

Inland Water & Power Commission

P.O. Box 1247 • Ukiah, CA 95482

Phone (707) 391-7574 • Email: iwpc@mendoiwpc.com

AGENDA
Regular Meeting

Date: July 11, 2019 Thursday
Time: 6:00 p.m.
Place: Conference Room 5
City of Ukiah Civic Center Annex
411 West Clay
Ukiah, CA 95482

(All items are considered action items unless otherwise noted)

1. Roll Call
2. Public Expression - See end of agenda for information on public expression
3. Minutes
 - a. Approval/Correction of minutes of the meetings of June 13 & 25, 2019
4. Consent Calendar
 - a. Approve expenses on billing statements for June 2019
 - b. Update on financial accounts
5. Commissioner Reports — Reports by Commissioners on meetings attended or actions taken by their agencies as well as informational items, including:
 - a. Report from the Upper Russian River Stewardship Alliance regarding frost water use
 - b. Eel/Russian River Commission meeting update
 - c. North Coast Quagga/Zebra Mussel Prevention Consortium update
 - d. Update regarding actions and discussion of the state water bond issues
 - e. Report on Upper Russian River Water Agency JPA
 - f. Report on the Upper Russian River Water Manager's meeting
 - g. Discussion of ground water rights & Sustainable Groundwater Mgmt. Act (SGMA)
 - h. Update on the City of Ukiah recycled water purple pipe project
 - i. Discussion of SB88 in regard to measurement requirements for water diverters
 - j. Russian River Confluence project update
 - k. CalCannabis regulation update and related issues
6. Potter Valley Project
 - a. Status report and discussion of the FERC Orphan Project Process for the Potter Valley Project
 - b. Update on current Lake Pillsbury releases to the Eel & Russian rivers and related issues
 - c. Update on the Sandoval Study
7. Update on the IWPC Communication Program and Website

8. U.S. Army Corps of Engineers Feasibility Study on Coyote Dam – Update on Corps’ activities and input from Participating Members
 - a. Report on Lake Mendocino water levels and conditions at Coyote Valley Dam
 - b. Update on Feasibility Study & meetings with the Corps of Engineers
 - c. Discussion of researching grant funding for the Feasibility Study match
 - d. Progress on Congressman Huffman’s ‘Forecast Informed Reservoir Operation’s bill
9. NMFS Listing of the Coho Salmon and Steelhead as Threatened
 - a. Executive Committee and/or Public Policy Facilitating Committee Reports
 - b. Biological Opinion Implementation Update
 - c. Discussion of NOAA’s Habitat Blueprint Plan and designation of the Russian River as the first national Focus Area
10. Discussions and reports of additional water supply sources and storage sites
11. State Water Resources Control Board - Updates on various activities from the SWRCB
 - a. AB2121
 - b. D1610
12. CLOSED SESSION: Conference with Real Property Negotiators (Gov’t Code §54956.8)
Property: PG&E Potter Valley Project
Agency Negotiators: Janet Pauli & David Aladjem
Negotiating Parties: IWPC and FERC
Under Negotiation: Price and Terms
13. Adjournment

PUBLIC EXPRESSION

The Commission welcomes participation in their meetings. Comments shall be limited so that everyone may be heard. This item is limited to matters under the jurisdiction of the Commission which are not on the posted agenda and items which have not already been considered by the Commission. The Commission limits testimony on matters not on the agenda to three (3) minutes per person. No action will be taken. Individuals wishing to address the Commission under Public Expression are welcome to do so throughout the meeting day. To best facilitate these items, please notify either the Chairman of the Commission or the Secretary of the Commission.

CLOSED SESSION

If agendized, the Commission may adjourn to a closed session to consider litigation, personnel matters, or real estate negotiations. Discussion of real estate negotiations may be held in closed session - Authority: Government Code Section 54956.8. Discussion of litigation or pending litigation may be held in closed session -- Authority: Government Code Section 54956.9. Discussion of personnel matters may be held in closed session -- Authority: Government Code Section 54957.

ADDITION TO THE AGENDA

(If any) in accordance with Section 54954.2 (b)(2) of the Government Code (Brown Act) Two-thirds Vote Required for Action Items. (Upon determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, unanimous vote of those members present, that the need to take action arose after the Agenda was posted.)

Mendocino County

Inland Water & Power Commission

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draft

MINUTES

Regular Meeting

June 13, 2019

The meeting was called to order at 6:00 p.m. in Conference Room 5, located in the City of Ukiah Civic Center Annex, 411 West Clay, Ukiah, CA by Chair Janet Pauli.

The following Commissioners were present:

Janet Pauli--Chair (Potter Valley Irrigation District)
John Reardan—Vice-Chair (Russian River Flood Control District)
Carre Brown— Commissioner (Mendocino County Water Agency)
Marvin Talso—Commissioner (Redwood Valley County Water District)
Juan Orozco--Commissioner (City of Ukiah)

The following individuals were present:

Christian Curtis—County Counsel
Beth Salomone—RRFCD Manager
Sean White—City of Ukiah staff
Devon Jones—MCFB General Manager
James Green-- Public member Deerwood
Guinness McFadden—Alternate PVID
Matt Froneberger—Alternate RRFCD

Public Expression

Chair Pauli explained that anything not currently on the agenda may be discussed at this time, however no action could be taken. She further advised that comments would be welcome throughout the meeting.

Potter Valley Project

a. Status report and discussion of the FERC Orphan Project process for the PVP—Chair Pauli called David Aladjem who spoke to the group by phone. Aladjem reported that the Planning Agreement was signed on May 14 by Cal Trout, Sonoma Water and Inland Water and Power. At the May 17 Huffman Ad Hoc meeting there was concern expressed about the Planning Agreement (PA) and whether it had departed from the principles that the Ad Hoc had adopted. Aladjem believes that we are all talking about the same thing including interest-based negotiations where you try to solve problems rather than taking certain positions. There was a general agreement that all alternatives are to be considered including keeping the project just as it is, taking Scott Dam down, building new facilities, economic feasibility, scientific evaluations and other considerations. Congressman Huffman asked that there be changes to the PA including the revision of the goals and principles to conform to the charter of the Huffman process and the coalition agreed to do so. The document is now known as the Amended Planning Agreement (APA). The Ad Hoc charter has been put in as an addendum as follows:

- Co-equal goals: Improve fish passage and habitat on the Eel River sufficient to support recovery of naturally reproducing, self-sustaining and harvestable native anadromous fish populations including migratory access upstream and downstream at current project dam locations; and Minimize or avoid adverse impacts to water supply reliability, fisheries, water quality and recreation in the Russian River and Eel River basins
- Other goals: Respect tribal rights and their traditional connections to aquatic life, water and cultural resources in both basins, Minimize and mitigate adverse impacts to Lake County, including Lake Pillsbury businesses and residents, Ensure accountable governance and financially viable operations, including addressing potential liabilities, Jointly pursue public funding based on environmental and water supply benefits, Ensure that implementation of fish passage improvements in the Eel River basin happens in parallel and ideally simultaneously with water supply solutions in the Russian River basin

Because of the changes made by the Ad Hoc group, Pauli wanted to bring it to the Commissioners for discussion as they had approved the previous version of the PA.

Motion by Commissioner Carre Brown, seconded by Talso to approve the Amended Planning Agreement and authorize Chair Pauli to sign same. The motion was unanimously approved.

The second point was regarding future members to the APA. A request from Humboldt County has come forward. Round Valley Tribe and Trout Unlimited may be interested in the future. Congressman Huffman is interested in seeing more of the stakeholders being part of the group. Chair Pauli mentioned that this would also help with future funding of the project. Humboldt County Supervisors are expected to approve spending \$100,000 towards participation in the coalition on June 25 and to sign the APA if they are allowed in. They are being required to be open to all options in these discussions and not to hold firm to one alternative. Humboldt would like to be one of the original signatories of the Amended PA and they would want to have a seat at the table with the other agencies. The fact that they would be a member on the Eel adds clout to the coalition though Mendocino County is both on the Russian and Eel Rivers. Chair Pauli is asking that the Commissioners authorize the Chair to execute future amendments to the APA to add additional parties that are willing to work towards a two-basin agreement and agree to the terms of the APA.

Motion by Commissioner Talso, seconded by Reardan to authorize the Chair to execute future amendments to the APA to add additional parties that are willing to work towards a two-basin agreement and agree to the terms of the APA. The motion was unanimously approved.

The second issue of discussion is regarding the proposed Notice of Intent (NOI). Aladjem reported that Mike Swiger is an attorney and works for Sonoma Water as FERC counsel in Washington D.C. He is an expert on FERC and has drafted the first version of the NOI. All parties have been working on the draft to have an approved version that can go to Congressman Huffman's Ad Hoc meeting on Monday, where the members can make comment that will be taken into consideration by the coalition. The purpose of the NOI is to notify FERC by July 1st

that we want to pursue the process of licensing the PVP. It is a legal document that will tell FERC who is pursuing the licensing, what we are trying to do, who are all the people who are interested in the process and how we are going to technically do it. One of the things FERC is interested in is whether the licensee has the technical, managerial and financial ability to operate this project. None of the current coalition members want to run the project, so a new regional entity would need to be created by special State legislation. We have nine months to determine what that entity would be, how it would be formed, who would be part of the entity and how it would be funded.

Chair Pauli stated that Congressman Huffman seems to be very positive regarding this coalition moving forward in the relicensing process. It is obvious that the entities cannot come in and do exactly what PG&E was doing with the PVP relicensing, but the group will develop a project plan, do studies and develop a plan for a 21st century power plant. Since it is different from what FERC had worked with before, the goal is to make them feel comfortable with what is in the NOI.

IWPC will schedule a Special Meeting on Tuesday, June 25 to receive a status update and the NOI after the Ad Hoc meeting. The NOI is going to be a public document as of Thursday June 14 and counsel will contact Humboldt's county counsel to give them time to comment on the document.

Minutes

On a motion by Vice-Chair Reardan, seconded by Carre Brown, the minutes of the meetings of April 23, May 9 & 17, 2019 were unanimously approved with the following changes to the May 9th minutes: Quagga mussel report to read 'grant funding was applied for to develop an Operational Plan for Lakes Mendocino and Sonoma' and make change to the spelling of Froneberger.

Consent Calendar

On a motion by Commissioner Carre Brown, seconded by Reardan, the consent calendar items for May 2019 were unanimously approved

Commissioner Reports

- a. Report from the Upper Russian River Stewardship Alliance regarding frost water use—Riparian water use and frost reporting is due by July 1st.
- b. Eel/Russian River Commission meeting update—The May meeting was cancelled and the next one will be at the end of August in Ukiah.
- c. North Coast Quagga/Zebra Mussel Prevention Consortium update—Commissioner Carre Brown reported that County will be receiving a letter requiring the County to develop a plan on Mill Creek and they will then have 30 days to respond and start a program.
- d. Update regarding actions and discussion of the state water bond issues—No report.

e. Report on the Upper Russian River Water Agency JPA— Salomone attended the June 5th meeting. The JPA is hiring a consultant to advise them on the best way to move forward.

f. Report on Upper Russian River Water Manager's meeting—Commissioner Carre Brown reported that the main discussion item was on the current PVP process

g. Discussion of ground water rights & Sustainable Groundwater Mgmt Act (SGMA)—White reported that the consultants walked everyone through a status update on where they are with the model and what other funding opportunities are available. They are trying to place all of the monitoring wells on public lands so there won't be issues with change in ownership. Even though they will be getting grant funding to install the equipment, they will need additional funds to maintain them and process the data.

h. City of Ukiah purple pipe recycled water program—White reported that there are only a few customers left to be hooked up to the purple pipe system. The City has permission now to store recycled water.

i. Discussion of SB88 (measurement requirements for water diverters)—No report.

j. Russian River Confluence project update—No report.

k. CalCannabis regulation and related issues—No report.

Potter Valley Project

a. Status report and discussion of the FERC Orphan Project process for the PVP—Discussed above.

b. Update on current Lake Pillsbury releases to the Eel & Russian rivers—Chair Pauli reported that based on water flows, we are still in a normal water year.

c. Sam Sandoval Study—Chair Pauli reported that Sandoval is working with Sonoma Water. They are looking at ways they may be able to coordinate some of the modeling efforts between what Sandoval and the Ad Hoc are doing and compare that data.

Update on the IWPC Communication Program

a. Website—No report.

U.S. Army Corps of Engineers Feasibility Study on Coyote Dam

a. Report on Lake Mendocino water levels and conditions at Coyote Valley Dam—The Lake is full but the conditions at the campgrounds and docks are very poor due to lack of Corps staffing.

- b. Discussion of Feasibility Study (FS)—No report.
- c. Discussion of grant funding for the FS—No report.
- d. Progress on Huffman’s Forecast Informed Reservoir Operations bill—No report.

NMFS Listing of the Coho Salmon and Steelhead as Threatened

- a. Executive Committee and/or Public Policy Facilitating Committee Reports— No report.
- b. Biological Opinion Implementation Update—No report.
- c. Discussion of NOAA’s Habitat Blueprint Plan and designation of the Russian River as the first National Focus Area—No report.

Discussions and Reports of Additional Water Supply Sources and Storage Sites

No report.

State Water Resources Control Board Items

AB2121—No report.

D1610—No report.

Carre Brown, Jones and White reported on the North Coast Regional Water Quality Control Board’s pathogens meeting on TMDLs. (A TMDL establishes the maximum amount of a pollutant allowed in a waterbody and serves as the starting point or planning tool for restoring water quality).

The meeting was adjourned at 7:43.

Candace Horsley
IWPC staff

Mendocino County

Inland Water & Power Commission

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draft

MINUTES

Special Meeting

June 25, 2019

The meeting was called to order at 6:00 p.m. in Conference Room 5, located in the City of Ukiah Civic Center Annex, 411 West Clay, Ukiah, CA by Chair Janet Pauli.

The following Commissioners were present:

Janet Pauli—Chair (Potter Valley Irrigation District)
John Reardan—Vice-Chair (Russian River Flood Control District)
Jim Brown—Alternate Commissioner (City of Ukiah)
Carre Brown—Commissioner (County Water Agency)
Marvin Talso--Commissioner (Redwood Valley County Water District)

The following individuals were present:

Kit Elliott—County Counsel
Matthew Froneberger—Alternate RRFCD
Sean White—City of Ukiah staff
James Green—Public member Deerwood
Granville Pool—Alternate RVCWD
John McCowen—Alternate County Water Agency
David Rapport—City Attorney
Jessie Davis—Public member Potter Valley
Kyle Farmer—Public member Potter Valley

Public Expression

Chair Pauli explained that anything not currently on the agenda may be discussed at this time, however no action could be taken. She further advised that comments would be welcome throughout the meeting.

Pauli read a letter brought in by Commissioner Carre Brown. NMFS has requested FERC to allow access to Lake Pillsbury by the CA Coastal Commission to sample lake sediment for further study as PG&E has been blocking their entry.

Status update of the Amended Planning Agreement (APA) for the PVP—David Aladjem joined the meeting by phone. Chair Pauli reported that the APA has been fully executed between the four partners IWPC, Sonoma Water, Cal Trout and Humboldt County. Other parties that have expressed potential interest are Round Valley Tribes, Trout Unlimited and Lake County. They all understand the very strict timelines the NOI Parties are under as stipulated by FERC.

Discussion and approval of Draft Notice of Intent to FERC for the PVP relicensing—Chair Pauli reported that one change to the document from the previous version is on page 3, paragraph 3, to the last sentence which originally said “and will ensure the restoration of viable, anadromous fisheries in both river basins including the option of volitional passage”. There was some concern about inadvertently eliminating potential passage options, so the language after ‘river basins’ was deleted. Aladjem explained that there was a lot of support for how the coalition is moving forward by Congressman Huffman and his Ad Hoc Committee. However, since there was some controversy about the ending to the sentence mentioned above, Huffman suggested putting a period after ‘river basins’ and everyone agree to that.

Aladjem continued to discuss various aspects of the draft NOI:

There is a long list of public agencies and tribes in the document. FERC essentially has a format for these types of filings, and by adding all of these groups, this will ensure that anyone that is potentially interested in this process will be noticed.

Under Section III there are a number of waivers listed:

1. When PG&E dropped the PVP relicensing process, FERC was put in uncharted waters as they have not had to deal with this situation before. The NOI parties are asking for a waiver on the requirement to list just one license applicant for the project as they are trying to form a regional entity that will be the operational applicant, but it doesn’t exist as yet. The four NOI Parties technically cannot apply as they are not going to operate the facility.
2. Due to the condensed schedule, NOI Parties are also requesting a waiver of the requirement to file a preliminary licensing proposal or draft license application. Usually a draft proposal is filed which everyone comments on and then the final is filed. Where PG&E had five years to complete a preliminary licensing proposal through to the final, we only have two years to complete the entire process.
3. The NOI Parties further requested the ability to file any other waivers of the Commission’s regulations to the extent necessary to implement the process envisioned in the NOI. This was included due to the stringent timeline we are on.

Request for extension of time—usually an applicant is expected to file a license application two years before the license is up to allow FERC plenty of time to do all of their due diligence. That would mean we would have to submit a final license application by April 2020 which just isn’t possible. We are asking for an extension to the very last day of the current license April 14, 2022, which means FERC would then issue an interim license on an annual basis until the license application is processed.

Motion by Commissioner Carre Brown, seconded by Talso to authorize Chair Pauli to sign the NOI on behalf of IWPC and also to authorize her to approve minor modifications that may occur to the document over the next few days. The motion was unanimously approved.

The process moving forward: Aladjem discussed the next steps of the process. The first piece is to determine what additional entities will be participating and how that would work. Overtures from Round Valley Tribes, Trout Unlimited, Lake County have been put forth and a number of other organizations may be interested in joining the process. We want to ensure that everybody knows what is going on and has a say without bogging down the speed of the process as the Feasibility Study will need to be completed in nine months.

Secondly, how do we deal with the really difficult questions regarding the project and where there are substantial differences of opinion, such as how do we deal with Scott Dam? We need to figure out how to have these conversations, what the ground rules should be, and what information each of us will bring to the table. The discussions need to be based on fact and science.

Other items moving forward include funding, how to manage these funds, and who to retain as consultants. Chair Pauli mentioned that within 60 days we should hear from FERC as to whether they will approve us moving forward in the process, but we cannot hold back and wait for that decision due to the short timeframes we are under. We also don't know if there are any other entities that will also be applying for the license. The biggest asset of the project will be the water.

The meeting was adjourned at 6:45 pm.

Candace Horsley
IWPC staff

IWPC Financial Accounts
July 2019

Savings Bank: IWPC account (Quarterly statements)	\$ 867	As of 7/8/19
Savings Bank: Corps account (Monthly statements)	\$ 620	As of 7/8/19
Mendocino County Auditor's Office	\$ 224,388	As of 5/2019*

*Included in total is \$26,000 to complete Sandoval study and \$30,512 (after July payments) out of \$119,612 designated for Downey Brand.

2019/20 dues and \$50,000 for PVP pd: County, RRFCD and RVCWD

MENDOCINO COUNTY INLAND WATER AND POWER COMMISSION

Billing Statement

June 2019

1. Staff Charges:

<u>Date</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Amount</u>
6/13	Meeting	2.00	\$18.00	\$ 36.00
6/25	Agenda & special meeting	1.50	\$18.00	\$ 27.00
6/28	Minutes—2 sets	1.75	\$18.00	\$ 31.50
7/3	Accounting	1.00	\$18.00	\$ 18.00
7/6	Agenda packet	1.00	\$18.00	<u>\$ 18.00</u>
	Subtotal			\$130.50

2. Miscellaneous:

Downey Brand billing for May 2019	\$ 18,269.10
Tom Johnson billing for June 2019	\$ 1,300.00
Go West webmaster quarterly billing	<u>\$ 360.00</u>
Subtotal	\$ 19,929.10

TOTAL **\$20,059.60**