



Work Underway to Advance Plans for Continued Diversions through the Potter Valley Project

Engineering work and collaboration on potential storage strategies show progress for protecting long-term water supply reliability

(Ukiah, CA – August 18, 2026) Regional agencies continue to make progress on efforts to maintain reliable water supplies after PG&E decommissions the Potter Valley Project. The Potter Valley Project is owned by PG&E, which determined that continued operation is not economically viable for the company or its ratepayers. PG&E is moving forward with decommissioning the project, including removal of Scott and Cape Horn dams. A new entity, the Eel-Russian Project Authority (ERPA), is set to own, operate, and maintain the new diversion infrastructure and ensure continued water supply for the Russian River watershed.

The technical fieldwork underway for the new diversion facility, called the New Eel Russian Facility or NERF, is taking place around Van Arsdale Reservoir, upstream of Cape Horn Dam. It includes drilling deep holes into the bedrock from a floating barge and from land, along with digging test pits on gravel bars. The investigation is evaluating sediment and bedrock conditions, which is necessary to inform the foundation design and construction of NERF components. The results of this work will also inform planning on how to manage sediment that could move into the Eel's riverbed after dam removal.

In addition to NERF design work, regional agencies are taking action to pursue water storage options. Water supply modeling shows that future diversions from the Eel River into the Russian River through the NERF will occur more often during wet winter months. That means there must be available storage to capture and hold the available water for later use.

“The future diversion facility and additional storage must move forward together,” said Mo Mulheren, Mendocino County Supervisor and Alternate IWPC Commissioner. “The work underway now is turning the region’s plan into action. These are practical, achievable investments that will help protect our farms, businesses, communities and regional economy for generations to come.”

Mendocino County Inland Water and Power Commission, a group of public water stakeholders, recently identified four storage strategies that offer the greatest potential regional benefit and the most realistic path toward implementation:

- **Modernizing Coyote Valley Dam to expand Lake Mendocino storage.** Modernizing the dam could approximately double Lake Mendocino's capacity, dramatically increasing its water supply storage potential by approximately 70,000 acre-feet.
- **Pursuing groundwater storage and recharge in Potter Valley.** Groundwater storage could provide approximately 3,500 acre-feet of additional supply annually through a scalable, locally controlled approach.
- **Expanding off stream pond storage in Potter Valley.** Additional ponds could provide flexible, incremental storage for local agricultural users.
- **Investigating new surface storage along Russian River tributaries.** Potential sites upstream of Lake Mendocino could provide approximately 10,000 to 15,000 acre-feet of new storage serving Potter Valley and potentially downstream users.

Each strategy will require additional technical analysis, environmental review, funding, and coordination among local, state, and federal partners. Advancing the work now will position the region to compete for funding and help ensure storage is available when it is needed.

"There is a great deal of concern and misinformation surrounding the Potter Valley Project, but the work ahead is clear," said Mulheren. "We must protect the water diversion agreement supporting continued diversions, build the new facility, and expand regional storage. The fieldwork and planning underway today are concrete steps toward a more reliable water future."

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