RESOLUTION NO. 18-131

RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS REGARDING THE FUTURE OF THE POTTER VALLEY PROJECT

WHEREAS, the Potter Valley Project is an inter-basin diversion of water from the upper main stem of the Eel River into the Russian River of water originating in the watersheds of Lake and Mendocino Counties; and,

WHEREAS the political boundary of Mendocino County encompasses land in both the Eel River and Russian River watersheds, thereby conferring on Mendocino County a unique role and responsibility for the protection of beneficial uses in both watersheds; and,

WHEREAS, the Notice of Appropriation of Water originating in the upper Eel River and flowing within Mendocino County was posted in July 1905 and then officially recorded as a water right by W. W. Van Arsdale in the same year for the purpose of: 1) diverting and carrying the water into Potter Valley and thereby generating electric power to the valley and beyond to Ukiah; and 2) the use of the water for irrigation in Potter Valley and other places downstream within the Russian River watershed; and,

WHEREAS, the Potter Valley Project began operation in 1908 with the completion of Cape Horn Dam which impounded water in Van Arsdale reservoir, initially operating only as a 'run of the river' diversion, which was changed in 1922 when Scott Dam was built, thereby forming Lake Pillsbury, which allowed winter rains and snow melt to be impounded and stored for release in the late spring, summer and fall; and,

WHEREAS, stored water in Lake Pillsbury has historically been released and diverted into the East Branch of the Russian River in the spring, summer and fall since 1922, thus providing the water supply for multiple beneficial uses from Potter Valley along the East Branch of the Russian River and thence along the Russian River in Mendocino and Sonoma Counties all the way to the sea, including diversion of said water in Sonoma County to serve beneficial uses within northern Marin County; and,

WHEREAS, the original water rights for what is now known as the Potter Valley Project were secured by the Eel River Power and Irrigation Company, later transferred to Snow Mountain Water and Power Company, and then transferred to Pacific Gas and Electric Company; and,

WHEREAS, the Hydropower License is regulated by the Federal Energy Regulatory Commission for the Potter Valley Project (FERC P-77); and,

WHEREAS, the Potter Valley Irrigation District has had a contract for a portion of the diverted water since 1926 and appropriative water rights have been subsequently granted by the California State Water Resources Control Board from the tailrace of the Potter Valley Powerhouse downstream all along the Russian River to the sea, and;

WHEREAS, in Potter Valley three small privately owned hydroelectric plants also rely on the tailrace waters from the Potter Valley Project to generate renewable and clean energy, and;

WHEREAS, since the completion of Coyote Valley Dam in 1959 the water released from the Potter Valley Project has been impounded and stored in Lake Mendocino and used for irrigation of crops, as well as domestic, municipal and industrial water supplies and has also provided significant recreational and environmental benefits, and also supports a hydroelectric project at Lake Mendocino; and,

WHEREAS, the direct and indirect economic value of this water supply annually derived from agricultural production within Mendocino County has been estimated at $775 million with additional significant economic benefits in Sonoma County; and,

WHEREAS, the number of people who benefit directly or indirectly from the Potter Valley Project is estimated to exceed 500,000; and,

WHEREAS, the current license for the Potter Valley Project required additional studies to guide future releases of stored water; and,

WHEREAS, subsequent consultations between the Federal Energy Regulatory Commission and the National Marine Fisheries Service pursuant to Section 7 of the Federal Endangered Species Act culminated in the November 26, 2002 issuance of a Biological Opinion which included a Reasonable and Prudent Alternative requiring an estimated fifteen percent reduction in the diversion; and,

WHEREAS, an unintended consequence of implementation of the aforementioned Reasonable and Prudent Alternative, produced by the National Marine Fisheries Service and incorporated into the Federal Energy Regulatory Commission's Final Order for the Potter Valley Project in 2004, has resulted in, on average, a fifty percent reduction of the flows diverted from the Eel River into the Russian River, far more than the agreed upon fifteen percent reduction stated in the Reasonable and Prudent Alternative, thereby causing serious impacts to water storage in Lake Mendocino; and,

WHEREAS, current operations of the Potter Valley Project assure that all minimum flows required under the Reasonable and Prudent Alternative produced by the National Marine Fisheries Service, and incorporated into the Federal Energy Regulatory Commission license in 2004 for the Potter Valley Project, are constantly monitored and strictly maintained by the licensee, Pacific Gas and Electric Company; and,

WHEREAS, the impact of the Potter Valley Project on the Eel River has been, and continues to be studied resulting in extensive ongoing efforts to mitigate adverse impacts, however numerous other impacts throughout the entire Eel River watershed are known, including logging, roads, commercial fishing, illegal diversions, droughts and floods, which require mitigation; and,

WHEREAS, over the recent years of drought a Potter Valley Drought Working Group was formed by Pacific Gas and Electric Company, which included all stakeholders, to manage the water releases from water stored in Lake Pillsbury in order to maintain threatened runs of Federally listed species of anadromous fish that had come into the Eel River and become stranded due to the dry conditions; and,

WHEREAS, natural inflow upstream of Scott Dam in late summer and fall is sometimes non-existent, but releases of stored water from Lake Pillsbury assure that releases below Cape Horn Dam exceed naturally occurring flow rates, thereby benefiting fisheries in the Eel River as well as other downstream beneficial uses; and,

WHEREAS, the Federal Energy Regulatory Agency Hydropower License for the Potter Valley Project (FERC P-77) expires April 14, 2022 and the Project licensee, Pacific Gas and Electric Company, announced on May 10, 2018 its intention to sell the Project; and,

WHEREAS, the Potter Valley Project provides the water supply for communities all along the Russian River in Mendocino County, thereby supporting the agricultural economy, the quality of life, and the health of the Russian River's aquatic resources, including three species of salmonids listed as endangered or threatened, and has provided environmental benefits in the Russian River that are required under the Federal Endangered Species Act; and

WHEREAS, the State of California has strongly supported having more water storage facilities in the State with the goal of providing water supply security and reliability and water quality, and for beneficial uses including domestic, municipal, industrial and agricultural water supplies, and also to improve the health of our river systems; and,

WHEREAS, stored water from both Lake Pillsbury and Lake Mendocino support beneficial uses that are critical to the environmental and economic well-being of the counties of Humboldt, Lake, Mendocino, Sonoma and Marin.

NOW, THEREFORE, BE IT RESOLVED that the Mendocino County Board of Supervisors adopts the following position statement regarding the future of the Potter Valley Project:

1. The Potter Valley Project provides a critically important segment of our water supply infrastructure, and because of this fact, the County of Mendocino supports, and will protect the continued diversion of water from the Eel River through the Potter Valley Project at the current rates, amounts and timing;

2. The County of Mendocino will continue to actively participate in the hydropower re-licensing process administered by the Federal Energy Regulatory Commission and work in good faith with all stakeholders in both the Eel River and Russian River watersheds who share the goals of preserving historic beneficial uses while enhancing riverine conditions that will result in attaining sustainable populations of listed species of concern in both rivers;

3. The County of Mendocino supports the Mendocino County Inland Water and Power Commission's desire to acquire the Potter Valley Project from the Pacific Gas and Electric Company and to continue producing hydroelectric power under the Federal Energy Regulatory Commission license conditions;

4. The County of Mendocino supports regional fisheries restoration efforts and believes that it is incumbent upon all affected stakeholders to work diligently in a collaborative process to protect our shared water and public trust resources in both the Russian and the Eel Rivers.

The foregoing Resolution introduced by Supervisor Brown seconded by Supervisor McCowen, and carried this 21st day of August, 2018, by the following vote:

AYES: Supervisors Brown, McCowen, Croskey, Gjerde and Hamburg
NOES: None
ABSENT: None

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

DAN HAMBURG, Chair
Mendocino County Board of Supervisors

ATTEST: CARMEL ANGELO
Clerk of the Board

Deputy

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

APPROVED AS TO FORM:
KATHARINE ELLIOTT, County Counsel

BY: CARMEL ANGELO
Clerk of the Board

Deputy