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Historic Agreement Secures Water Future for Both Eel and Russian River Basins

(February 11, 2025 – Potter Valley, CA) The Mendocino County Inland Water and Power Commission (MCIWPC) is pleased to announce a significant milestone in securing our region’s water future. Through dedicated collaboration and ongoing coordination among stakeholders, we have reached a landmark agreement that lays the foundation for continued water diversions into the Russian River following PG&E’s decommissioning of the Potter Valley Project (PVP). This agreement includes provisions for 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 a 20-year renewal.

In 2019, PG&E announced its decision to discontinue operations of the Potter Valley Project and initiated the decommissioning process with the Federal Energy Regulatory Commission (FERC). This decision presented a significant challenge to the communities of Mendocino and Sonoma counties that rely on water diverted through the project’s infrastructure. Since that announcement, water users, environmental groups, tribes, and government agencies have worked together for years to craft a long-term solution that will ensure continued water diversions while also restoring the Eel River ecosystem.

This week, a Memorandum of Understanding (MOU) was announced between the agencies reliant on Russian River water, the Round Valley Indian Tribes, and key stakeholders. The MOU establishes a framework for managing water resources across the region. This achievement is the result of extensive negotiations involving MCIWPC, Sonoma County Water Agency, Humboldt County, Sonoma County, CalTrout, Trout Unlimited, the Round Valley Indian Tribes, and the California Department of Fish and Wildlife.

“We are pleased to have reached this milestone after years of collaboration and challenging negotiations,” said Janet Pauli. “For nearly 120 years, water has been diverted from the Eel River into the Russian River—this water supply has supported agriculture, businesses, schools, and communities. To sustain this region, we must secure a reliable and sustainable water source even after PG&E dismantles its project, and this MOU provides the foundation for that future.”

Congressman Jared Huffman has been instrumental in bringing stakeholders together and fostering cooperation in planning for a post-Potter Valley Project future. He has long advocated for a “two-basin solution,” which means protecting the future for both the Eel River and Russian River basins. Additionally, Chuck Bonham, Director of the CA Department of Fish and Wildlife, provided key leadership in guiding stakeholders toward this agreement. Under the MOU, water diversions will continue through a “New Eel-Russian Facility” (NERF) and the Round Valley Indian Tribes will coordinate resources and partner with environmental groups to oversee restoration efforts.

The Eel-Russian Project Authority (ERPA) is the newly established joint powers authority responsible for planning, operations and governance of the NERF facility. ERPA is conducting planning and engineering studies now with grant support from both state and federal agencies. Construction and operation of the NERF as PVP infrastructure is dismantled will ensure that the decommissioning process balances environmental, social, and economic priorities.

“The Round Valley Indian Tribes have been true partners in assessing the history and impact of the Potter Valley Project on local resources, while working collaboratively to shape a plan for our shared future that benefits the entire region,” said Pauli. “We are grateful for their commitment, as well as the support from the state and federal levels as we look ahead at replacing century-old PVP infrastructure with modern facilities and water governance systems. This infrastructure evolution will enable continued diversions, which are critical for the homes, businesses, and communities throughout Mendocino and Sonoma counties that depend on the Russian River water basin.”

The PG&E decommissioning process is progressing, with the NERF facility included in PG&E’s draft application to FERC as a “non-project use of project lands”. PG&E’s Draft Plan is currently in a 30-day public comment period with their final plan due to FERC in July, after which FERC will open a public comment period and fully consider PG&E’s plan before providing approval for implementation.

“PG&E is a key partner in this process, and we appreciate their diligence in recognizing what is at stake,” Pauli added. “Their collaboration with ERPA and commitment to incorporating the New Eel-Russian Facility into their application is essential for safeguarding our future.”

The decommissioning plans and NERF facility will undergo full environmental review and impacts analysis in the coming years.

“There is still much work ahead, but this MOU marks a major step forward. It represents meaningful regional cooperation and outlines a sustainable, equitable plan to preserve our water supply while protecting the environment,” said Pauli.

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