

RUSSIAN RIVER

WATER

FORUM

Potter Valley Project (PVP)

- PVP is a hydroelectric project owned and operated by PG&E for over 100 years.
- An average 60,000 acre-feet of water is transferred from the Eel River to the Russian River annually through the PVP.
- This water source helps meet demands in Potter Valley, downstream of Lake Mendocino, and storage in Lake Mendocino.
- Demand for water downstream of Lake Mendocino has recently exceeded supply, resulting in curtailments.

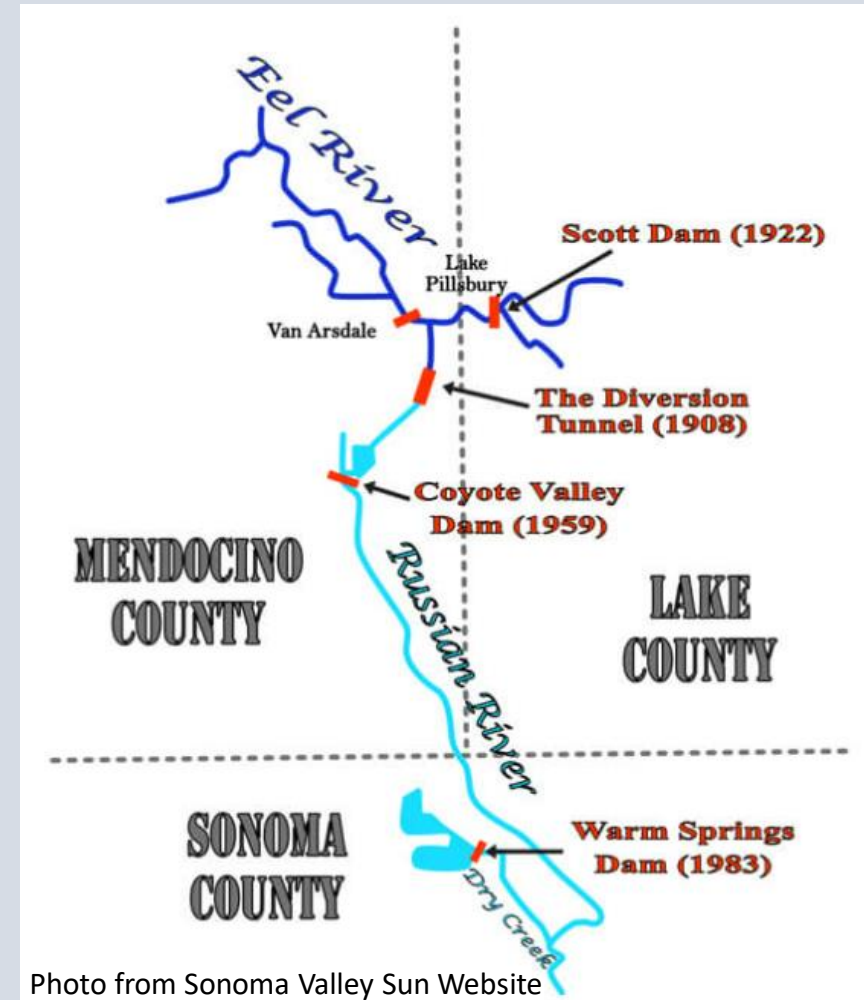


Photo from Sonoma Valley Sun Website

Potter Valley Project



Map of the Potter Valley Project



PG&E Decision to Surrender & Impacts

- PG&E has decided to surrender its Federal Energy Regulatory Commission (FERC) license and decommission the project.
- Surrender of the license could result in the elimination of this vital source of water and have significant impacts such as:
 - In 8 out of 10 years, Lake Mendocino will not be able to meet all the water supply needs of businesses, cities, residents, and wildlife that depend on it. **In 2 out of these 8 water-short years, Lake Mendocino is predicted to go dry.**
 - The volume of cold water in Lake Mendocino that salmon and steelhead need for spawning and rearing in the upper Russian River will diminish and cause further declines in fisheries.
 - **Losses in the tens of millions per year** to the economies of Mendocino and Sonoma counties are expected.

Russian River Water Forum (RRWF)

- A new operator of the PVP, such as a regional entity representing water interests in the Russian River watershed, could potentially assume responsibility for the project and continue water diversions.
- Sonoma Water received funding from the California Department of Water Resources Urban and Multi-benefit Drought Relief Grant Program to support water supply resiliency planning including the establishment of a Russian River Water Forum.
- Russian River Water Forum designed to build on progress from Two Basin Partnership

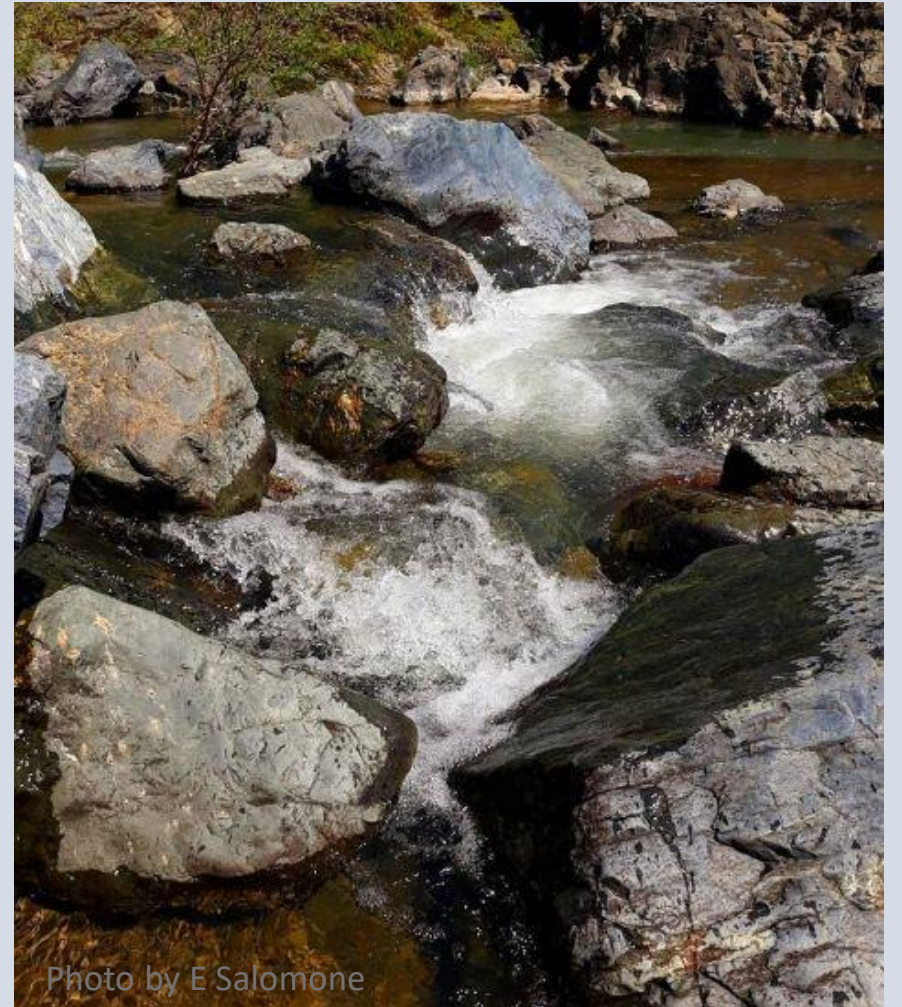


Photo by E Salomone

Russian River Water Forum Structure

- Will comprise parties with interest in water resources in the Russian River and Eel River basins
- Initial focus on identifying local solution for maintaining the Potter Valley Project diversion (Planning Group), creating leadership structure (Regional Entity)
- Will also focus on broader water resiliency issues over time
- Venue for inclusive engagement across the Russian River and Eel River basins

Interviews with Interested Parties:

Methodology

- Kearns & West conducted 38 interviews with 73 individuals in Oct-Nov 2022
- County and city governments, water providers, agricultural interests, recreation interests, business groups, environmental groups, state and federal regulatory agencies, and resource conservation districts
- All interviews conducted confidentially

Interviews with Interested Parties:

Objectives

- Understand connection to the PVP and how potential loss of diversion could impact their organization;
- Understand their organization's interests related to water supply or water resource issues;
- Provide overview of the Water Forum concept and gather input on proposed structure
- Gather recommendations for effective and inclusive engagement
- Understand interest in contributing to the future operation of the Potter Valley Project (financially, politically, etc.)

Interviews with Interested Parties:

Overarching Findings

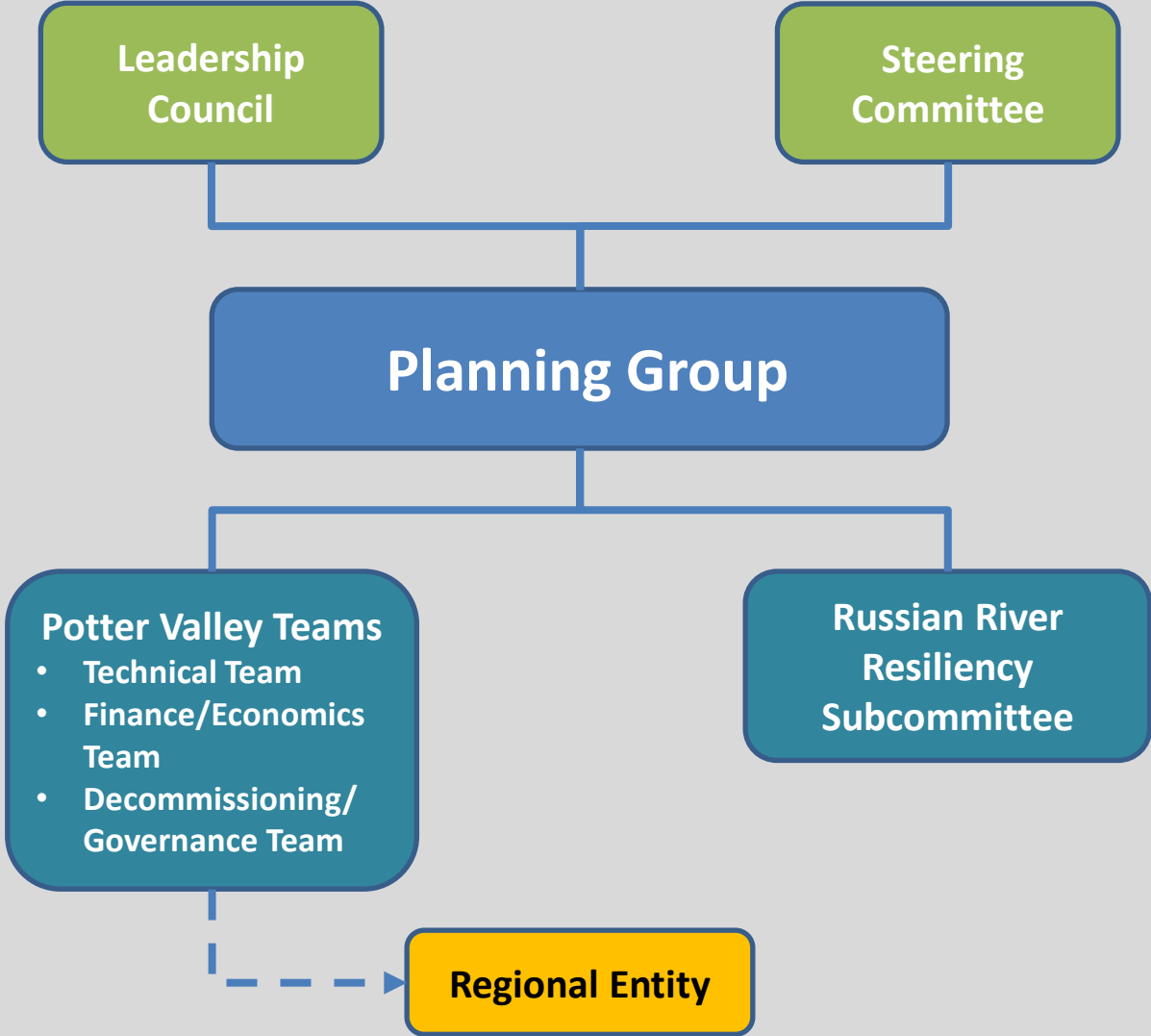
- Support for concept, strong interest in participating
- Urgency
- Inclusion and transparency
- Financing – water users willing to pay
- Fairness in sharing cost burdens
- Need for data, technical resources, scenarios to inform discussions
- Community awareness of PVP relatively low – broad education/outreach needed

Interviews with Interested Parties:

Recommendations for Water Forum

- Broad representation, including Eel River basin and Lake County
- Have clearly stated goals, note what is negotiable vs. not
- Seek commitments to the process, working together across interests
- Transparency is critical for success
- Leverage existing groups to extend reach
- Perceived need for basin-wide collaboration beyond PVP diversion

Russian River Water Forum Structure



DRAFT

Planning Group Purpose

- Improve understanding of water reliability uncertainties in Russian River and Eel River basins.
- Convene interested parties in Russian River and Eel River basins.
- Collaboratively problem-solve around future of PVP diversion, water supply resilience, and fisheries in both river basins.
- **Develop an agreed-upon local solution for the continuation of the PVP diversion** that can inform future negotiations with PG&E.
- Create source of funding for continuation of PVP diversion as well as other water supply planning and project implementation efforts in both basins.

Planning Group Membership

- Lake, Humboldt, Mendocino, and Sonoma county governments
- Tribal governments in Russian River basin, Eel River basin, and Lake County
- Water suppliers
- Environmental NGOs
- Agriculture interests
- Resource Conservation Districts
- Public and private recreation interests
- Approx. 30 members

Next Steps

- Continue briefings with Tribes and elected officials
- Interim Steering Committee
- Planning Group formation
- Self-nomination process to take place in early 2023
- Targeting Planning Group kick-off meeting in April 2023
- Convene Leadership Council in parallel
- Continue studies such as facilities assessment and potential impacts from loss of PVP diversion



Photo by E Salomone

Questions and Discussion

- Questions?



Photo by Erin Watt