

## Sacramento Suburban Water District

**Water Banking and Transfer Policy**Adopted: October 17, 2011

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**100.00 Purpose of the Policy**

The primary purpose of this policy is to establish the parameters that will govern the actions of staff in the pursuit of water banking and transfer opportunities and agreements.

**100.10 Definitions**

Water is considered a public resource, and its use is permitted through water rights and contractual entitlements. Use must be reasonable and beneficial; thus, water that is being considered for banking or transfer must not have been created by unreasonable use or excess to the needs of the water rights holder. The following definitions are used in this policy:

Aquifer Storage and Recovery (ASR) – Means injecting water into an aquifer through wells or by surface spreading and infiltration and then pumping it out when needed. The aquifer essentially functions as a storage reservoir.

Conjunctive Use – Means the joint or alternating use of surface water and groundwater to more effectively manage water resources. Typically, during average or wet hydrologic years, surface water is used in lieu of pumping groundwater, allowing the groundwater to remain for future use.

Water Banking – Means the practice of actively storing or exchanging in-lieu surface water supplies in available groundwater basin storage space for later extraction and use by the storing party or for sale or exchange to a third party. Banking generally involves active management of the basin and accounting of the water supplies stored and withdrawn from underground storage. Water may be banked as an independent operation or as part of a Conjunctive Use program.

Water Transfer – Means a transaction in which a holder of a water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water consumptively used under that water right or entitlement, provided the transfer does not injure another water right holder or unreasonably affect instream beneficial uses. The transferor retains title to the underlying water right or entitlement, which distinguishes a Water Transfer from a sale or assignment of a

water right or entitlement in which the buyer obtains the title or right. Under California Law, a Water Transfer is either short-term, i.e., a transfer of the right of use for one year or less, or long-term, i.e., for a period of more than one year. Water Transfers may occur between a transferor and transferee in the same watershed or basin or between parties in different watersheds. The most common form of water transfer in California involves a seller north of the Sacramento-San Joaquin Delta and an export buyer located south of the Delta whose water supplies have been cutback.

## **200.00 Policy**

Sacramento Suburban Water District has invested considerable resources in a Conjunctive Use water supply system in an effort to ameliorate declining groundwater levels in the groundwater basin beneath its service area. This investment has created opportunities for the District to partner with others to utilize District assets during periods when such asset capacity is excess to the immediate needs of District customers. Allowing these available assets to be used by others can create a financial benefit to the ratepayers of the District.

It is the policy of the Board of Directors to authorize Water Banking and Water Transfer actions whenever prudent and to more fully utilize excess asset capacity to benefit District ratepayers. The Board of Directors will protect the long term interests of the District and its ratepayers first by maintaining and defending the District's:

1. Water rights and contractual entitlements,
2. Groundwater quality,
3. Groundwater resource sustainability, and
4. The condition of physical assets.

## **300.00 Policy Review**

This Policy shall be reviewed at least biennially.