

Folks--

The following communication is from the Sonoma County Water Coalition. They are asking for member approvals on a position statement regarding the Sonoma County Water Agency's Restructured Agreement for Water Supply. The position statement is attached and pasted below.

This new agreement affects us all, not just the SCWA contractors, because it includes a requirement that all contractors obtain a large proportion of their future water supply from "local sources," specifically conservation, recycled waste water, and "other," which of course means groundwater.

The position statement concerns objections to the SCWA's intent to purchase the Potter Valley power plant from PG&E, stated in the Restructured Agreement. The Potter Valley plant is a small, now obsolete, hydropower project, which obtains water flows for generating power by diverting water in the upper reach of the Eel River to the East Fork of the Russian River, with storage at Van Arsdale dam and reservoir.

Please read and be ready to discuss this at the September SWiG meeting.

Thanks,

Jane

Attached and pasted below is draft letter from the Sonoma County Water Coalition to each of the Sonoma County Water Agency contractors. The letter requests the contractors not to authorize the purchase of the Potter Valley Project in the event that PG&E decides to sell.

Please email confirmation that your organization would be willing to approve this draft.

To approve this draft we need at least ten Water Coalition organizations to vote (one-third) and that at least half of these vote to approve the draft. Organizations will not be listed on our letterhead unless approval is unanimous or close to unanimous.

Please contact David Keller or myself if you need more information.

Thank you.

Stephen

To: Directors of (SCWA Contractors in Sonoma County) participating in the Restructured Agreement for Water Supply ("Agreement") from the Sonoma County Water Agency ("SCWA")

Re: Rejection of directive to purchase the Potter Valley Project ("PVP") as a condition of the draft Agreement

Dear Board Members:

The Sonoma County Water Coalition includes 29 organizations representing more than 25,000 concerned citizens. We urge you to delete all provisions in the draft Restructured Agreement for Water Supply that call for purchase and operation of the PG&E Potter Valley Project.

Since 1908, the Potter Valley Project has been used to divert flows from the Eel River to the East Fork of the Russian River. This obsolete, small hydropower project is so inefficient and environmentally destructive that it should be shut down, yet because of the value of the "abandoned" water, the PVP is targeted for purchase by the SCWA, which continues its efforts to legally secure consumptive water rights to the diverted Eel River. The PVP presents several very significant and adverse environmental problems and economic liabilities:

The PVP is instrumental in the nearly complete collapse of Eel River populations of three species listed under the federal Endangered Species Act: coho, chinook and steelhead. The Eel River was once home to the largest population of salmonids in California, supporting a valuable sport and commercial fishing and tourism industry for the North Coast and Humboldt, Lake, and Mendocino Counties. The diversion of water from the Eel River during the dry months dewateres the Eel River, raises water temperatures and impedes fish passage and rearing.

The PVP's Scott Dam (Lake Pillsbury) completely blocks fish migration to almost 1000 miles of prime spawning and rearing habitat in the Eel's headwaters, while the fish ladder at Cape Horn Dam (Van Arsdale Reservoir) is chronically inadequate. Silt impacts both reservoirs heavily and decreases the amount of storage each year.

The PVP is not only damaging to the Eel River and the economy of the North Coast counties, but SCWA does not have any water rights to the water discharged from the project. The State Water Resources Control Board continues to turn down SCWA's applications for water rights there. The PVP comes with financial and legal liabilities in operations, maintenance and capital replacements-including the liability for total failure of an aged dam-as well as the substantial liability for environmental damages and the needed restoration of a once-thriving salmonid fishery. Legal challenges are already in place from the Friends of the Eel River.

The Sonoma County Water Coalition firmly believes that SCWA does not need the diverted Eel River water to ensure future contractor needs within a sustainable limit of development and that the continued efforts to secure the PVP for water supply are misdirected. We believe that storage in Lake Sonoma and Lake Mendocino, along with a properly managed Russian River gravel-bed aquifer and significant water efficiency and

demand reduction programs can more responsibly provide for the long-term needs of the SCWA contractors.

The choice for restoration is yours to make. Please recommend to your fellow Contractors the complete elimination of all provisions in the draft Agreement to purchase and use the PVP for water supplies.

Thank you for your careful consideration of this matter,

(Signature)

Sonoma County Water Coalition