

Thoughts on EWA Governance

1. EWA Entity -
 - a. The EWA contracting entity must be identified.
 - b. Its relationship to the governance structure must be spelled out.
 - c. The structure for governing the EWA must be developed.
 - d. If existing agencies are going to govern, agreements must be negotiated between these agencies. If the contracting entity differs from the governance structure, an agreement must be negotiated between the governance structure and contracting entity.

2. Decision Making - The decision-making process for the EWA must be developed, including the rules governing operation of the EWA and the roles of various stakeholders, the water project operators, and the CalFed Ops Group.
 - a. The relationship between the Environmental Water Account and state and federal water project operation must be determined.
 - b. If there is to be an Environmental Water Account manager, this person’s job description must be developed, this individual must be selected, and arrangements must be made for his or her employment.
 - c. If the EWA uses both state and federal facilities, DWR and BuRec must develop an agreement on the sharing of those facilities and EWA water supply effects.
 - d. The degree to which operation of the EWA satisfies existing and future regulatory requirements must be determined.
 - e. The governance of the EWA will be heavily determined by the EWA’s role within the broader CALFED solution. Is the primary goal of the EWA to enhance general ecosystem conditions and processes? Or is the primary goal to protect and enhance endangered species? Will the EWA be required to find replacement water for some or all ESA actions? Or will the EWA be part of a “no surprises” regulatory assurance and be used as a substitute for separate EWA actions. Will the EWA have upstream responsibilities or be confined to the Delta?

EWA Functions

EWA must be able to:

- Make rapid decisions
- Be able to gain near instantaneous E/I variances.
- Gain near instantaneous access to surplus capacity in state and federal facilities.

- Analyze near real-time monitoring data on species distributions.
- Generate and expend water, and carry secured debt.
- Write contracts for water purchases and storage leasing.
- Pay for EWA activities.
- Be responsive to ESA needs.
- Be accountable to the stakeholders and the public.
- Begin planning during 1999.

Implications for EWA Structure

Given the short timeline, we must use existing institutional arrangement to the extent possible. Fortunately, the machinery exists to carry out all of these activities, provided that the CALFED agencies cooperate with each other. In the long term EWA operations should probably become institutionalized via legislation and contracts. The EWA needs described above imply the following:

1. The need for rapid decision making implies that the EWA needs a full time manager, supported by agency staff and/or consultants, reporting directly to a small management group. The manager, in consultation with the management group should plan for likely biological contingencies, recommend the appropriate allocation and use of EWA assets, see that needed contracts are written, monitor biological monitoring data, alert the management team to biological problems and opportunities, etc.
2. The need for near instantaneous E/I variances implies that the management of the EWA should be under the auspices of the Ops Group. Only the Ops Group has explicit authority to grant E/I variances (subject to SWRCB veto).
3. The need to acquire and expend water and to carry debt implies the need to develop accounting and operating criteria before the EWA begins operations.
4. The need for near instantaneous access to state and federal surplus capacity implies that the projects must be part of the interim management group.
5. The need to be responsive to ESA needs implies that state and federal fishery agencies must be part of the interim management group.
6. The need to pay for activities and to purchase water implies that the EWA should be granted adequate financial resources before beginning operations and should be able to carry over a financial reserve across years.
7. The need for access to near real-time biological monitoring data implies that some ability on the part of the EWA to direct IEP activities.
8. The need to negotiate and contract for water and storage services implies the EWA must be able to call upon existing state and federal water purchase personnel or must contract with private water brokers.

9. The need for accountability to the stakeholders and the public implies the need for reporting to CALFED via the Ops Group and to the public, either through BDAC or +through the ecosystem roundtable.