

JOHN GARAMENDI
CALIFORNIA, 3RD DISTRICT

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UNITED STATES CONGRESS

2368 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
PHONE: (202) 225-1880

DISTRICT OFFICES:

412 G STREET
DAVIS, CA 95616
PHONE: (530) 753-5301

1261 TRAVIS BOULEVARD, SUITE 180
FAIRFIELD, CA 94533
PHONE: (707) 438-1822

October 16, 2020

Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: Potter Valley Project (Project No. 77-298)

Dear Chairman Chatterjee and Commissioners Glick and Danly:

I submit this letter as my disagreement with the proposed integrated relicensing process for the Potter Valley Project, which includes the Scott Dam forming Lake Pillsbury reservoir in my Congressional district.

As noted in the feasibility study report filed with FERC on May 13, 2020, the following “notice of intent” parties seek to establish a new regional entity under California state law to take over the Potter Valley Project from the Pacific Gas and Electric Company (PG&E): Mendocino County Inland Water Agency and Power Commission; Sonoma County Water Agency; California Trout, Inc. (CalTrout); Humboldt County; and the Round Valley Indian Tribes.¹ Conspicuously missing from this list of parties is Lake County, home to both the Scott Dam and Lake Pillsbury reservoir.

Residents of Lake County, including those who have owned homes and other property around Lake Pillsbury reservoir for decades, are not represented by the parties who prepared the feasibility study report, which purports to pursue a “two-basin solution” for the future of the Potter Valley Project. Even more troubling, the proposed new regional entity to assume control of the Potter Valley Project appears on track to also not include Lake County.

In November 2019, Lake County formally requested to join the “notice of intent” parties, only to be rejected. Apparently, the “notice of intent” parties’ standing rules require approval of all current members before another party may join. CalTrout—a nongovernmental organization that will likely have no official role in the future governance of the Potter Valley Project under the to-be established

regional entity—voted to block Lake County from joining its peer county governments (Mendocino, Sonoma, and Humboldt) as a “notice of intent” party. This is not acceptable.

Any serious planning effort for the future of the Scott Dam and Lake Pillsbury reservoir simply must include Lake County. Lake Pillsbury residents and the Lake County Board of Supervisors have told me, repeatedly, that they have been excluded from this process over the past several years. Proceeding with an integrated relicensing process that intentionally excludes the very people living in the area most affected by the proposed project changes—the draining of Lake Pillsbury reservoir—is both deeply unfair and disrespectful of the FERC process.

Lake Pillsbury reservoir has been a feature of Lake County since 1922 and provides essential firefighting capacity for one of the most fire-prone regions in California and, indeed, the nation. The California Department of Forestry and Fire Protection (CalFire) has made extensive use of Lake Pillsbury reservoir for firefighting, most notably during the devastating Mendocino Complex Fire in 2018, and again during this year’s ongoing fire season.

At this time, I strongly oppose draining Lake Pillsbury reservoir because I believe the parties have intentionally overlooked better alternatives. A 2018 study prepared for the Sonoma County Water Agency—one of the parties seeking to remove the Scott Dam—found that providing volitional fish passage both upstream and downstream of the Scott *and* Cape Horne Dams would cost less than \$64 million.ⁱⁱ By contrast, decommissioning the Scott Dam, removing or otherwise mitigating 12 million cubic yards of sediment stored within Lake Pillsbury reservoir, and other proposed project changes are estimated to cost upwards of \$400 million, according to the parties’ feasibility study report.ⁱⁱⁱ These critical issues are not addressed by the initial study report filed with FERC on September 15, 2020.

During the September 29, 2020, public meeting on the initial study report prepared by the parties, it was summarily announced that the technical studies (AQ 7) and future planning documents for the integrated relicensing process would no longer include an assessment of fish passage improvements at Scott Dam other than removal of the dam. How can FERC or the parties accurately assess the impact of the proposed removal of Scott Dam on federally protected fish species without considering those benefits, if any, relative to other potential fish passage improvements at the dam?

A 2015 University of California, Davis study prepared for the Mendocino County Russian River Flood Control and Water Conservation Improvement District—again a member agency of one of the parties (Mendocino County) seeking to remove Scott Dam—found that the water supply reliability in the Russian River basin and Lake Mendocino reservoir formed by the Coyote Valley Dam remain heavily dependent on diversions from the Eel River via the Potter Valley Project and the “reliability of the [Lake Mendocino] reservoir could be seriously compromised without it [*sic*].”^{iv} Until further study is completed, it is only logical to assume that removing the Scott Dam to drain Lake Pillsbury reservoir—thereby reducing water storage capacity upstream of the Potter Valley Project’s diversion at the Lake Van Arsdale reservoir formed by the Cape Horn Dam—could have serious water supply reliability consequences for diversion-dependent communities, especially during dry months or prolonged drought.

Furthermore, I am very concerned that FERC’s scoping document #3 published on July 28, 2020, failed to consider the significant impact of the proposed draining of Lake Pillsbury reservoir on private landowners, stating erroneously that “Except for Westshore Camp, all private recreation facilities in the vicinity of Lake Pillsbury are located on Forest Service lands.”^v This inaccurate and uninformed claim was noted by the Lake Pillsbury Alliance’s comment on scoping document #3 submitted on August 27, 2020, which detailed more than 1,325 acres of privately owned land not owned by PG&E within the 3,515-acre project boundary.^{vi} Some 450 homeowners would suffer severe property value loss and other damages if Lake Pillsbury reservoir were to be drained, as proposed by the parties. This is in addition to the dozens of property owners operating under special use permits with the U.S. Forest Service around Lake Pillsbury.

I appreciate that FERC is not required to give equal weight or consideration to every potential impact of a proposed project change in the relicensing process. However, Congress has long mandated that FERC weigh heavily the impacts of any proposed change on adjacent private landowners. Scoping document #3 failed to do that for over a third of the acreage within the project boundary. This glaring error calls into serious question the veracity of FERC’s integrated relicensing process for this project, to date.

Lastly, I appreciate the “notice of intent” parties’ interest in restoring the Eel River ecosystem, including fish passage for federally protected species. As the former Deputy Secretary of the Interior during the Clinton Administration, I have a lengthy track record of championing watershed restoration projects, including dam removals where appropriate. However, seeking to simply rewind the clock and

revert a now heavily developed and interdependent water system to pre-20th century natural conditions which no longer exist does not make sense in this case.

At a minimum, further independent study is needed to justify that the benefits of removing the Scott Dam outweigh the substantial costs, rather than just assuming this to be the case as the parties' FERC filings do. Moreover, I remain deeply concerned about the loss of critical firefighting capacity if Lake Pillsbury reservoir were to be drained, as proposed by the parties.

I hope that FERC will force the parties to prove their case during the integrated relicensing process. In addition, I expect FERC to give Lake County and Lake Pillsbury residents a full and equal seat at the table during this process. The people most affected by the proposed changes to the Potter Valley Project and Lake Pillsbury reservoir deserving nothing less.

In the meantime, I stand ready to help secure federal funding to improve fish passage at the Scott Dam and reservoir operations at Lake Pillsbury Reservoir. Thank you for considering my views and those of my constituents in Lake County.

Sincerely,



JOHN GARAMENDI
Member of Congress

ⁱ NOI Parties, “Feasibility Study Report for the Potter Valley Project” (May 13, 2020), page 3: <https://www.twobasinsolution.org/wp/wp-content/uploads/Feasibility-Study-05-13-2020.pdf>

ⁱⁱ McMillen Jacobs Associates, “Potter Valley Project Capital Modifications Feasibility Study (Final) Report” (July 2018), page 22: <https://pottervalleyproject.org/wp-content/uploads/2018/08/MJ-Potter-Valley-Project-2018-08.pdf>

ⁱⁱⁱ NOI Parties, “Feasibility Study Report for the Potter Valley Project” (May 13, 2020), page 20: <https://www.twobasinsolution.org/wp/wp-content/uploads/Feasibility-Study-05-13-2020.pdf>

^{iv} Jordán and Solís, “Russian River Integrated Water Management: Preliminary Results For Raising Coyote Valley Dam” (October 19, 2015), page 21: <https://mendoiwpc.com/wp-content/uploads/2019/12/Russian-River-Integrated-Water-Management-Preliminary-Results-for-Raising-Coyote-Valley-Dam.pdf>

^v Federal Energy Regulatory Commission, “Scoping Document 3 for the Potter Valley Project” (July 28, 2020), page 11.

^{vi} Lake Pillsbury Alliance, “Comment of Lake Pillsbury Alliance under P-77, et. al.” (August 27, 2020): https://elibrary.ferc.gov/eLibrary/docinfo?document_id=14886641