

# Summary of EWA First 3 Years

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## Long-Term EWA Proposal Operations/Financial Analysis

January 21, 2003

# What is EWA

- Cooperative Management Program
  - to provide protection to fish of the B/D
  - by changes in operation of the CVP & SWP
  - at no uncompensated costs to project users
  - Four year program extendable by EWA Agencies
- ESA Water Supply Commitments = Regulatory Baseline + Functioning EWA + Tier III + \$150 Million for ERP actions

# Management of EWA

- Management Agencies - DFG, USFWS, NMSF
- Project Agencies - DWR, USBR
- Water Operations Management Team (WOMT)
- EWA Team (EWAT)

# Observations on EWA

- EWA is working. 2 Dry years, 1 Above Normal  
no big fights
- Fish have benefited – Stable water supply
- 2002 70 % CVP and SWP allocation in a dry year
- Focused on Delta with coordinated upstream  
benefits
  - Yuba, Merced, American (Power Bypass)
- 3 years. 918 + TAF in fish actions - \$120 Million
- Average: Actions 306 TAF, Purchases 265 TAF  
SOD Deliveries 245 TAF
- What Price Peace

# EWA in 2001, 2002, and 2003

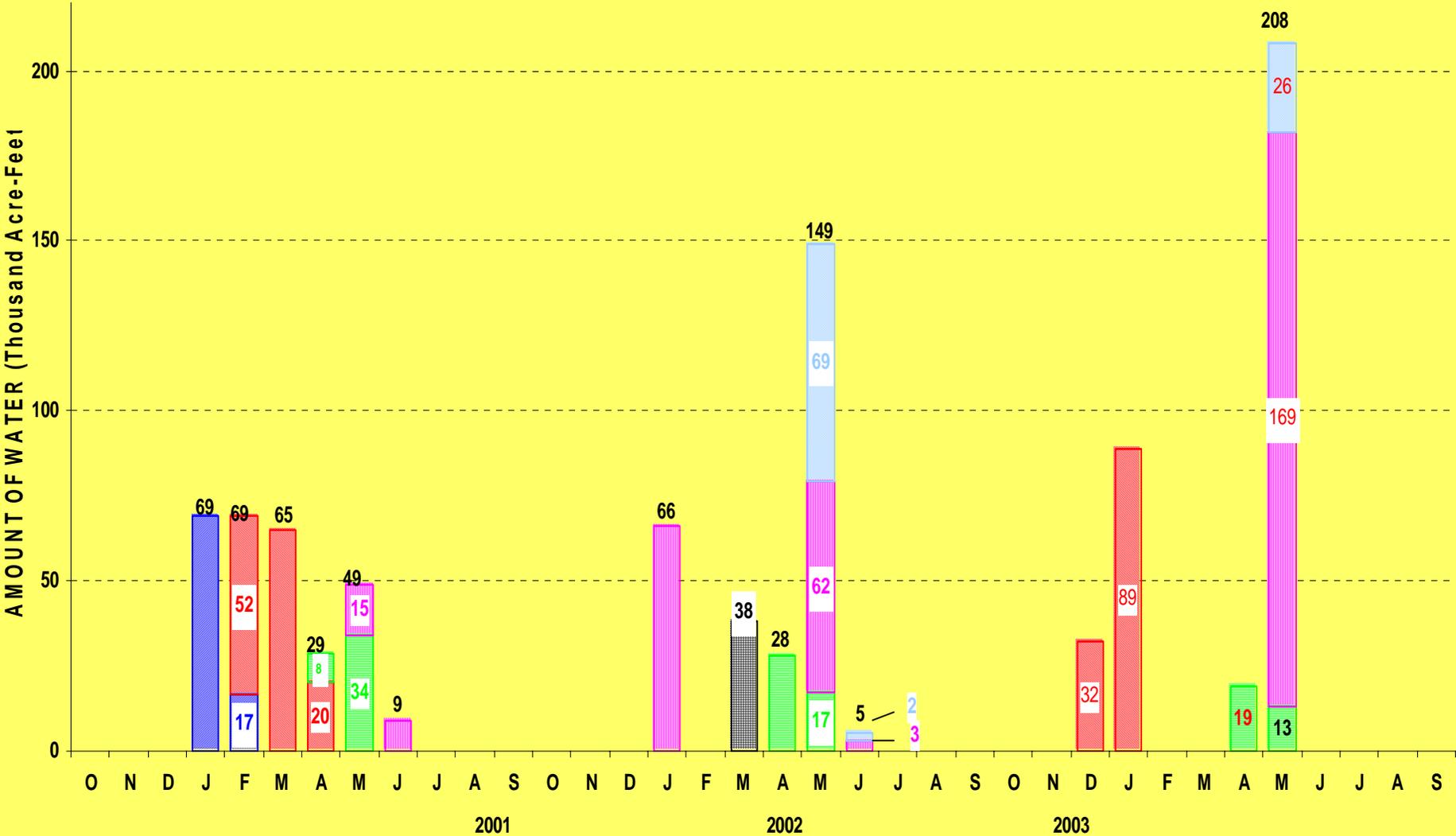
<b>Assets Acquired</b>	<b>2001 (Dry) (TAF)</b>	<b>2002 (Dry) (TAF)</b>	<b>2003*(AN) (TAF)</b>
<b>Purchase UOD</b>	105	145	70
Conveyance & Carriage Costs	-17	-28	-14
<b>Purchased SOD</b>			
State	+159	+37	+145
Federal (in kind in 2001)	+72	+60	0
<b>SUBTOTAL</b>	=319	=214	=201
<b>Operational</b>	+55	+19(Net)	+76
<b>TOTAL</b>	=374	=233	=277
<b>Fish Actions</b>	<u>-290</u> (290 State/0 Fed)	<u>-280</u> (208 State/72 Fed)	<u>-348</u> (322 State/26 Fed)
Carryover to 2002	=84	+84	
Carryover to 2003		=37	+37
Carryover to 2004			= -34
Source Shift Activation	50 of 100	0 of 100	0 of 100

\* Estimated quantities since 2003 is half over

# EWA Expenditures from October 2000 through September 2003

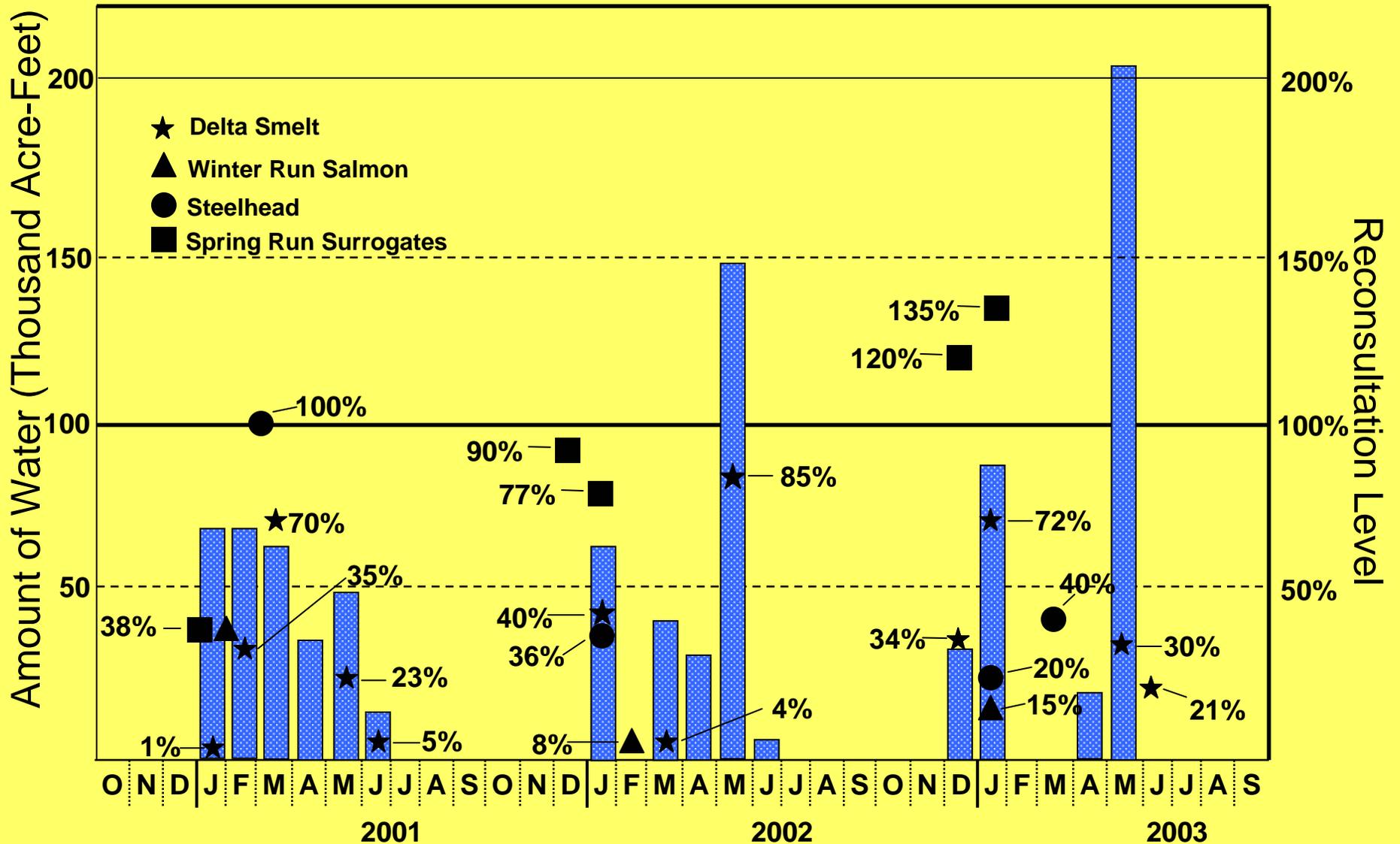
## EWA EXPENDITURES OCTOBER 2000 - SEPTEMBER 2003

■ Salmon/Steelhead 
 ■ Salmon/Steelhead/Delta Smelt 
  Delta (Conversion) 
 ■ VAMP 
 ■ Salmon/Delta Smelt 
 ■ Salmon/Delta Smelt (CVP)



# EWA Expenditures from October 2000 through September 2003

## EWA Expenditures October 2000- September 2003



# EWA Budget

Budgeted	2001	2002	2003
State	\$ 59 M	\$ 28.2 M	\$38.2M
• Federal (01 in kind)	<u>\$ 10 M</u>	<u>\$ 12.5 M</u>	<u>0</u>
• Total	\$ 69 M	\$ 40.7 M	\$38.2
Actual	(Dry)	(Dry)	(AN)
• Fixed and forward	\$ 6.6 M	\$ 1.0 M	\$0.6M
• Water Purchase	\$ 60.3M	\$ 28.9M	\$31M
• Acquisitions	336 TAF	242 TAF	215TAF
• Average Price	\$179/AF	\$120/AF	\$144/AF

# Does EWA Continue?

## If so, In What Form?

- Who Benefits
  - Water supply Reliability – SWP/CVP
  - Trajectory Towards Recovery – F&W, Public
- Size of EWA
  - With 6680, with 8500 and Intertie
- Formulation and Funding
  - Participation by CVP and Federal funding
- Vehicle to Extend –
  - New EWA Operating Principles Agreement

# EWA Issues Ahead

- Clarify the **Purpose** of EWA and its beneficiaries
- Integration of **Science** in EWA and policy decisions
- EWA **Size and assets** (fixed and variable)
- Definition of **Tier 1** Baseline over time
- How EWA is characterized in **OCAP**
- **Long-term ESA Commitments** with a long term EWA
- **Operating rules** with 8,500 and Intertie (400 cfs)
- Vehicle to **Extend EWA** and Term of extension
- **Financing** of EWA long-term
- **Initial Permanent Assets** to EWA

## Status of Proposed Long Term EWA October 7, 2003

	<u>2000 CALFED ROD</u>	<u>10/7 - OCAP Proposal</u>
<b>Fixed Assets (SOD Equivalents)</b>	185 TAF	210/230/250 C/D/other
<b>Variable Assets</b>	<ul style="list-style-type: none"> <li>- 50% State Gain</li> <li>- E/I Relaxation</li> <li>- Share Excess Capacity</li> <li>- Source Shift (100 TAF)</li> <li>-500 cfs @ Banks July - Sept</li> </ul>	<ul style="list-style-type: none"> <li>- Same as ROD</li> <li>- Same as ROD</li> <li>- Same as ROD</li> <li>- Same as ROD</li> <li>- Same but last 30 TAF based on actual capacity</li> <li>- 100 SLR debt carryover</li> </ul>
<b>Storage/ Exchange</b>	- 200 TAF SOD Storage	<ul style="list-style-type: none"> <li>- 200 Semitropic</li> <li>- 200 Wet/dry exchange (adds 24 TAF Average)</li> </ul>
<b>Anticipated Fish Actions</b>	380 TAF	250 - 490 TAF 374 Average

# Operational Assumptions

- Semitropic input/output varies with allocation
- Exchanges
  - debt/credit caps = 200 TAF
  - EWA Put <200/year
  - EWA TAKE < 200/year
  - Purchases not constrained by annual purchase caps
- Spills from CALSIM output
- EWA action targets = 250/300/400/490/430 in C/D/BN/AN/W

# Financial Assumptions

- Semitropic = \$14 million bonds + \$45/af Take
- Broadview = \$13 million bonds (Prop. 13) + \$27/af/year
- Prepay fraction (50%) of purchases with bonds
- Total Bond funds from above - \$75 million
- Provide \$25 million bond funds to initiate EWA to cover initial dry year exchanges as needed
- Exchange Put = 50% sharing of purchase cost.

# Financial Assumptions

- Initiate program in 2005 operational year
- Purchase priority by region = NOD, then SOD
- Assets must be available most or all years
- Purchase priority by type = surface storage, groundwater substitution, banked groundwater, crop idling

# Results: No Bond Prepayment

Average Annual O&M	\$36,000,000
Peak Purchase Cost	\$60,000,000
Bonds Required For Initial EWA Bankroll	\$50,000,000

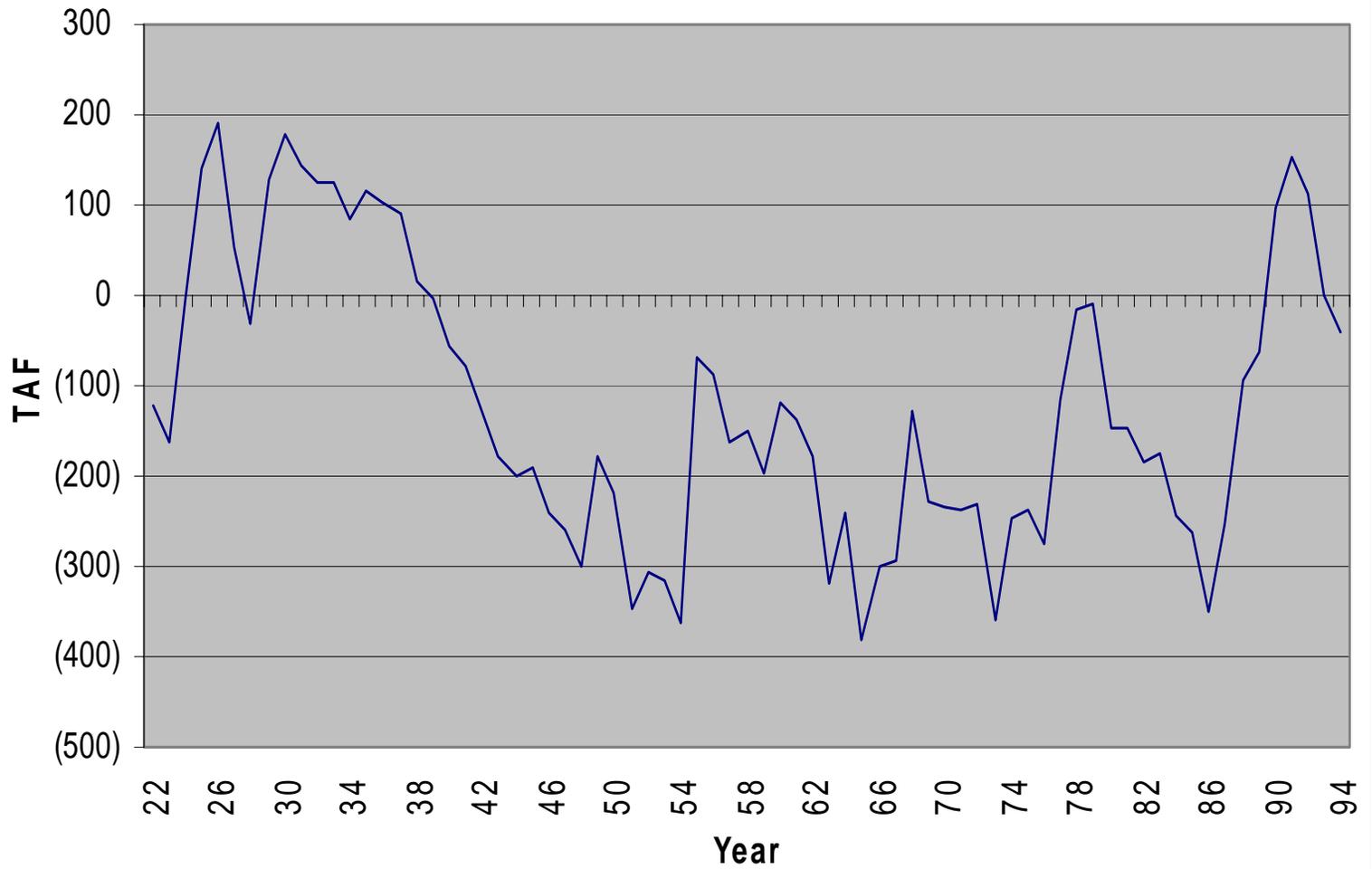
# Results: Bond Prepayment

Average Annual O&M	\$24,000,000
Peak Purchase Cost	\$43,500,000
Bonds Required For Asset Prepayment	\$75,000,000
Bonds Required For Initial EWA Bankroll	\$25,000,000

# Possible Income Sources/ Offsets

Source	Comment
Federal Approp's	Questionable
State Approp's	Questionable
CVPIA Restoration Fund	Appropriate use. Fish agency concern
CVP Fees	CVP already pays into restoration fund.
EWA Exchange Payments	Nets out \$1.5 - \$3 million/year
Small Increase in SWP Delta Water rate for SDIP	SWP Contractor Issue on SDIP Implementation

### Total EWA Debt



### EWA 73-Year Cash Flow

