goal, objectives, principles, and constraints	C	R	I
2. Facilitate negotiations of Water Bank banking and transfer agreements, including facility usage agreements with DWR and Reclamation	A	C	R
3. Facilitate informational briefings and obtain approvals with elected bodies.	A, R	C	I
4. Approve Water Bank banking and transfer agreements, including facility usage agreements	R	C	C
5. Develop annual Water Bank Operations Plans (levels of recharge and recovery, allocations to members, etc.) ²	C	A	R
6. Approve annual Water Bank Operations Plans (levels of recharge and recovery, allocations to members, etc.)	C	R	I
7. Develop Water Bank financial budgets and conduct financial transactions	C	A	R
8. Approve Water Bank financial budgets and financial transactions	A	R	I

² Annual Water Bank Operations Plan – Participating Agencies will be responsible to recharge and/or pump specific quantities of groundwater (recover) under Water Bank operations. These volumes will fluctuate depending on multiple factors and will be a dynamic operational consideration. The annual Water Bank Operations Plan will allow for the coordinating Water Bank recharge and recovery activities of each participating agency. The annual Water Bank Operations Plan is not intended to restrict Participating Agency pumping volumes or other existing operations. Each year, a Water Bank Operations Plan will be developed in consultation with the Participating Agencies to reflect their available capacities and operating constraints, Banking Partners demands, hydrological and groundwater basin conditions, and other relevant considerations.

Table 2. Water Bank Operations Activities

Activity	Participating Agencies	Coordinating Body	Planning/ Technical Support
1. Conduct recharge and recovery activities, consistent with approved annual Water Bank Operations Plans and existing individual Participating Agency water management commitments and operational requirements.	R	I	C
2. Maintain and expand conjunctive use capacity (recharge and recovery capacities)	R	I	C

Table 3. Water Bank Administrative Activities

Activity	Participating Agencies	Coordinating Body	Planning/ Technical Support
1. Manage the Water Accounting System, including tracking of surface water and groundwater usage, and water transfer transactions.	C	A	R
2. Develop, execute, and update a Regional Monitoring Plan (RMP), consistent with DWR, SWRCB, Reclamation, and GSAs requirements (The RMP may include but is a different monitoring plan than the GSAs monitoring plan under SGMA). This includes periodic groundwater level monitoring as required by banking and transfer agreements.	C, R (Depending upon Participating Agency)	A	R
3. Develop, execute, and update a Regional Mitigation Plan	C	A	R
4. Manage coordination with GSAs and reporting	C	A	R
5. Manage Reclamation coordination and reporting	C	A	R
6. Manage SWRCB and DWR coordination and reporting, including information required for the Water Transfer Information Management System	C	A	R
7. Manage internal and external banking partners coordination and reporting	C	A	R
8. Manage and coordinate water transfers compliance requirements (Reclamation, SWRCB, DWR, and counties)	C	A	R

Table 4. Water Bank Outreach Activities

Activity	Participating Agencies	Coordinating Body	Planning/ Technical Support
1. Conduct periodic engagement with stakeholder groups for updates on SRWB development and operations	I	C	R
2. Manage ongoing public relations activities to build Water Bank awareness and develop educational materials (e.g., <i>Questions of the Week</i> , website content, videos)	I, R (Depending upon Participating Agency)	C	R
3. Support State and federal advocacy for the Water Bank	I	C	R

Key External Entities

The Water Bank Participating Agencies, Coordinating Body, and Planning/Technical Support will interact in various capacities with external entities such as banking partners, agencies with regulatory and oversight authorities, stakeholders, and others. These key external entities are discussed below:

- **External Banking Partners:** Defined as entities that are not Water Bank Participating Agencies but have entered (or are exploring entering) into banking and transfer agreements with the Water Bank.
- **Entities with Regulatory and Oversight Authority:** Defined as entities with authority over some aspects of Water Bank implementation include the following:
 - **GSAs:** Responsible for SGMA implementation in the North and South American groundwater subbasins (NASb and SASb) through the approved groundwater sustainability plans (GSP). The Water Bank is required to operate consistent with GSPs for the NASb and SASb. Engagement and coordination will be focused with the GSAs where water banking activities overlay those GSAs boundaries.
 - **Reclamation:** Responsible for approving federally recognized water banks, overseeing that water bank operations are in compliance with Central Valley Project Improvement Act banking requirements and guidance, and approving water transfers involving Central Valley Project (CVP) facilities and/or CVP water supplies. Reclamation would also serve as the National Environmental Policy Act lead agency for Water Bank environmental compliance.
 - **DWR:** Responsible for approving water transfers involving State Water Project (SWP) facilities and/or SWP water supplies.
 - **SWRCB:** Responsible for approving water transfers involving changes to a post-1914 water right (point of diversion, place of use, or purpose of use). SWRCB also issues water right curtailment and is responsible for defining and tracking beneficial uses of water.
 - **California Department of Fish and Wildlife (CDFW):** Responsible for managing California's fish, wildlife, and plant resources, and the habitats upon which they depend. CDFW traditionally provides input during groundwater substitution transfer processes.
 - **Sacramento County Department of Water Resources:** Responsible for approving permits for surface water or groundwater transfers that transport in any manner water outside of Sacramento County.
- **Water Bank Stakeholders:** Defined as interested parties, non-governmental organizations, other organizations, and individuals that are interested in, or potentially affected by, operations of the Water Bank.