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**Title:** 9:45 A.M. - Discussion and Consideration of impacts to Lake Pillsbury in the event Scott Dam is Decommissioned and possible County Action in Response to PG&E's Decision to Withdraw its License Application for the Potter Valley Project

**Sponsors:** Eddie Crandell

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**Attachments:** 1. LakePillsburyInfoPacket, 2. Reso2018-114\_PotterValleyProject

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8/13/2019	1	BOARD OF SUPERVISORS	approved	Pass

**MEMORANDUM**

**TO:** The Honorable Board of Supervisors

**FROM:** Supervisor Eddie Crandell, District 3

**DATE:** August 13, 2019

**SUBJECT:** Discussion and Consideration of impacts to Lake Pillsbury in the event Scott Dam is decommissioned and possible County Action in Response to PG&E's Decision to Withdraw its License Application for the Potter Valley Project

**EXECUTIVE SUMMARY:**

Since our Board's June, 25, 2019 discussion of this matter, staff has gathered more information on the impacts of PG&E decision. In addition, a trip to the Lake Pillsbury area was made last week, for further consideration of impacts, by myself, Chair Scott and staff.

I am requesting agenda time to continue this discussion.

**BACKGROUND:**

The Potter Valley Project is a hydro-electricity project. This is a small hydro power project consisting of two dams: (1) the Cape Horn Dam which impounds the river into the Van Arsdale Reservoir, and (2) the Scott Dam which creates the Lake Pillsbury Reservoir. PG&E is the current licensee of this project. The project stores run-off from the upper Eel River Basin and diverts approximately 90,000 acre-feet of water each year into the Russian river in order to generate hydroelectric power. The Federal Energy Regulatory Commission (FERC) oversees PG&E's operation of the project.

In April of 2017, PG&E submitted notice to the FERC of its intent to renew its hydro power license. PG&E's current license expires in 2022, requiring it to make a new application no later than April 2020. However, in January of this year, PG&E withdrew its notice of intent and its pre-application document, discontinuing the license application process. In March of this year, the FERC issued a Notice Soliciting Applications. The notice set a deadline of 120 days from the date of that notice (July 1, 2019) for interested applicants, other than the existing licensee, to file notices of intent and pre-application documents, as well as requests to complete the pre-filing stages of the licensing process. In the event no other applicant files an application for a license by April 14, 2020, the current licensee will be provided with written notice that no timely application for the project has been filed. Within 90 days of such written notice, the current licensee must file a schedule for the filing of a surrender application for the project.

Congressman Jared Huffman brought all stakeholders together through the creation of a Potter Valley Ad Hoc Committee. That committee, which includes Lake County, Mendocino County, and Humboldt County among its participants, has very significant goals. Those goals include: to minimize or avoid adverse impacts to water supply reliability, fisheries, water quality and recreation in the Russian and Eel River Basins, to respect tribal rights and their traditional connections to aquatic life, water and cultural resources in both basins, to minimize and mitigate adverse impacts to Lake County, including Lake Pillsbury businesses and residents, and to ensure accountable governance and financially viable operations, including addressing potential liabilities.

Lake County is a party to and has been involved both in the FERC action and in the Ad Hoc Committee through the participation of the County Supervisor in District 3.

Further, a coalition has formed, consisting of the Sonoma County Water Agency, the Mendocino Inland Water and Power Commission, and California Trout, Inc., which has proposed a project planning agreement to address the region's water supply and to protect endangered salmon species in the Eel River and the Upper Russian River.

On June 25, 2019, our Board approved a minute order expressing our support of the pre-application and Notice of Intent to be filed with FERC, and our intent to pursue funding in order to participate in a feasibility study.

**FISCAL IMPACT:** \_\_\_ None \_\_\_ Budgeted \_\_\_ Non-Budgeted

Estimated Cost:

Amount Budgeted:

Additional Requested:

Annual Cost (if planned for future years):

**FISCAL IMPACT (Narrative):**

**STAFFING IMPACT (if applicable):**

**RECOMMENDED ACTION:**

Direction to staff and/or direct action by your Board may be taken by motion.