



## Legislation Text

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**File #:** 2022-0649, **Version:** 1

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**To:** Board of Directors, Sonoma County Water Agency  
**Department or Agency Name(s):** Sonoma County Water Agency  
**Staff Name and Phone Number:** David Manning (707) 975-4430  
**Vote Requirement:** Majority  
**Supervisory District(s):** Countywide

**Title:**

Cooperative Agreement for Potter Valley Project Eel and Russian River Flow Scenario Development

**Recommended Action:**

Authorize the General Manager of the Water Agency to execute the Cooperative Agreement to Provide Funding for Shared Consulting Services with the Round Valley Indian Tribes through June 30, 2024 in the not-to-exceed amount of \$97,000.

**Executive Summary:**

The Sonoma County Water Agency ("Sonoma Water") and the Round Valley Indian Tribes ("Tribes") are committed to the development of best available science to evaluate the impacts of the Potter Valley Hydroelectric Project on fish species and water resources management in the Eel River and the Russian River, in the context of the license surrender proceedings pending before the Federal Energy Regulatory Commission. Sonoma Water and the Tribes share and intend to promote the twin goals of restoring and maintaining the viability of salmonids and other fish species in both the Eel and Russian River Basins, and to ensure that water resources will continue to be managed to provide reliable water supplies in both basins. Sonoma Water and the Tribes propose to undertake joint scientific studies of potential options to achieve these goals, and supplement studies that Pacific Gas and Electric Company will be required to undertake for the Potter Valley Project license surrender proceeding. Sonoma Water and the Tribes intend to engage McBain and Associates ("Consultant") for the purpose of conducting studies related to fish ecology and water resources management.

**Discussion:**

Pacific Gas & Electric Company's ("PG&E") Potter Valley Project ("Project" or "PVP") is a hydroelectric facility that diverts Eel River water through a tunnel to a powerhouse in the Russian River watershed. After being used to produce power, and in order to meet minimum instream flows required by its Federal Energy Regulatory Commission (FERC) license, water is discharged from the powerhouse to the East Fork of the Russian River. Historically water discharged from the PVP provided about half of the flows into Lake Mendocino. However, since a 2006 amendment to PG&E's FERC license, intended to benefit fishery resources in the Eel River, flows into Lake Mendocino have been reduced by approximately 40% - 70% annually compared to pre-2006 historical flows. In addition, drought conditions and PG&E's inability to generate power due to equipment issues over the last several years have further reduced PVP inflows.

In January 2019, PG&E stated its intent not to relicense the Project. In June 2019, Sonoma Water, the

Mendocino County Inland Water and Power Commission, Round Valley Indian Tribes, County of Humboldt, and California Trout (the five parties known collectively as the Two-Basin Solution Partners) began to pursue relicensing of the Project to implement a Two-Basin Solution. The intent of the Two-Basin Solution Partnership was to provide significant benefits to the Eel River Basin and the Russian River Basin, and specifically to continue power generation, restore anadromous fisheries, and maintain water supply reliability. In May 2020, the Two-Basin Partners completed a Feasibility Study Report and found that Russian River and Eel River benefits could be achieved if the project were modified to remove Scott Dam and modernize the Van Arsdale Diversion. In September 2021, the Two-Basin Partners notified FERC that additional time and financial resources were needed to complete studies required to file a new license application. FERC did not extend the filing requirement and the Two-Basin Partners did not file a new license application. The 40-year FERC license held by PG&E expired on April 14, 2022. The Project now operates under annual licenses while FERC determines the disposition of Project facilities through a license surrender and decommissioning process. On May 11, 2022, FERC requested a plan and schedule for license surrender from PG&E.

Although the Project license will be surrendered and the project will be decommissioned, Sonoma Water, the Round Valley Indian Tribes, and Mendocino County Inland Water and Power Commission (MCIWPC) remain committed to the objectives of the Two-Basin Solution. All three entities have been working with regional stakeholders, including PG&E, in a process convened by Congressman Jared Huffman. The Congressman Huffman ad-hoc committee has been planning for a future project that sustains fisheries and water supply in both the Eel and Russian River Watersheds. In 2018, Sonoma Water and the Tribes partnered to conduct studies that described the ecological impacts of various water diversion scenarios on both rivers. The Tribes' consultant, McBain Associates, worked closely with Sonoma Water engineering and fisheries staff through the Congressman Huffman process to develop a run-of-the river water diversion strategy. The run-of-the-river strategy has the potential to supply water to the Russian River watershed without relying on water stored behind PVP's Scott Dam. The impending surrender and decommissioning process increases the likelihood that Scott Dam and the water diversion facility downstream at Van Arsdale will be removed. If diversion facilities remain in place at Van Arsdale, additional studies are required to refine the run-of-the-river water supply scenario.

Sonoma Water, the Tribes, MCIWPC and McBain Associates propose an approach that would utilize existing information developed from historic and recent FERC relicensing studies, the Two-Basin Partners Feasibility Study, and National Marine Fisheries Service Biological Opinions for the Eel and Russian Rivers. McBain Associates will build from the 2018-2019 collaborative effort with Sonoma Water to use hydrologic information and apply a fish productivity modeling tool to refine the run-of-the-river water supply strategy.

Sonoma Water's share of costs include \$48,500 paid to the Tribes for consultant's development of input data for IBM modeling, refining the run-of-the-river water diversion strategy, coordination with Sonoma Water technical representatives, and review and prioritization of studies previously developed during the Feasibility Study and initial FERC relicensing phases. Under the agreement, Sonoma Water would pay an additional \$48,500 for support and evaluation of the changes to the Project's operations, Eel River hydrology, and how they could affect fish populations.

**County Strategic Plan:**

N/A

**Sonoma Water Strategic Plan Alignment:**

Water Supply and Transmission System, Goal 2: Maintain and improve the reliability of the Water Transmission System

This Agreement will procure studies necessary to ensure the health of fisheries in the Eel and Russian River watershed and for a reliable potable water supply.

**Prior Board Actions:**

08/14/2018: Board Approved; Consulting Services for Potter Valley Project Relicensing Proceedings: cooperative agreement with Round Valley Indian Tribes to evaluate impacts of relicensing on Russian River and Eel River water and fishery resources.

**FISCAL SUMMARY**

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses	\$97,000		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$97,000</b>		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$97,000		
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$97,000</b>		

**Narrative Explanation of Fiscal Impacts:**

Budgeted amount of \$97,000 is available from FY 2022/2023 appropriations for the Russian River Projects fund. No additional appropriation is required.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Second Cooperative Agreement to Provide Funding for Shared Consulting Services for Eel and Russian River Flow Scenario Development

**Related Items “On File” with the Clerk of the Board:**

None