City Council

Special Meeting
AGENDA

Joint Meeting with

INLAND WATER AND POWER COMMISSION ALL BOARDS MEETING

Ukiah Valley Conference Center ♦ 200 South School Street ♦ Ukiah, CA 95482

To participate or view the virtual meeting, go to the following link: https://us02web.zoom.us/j/88249943594

Or you can call in using your telephone only:

- **Call (toll free) 1-669 900-6833**
- **Enter the Access Code: 882 4994 3594**
- **To Raise Hand enter *9**
- **To Speak after being recognized: enter *6 to unmute yourself**

Alternatively, you may view the meeting (without participating) by clicking on the name of the meeting a**t** www.cityofukiah.com/meetings.

May 29, 2025 - 5:30 PM

1. ROLL CALL

2. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda that is within the subject matter jurisdiction of the City Council, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

3. IWPC ALL BOARDS WORKSHOP - INFORMATION BRIEFING - Issues Related to the Water Supply from PG&E's Potter Valley Project

3.a. Context: PG&E and the Federal Energy Regulatory Commission (FERC).

3.b. Proposal for a New Diversion Structure: the New Eel-Russian Facility (NERF).

3.c. The Water Diversion Agreement – Framework for the Right to Divert Water.

3.d. The Need for Additional Storage of Water in the Russian Watershed (U.S. Army Corps of Engineers Feasibility Study and Other Storage Options)

3.e. Next Steps: Likely Costs, Needed Actions, and Timing.

4. CLOSED SESSION

4.a. **Conference with Real Property Negotiators (Gov't Code §54956.8)**
Property: PG&E Potter Valley Project

Agency Negotiators: Scott Shapiro, Janet Pauli, Tom Johnson
Negotiating Parties: IWPC and PG&E
Under Negotiation: Price and Terms

4.b. Report out of Closed Session.

5. ADJOURNMENT

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm. Any handouts or presentation materials from the public must be submitted to the clerk 12 hours in advance of the meeting; for handouts, please include 10 copies.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 24 hours prior to the meeting set forth on this agenda.

Kristine Lawler, CMC/CPMC
Dated: 5/23/25

ALL-BOARDS MEETING: MENDOCINO COUNTY INLAND WATER AND POWER COMMISSION & MEMBER AGENCIES

May 28, 2025

A. CONTEXT: PG&E AND THE FEDERAL ENERGY REGULATORY COMMISSION

CONTEXT

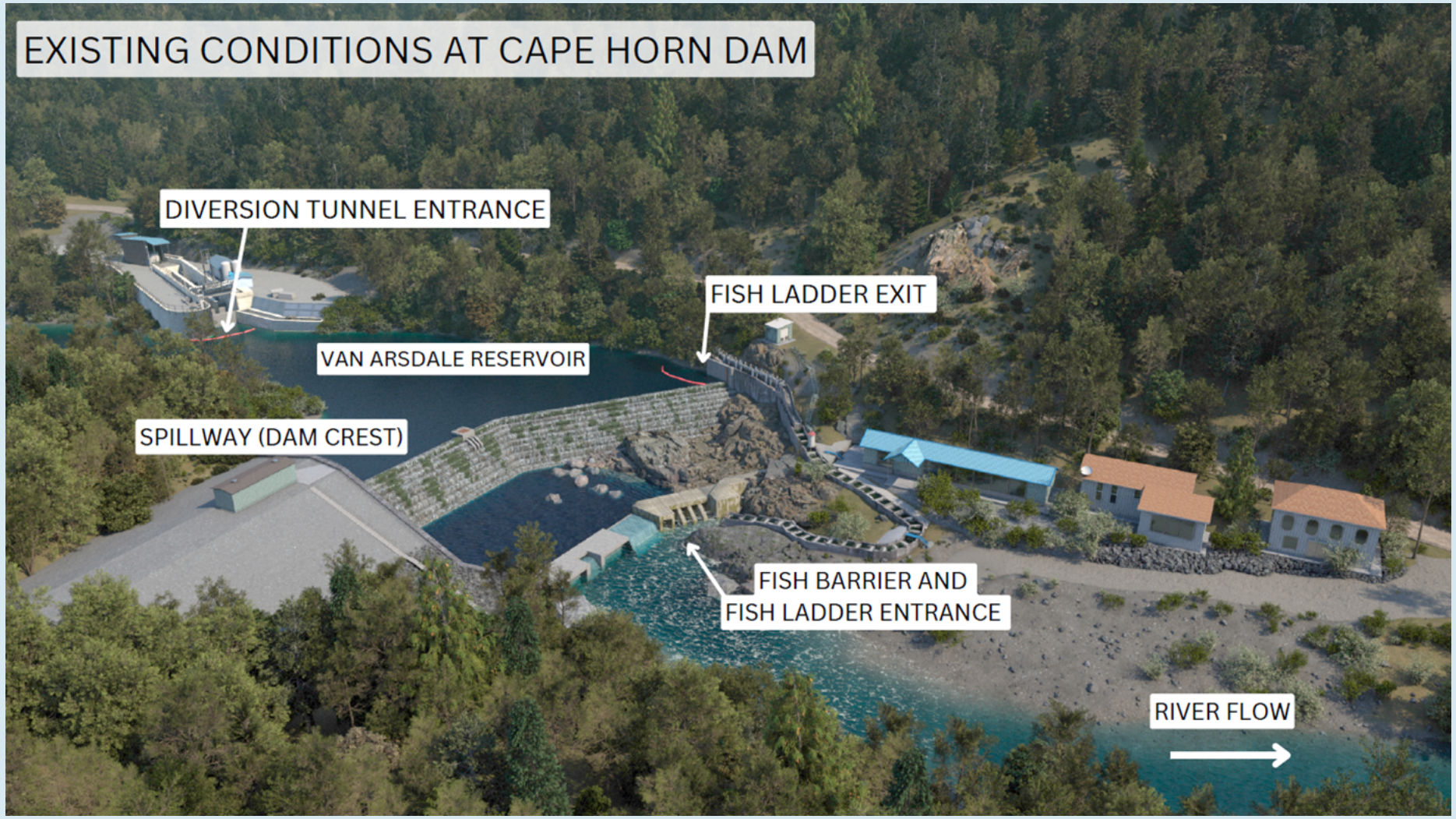
- PG&E operates the Potter Valley Project (PVP) which moves water from the Eel River Watershed to the Russian River Watershed. All of that water has historically flowed in the Russian and was available for use.
- Because the PVP generates power, it is regulated by the Federal Energy Regulatory Commission, which issued it a license to operate.
- PG&E has decided to stop operating the PVP because it is cost inefficient and after failing to find someone to purchase the PVP with its license, it has informed FERC that it intends to surrender the license and decommission the PVP. Decommissioning the PVP means removing the dams.
- Legally that decision cannot be revisited, and now FERC's decommissioning process controls.
- PG&E is to submit its application to FERC by July 31. That application includes a regional success: the concept that Russian River interests will continue to divert water through the New Eel-Russian Facility (NERF).

B. PROPOSAL FOR A NEW DIVERSION STRUCTURE: THE NEW EEL RUSSIAN FACILITY (NERF)

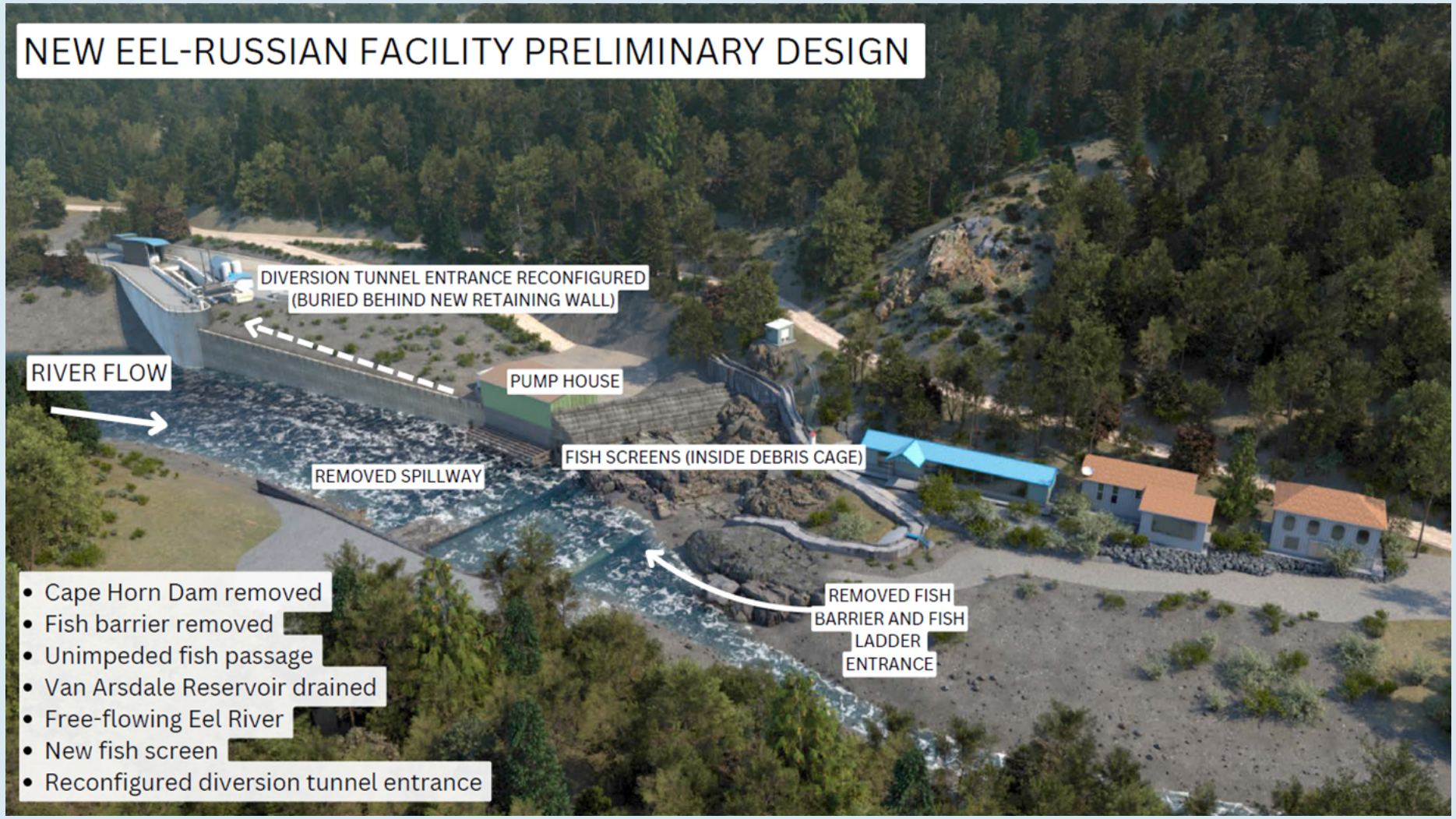
PROPOSED DIVERSION DESIGN AND IMPLEMENTATION

- With the removal of the PVP dams, the gravity-fed diversion will no longer work. Instead, a new diversion structure is required.
- NERF development was led by SWA, supported by IWPC and funded in part by DWR and USBR grants
- NERF design and construction will be in close coordination with PG&E's removal of Cape Horn Dam (CHD)
  - Coffer dams and river diversion will be required for both PG&E's and our efforts.
  - Scott Dam fast removal and coffer dam removal will likely be in the same winter season
- NERF will allow pumping from 15 cfs up to 300+ cfs, when water is available
- Pumping rules vary by season, and include a floor (minimum bypass) then increased pumping allowed as Eel River flow increase
- Improvements in powerhouse include a new bypass valve, and control system

EXISTING DIVERSION

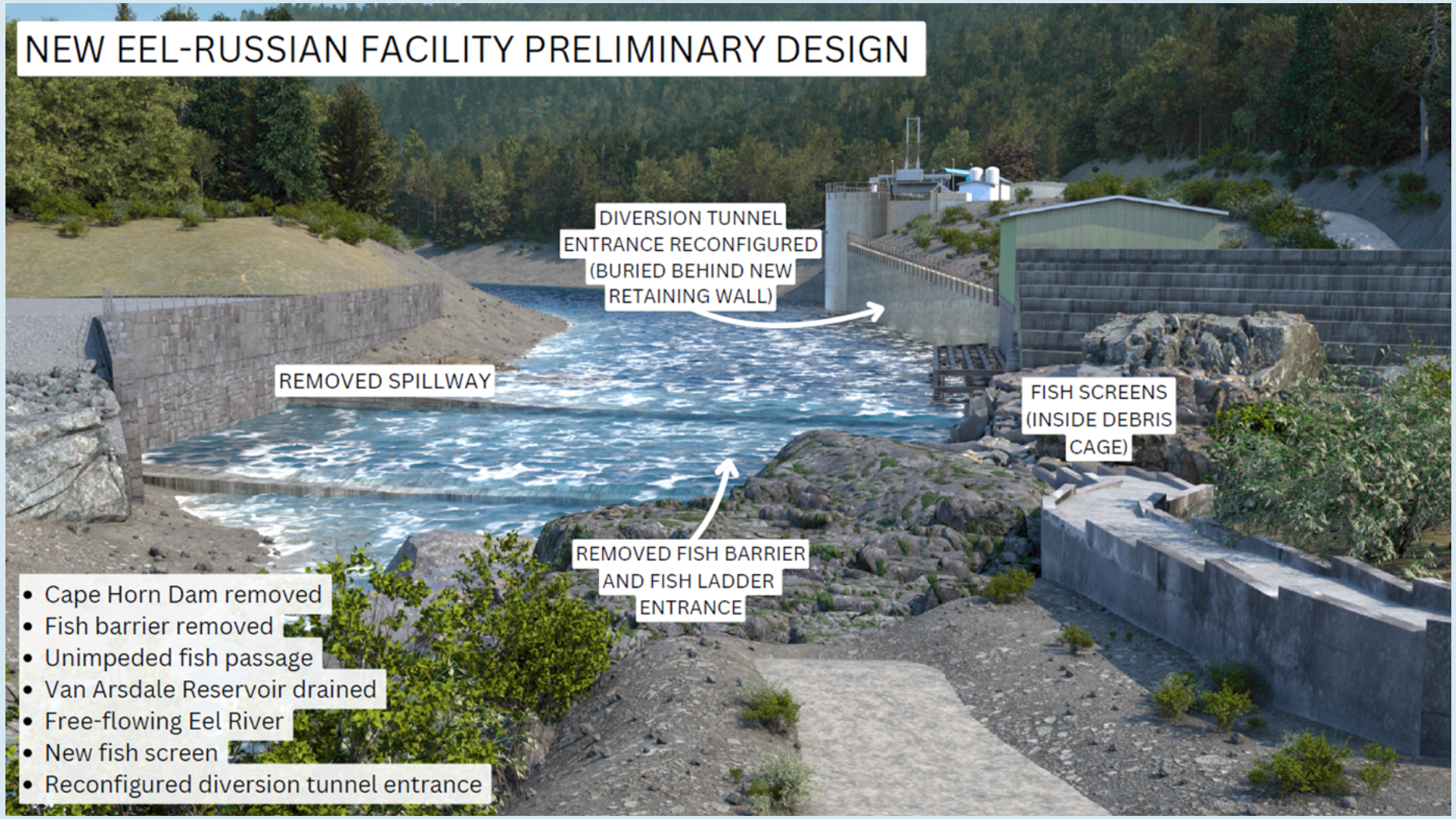


PROPOSED DIVERSION



EXISTING DIVERSION

PROPOSED DIVERSION



POTENTIAL OVERALL SURRENDER AND CONSTRUCTION SCHEDULE

Potential Timeline for Decommissioning, Dam Removal and NERF Construction

Note substantial regulatory uncertainty in permitting timeline may delay schedule

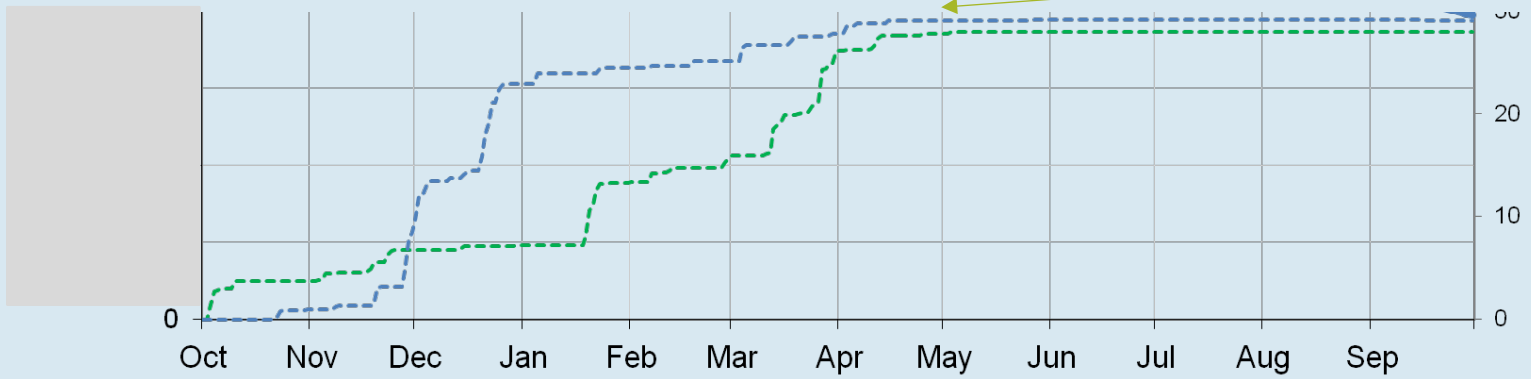
		2025				2026				2027				2028				2029				2030				2031				2032				2033				2034			
Task	Notes	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NERF Diversion Project Design (JPA)																																							
60% - 90% Design		underway																																					
100% Design & Contract Documents																																							
Project Permitting (Collaborative)																																							
Final Surrender Application	1	filed July 2025																																					
FERC Review, NEPA then Order	2					FERC 24 month review & NEPA																																			
SWRCB, Transfer & 401 then Cert.	3									SWRCB CEQA in parallel w/ FERC NEPA																																	
Scott Dam Removal Design (PG&E)																																							
Studies, Geotech										PG&E studies in parallel w/ FERC																																			
Design																																							
Contract Documents																		contracting after all SWRCB																					
Project Construction																																							
PG&E Contracting/bidding																																							
PG&E Construction																																							
NERF Contracting/bidding																																							
NERF Construction																																							

Construction some time 2031 - 2034, depending on regulatory timeline

Notes	1	A full and detailed Application may run hundreds of pages
	2	FERC timeline: SCE Borel project assumes 2 yrs, for a simple project; PG&E Kilarc project was 2.5 yrs, for a simple project with pre-agreed terms w agencies and stakeholders
	3	SWRCB 401: Borel assumes 18 months, for a simple project, Kilarc took 6 years even w no controversy & simple project

FUTURE DIVERSION POTENTIAL

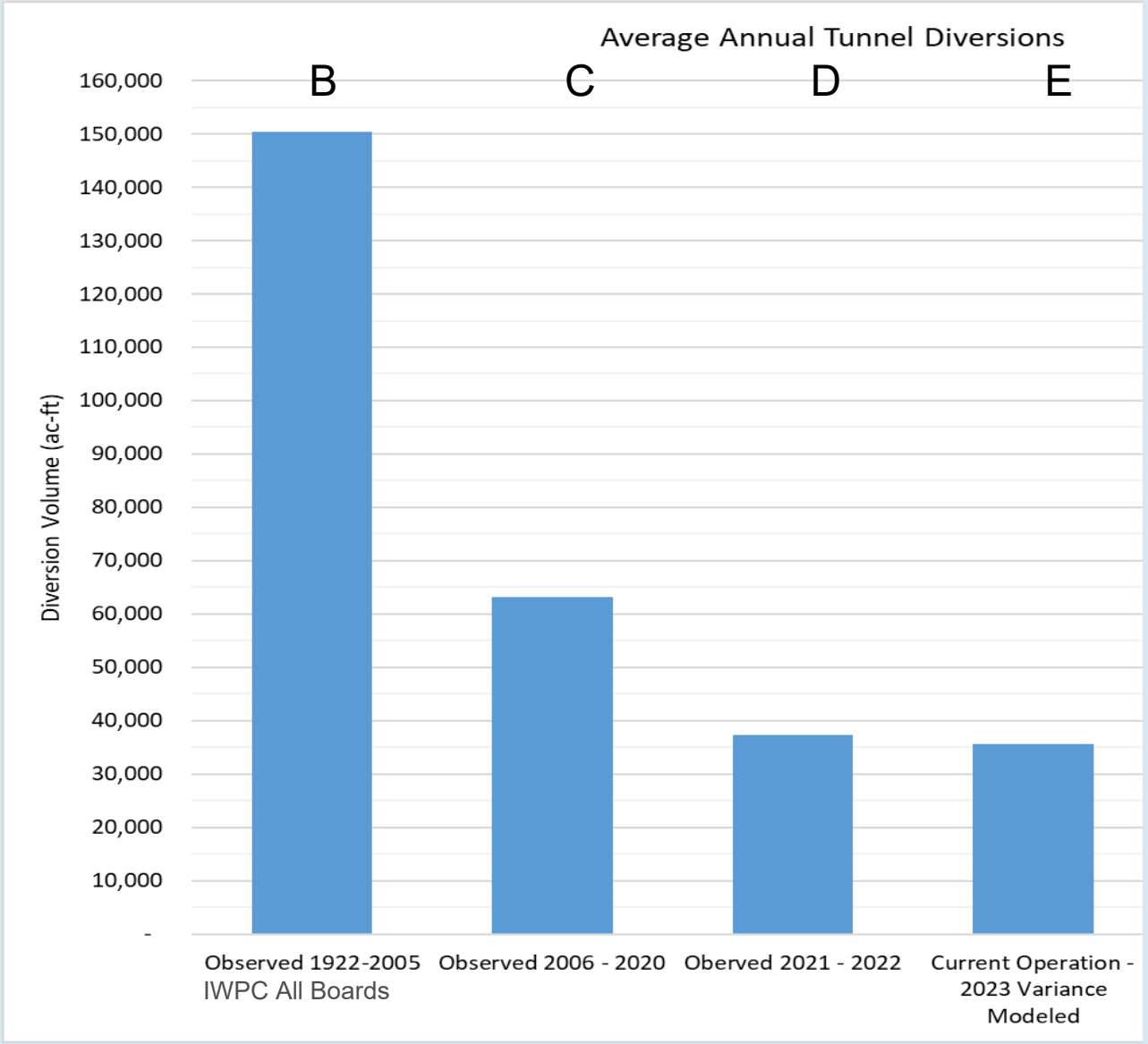
- Over the past decades the amount of water from the Eel has been decreasing due to the Endangered Species Act.
- Further, without dams on the Eel River, water through the new diversion structure will be available ***only*** in the winter and spring months when sufficient water is flowing.
- The Russian River will no longer have the benefit of nearly year-round water flowing into the Upper Russian River



Note how rainfall tends to end in April/May, which will be the end of the season for diversion.

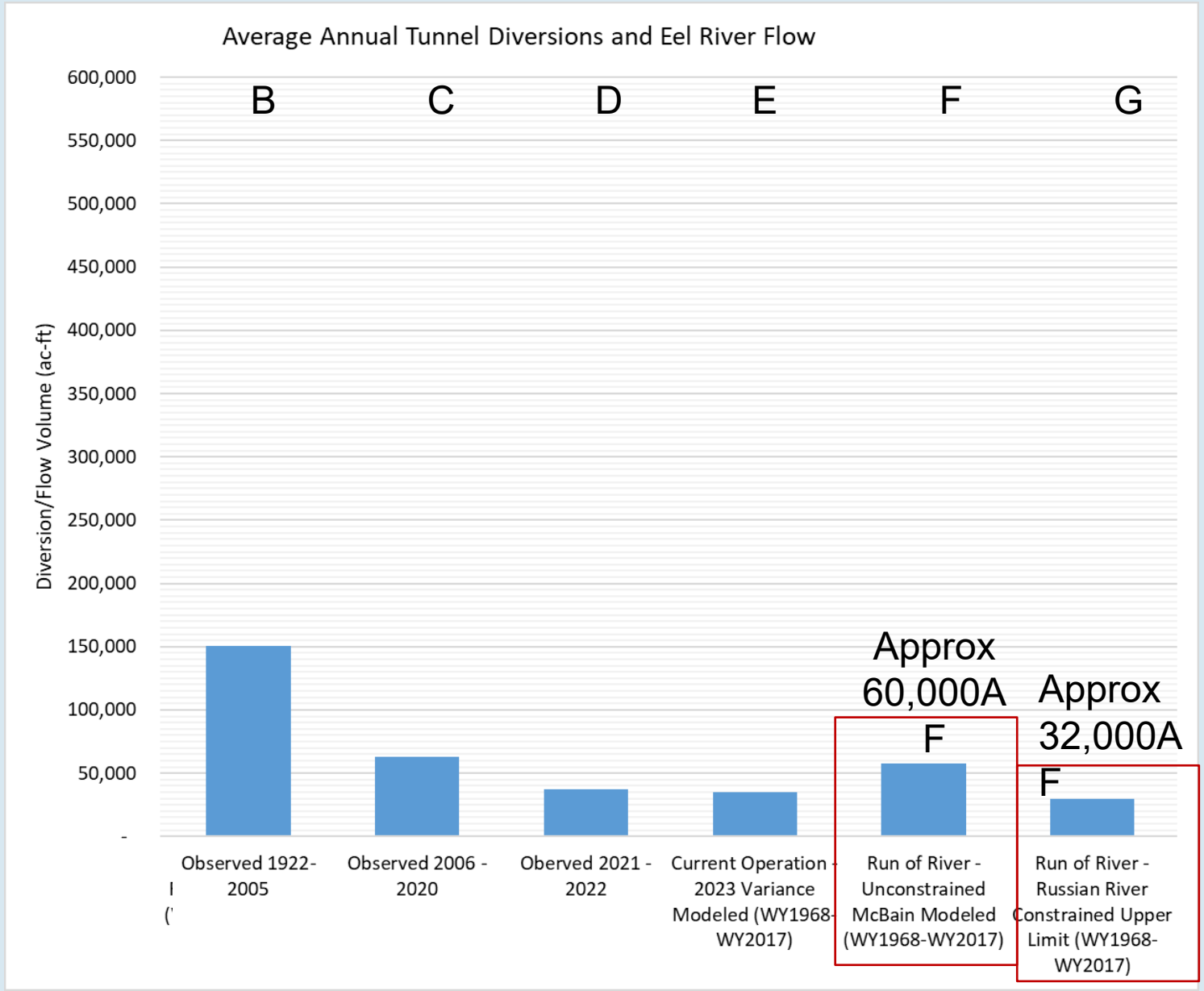
For example: 2012 and 2013 rainfall

TUNNEL DIVERSION VOLUMES, OBSERVED (1922 – 2023)



- Columns B, C, & D show historic operations in different years.
  - Diversions through 2005 averaged approximately 150,000 acre-feet
  - Diversions from 2006-2020 averaged approximately 62,000 acre-feet.
  - Diversions in 2021 and 2022 averaged approximately 37,000 acre-feet.
- Column E shows current operations (approximately 35,000 acre-feet)
- NOTE that diversions were significantly reduced ***before*** PG&E elected to decommission

TUNNEL DIVERSION VOLUMES AND PROPOSED FUTURE DIVERSION



- Column F shows diversions allowed under WDA criteria.
- Column G shows diversions constrained by limited winter storage available in Lake Mendocino and limited year-round storage in Potter Valley
- This demonstrates the need for more storage!!!!

FUTURE STORAGE NEEDS

- Some of the winter diverted water can be stored in Lake Mendocino, but Lake Mendocino storage is limited due to the way in which the Lake is operated.
- Water that can be stored in Lake Mendocino when storage space is available will not be available upstream of the reservoir because of the high cost of pumping uphill and water rights issues that would likely make it prohibitive.
- Thus, it is necessary to explore how to store winter and spring Eel River water both in and upstream of Lake Mendocino to maximize use in the summer irrigation season.

CATEGORIES OF NEW DIVERSION COSTS TO BE INCURRED BY ERPA

- Operation of the diversion structure
- Administration and insurance of Eel-Russian Project Authority (ERPA)
- Construction of the diversion structure
  - Actual construction plus soft costs (engineering, permitting, environmental, etc)
  - Public funds and/or bonds to fund the local share of construction costs
- Bonds and/or annual costs to fund the cost of storage
- Contingency
- Other costs - to be determined
  - Use fee/forbearance fee to RVIT
  - Monitoring costs

ANNUAL ERPA OPERATIONAL AND FINANCING ASSUMPTIONS

Operational assumptions:

- ERPA will contract with another entity for operation.
- Five to eight months of operation per year.
- O&M costs includes $750K annually to build reserves.

Financing assumptions:

- Construction will be funded through combination of public funds and ERPA bond funds.
- NERF construction cost bonds assume ERPA contribution of $20M ($10 to $30M) to supplement public funds.
- Storage improvements & bonds assumes ERPA contribution of $35M ($25 to $60M) to supplement public funds.

POTENTIAL ANNUAL COST FOR ERPA OPERATIONS OF NERF

Costs *without* additional storage	
***Annual* Costs for NERF and Russian River Operations**	
	Nominal
Operations of NERF	$4,888,466
Administration & Insurance of ERPA	$380,031
Construction Cost Bonds	$1,823,927
Storage Improvements & Bonds	$0
Annual Contingency (15%)	$1,063,864
Annual Lease Payment	$1,000,000
Annual Restoration Payment	$750,000
Annual Total Cost	$9,906,288

SCHEDULE & KEY TASKS FOR ERPA

- Interim:
  - Commissioning of ERPA
  - Design NERF (underway, but need next grant for final design)
  - Investigate storage (COE study, consultant for other RR storage options)
  - Work with PG&E through FERC process
  - Work with PG&E on asset transfer, easement, and other agreements for construction of NERF
- Long Term:
  - Construction (specs, bid & construct)
  - Operations

EXPENSES & REVENUE SOURCES - NERF

- Interim tasks (NERF) – studies, design & planning, ERPA admin, etc.
  - Potential Expenses: $2M to $5M over 4-5 years
  - Potential Revenues: membership contributions, grants
- Construction of NERF –
  - Potential Expenses: $40M to $60M, should be no sooner than 2032
  - Potential Revenues: grants, ERPA bonds, membership contributions, other (e.g. assessment)
- Operations of NERF and storage –
  - Potential Expenses: $7M to $12M per year
  - Potential Revenues: water sales, other (e.g. assessment)
- NERF costs are pre-design level, but more developed than most estimates

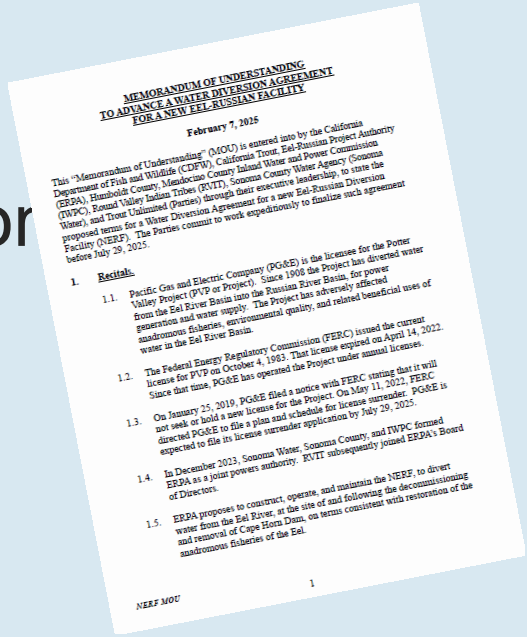
C. THE WATER DIVERSION AGREEMENT: FRAMEWORK FOR THE RIGHT TO DIVERT WATER

APPROACH TO GET TO A WATER DIVERSION AGREEMENT

- WDA was anticipated to be the document that creates our legal right to divert water
- It was needed to justify to PG&E that PG&E should include the NERF in its application
- We first developed an MOU to get agreement on the essential terms prior to PG&E's public draft of its application
- Now negotiating a formal WDA to coincide with PG&E's application that will be binding on the parties and provide a framework of support through the process:
  - Russian River interests want reliable, long-term water
  - Eel River interests want removal of dams, money for restoration, and confirmation that further diversions will not hurt the endangered species
  - PG&E wants to show that the two basins are in agreement (not take sides)

FEBRUARY 7, 2025 MOU BETWEEN MCIWPC, SCWA, RVIT, CT, TU, HC, AND CDFW

- Purpose of MOU
- Method of permitting vis-à-vis PG&E's application
- Water rights ownership
- Land ownership
- NERF ownership and operation
- Water rights lease (ownership, cost, waiver of sovereign immunity)
- Term (30 + 20)
- Funding obligations and commitments



MEMORANDUM OF UNDERSTANDING
TO ADVANCE A WATER DIVERSION AGREEMENT
FOR A NEW EEL-RUSSIAN FACILITY

February 7, 2025

This "Memorandum of Understanding" (MOU) is entered into by the California Department of Fish and Wildlife (CDFW), California Trout, Eel-Russian Project Authority (ERPA), Humboldt County, Mendocino County Inland Water and Power Commission (IWPC), Round Valley Indian Tribes (RVIT), Sonoma County Water Agency (Sonoma Water), and Trout Unlimited (Parties) through their executive leadership, to state the proposed terms for a Water Diversion Agreement for a new Eel-Russian Diversion Facility (NERF). The Parties commit to work expeditiously to finalize such agreement before July 29, 2025.

1. Recitals.

1.1. Pacific Gas and Electric Company (PG&E) is the licensee for the Potter Valley Project (PVP or Project). Since 1908 the Project has diverted water from the Eel River Basin into the Russian River Basin, for power generation and water supply. The Project has adversely affected anadromous fisheries, environmental quality, and related beneficial uses of water in the Eel River Basin.

1.2. The Federal Energy Regulatory Commission (FERC) issued the current license for PVP on October 4, 1983. That license expired on April 14, 2022. Since that time, PG&E has operated the Project under annual licenses.

1.3. On January 25, 2019, PG&E filed a notice with FERC stating that it will not seek or hold a new license for the Project. On May 11, 2022, FERC directed PG&E to file a plan and schedule for license surrender. PG&E is expected to file its license surrender application by July 29, 2025.

1.4. In December 2023, Sonoma Water, Sonoma County, and IWPC formed ERPA as a joint powers authority. RVIT subsequently joined ERPA's Board of Directors.

1.5. ERPA proposes to construct, operate, and maintain the NERF, to divert water from the Eel River, at the site of and following the decommissioning and removal of Cape Horn Dam, on terms consistent with restoration of the anadromous fisheries of the Eel.

NERF MOU 1

JULY XX, 2025 WATER DIVERSION AGREEMENT

- The essential terms have not changed
- There has been significant discussion around renewal terms
- There is also significant discussion around extent of water r
- We have extensive development of enforcement mechanis
- We are considering the relationships and timing between activities
- A more detailed briefing will be provided in closed session
- We are on track for execution later this year

D. THE NEED FOR ADDITIONAL STORAGE OF WATER IN THE RUSSIAN WATERSHED (USACE FEASIBILITY STUDY AND OTHER STORAGE OPTIONS)

D. THE NEED FOR ADDITIONAL STORAGE OF WATER IN THE RUSSIAN WATERSHED (USACE FEASIBILITY STUDY AND OTHER STORAGE OPTIONS)

- Federal Project & Study Authority
- Federal Funding & Cost-Sharing
- USACE Project Delivery Process
- USACE Study Overview
- USACE Study Milestones
- Progress & Next Steps

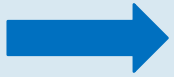
FEDERAL PROJECT & STUDY AUTHORITY

- **Existing Project Authority**:
  - River and Harbor Act of 1950 (P.L. 81-516) authorized Russian River Basin Project
  - Includes Coyote Valley Dam as a feature
  - Project authority includes flood control, water conservation, and related purposes
  - Included “immediate” and “ultimate” flood control plans
- ***New* Study Authority**:
  - Water Resources Development Act of 2016 (P.L. 114-332) authorizes feasibility study of modifications to Coyote Valley Dam
  - Investigate addition of environmental restoration and/or increase water supply and improve reservoir operations.

FEDERAL FUNDING & COST-SHARING

- **Feasibility Study Cost-Sharing**:
  - Requires at least one non-Federal sponsor
  - 50% Federal / 50% non-Federal cost sharing
  - Not a grant
  - Cash or in-kind services
- **Funding**:
  - Fiscal Year 2024 = $500,000
  - Fiscal Year 2025 = $0
  - Fiscal Year 2026 = ?
  - Tribal Credit = $658,000

<u>Two non-Federal sponsors</u>:
MCIWPC
Lytton Rancheria



<u>Study Budget Estimate</u>:
Current Capacity = $1,316,000
FCSA = $3,000,000
Estimated = $6,500,000

USACE PROJECT DELIVERY PROCESS

- USACE produces a feasibility study and associated NEPA document.
- Phase concludes with a Chief's Report which recommends a project to Congress
- Congressional approval is required for construction.

Anticipated Duration:
3 to 5 years

- USACE initiates engineering and design while waiting for Congressional approval.
- Design activities subject to receipt of appropriations.
- Requires non-Federal sponsor and an executed Design Agreement.

Anticipated Duration:
2 to 3 years

- USACE oversees project construction through one or more construction contracts.
- Requires Congressional authority and "new start" appropriations.
- Requires non-Federal sponsor and an executed Project Partnership Agreement (PPA).

Anticipated Duration:
4 to 8 years

- USACE or non-Federal sponsor assumes O&M responsibility after construction.
- USACE retains O&M responsibility for navigation and multi-purpose dams.
- Other project types are transferred to non-Federal sponsor for O&M responsibility.

Anticipated Duration:
N/A

USACE STUDY OVERVIEW

Scoping & Alternatives Identification

- Problems, opportunities, objectives, and constraints identified.
- Detailed scope of work, budget, and schedule developed for USACE / Sponsor approval.
- Initial array of alternatives identified for evaluation and comparison.

Anticipated Duration:
4 to 8 months

Alternatives Evaluation & Analysis

- Existing conditions established as baseline.
- Alternatives developed to sufficient level of detail to evaluate and compare.
- Comparison results in selection of preferred alternative or "tentatively selected plan" for USACE / Sponsor support.

Anticipated Duration:
14 to 21 months

Selected Plan Development

- Draft Feasibility Study released tech / agency / public review.
- Tentatively Selected Plan (TSP) becomes Recommended Plan.
- Recommended Plan is further developed to improve certainty of implementation cost, project performance and benefits, and environmental impacts.

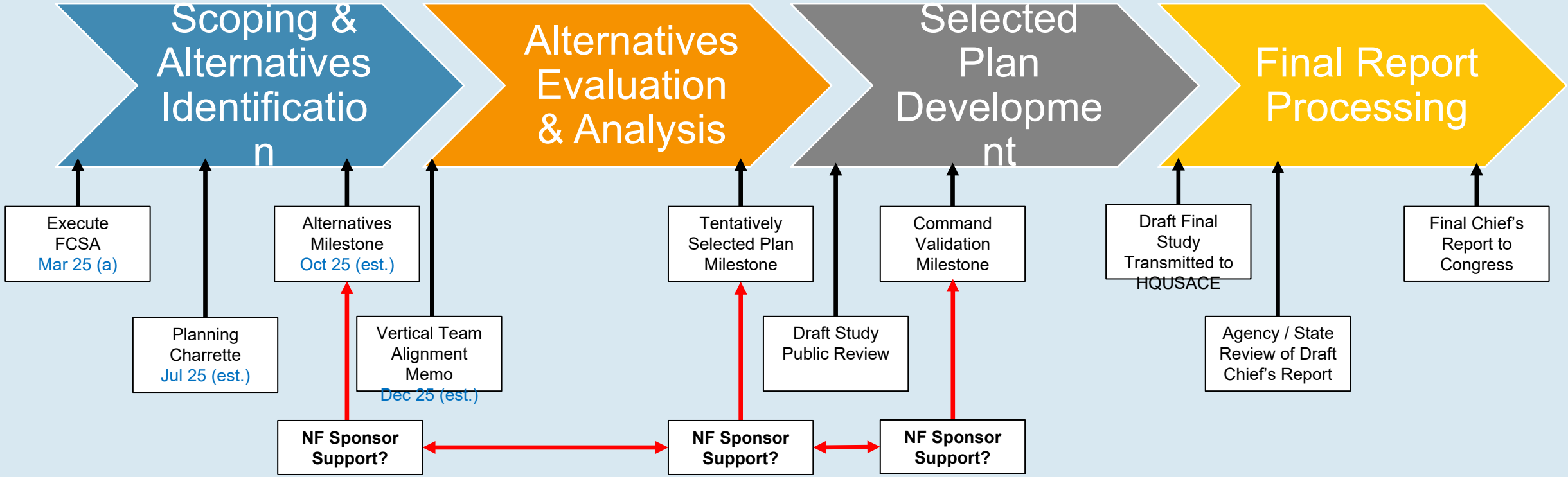
Anticipated Duration:
12 to 21 months

Final Report Processing

- Draft Final Feasibility Report transmitted to Washington DC for processing.
- Draft Chief of Engineer's Report developed for Agency / State review.
- Final Chief of Engineer's Report submitted to Congress for authorization.

Anticipated Duration:
6 to 10 months

USACE STUDY MILESTONES



PROGRESS & NEXT STEPS

- **Progress**:
  - Initial Federal funding received in FY 2024
  - Lytton Rancheria agreed to serve as joint non-Federal sponsor in February 2025
  - Local Agreement executed w/ Lytton Rancheria in March 2025
  - Feasibility Cost-Sharing Agreement (FCSA) executed in March 2025
- **Next Steps**:
  - Schedule Planning Charrette w/ USACE for June / July 2025
  - Advance scoping w/ USACE
    - Strong orientation toward new water storage including (and beyond) Coyote Valley Dam
    - Independent validation / expansion of technical work commissioned by IWPC
    - Define initial work product non-Federal sponsors can use to determine continued participation

E. NEXT STEPS: LIKELY COSTS, NEEDED ACTIONS, AND TIMING

WE ARE TRAVELING ALONG A PATH

- ✓Built a coalition to support continued diversion
- ✓Convinced PG&E to support the coalition's proposal
- ✓Obtained grants to plan and design a new diversion structure
- ✓Got DWR grant to study groundwater in Potter Valley
- ✓Negotiating a Water Diversion Agreement to confirm diversion plan
- ✓Starting a Federal study for Lake Mendocino raise and other storage
- ❑Prepare a CEQA document to support construction
- ❑Work on Lake Mendocino study
- ❑Explore other storage opportunities
- ❑Participate in FERC proceeding
- ❑Raise funds to ramp up activity

CATEGORIES OF INTERIM COSTS FOR IWPC

- IWPC/ERPA overhead costs
- Coyote Valley Dam Feasibility Study cost share
- Coyote Valley Dam Feasibility Study consultant costs
- Financing costs (consultant to pass an election; bonding costs)
- Support for existing grant from USBR
- Potter Valley groundwater assessment (capital, O&M, grant admin, consultant costs)
- Potter Valley Project transaction with PG&E
- Permitting and data collection
- Water Diversion Agreement process

	2025	2026	2027	2028	2029	2030	2029 – 2033 (5 Yr Tot.)	2034 – 2039
ACOE Feasibility Study								
ACOE NFS Cost Share	*0*	*342,000*	#######	#######	*750,000*	*250,000*		
Local Partner Consulting Costs	*120,000*	*210,000*	*210,000*	*210,000*	*210,000*	*180,000*	1,186,213	1,340,096
Assessment and Fundraising								
218 consultant	50,000	450,000	450,000					
Bonds for NERF Construction					150,000	250,000		
ds or Financing for Upstream Storage					125,000	200,000		

	2025	2026	2027	2028
Subtotal	785,000	1,792,000	2,360,000	1,910,000
Contingency	20%	35%	35%	35%
Total	**942,000**	**2,419,200**	**3,186,000**	**2,578,500**
Total Consultant/Legal	365,000	380,000	380,000	380,000

WDA & Other Stakeholder Process						
Consultant/legal support	150,000	150,000	175,000	200,000	988,511	1,116,746
Local partner costs	10,000	20,000	30,000	30,000	169,459	191,442
Subtotal	785,000	1,792,000	2,360,000	1,910,000	13,330,771	15,060,122
Contingency	20%	35%	35%	35%	45%	45%
Total	**942,000**	**2,419,200**	**3,186,000**	**2,578,500**	**19,329,617**	**21,837,178**
					Out Years estimates do not include any funds for construction of Coyote Valley Dam	
Total Consultant/Legal	365,000	380,000	380,000	380,000		

NEXT FEW STEPS

- IWPC needs to finish negotiations on the WDA
- IWPC and SWA need to negotiate water allocation and financial responsibility
- IWPC needs to engage with Lytton and USACE on Lake Mendocino Study
- IWPC member agencies need to review IWPC structure and ensure it is adequate for future needs
- ERPA needs to develop a staffing and funding model
- IWPC needs to develop a funding model
- We all need to be ambassadors to advance this effort and secure water for the region's future.

CLOSED SESSION

3e – handout provided by County

Updates from the Mendocino County
INLAND WATER & POWER COMMISSION

Securing Water for Our Region's Future

Background: Water Infrastructure Changes are Inevitable for Our Region

In 2019, PG&E announced its decision to decommission the Potter Valley Project (PVP), leading to significant infrastructure changes, including the removal of Scott Dam and Cape Horn Dam. This will change how water is managed and delivered throughout the Russian River watershed. The Mendocino County Inland Water and Power Commission (IWPC), in collaboration with regional stakeholders, has proactively sought solutions for this water supply transition through careful planning and strategic partnerships.

Protecting Our Access to Essential Water Supplies

For over 120 years, water diverted from the Eel River into the Russian River through the PVP has supported agriculture, businesses, families, and communities across Mendocino, Sonoma, and Marin counties. IWPC is taking deliberate steps to ensure that these vital water diversions can continue even after the removal of PG&E's PVP infrastructure.

Planning and Collaboration

IWPC, alongside stakeholders from environmental, tribal, government, and agricultural sectors, has been preparing for years to meet this moment. This multi-year collaboration has positioned our region to emerge from this transition with water security for future generations.

Recent Milestones and Momentum

Our region has achieved significant recent milestones as PG&E approaches the July 2025 deadline for submitting its license surrender application to the Federal Energy Regulatory Commission (FERC).

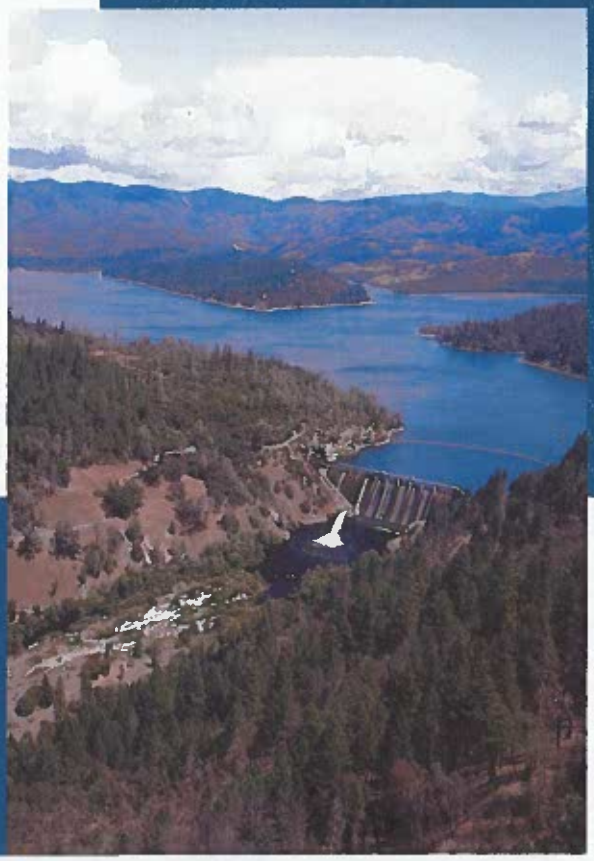
- **Creation of a JPA:** In 2023, the Eel-Russian Project Authority (ERPA) was created as a Joint Powers Authority between IWPC, the County of Sonoma, and Sonoma County Water Agency. This JPA will lead the design, development, and operation of the New Eel-Russian Facility.

- **Historic Water Rights Agreement:** In February 2025, a landmark Memorandum of Understanding (MOU) was announced, securing continued water diversions post-PVP. The MOU includes lease payments to the Round Valley Indian Tribes for water rights, and dedicated funding for environmental restoration in the Eel River. This 30-year agreement (with renewal options) was achieved through cooperation among IWPC, Sonoma County Water Agency, Humboldt County, Sonoma County, CalTrout, Trout Unlimited, the Round Valley Indian Tribes, and California Department of Fish and Wildlife.

- **Feasibility Study for Modernizing Coyote Valley Dam:** IWPC, in collaboration with the Lytton Rancheria Tribe and the U.S. Army Corps of Engineers, launched a comprehensive feasibility study in April 2025. The study will evaluate the modernization and potential raising of Coyote Valley Dam to improve water supply storage, reduce flood risks, and enhance habitat restoration, potentially unlocking significant federal infrastructure investment for our region.

Replacing PG&E's Old PVP Infrastructure

Water diversions must continue after the PG&E dams and infrastructure are removed, and that can be done through the New Eel-Russian Facility. Strategically designed with a mechanical pump station and fish-friendly structures, this new facility will responsibly divert water during wet periods to ensure reliability during dry seasons.

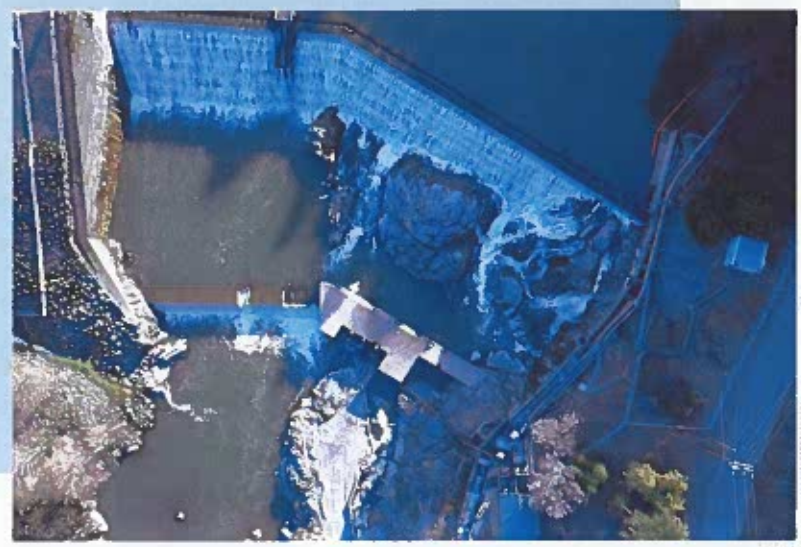


Embracing a Once-in-a-Generation Opportunity

The transition from outdated infrastructure represents an extraordinary opportunity to modernize and secure sustainable, resilient water management solutions for future generations. IWPC remains committed to collaborative, and durable approaches that align environmental, social, and economic interests.

Engaging and Informing Our Community

There are understandable community concerns about these significant changes. It is important to clarify that PG&E's decision to decommission the PVP was made due to prohibitive costs and liability risks associated with the aging dams. With their decision, the region was forced to come together and develop a new plan for managing water resources differently. IWPC is committed to providing accurate information and building community understanding about these changes as we move together toward a sustainable water future.



For additional information or to schedule a community meeting or presentation, please contact **IWPC@mendoiwpc.com**.

IWPC was formed as a joint powers authority to serve as stewards of the Russian and Eel River watersheds, safeguarding the water that plays such a vital role to the region's economic development, environmental quality, and general well-being. IWPC members include:

- *County of Mendocino*
- *City of Ukiah*
- *Redwood Valley County Water District*
- *Potter Valley Irrigation District*
- *Mendocino County Russian River Flood Control and Water Conservation Improvement District*

3e - narrow provided by county

Mendocino County IWPC Key Message Platform

Potter Valley Project & Regional Water Management Solutions for the Future

- **Changes are underway**: PG&E's decision in 2019 to decommission the Potter Valley Project (PVP), including the removal of Scott Dam and Cape Horn Dam, has set in motion a process that will include significant water infrastructure changes for our region. Leaders from IWPC and regional partners have been part of the multi-year effort to anticipate, plan for, and enact strategic changes to manage the water supply transition effectively.
- **We must protect our future by protecting our access to water supplies**: For over 120 years, water diversions from the Eel River into the Russian River have been essential for the growth and sustainability of agriculture, businesses, families, and communities across Mendocino, Sonoma, and Marin counties. IWPC is taking purposeful steps to ensure these critical water diversions continue in order to secure a reliable and sustainable water supply even after PG&E dismantles its project.
- **We are taking next steps after years of planning and evaluating options**: IWPC and stakeholders from the environmental, tribal, government, and agriculture sectors have been working together through analysis, negotiation, coordination, and collaboration, ensuring the region is prepared to respond to PG&E's decision. We have seen **major progress in recent months** as we approach PG&E's deadline to submit its final license surrender application to the Federal Energy Regulatory Commission (FERC) in July 2025.
    - There was an **historic MOU announced in February that establishes a framework for managing water resources** in a post-PVP world – it outlines lease payments to the Round Valley Indian Tribes for water usage, as well as funding for environmental restoration efforts on the Eel River. The agreement spans 30 years, with an option for renewal, and represents significant collaboration between Mendocino County IWPC, Sonoma County Water Agency, Humboldt County, Sonoma County, CalTrout, Trout Unlimited, the Round Valley Indian Tribes, and the California Department of Fish and Wildlife.
    - Additionally, IWPC recently announced the **launch of a comprehensive feasibility study** in collaboration with the Lytton Rancheria Tribe and U.S. Army Corps of Engineers to evaluate options to modernize Coyote Valley Dam. The study will evaluate water supply storage options in the Russian River watershed, including the potential to raise and modernize Coyote Valley Dam at Lake Mendocino. If successful, the study could lead to increased federal infrastructure investments in the watershed that increase storage, reduce flood risk, and improve habitat.
- **We must construct a modern infrastructure solution:** Established in 2023, the Eel-Russian Project Authority (ERPA) is a JPA that will lead the design, development and operation of the New Eel-Russian Facility (NERF). This facility, that includes a mechanical

pump station and fish-friendly structures, will take the place of the Potter Valley Project infrastructure and will responsibly divert water during wet periods to sustain dry-season needs.

- **These are once-in-a-generation changes:** Transitioning from outdated infrastructure represents a once-in-a-generation opportunity to modernize our systems and secure sustainable, long-term regional water management. IWPC will continue to work with stakeholders to pursue collaborative, balanced, affordable, and durable solutions.
- **We must educate the community**: Understandably, there are concerns and some misinformation circulating in the community. It is important to recognize that while many would prefer to keep the dams, that decision was made by PG&E years ago to take them down due to high costs and increasing liability – and they found no entity that could afford to take over responsibility for the outdated, at-risk infrastructure. We will continue to share more information with the community, to help increase understanding of what's happening, and how this will move our region towards a resilient, and more sustainable water future.