



COUNTY OF HUMBOLDT

For the meeting of: 3/12/2019

File #: 19-332

To: Board of Supervisors

From: Public Works

Agenda Section: Departmental

SUBJECT:

Potter Valley Project Update

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive an update on recent developments regarding the future of Pacific Gas & Electric's Potter Valley Project on the Eel River.

SOURCE OF FUNDING:

General Fund (1100 251 - Water Management)

DISCUSSION:

On June 5, 2018, the Board of Supervisors adopted Resolution No. 18-56 (Attachment 1) which expressed the County of Humboldt's position regarding the future of the Potter Valley Project on the Eel River. The Potter Valley Project is a hydropower facility, owned by Pacific Gas & Electric ("PG&E") in Mendocino County, that diverts water from the Eel River into the Russian River.

In January 2019, PG&E filed for bankruptcy and submitted a notice of withdrawal from the Federal Energy Regulatory Commission ("FERC") relicensing process for the Potter Valley Project. PG&E also halted the auctioning process for the facility which had been initiated in 2018. FERC is expected to initiate the "orphan project process" for the Potter Valley Project, although the timeframe for that process has not been determined.

In 2017, Congressman Jared Huffman convened an ad hoc committee with a large number of stakeholders to pursue a "Two-Basin Solution" (Attachment 2) for the Potter Valley Project that would encompass interests in both the Eel River and Russian River basins. The Huffman committee was intended to complement the formal FERC relicensing process and continues to facilitate stakeholder discussions in pursuit of a two-basin solution settlement agreement.

Supervisor Fennell and Craig Tucker, water resources consultant for Public Works, have been coordinating with communities along the lower Eel River to provide updates and receive input to help

inform Humboldt County's approach to settlement discussions. Mr. Tucker will provide an update to the Board of Supervisors on recent developments.

FINANCIAL IMPACT:

Today's recommendation will not impact the Humboldt County General Fund. Funds to support involvement with the Potter Valley Project re-licensing process and settlement discussions have been incorporated into the fiscal year 2018-2019 budget.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing community-appropriate levels of service and creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

Many federal, state, and local agencies and tribal governments.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

N/A

ATTACHMENTS:

- 1 Resolution No. 18-56
- 2 Proposed Goals and Principles for a Two-Basin Solution (August 1, 2018)

PREVIOUS ACTION/REFERRAL:

Board Order No.: H-1
Meeting of: June 5, 2018
File No.: N/A