

Mendocino County
Inland Water and Power Commission
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August 1, 2017

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Via Electronic Submittal (E-Filing)

Re: "COMMENTS ON THE POTTER VALLEY PROJECT NOTICE OF INTENT, PRE-APPLICATION DOCUMENT AND SCOPING DOCUMENT 1 FOR THE FEDERAL ENERGY REGULATORY COMMISSION PROJECT NUMBER P-77-285" Submitted by the Mendocino County Inland Water and Power Commission.

Dear Secretary Bose,

The Mendocino County Inland Water and Power Commission (MCIWPC), which is a Joint Powers Authority whose member agencies include the County of Mendocino, 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, wishes to comment on the Notice of Intent (NOI), Pre-Application Document (PAD) and Scoping Document 1 (SD1) for the relicensing of Federal Energy Regulatory Commission (FERC) Project Number P-77-285 (Project). All of our member agencies are dependent upon the Project for their water supply. One agency, the Potter Valley Irrigation District, is completely dependent upon the direct diversion of water below the Potter Valley Powerhouse. The remaining agencies utilize Project water after it has been stored in Lake Mendocino. In light of our dependence upon the Project and, after having reviewed all of the documents listed above, we have several observations and suggestions for studies that should be considered by FERC as they prepare their Environmental Impact Statement (EIS) for the Project relicensing.

Currently proposed actions and alternatives are outlined in the SD1. We concur with FERC's determination that the Federal Government Takeover, Non-Power License and Decommissioning alternatives should be eliminated from detailed study. We also support the Applicant's Proposal to continue to operate the Project as required by its existing license with the addition of language that includes the model assumptions used by National Marine Fisheries Service's (NMFS) in producing their Reasonable and Prudent Alternative (RPA) following an Endangered Species Act (ESA) Section 7 Consultation. The RPA was utilized by FERC to compare all of the proposed alternatives when preparing their Final Environmental Impact Statement (FEIS) for the Project's License Amendment that was completed in 2004. Potter Valley Irrigation District has

just filed detailed information with FERC on the history, and importance, of this issue in their comments and we will not repeat the specifics here. However, an omission of the modeling sub-routine assumptions in the NMFS RPA affects the very basis of any analysis of Alternatives in this proceeding if comparisons to the Applicant's Proposal or the No-Action Alternative are to be made.

Water diverted from the Project into the East Branch of the Russian River in Potter Valley provides the domestic, agricultural, recreational, industrial and environmental water supply for the entire reach of the Russian River from Potter Valley south to the Mendocino County line. The affected communities include Potter Valley, Redwood Valley, Calpella, Ukiah, Talmage and Hopland. South of Mendocino County the Russian River continues into Sonoma County where the 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 released at the tailrace of the Potter Valley Powerhouse. These hundreds of thousands of people use diverted water for drinking and other consumptive uses.

Importantly the diverted water also supports the agricultural economy of the entire Russian River corridor from Potter Valley south to Marin County. In Mendocino County alone the economic value of agricultural crops irrigated with water from Lake Mendocino, stored from water diverted from the Project, is calculated to be over \$740,000,000 per annum (2016 report by Dr. Robert Eyler which was filed with our Pre-Application Questionnaire).

Some critics of the of the Project point to a proposal, based on Congressionally Authorized Phase III of a multi phased flood control project in the 1950's that planned to raise Coyote Valley Dam and increase the storage capacity of Lake Mendocino, as the water supply "fix" for our region. According to some advocacy groups the solution for our region's water supply, after removing Scott Dam on the Eel River, is simply to raise Coyote Valley Dam. The terrible impact of such a notion for our member agency, Potter Valley Irrigation District, is obvious. However, we now know, based on a study prepared by Pablo Silva-Jordan and Samuel Sandoval Solis, Ph.D. from University of California, Davis, October 2015, that the reliability of Lake Mendocino storage is also dependent upon diversions from the Project, even if Coyote Valley Dam were to be raised 36 vertical feet (this report was filed with our Pre-Application Questionnaire). It is an undeniable fact that our entire region's water supply is dependent upon the continued diversion of water from the Potter Valley Project.

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 an ESA Section 7 Consultation and resultant Reasonable and Prudent Alternative, produced by NMFS. This consultation was initiated specifically to assess the impact

of releases from Coyote Valley Dam and Warm Springs Dam, both operated by the Army Corps of Engineers (ACOE), on the Russian River ecosystem. [We would like to note here that NMFS has, in relatively recent years, been involved in ESA Section 7 Consultations on both the Eel and Russian Rivers to look at the impacts of the FERC Project and the ACOE Russian River dams. They have produced RPA's for both consultations. On page 12 of the SD1 there is a quote that reads, "Today, NMFS continues to closely evaluate flows in the Eel and Russian Rivers, seeking to balance the benefits to salmon and steelhead in both rivers while considering other beneficial uses".]

For all of the reasons listed above, eliminating the Decommissioning Alternative from consideration in these proceedings is not only warranted, but critically important. To consider decommissioning the Project would require, at the very least, an extensive environmental review of the devastating impacts to the communities dependent upon the Project as well as any alteration in flows below Coyote Valley Dam which would require changes to be made in the NMFS RPA.

MCIWPC is very concerned about the impact any changes in operation of the Project might have on water supply availability for meeting the demands of existing water rights. Implementation of the FERC Final Order in 2004, following the License Amendment Proceeding, resulted in a reduction of the diversion by approximately 50% compared to the previous diversion rates ordered in License Article 38. While we are hopeful that, as discussed earlier, reanalysis of the modeling assumptions will rectify this particular situation as relicensing progresses, we still wish to address the issue of water rights. Ever since the Project has been in place, and since water rights began to be granted in the State of California, the water diverted through the Project has been applied for, permitted and licensed. Hundreds of land owners and agencies have been granted rights to this water by the California State Water Resources Control Board (SWRCB). From along the East Branch of the Russian River in Potter Valley, to water stored in Lake Mendocino and then released below Coyote Valley Dam, people all along the Russian River corridor in Mendocino, Sonoma and Marin Counties, have perfected the rights to use Project water. In many cases it took diverters years to apply for permits and report beneficial use so that they could get their water rights licensed. We cannot lose sight of the fact that water rights, besides providing water critical for many consumptive uses, also enhance property values. The Project diversions, and the rights granted to use the diverted water, have been in place for so long that the SWRCB describes the Potter Valley Diversion as having the appearance of "apparent naturalness and permanence" (D1030, August 17, 1961). For these reasons we believe that any change in the operation of the Project requires an analysis of the impacts to existing water rights.

Summary of Concerns and Suggested Studies

1. We request an evaluation of the expected vs. actual impacts of implementation of the FERC Final Order in 2004. Specifically, we wish to have an explanation of the difference between the "as modeled" vs. the "literal" interpretation of the NMFS RPA, what the impacts have been over the past eleven years that the Project has been operated under a "literal" interpretation of the RPA and agreement that the modeling assumptions should now be reintegrated into operational procedures at the Project.
2. While decommissioning is currently eliminated from detailed studies as an alternative in these proceedings, we wish to state that should decommissioning be added as an alternative in the future, an extensive EIS would be required to quantify the potentially devastating impacts to all of the communities dependent upon the Project. Decommissioning as an alternative would also require a full reevaluation of the NMFS Section 7 Consultation's RPA for the Russian River.
3. Impacts on existing water rights for any proposed deviation from the current diversion rates at the Project should be thoroughly analyzed. The potentially impacted area includes the East Branch Russian River in Potter Valley, down to and including water stored in Lake Mendocino and all water released below Coyote Valley Dam into the Russian River.

The Mendocino County Inland Water and Power Commission continues to be committed to working with agencies and stakeholders in Lake, Humboldt and Sonoma Counties during the relicensing proceedings. In doing so, we believe that we can continue to use our shared water resource wisely and beneficially while, at the same time, protecting and enhancing riverine habitats for listed fish in both the Eel and Russian Rivers.

Respectfully Submitted,



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