



Mendocino County

Legislation Details (With Text)

File #: 19-0433 **Version:** 1 **Name:**

Type: Resolution **Status:** Approved

File created: 5/8/2019 **In control:** Board of Supervisors

On agenda: 5/14/2019 **Final action:** 5/14/2019

Title: Discussion and Possible Action Regarding an Allocation in the Amount of \$50,000 to the Inland Water and Power Commission (IWPC) to Undertake a Feasibility Study of a Potential Licensing Proposal for the Potter Valley Project and Other Related Costs; and Approval of Transfer of Funds from General Fund Budget Unit 1100 750000 to Special Department Expense Budget Unit 1100 1940 in the Amount of \$50,000
(Sponsors: Supervisors Brown and McCowen)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Budget Transfer Form, 2. Planning Agreement for the Potter Valley Project (Execution Copy)

Date	Ver.	Action By	Action	Result
5/14/2019	1	Board of Supervisors		

To: Board of Supervisors

From: Board of Supervisors

Meeting Date: May 14, 2019

Department Contact: Carre Brown

Phone: 463-4221

Department Contact: John McCowen

Phone: 463-4221

Item Type: Regular Agenda

Time Allocated for Item: 30 Mins

Agenda Title:

Discussion and Possible Action Regarding an Allocation in the Amount of \$50,000 to the Inland Water and Power Commission (IWPC) to Undertake a Feasibility Study of a Potential Licensing Proposal for the Potter Valley Project and Other Related Costs; and Approval of Transfer of Funds from General Fund Budget Unit 1100 750000 to Special Department Expense Budget Unit 1100 1940 in the Amount of \$50,000
(Sponsors: Supervisors Brown and McCowen)

Recommended Action/Motion:

Approve allocation of \$50,000 and corresponding budget transfer from General Fund, Budget Unit 1100 750000 to Special Department Expense, Budget Unit 1100 1940 in the amount of \$50,000, to undertake a feasibility study of a potential licensing proposal for the Potter Valley Project and other related costs.

Previous Board/Board Committee Actions:

On August 21, 2018, the Board of Supervisors passed Resolution 18-131 adopting a position statement supporting the acquisition of the Potter Valley Project (Project) by the Mendocino County IWPC. On October

16, 2018, the Board of Supervisors authorized the transfer of \$20,000 to the IWPC for services to investigate and negotiate potential acquisition of the Project by the IWPC. On May 7, 2019, the Board of Supervisors identified funding for the Pottery Valley Project (PVP) as one of the budget priorities for the upcoming fiscal year.

Summary of Request:

IWPC is requesting \$50,000 from each of its five member entities to undertake a feasibility study of a potential licensing proposal for the Potter Valley Project (Project) and for other related costs.

On January 25, 2019, Pacific Gas & Electric Co. filed a Notice of Withdrawal of its Notice of Intent (NOI) for re-licensing of the Project with the Federal Energy Regulatory Commission (FERC). On March 1, 2019, FERC issued a Notice Soliciting Applications for parties interested in filing a license application for a new license, which must be filed by July 1, 2019. FERC's Notice Soliciting Applications requires parties that are interested in obtaining the license to submit a Notice of Intent, a Pre-Application Document, and a schedule for completing required studies by the July 1, 2019 deadline. IWPC, Sonoma Water and California Trout, Inc. (Cal Trout) have held discussions about the future of the Project, and the potential of forming a regional entity to acquire the license for the Project in order to achieve a Two-Basin Solution. The parties realize the time frame imposed by FERC is not long enough to form a regional entity to acquire the license, and work through the various scenarios to determine the optimal operations of the Project that would achieve the Two-Basin Solution. As an alternative, all three parties intend to enter into a Planning Agreement (see attachment) that will allow the parties to prepare a feasibility study of a potential licensing proposal for the Project that meets a collaborative Two-Basin Solution for the future of the Project to support water resources and fisheries restoration in both watersheds. As part of the Planning Agreement, Sonoma Water, IWPC, and Cal Trout will each contribute \$100,000 toward funding the Feasibility Study. Recognizing that these efforts could be enhanced by increasing the number and diversity of stakeholders participating in the licensing process, the Planning Agreement includes the ability to add additional parties who are willing to work toward a Two-Basin Solution.

The IWPC has engaged specialized legal representation and consultants to assist in the acquisition and relicensing of the project and related water rights issues. IWPC requests this additional funding on a priority basis in order to continue this process and to demonstrate its commitment to the parties involved.

Alternative Action/Motion:

Do not approve contribution

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: FY 2018-19 Projected Fund Balance	budgeted in current f/y: No
current f/y cost: \$70,000	if no, please describe: Expedited request for funding
annual recurring cost: N/A	revenue agreement: N/A

budget clarification: Increase Budget Appropriation in 1100-1940(MS) - 862239 Special Department Expense by \$50,000 in order to reimburse the Inland Water and Power Commission for legal costs associated with the potential purchase of the Potter Valley Project from PG&E. Source of funds 1100-75000 General Fund Fund balance.

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Executive Office

CEO Review: Choose an item.

CEO Comments:

FOR COB USE ONLY

Executed By: Lindsey Dunham, Deputy Clerk I

Date: May 15, 2019

Final Status:**Approved**

