

An EWA is a method to account for a volume of water and money that are used by environmental managers to protect and improve the ecosystem. Water into the account can be from purchase/transfers, conservation/recycling, sharing of new facilities, and water generated by flexing an

The EWA concept is based upon the notion that flexible management of water operations could achieve fishery and ecosystem benefits more efficiently than a completely prescriptive regulatory approach. Regulations place specific limitations on project operations. In general, these limitations are based upon hydrological, seasonal, and biological criteria. For example, under the current export-inflow regulations, the projects are limited to diverting 35 percent of Delta inflow during February through June of most years. An EWA is not a substitute for regulation, but is a supplement to regulation. CALFED's intent is to provide flexibility to achieve environmental benefits and to provide certainty and assurances to water users.

There are a variety of potential approaches to defining and operating an EWA, all of which could provide for flexible management of water resources. For example, an EWA could be defined in terms of export restriction "credits" or strictly in terms of dollars for market acquisitions. In its evaluation of the EWA concept, CALFED considered a proposal for an EWA that treats the EWA much like a water contractor. Under this proposal, an EWA would consist of a portfolio of assets including: water; entitlement to capacity in water diversion facilities, aqueducts, storage; and money. In addition, an EWA could use transfers, options and acquisitions to obtain water. Water could be pumped to refill its storage facilities using those rights and purchases. Water could be acquired by paying for water use efficiency or recycling projects. Variances in export standards could be granted in the interest of generating additional EWA water. Funding would be available to make use of these assets. The fishery agencies would jointly manage an EWA.

Fisheries agencies could then draw on the account to provide additional species protection. The fisheries agencies would work with the project operators in using an EWA to modify project operations in real-time. For example, if fish were detected in the vicinity of the export pumps, reductions in export pumping to protect the fish could be required. In return, the water projects could be compensated out of EWA assets, so that reduced project pumping would not result in reduced water deliveries to the State and Federal water contractors. Examples of how an EWA may be operated over the course of

several years are presented below: