

STAFF REPORT

Meeting Type: Board of Directors Meeting

Title: Letter of Support for Proposed Eel-Russian River Facilities

From: Paul Sellier, Water Resources Director

Through: Ben Horenstein, General Manager

Meeting Date: October 24, 2023

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve joining a letter of support for the new proposed Eel-Russian River

facilities

SUMMARY: As a follow-up to PG&E's decision to decommission the Potter Valley Project, the Mendocino County Inland Water and Power Commission, Round Valley Indian Tribes, and the Sonoma County Water Agency (Sonoma Water) submitted a Proposal (see attached) to PG&E that advances a regional solution for preserving flows and fisheries in the Russian River and improving Eel River fisheries. The Proposal is intended to provide a means for the diversion of Eel River water to continue while achieving the goals of improving the Eel River fishery as well as flows and fisheries in the Russian River.

DISCUSSION: The Potter Valley Project (PVP) includes Scott Dam, Cape Horn Dam and a tunnel that are operated to divert water from the Eel River basin to the Potter Valley Power House located in the Russian River basin for the purpose of generating electricity. A portion of this diverted water serves the Potter Valley Irrigation District (approximately 7,000 acres of productive farmland) and the remaining water flows into Lake Mendocino and is a critical source of supply for the Russian River system. A recent decision by Pacific Gas and Electric (PG&E) to *not* renew its license to continue to operate the hydroelectric facilities has resulted in uncertainty over the continued diversion of water to the Russian River basin.

PG&E is preparing an initial draft surrender application which includes a decommissioning plan with the final surrender application due by January 2025. Recently, PG&E indicated that they would include the Proposal in their initial draft surrender application. While inclusion of the Proposal in the initial surrender application is a positive step, there are many aspects of the Proposal not yet fully defined. Some of those details include formation of a regional entity to operate and maintain the diversion facilities, agreement on the terms of any purchase from PG&E, development of the financial capacity for construction and operation, and apportionment of the associated costs. The loss of water from the

Potter Valley Diversion would have a detrimental impact on the region's water supply. Specifically, Sonoma Water estimates that Lake Mendocino would experience water shortages in 8 out of 10 years, and run dry 5 out of 10 years. For the reasons noted, staff recommends the District support Sonoma Water's efforts to continue the diversion by joining the letter of support.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

- 1. Joint Letter of Support for Proposal of New Eel-Russian Facility
- 2. Proposal for PG&E Draft License Surrender Application

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Water Resources	Park	The Haranda.
	Paul Sellier Water Resources Director	Ben Horenstein General Manager