

June 28, 2017

Federal Energy Regulatory Commission (FERC)
Potter Valley Project Relicensing Scoping Meeting
Potter Valley Project No. 77-285
Ukiah, California

Welcome to the County of Mendocino. For the record I am Mendocino County First District Supervisor Carre Brown and I am here to represent my County at today's Scoping Session.

There are four Counties very interested in the proceedings of the Relicensing of the Potter Valley Project (PVP). Those Counties are Humboldt, Lake, Mendocino and Sonoma. In fact these same Counties are the members of the Eel-Russian River Commission (ERRC) that was formed in 1978 through a Joint Powers Agreement as a result of the previous Relicensing of the PVP that commenced in the early 1970s. The Commission continues on today providing a forum for information and studies to be shared involving both watersheds along with hearing from the public at every meeting. Much of the information and studies presented at the ERRC meeting are contained within the PAD.

Mendocino County is the only county of the four geographically having both the Eel and Russian River watersheds within its boundaries. It is the same for the First Supervisorial District I represent on the Board of Supervisors. The Mendocino County Water Agency represented the County throughout the last Relicensing and license amendment proceedings. As a result of the economic downturn the County Water Agency no longer has the same professional staff to fully run the Agency, therefore, these duties now fall under the direct oversight of the Board of Supervisors, the Agency's Board of Directors.

It is the position of the County of Mendocino to work for regional benefit of our water resources. We are a region that must stand together as water has a unique role in our everyday lives; water cannot be easily substituted. Both watersheds are the primary source of water for residents, businesses, agriculture and the environment in the region. Like any shared resource, competition over water makes for a complicated set of political and economic decisions. The key here is we must all work to reach reasonable decisions for our water capacity and security for all beneficial uses.

The County of Mendocino is a member of the Inland Water and Power Commission (IWPC). Ms. Horsley testified on behalf of IWPC earlier regarding the dependency of our constituency on the continuation of the PVP citing the crucial points and studies as to why. There was significant testimony and essential recommendations made by Dr. Janet Pauli for the Potter Valley Irrigation District (PVID). The County of Mendocino fully supports both testimonies on all points made and will not repeat them verbatim.

However, I will reemphasize one point. That is to understand what has occurred in the past Relicensing terms and what the impacts were as a result. It is vital. Part of the Reasonable and Prudent Alternative (RPA) language in Section E.5 just disappeared. At an Eel-Russian River Commission meeting a few years back a National Marine Fisheries Service (NMFS) representative was asked to explain what happened to

the original RPA language of Section E.5. The response was he did not know and there was no way to fix it until the Relicensing. This is where we all are today.

The County of Mendocino will be fully engaged in the Relicensing process and I thank your Commission for being here today for the Scoping session.

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Hello and welcome. My name is Candace Horsley and I am here to present comments from the Mendocino County Inland Water and Power Commission.

The Commission is a Joint Powers Authority whose member agencies include the County of Mendocino, the City of Ukiah, Redwood Valley County Water District, Potter Valley Irrigation District and the Mendocino County Russian River Flood Control and Water Conservation Improvement District. All of our member agencies represent constituencies that are dependent upon the continued operation of the Potter Valley Project. The Project has provided the basis of our local water supply since 1922 when Scott Dam was built forming Lake Pillsbury.

You have already heard the concerns of the Potter Valley Irrigation District, however the water released below the Potter Valley Powerhouse also provides the domestic, agricultural, recreational and industrial water supply for all of the communities represented by the Commission from Potter Valley south to the Mendocino County line within the Russian River corridor. These communities include Redwood Valley, Calpella, Ukiah, Talmage and Hopland. Below Mendocino County the Sonoma County communities of Cloverdale, Geyserville, Healdsburg and Alexander Valley also depend upon water diverted from the Project. In all, over 600,000 people are dependent upon the water that is released from the Potter Valley Powerhouse into the East Branch of the Russian River .

After flowing through Potter Valley the water released from the Project is stored in Lake Mendocino. Redwood Valley County Water District diverts water directly from Lake Mendocino for their domestic and agricultural customers. All of the rest of the communities mentioned above divert water for drinking, and other consumptive uses, from the Russian River below Lake Mendocino. The agricultural economic value of water stored in Lake Mendocino and used for irrigation within the Russian River basin in Mendocino County alone was calculated by Dr. Robert Eyler (in a report released in January 2016) to be over \$740 million dollars per annum. There is also a thriving agricultural economy in Sonoma County that is dependent upon Project water.

The reliability of water storage in Lake Mendocino, with and without the Project, was calculated and reported by Pablo Silva-Jordan and Samuel Sandoval Solis, PhD from U.C. Davis, in October 2015. They concluded that the reliability of Lake Mendocino storage was dependent upon the Project and that this was true, to a lesser degree, even if Coyote Valley Dam were to be raised 36 additional vertical feet as authorized by Congress in the 1950's.

Lake Mendocino, formed by Coyote Valley Dam, is considered by the U.S. Army Corps of Engineers to be one of the highest use recreational sites of all of their lakes.

In addition to providing the domestic, agricultural and recreational water supply for our region the water stored in Lake Mendocino is used to enhance migration flows for listed salmonids in compliance with a Section 7 Consultation, and resultant Reasonable and Prudent Alternative, produced by the National Marine Fisheries Service.

As a result of the license amendment proceedings, which were outlined in the FERC Final Order in 2004, the diverted flows at the Project were reduced on average by well over 30%. We are very concerned that the relicensing process accurately assesses the impacts to our member agencies of the previous flow reduction, as well as any further reduction in the flows at the Project that might be considered in any proposed alternatives during this process. Over the 95 years since the Project has been diverting water in the summer from storage in Lake Pillsbury, many water rights have been granted by the California State Water Resources Control Board, and perfected by landowners and water suppliers along the Russian River. These water rights begin along the East Fork of the Russian River in Potter Valley and include water stored in Lake Mendocino and then continue downriver with the water released below Coyote Valley Dam. The Project provides a water supply upon which water rights have been granted for so long that the State Board's Decision 1030 actually describes the diverted water as having the appearance of "apparent naturalness and permanence".

Finally, we wish to emphasize our commitment to work with the agencies and stakeholders in Lake, Humboldt and Sonoma counties during these relicensing proceedings. In doing so, we believe that we can continue to use this shared resource beneficially as our critically important water source and, at the same time, strive to protect and enhance the habitat of listed fish in both the Eel and Russian Rivers.

Thank you.

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Good morning and welcome to Ukiah. My name is Janet Pauli and I am a Director, and Vice President of the Potter Valley Irrigation District. I have been authorized to make comments on behalf of the District.

First a little history. The Potter Valley Irrigation District did not exist prior to the building of Scott Dam forming Lake Pillsbury. Before Scott Dam was built the Potter Valley Project was only able to divert water to the Powerhouse from the Van Arsdale reservoir during times of high flows on the Upper Main Eel River in the winter and early spring. This branch of the Eel River, like many other Eel River tributaries, normally has very low natural flows during the late spring, summer and fall. The reason that Scott Dam was built was to store winter runoff to provide a supply of water that could be diverted to the Powerhouse for power production during times of the year when natural flows become extremely low.

Until Scott Dam was built Potter Valley farmers relied on natural flow in the small tributaries within the valley's drainage to the East Fork of the Russian River. On a normal rainfall year this water supply provided irrigation water until early June. Run of the river wintertime flows diverted through the Powerhouse were of no use to Potter Valley prior to 1922 and today, even with increased storage capacity, are still of very little, to no, value for Potter Valley agriculture. The District was formed in April of 1924 and a contract for the delivery of water from the Project was negotiated with Snow Mountain Water and Power and signed in 1926. With the advent of summer irrigation agricultural production in Potter Valley was transformed and the economic viability of the residents who invested in farming has flourished!

The District's contract for water delivery was transferred from Snow Mountain Water and Power to Pacific Gas and Electric on February 5, 1936. Over these many years the District has been very involved with the Project's relicensing, and license amendment, proceedings. As briefly and simply as I can, I would like to recount a complex series of events that occurred during the license amendment proceedings in order to describe an ongoing issue of concern to our District. During the last relicensing, amendments to the license required PG&E to complete a series of fishery studies which culminated in an agency based Fisheries Review Group decision on how the releases from Scott Dam and Cape Horn Dam should be modified to enhance habitat below the Project during various times of the year. This decision was based on many different parameters including natural inflow, storage levels at Lake Pillsbury, dam safety, accretion flows between the dams, water year type as well as the life histories of Chinook Salmon and Steelhead Trout. FERC completed their Final Environmental Impact Statement for the license amendment

in May, 2000. A subsequent Section 7 Consultation, under the Endangered Species Act, was initiated by the National Marine Fisheries Service. This resulted in the development of a Reasonable and Prudent Alternative, or RPA, that further adjusted the required releases of water at various times at the Project. The District was particularly concerned about how the modified flow regime might impact deliveries of water to the East Branch of the Russian River. At the conclusion of these negotiations the RPA, and all of the agencies (including FERC) who were involved with the proceedings concurred that, as a consequence of the adjusted flow regime, there would be an approximately 15% reduction in the total annual diversion from the Eel River through the Project. This 15 % reduction was equivalent to about 25,000 acre feet of water.

FERC's Final Order, dated January 28, 2004, was based on the RPA. It wasn't until August of 2006 that the California Department of Fish and Game (now California Department of Fish and Wildlife) and NMFS wrote to FERC and reported that releases at the Project were above the amounts allowed in the Final Order. Upon review it was found that the language of the published Final Order was different than the RPA and there had been a misinterpretation of part of the RPA rule curve's operational principles. A section of E.5. of the RPA, that defined exceptions to the minimum diversion rule conditions, was deleted in the Final Order. At issue was the implementation of a "literal" versus the "as modeled" interpretation of an important section of the RPA having to do with the rule curve system in the spring. In a letter to FERC, dated April 3, 2007, Potter Valley Irrigation District described these differences, and the impacts, in detail. The result of the omission and misinterpretation has had serious consequences. First, it precluded the District from using frost water between March and mid April, at the peak of our critical frost season. It also resulted in a further reduction of the total annual volume of water diverted by more than 25,000 acre feet. The omission in, and misinterpretation of, the RPA language actually resulted in a total reduction in the diversion in excess of 50,000 acre feet. This is more than double the estimate we, and all of the other entities involved in the analysis of the impacts, understood to be the reduction in the diversion based on the language of the RPA. The timing of this reduction in the diversion, that occurs predominately at the end of the rainy season in the spring, has had a particularly adverse impact on storage in Lake Mendocino downstream of Potter Valley. We therefore ask, as part of your request for studies, that a review of the original language and intention of the RPA be compared with the Final Order and that an analysis of the consequences of the deletion of a section of E.5. of the RPA and implementation of the "literal" versus the "as modeled" interpretations of the rule curve be conducted. In particular, we ask that the original language of the RPA in Section E.5 be reinserted into the new license and that the original model assumptions be clearly delineated and employed.

I would like to take a few minutes to describe what is at stake for the community of Potter Valley. We have filed many comments with FERC over the years. Some of these comments were requested in order to explain our water use, how we farm, the commodities we produce and the economic value of these commodities. It is not an over exaggeration to say that the community of Potter Valley is completely dependent upon the continued existence of the Project.

It provides our water supply, without which our economy would collapse, and our very way of life and our quality of life would be truly diminished. Yet, while we have been very clear about what is at stake for our community, we have also been very active in, and supportive of, efforts to reduce the impacts of the operation of the Project on the riverine habitat of the Eel River. There are many examples of the support and concern shown over the years by the Potter Valley Irrigation District. The most recent example of this was our participation in the Potter Valley Drought Working Group in 2015 and 2016. Many of the agencies and stakeholders in this room were also actively involved in that collaborative effort. The drought required immediate action by all of us to protect storage at Lake Pillsbury and to manage a greatly reduced water supply for the fishery and beneficial users. This effort resulted in compromises being made to manage a very serious situation. Flows were reduced to both the Eel River and the Russian River. The District voluntarily curtailed deliveries of water to our customers resulting in fields being fallowed and reduction in crops. On the Eel River carefully calculated releases of water stored in Lake Pillsbury were made to protect fish that had begun to migrate, but had become trapped in the rapidly dwindling river. The hope was that releases from water stored in Lake Pillsbury would allow the nearly stranded fish to move farther up into the watershed and then be better positioned to successfully migrate upon the arrival of the first rains.

In conclusion, we would like to thank FERC for their responses to our concerns over the years, and, more recently, to environmental conditions that were out of everyone's control as a result of a historic drought. We understand that the relicensing process is complex and that the concerns of all of the various agencies and stakeholders will be taken into account. We are hopeful that the resulting license for the Potter Valley Project will balance the needs of endangered fish with the historical dependence upon this water by people in the Russian River watershed.

Thank You.