

Comments on July 30 draft of EWA Implementation Plan  
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General comments.

1. I agree with Pete Chadwick that section III (A Sample Solution) does not clarify the necessary tasks of policy-level negotiators as well as the "Negotiation Issues" section of the previous draft. A single sample cannot help but present a position. The only way we could use the "sample" approach in a fair way would be to present a range of samples (analogous to EIS alternatives), from which the policy group would have to extract the central negotiation options. Until the DNCT gets the assignment to generate such a set of alternatives, I encourage a return to the approach of listing the issues that need to be negotiated with some attempt to order them in a logical progression. Most of the language that now introduces the sample solution could be used to introduce the list of issues. This introduction could be modified to specify that assumptions were made for the sake of completing simulations regarding most of these issues, but EWA implementation will require negotiated agreements on the following.

III. Negotiation issues

A. Assets

1. Structure/content of the baseline.
  - a. In-Delta AFRP
  - b. b(2)
  - c. future water supply demands and goals
  - d. future water quality goals
2. EWA rights to a share of allowable diversions
3. EWA rights to a share of conveyance capacity
4. EWA rights to a share of existing storage capacity
5. EWA rights to a share of new storage capacity

B. Operations

1. Default standards.
  - a. Current Delta standards or something new
    - (1). WQCP
    - (2). COE permit
    - (3). Existing opinions
  - b. Upstream carryover standards or something new
2. EWA priority of access to a:
  - a. Share of allowable diversions
  - b. Share of conveyance capacity
  - c. Share of existing storage
3. Order of spill for EWA water from:
  - a. Share of existing storage
  - b. Share of new storage
4. Debt and repayment
  - a. EWA debt limits (water or money)
  - b. Sources of collateral and repayment schedules

## C. Integration

1. EWA economic and operational effects on water market
  - a. Upstream programs for fish (ERP, AFRP).
  - b. Water transfers
  - c. General water market

## D. Finance

1. Assuring a reliable revenue stream for the EWA
  - a. Sources and means of distribution

## E. EWA Governance and real-time decision-making

1. Organizational structure
2. Responsibilities

Subsequent sections would benefit from specifying an organizational structure for actually conducting the negotiations. Further development of the EWA depends on the outcome of these negotiations. In my opinion, until some fundamental decisions are made, it will be difficult to add greater specificity to EWA assets and operations. One option, as suggested above, would be to build a range of EWA implementation alternatives from differing sets of starting assumptions (i.e., these assumptions would presume different negotiated outcomes).

Specific comments.

1. 1<sup>st</sup> sentence, suggested re-write:

The Environmental Water Account (EWA) is one element of CALFED's Water Management Strategy (described in the CALFED Phase II Report). The EWA concept is being evaluated by the DNCT using a simulation and analysis process.

2. 2<sup>nd</sup> sentence, add at the end; "on a monthly time step."

3. 3<sup>rd</sup> sentence, replace "relied on" with "responded to."

4. Second paragraph, 3<sup>rd</sup> sentence; I recommend deleting "and not wasting assets when not needed." This phrase carries unnecessary derogatory baggage.

5. Gaming and evaluation conclusions, 2<sup>nd</sup> and 4<sup>th</sup> bullets; I think that these should be combined to communicate what I think is a single meaningful message:

"The capacity of EWA assets simulated to date to contribute to fish recovery is uncertain."

This type of phrasing would also mesh well with suggested re-writes of bullets 3 and 5 by Fris.

6. Gaming and evaluation conclusions, 6<sup>th</sup> bullet; this sounds good, but do we have any data from gaming that supports this contention? This is too vague as written to understand what it means and I suggest that the 6<sup>th</sup> bullet be deleted or clarified. In contrast, the 7<sup>th</sup> bullet can be easily supported as a clear synergistic effect. t

7. Gaming and evaluation conclusions, last bullet; I recommend adding, after “others,” an example of a type of asset that was less useful.

8. Issues and possible solutions, 1<sup>st</sup> bullet. As stated by others, the specific nature of the “expected future water supply need” should be defined.

9. Issues and possible solutions, 2<sup>nd</sup> bullet. The bold text reads like a conclusion rather than an issue to be resolved. Suggested re-write:

“The size of the EWA necessary to achieve adequate fish protection cannot be determined until decisions are reached about future water supply demands, and which protective measures for fish are included in the baseline.”

10. Issues and possible solutions. I agree with Fris about the need to include issues about fish, especially that adequate protections were not achieved for all species or life stages.