State Water Resources Control Board

NOTICE OF PREPARATION AND SCOPING MEETINGS FOR AN ENVIRONMENTAL IMPACT REPORT FOR THE POTTER VALLEY HYDROELECTRIC PROJECT SURRENDER AND DECOMMISSIONING FEDERAL ENERGY REGULATORY COMMISSION PROJECT NO. 77

To: Responsible and Trustee Agencies, Interested Parties, California Native American Tribes, and Governor's Office of Land Use and Climate Innovation

Notice is hereby given that pursuant to the California Environmental Quality Act (CEQA)[1], the State Water Resources Control Board (State Water Board) plans to prepare an environmental impact report (EIR) for the Potter Valley Hydroelectric Project Surrender and Decommissioning (Proposed Project).

Applicant: Pacific Gas and Electric Company (PG&E)

Project Name: Potter Valley Hydroelectric Project Surrender and Decommissioning

Project Location: The Proposed Project is located on the Eel River and East Branch Russian River in Mendocino and Lake counties, California. The nearest city is Ukiah, approximately 15 miles southwest of the Potter Valley Powerhouse.

Overview

PG&E owns and operates the Potter Valley Hydroelectric Project (Hydroelectric Project), which is licensed by the Federal Energy Regulatory Commission (FERC). PG&E proposes to decommission the Hydroelectric Project and surrender its FERC license. The Proposed Project broadly involves the removal of Hydroelectric Project facilities (including Scott Dam and Cape Horn Dam), the removal of the Hydroelectric Project from FERC jurisdiction (i.e., surrender of the FERC license), and the cessation of Hydroelectric Project operations and maintenance. As part of the Proposed Project, Hydroelectric Project water diversions from the Eel River to the East Branch Russian River will cease.

The Eel-Russian Project Authority[2] has proposed the concurrent construction of the New Eel-Russian Facility (NERF) using portions of the Hydroelectric Project's existing facilities. Following its construction, the NERF will divert water from the Eel River

[1] Pub. Res. Code, § 21000 et seq.

[2] The Eel-Russian Project Authority is a joint powers authority formed by a joint exercise of powers agreement between the County of Sonoma, Sonoma County Water Agency, and the Mendocino County Inland Water and Power Commission.

through portions of the Hydroelectric Project's existing water diversion system to the East Branch Russian River. As part of the Proposed Project PG&E requests that FERC include a condition in the Surrender Order to remove all lands and Hydroelectric Project works necessary for the NERF from the Hydroelectric Project boundary and FERC jurisdiction immediately after: (1) PG&E's decommissioning work at Cape Horn Dam and other Hydroelectric Project works necessary for the NERF is complete; (2) the NERF has been constructed; and (3) a completion report is filed with FERC on these actions.

The State Water Board is <u>not</u> the CEQA lead agency for the new NERF facility. The construction, operation, and maintenance of the NERF facility will be analyzed separately by the Eel-Russian Project Authority. The State Water Board is soliciting comments related only to activities associated with the Proposed Project (i.e., the decommissioning and surrender of the Hydroelectric Project, as described further below).

The State Water Board is seeking comments from trustee agencies, responsible agencies, Tribes, and interested persons concerning the scope and content of the environmental information to be included in the EIR. Please send comments to Wilhelmina Chon, Hydroelectric Project Manager, at the address shown in the *Submittal of Written Comments* section below.

<u>Description of the Existing Potter Valley Hydroelectric Project</u>

The Hydroelectric Project includes Scott Dam, Lake Pillsbury Reservoir, Cape Horn Dam, Van Arsdale Reservoir, water diversion facilities, the Potter Valley Powerhouse, recreation facilities at Lake Pillsbury Reservoir and Van Arsdale Reservoir, power lines and communication lines, access roads and trails, and gages. Each of these elements are generally illustrated in Figures 1-4 and summarized below:

- <u>Scott Dam</u>: Scott Dam is a 130-foot-tall concrete gravity dam located on the Eel River approximately 168.5 river miles upstream of the Pacific Ocean. The dam has five radial gates and 26 steel slide gates. Scott Dam has a low-level outlet capable of releasing 400 cubic feet per second (cfs).
- <u>Lake Pillsbury Reservoir</u>: Lake Pillsbury Reservoir is formed by Scott Dam and has an estimated gross storage capacity of 59,871 acre-feet (ac-ft) with a maximum surface area of 2,275 acres, when the spillway gates are closed (53,248 ac-ft when the spillway gates are open).
- <u>Cape Horn Dam</u>: Cape Horn Dam is a 63-foot-tall earth-fill and concrete gravity dam located on the Eel River approximately 156.7 miles upstream of the Pacific Ocean. The dam has an uncontrolled overflow spillway and east and west release gates at the center of the dam. Additionally, Cape Horn Dam has fish passage facilities, that include support buildings, a pool-and-weir fish ladder with a 10-12 cfs capacity, and a corrugated pipe along the ladder that provides alternative passage for pacific lamprey. Ladder attraction flows of approximately 100 cfs are provided by a weir across the Eel River below Cape Horn Dam.
- <u>Van Arsdale Reservoir</u>: Van Arsdale Reservoir is formed by Cape Horn Dam and has an estimated storage capacity of 390 ac-ft.

- Water Diversion Facilities: Water diversion facilities include: (1) an intake structure with two fish screens[3] located approximately 400 feet upstream of Cape Horn Dam at Van Arsdale Reservoir, capable of diverting 320 cfs; (2) Tunnel No. 1 (5,826-feet-long), Conduit No.1 (457-feet-long), Tunnel No. 2 (807-feet-long), and Conduit No. 2 (367-feet-long), totaling 7,457 feet, that convey water from Van Arsdale Reservoir to two approximately 1,800-foot-long penstocks that flows into Potter Valley Powerhouse.
- Potter Valley Powerhouse: Potter Valley Powerhouse and associated facilities include three generating units with a combined capacity of 9.2 megawatts and a switchyard. After passing through the powerhouse, water is either immediately diverted to Potter Valley Irrigation District canals or discharged to the East Branch Russian River.
- Power Lines and Communication Lines: There are six lines that provide communication and power to the Hydroelectric Project's valve houses, slide gates, ancillary facilities, and to the Van Arsdale fish passage support buildings.
- Lake Pillsbury Reservoir and Van Arsdale Reservoir Recreation Facilities: Recreation facilities include six campgrounds (Fuller Grove Campground; Navy Campground; Oak Flat Campground; Pogie Point Campground; Sunset Point Campground; and Trout Creek Campground); two group campgrounds (Fuller Grove Group Campground and Trout Creek Group Campground) and five day use facilities (Eel River Visitor Information Kiosk; Fuller Grove Day Use Area and Boat Launch; Pillsbury Pines Day Use Area and Boat Launch; Pogie Point Day Use Area; and Lake Pillsbury Low Level Boat Launch). There are 13 recreation facility access roads.
- Access Roads and Trails: There are nine access roads and trails, totaling approximately 10,015 feet, used exclusively for routine operation and maintenance of the Hydroelectric Project.
- Gages: There are five existing gages associated with the Hydroelectric Project: (1) PG&E Gage No. E-1 located at Lake Pillsbury Reservoir; (2) PG&E Gage No. E-2 located in the Eel River downstream of Scott Dam; (3) PG&E Gage No. E-11 located in the Eel River downstream of Cape Horn Dam; (4) PG&E Gage No. E-16 located at the Potter Valley Powerhouse Intake; and (5) PG&E Gage Nos. E-5 and E-6 located at the Potter Valley Irrigation District Canal gates downstream of the Potter Valley Powerhouse.

In general, water stored in Lake Pillsbury Reservoir on the Eel River is released at Scott Dam, from which it flows downstream and is impounded in Van Arsdale Reservoir. Water is then: (1) released downstream of Cape Horn Dam to meet minimum instream flow requirements in the Eel River, or (2) diverted to the Potter Valley Powerhouse for hydropower generation,[4] contract deliveries to Potter Valley Irrigation District, and to meet minimum instream flow requirements in the East Branch Russian River. The

[3] The fish screens were designed to pass 480 cfs but have been derated by 50 percent (240 cfs) due to mechanical limitations. The diversion structure as built is capable of diverting up to 320 cfs.

[4] PG&E has not generated power at the Potter Valley Powerhouse since July 2021 due to a transformer that did not meet operating standards.

Potter Valley Powerhouse[5] makes releases into the East Branch Russian River, which then flows approximately 11 miles into Lake Mendocino.[6]

Proposed Project Description

The Proposed Project is to surrender and decommission the Hydroelectric Project. The Proposed Project involves:

- Decommissioning and removal of Scott Dam and associated facilities and features.
- Decommissioning and removal of Cape Horn Dam and associated facilities and features, except for those needed for the Eel-Russian Project Authority's New Eel-Russian Facility or NERF (i.e., water diversion facilities, including the penstocks, Potter Valley Powerhouse, and associated facilities).
- Restoration of the remnant inundation zones of Lake Pillsbury Reservoir and Van Arsdale Reservoir, including adjacent riparian habitat, wetlands, and upland areas affected by decommissioning.
- Removal and restoration of certain recreational facilities (e.g., campgrounds, day-use facilities, a kiosk, and boat ramps) located on United States Forest Service and PG&E lands.
- Decommissioning, removal, or abandonment-in-place of the remaining Hydroelectric Project facilities, and other features.
- Implementation of PG&E's proposed construction plans, avoidance and protection measures, and best management practices (BMPs) to address and reduce potential effects to environmental and cultural resources during and following decommissioning of the Hydroelectric Project. To date, these plans and measures have not been fully developed, but have been identified as:
    - Construction Management Plan (including Restoration)
        - *General Construction Measures and BMPs*
        - *Water Quality and Erosion Control BMPs and Measures*
        - *General Wildlife Protection and Botanical Construction Measures*
        - *Osprey Construction Measures*
        - *American Peregrine Falcon Construction Measures*
        - *Other Raptors Construction Measures*
        - *Other Special-status Birds and Game Birds Construction Measures*
        - *Special-status Bats Construction Measures*
        - *Special-status Mesocarnivore Construction Measures*
        - *Monarch Butterfly Construction Measures*
        - *Special-status Plant Construction Measures*
        - *Invasive Weed Construction Measures*
        - *Riparian and Wetland Protection Measures*
        - *Construction Erosion Prevention Plan*
        - *Hazardous Materials Measures*
        - *Construction Fire Plan*
        - *Land Use Measures*

[5] While the Hydroelectric Project has not generated electricity since 2021, water continues to be discharged into the East Branch Russian River.

[6] Lake Mendocino is operated and managed by the United States Army Corps of Engineers for the purposes of flood control and water supply and serves as the limit of anadromy in the Russian River. Lake Mendocino is not part of the Hydroelectric Project.

        - *Sediment Disposal Plan*
        - *Construction Recreation Plan*
    - Construction Site Water Diversion, Dewatering, and Drawdown Plan
    - East Branch Russian River Diversion Plan
    - Public Safety Measures
    - Water Quality and Water Temperature Monitoring Plan
    - Aquatic Resource Management Plan
        - *Construction Non-native Invasive Aquatic Species Management Plan*
        - *Aquatic Species Management and Monitoring Plan*
        - *Estuary Protection Plan*
    - Sediment/Channel Monitoring and Response Plan
        - *Tributary-Mainstem Connectivity Plan*
        - *Mainstem Fish Passage Plan*
        - *Infrastructure Monitoring (bridges, diversions)*
        - *Floodplain Sediment Deposition Plan*
    - Flood Monitoring Plan
    - Terrestrial Wildlife Management Plan
        - *Wildlife Stranding Measures*
        - *Tule Elk and Game Mammals Measures*
    - Bald Eagle Conservation Plan
    - Northern Spotted Owl Measures
    - Scott Dam Slope Stability Monitoring Plan
    - Memorandum of Understanding for Known Historic Properties and a Historic Properties Management Plan that will be developed in consultation with Native American Tribal entities and consider tribal cultural properties.

PG&E filed an application with FERC for Non-Project Use of Project Lands. FERC's approval of the Non-Project Use of Project Lands would authorize PG&E to allow the Eel-Russian Project Authority to modify existing Hydroelectric Project works and begin construction of the Eel-Russian Project Authority's New Eel-Russian Facility or NERF while the Hydroelectric Project remains under FERC jurisdiction. The Proposed Project does not include construction of new facilities necessary for the NERF or the operation of the NERF by the Eel-Russian Project Authority. The Eel-Russian Project Authority will evaluate the potential environmental impacts of construction, operation, and maintenance of the NERF in a separate CEQA document. The State Water Board's EIR will evaluate the potential cumulative impacts of the Proposed Project (i.e., surrender and decommissioning of the Hydroelectric Project) together with construction and operation of the NERF.

Scoping Meetings

The State Water Board will hold scoping meetings to provide information about the Proposed Project, the CEQA process, and to receive written or oral comments from trustee agencies, responsible agencies, Tribes, and other interested persons concerning the range of alternatives, potential significant effects, and mitigation measures that should be analyzed in the EIR. The time allotted for each individual or organization to provide oral comments may be limited if the number of people in attendance so requires. Scoping meetings will conclude after all interested persons have provided their comments. The scoping meetings will be recorded and documented by transcript.

The scoping meetings will be held in-person and/or virtually as follows:

Wednesday, October 15, 2025 (In-person Only)
11:30 a.m. to 1:30 p.m.
Ukiah Valley Conference Center, Cabernet 1 and 2 Rooms
200 South School Street
Ukiah, CA 95842

Wednesday, October 15, 2025 (In-person Only)
5:30 to 7:30 p.m.
North Coast Regional Water Quality Control Board Office
DCJ Hearing Room
5550 Skylane Boulardvd, Suite A
Santa Rosa, CA 95403

Friday, October 17, 2025 (In-person and Virtual)
12:30 to 2:30 p.m.
CalEPA Building, Byron Sher Auditorium
1001 I Street, 2nd Floor
Sacramento, CA 95814
and
Via Zoom:
https://waterboards.zoom.us/j/86984608826
Call in number: +1 669 444 9171 US
Meeting ID: 869 8460 8826

It is possible that one or more State Water Board members will attend one or more of the scoping meetings. A quorum of the State Water Board may be present at the scoping meetings. However, no State Water Board action will be taken.

If you have questions related to these meetings or would like to make a request for reasonable accommodations for a disability, please contact Wilhelmina Chon, Hydroelectric Project Manager, by email to: Wilhelmina.Chon@waterboards.ca.gov or phone call to: (916) 319-0745.

Submittal of Written Comments
The State Water Board is seeking comments from trustee agencies, responsible agencies, Tribes, and interested persons concerning the scope and content of the environmental information to be included in the EIR. Please provide the name and contact information for a person that may be contacted if there are questions about the comment(s). **The comment deadline is 4:00 pm on Monday, November 3, 2025. Please title your comments as "Potter Valley NOP Comments"** and send them to Wilhelmina Chon, Hydroelectric Project Manager, by:

Email (preferred) to:
Wr401program@waterboards.ca.gov

or

Mail to:
Wilhelmina Chon
State Water Resources Control Board
Division of Water Rights – Water Quality Certification Program
P.O. Box 2000
Sacramento, CA 95812-2000

Additional information regarding the Proposed Project is available on the State Water Board's Potter Valley Hydroelectric Project webpage[7].

State Water Board's Water Quality Certification

Section 401 of the Clean Water Act (33 U.S.C. § 1341) requires every applicant for a federal license or permit for an activity that may result in a discharge into navigable waters to provide the federal licensing or permitting agency with certification that the activity will comply with state water quality standards and other appropriate requirements of state law. Section 401 provides that conditions of certification shall become conditions of any federal license or permit for the project. The State Water Board is the agency in California that is responsible for issuing Section 401 certifications for hydroelectric facilities licensed by FERC. (Wat. Code, § 13160; Cal. Code Regs., tit. 23, § 3855, subd. (b).)

When the State Water Board considers issuing a water quality certification for a project, it evaluates whether the project will comply with applicable water quality standards and other appropriate requirements of state law and determines conditions necessary to protect water quality. In California, water quality standards are established in regional water quality control plans and state water quality control plans or policies. Water quality control plans designate the beneficial uses of waters to be protected and establish the water quality objectives necessary to protect those uses, as required under section 303 of the Clean Water Act (33 U.S.C. § 1313) and sections 13240 and 13241 of the California Water Code.

Here, the State Water Board may issue a certification if it determines that the Proposed Project will comply with specified provisions of the Clean Water Act, including water quality standards and implementation plans, and other appropriate requirements of state law. The State Water Board must determine whether the Proposed Project adequately protects the beneficial uses and meets the water quality objectives for waterbodies in the Proposed Project area. Pertinent beneficial uses and water quality objectives are listed in the North Coast Regional Water Quality Control Board's *Water Quality Control Plan for the North Coast Region* (Basin Plan). Additional information concerning the Basin Plan and designated beneficial uses are available at the North Coast Regional Water Quality Control Board's Basin Planning webpage.[8]

[7] https://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/potter_valley_ferc77.html
[8] https://www.waterboards.ca.gov/northcoast/water_issues/programs/basin_plan/basin_plan_documents/

CEQA Information

Issuance of a water quality certification is a "discretionary action" requiring compliance with CEQA. The State Water Board, as lead agency under CEQA, plans to prepare a draft EIR for the Proposed Project.

Environmental Factors Potentially Affected

The EIR will evaluate potentially significant impacts of the Proposed Project in a wide range of resource areas. The State Water Board has identified the following list of probable environmental effects of the Proposed Project.

- Aesthetics
  - The Proposed Project has the potential to temporarily or permanently adversely affect a scenic vista or damage a scenic resource.
  - The Proposed Project has the potential to create a new source of lighting or glare which could affect day or nighttime views.
- Air Quality
  - The Proposed Project has the potential to temporarily affect air quality by increasing greenhouse gas emissions, dust, and criteria pollutant levels caused by the operation of off-road construction equipment, on-road vehicles, and helicopter use.
- Biological Resources
  - The Proposed Project has the potential to affect, either directly or through habitat modifications, species identified as threatened, endangered, candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife, National Marine Fisheries Service, or the United States Fish and Wildlife Service.
  - The Proposed Project has the potential to affect the movement of native resident or migratory fish or wildlife species or impede the use of native wildlife nursery sites.
- Cultural Resources
  - The Proposed Project has the potential to cause a substantial adverse change in the significance of historical resources and archaeological resources.
  - The Proposed Project has the potential to disturb human remains, including those interred outside of dedicated cemeteries.
- Geology and Soils
  - The Proposed Project has the potential to cause soil erosion or activate landslides from ground disturbance activities, soil contamination from accidental spill of fuels or other hazardous substances, and slope instability resulting in increased sediment to the Eel River.
- Greenhouse Gases
  - The Proposed Project has the potential to generate greenhouse gas emissions, either directly or indirectly, which may have an adverse effect on the environment.

- Hydrology and Water Quality
  - The Proposed Project has the potential to temporarily violate water quality standards or waste discharge requirements and degrade surface water quality.
  - The Proposed Project has the potential to expose people or structures to a significant risk of loss, injury, or death due to altered hydrology and peak runoff off changes.
  - The Proposed Project has the potential to temporarily adversely impact downstream drinking water supplies due to elevated sediment concentrations.
  - The Proposed Project has the potential to temporarily and permanently alter the distribution of state and federally protected wetlands.
  - The Proposed Project has the potential to temporarily reduce groundwater recharge and deplete surface water and groundwater supplies in the Upper Eel River and East Branch Russian River watersheds.
- Land Use
  - The Proposed Project has the potential to impact land use and potentially result in the conversion of forest or farmland to other uses through exposure of the reservoir bed, restoration activities, dam removal activities (including roads, staging areas, recreational facilities, and debris disposal).
- Noise and Vibration
  - The Proposed Project has the potential to affect sensitive areas with brief and unavoidable adverse noise and vibration effects associated with construction.
- Recreation
  - The Proposed Project has the potential to result in the permanent closure and decommissioning of recreational facilities or the construction or expansion of recreational facilities that may have an adverse physical effect on the environment.
  - The Proposed Project has the potential to impact the safety and availability of contact recreation and non-contact recreation.
- Population and Housing
  - Employment for the Proposed Project has the potential to result in new jobs, including potential temporary increase in population and housing needs for any non-local employees.
- Transportation/Traffic
  - The Proposed Project has the potential to adversely affect traffic and emergency access as a result of road improvements and transportation of materials and workers to and from the work areas (e.g., by helicopter and truck).
  - The Proposed Project has the potential to increase traffic hazards due to design features.
- Tribal Cultural Resources
  - The Proposed Project has the potential to affect tribal cultural resources including the physical destruction or damage of all or part of the resource's significant features, alteration of property, and effects on

known and unknown tribal cultural resources due to impacts associated with construction and restoration activities as well as through sediment transport and changes in flows.

- Utilities/Public Services
  - The Proposed Project has the potential to disturb and expose communication lines and cables in the Lake Pillsbury Reservoir area, which could disrupt communications.
- Wildfire
  - The Proposed Project has the potential to increase wildfire risk, both directly through use of equipment for dam removal, demolition, and other Proposed Project activities, and indirectly by eliminating waterbodies that are created by the Hydroelectric Project (e.g., Lake Pillsbury Reservoir) as a potential water supplies for firefighting.

Federal Energy Regulatory Commission Process

FERC is the federal agency that regulates the construction, operation, and decommissioning of most non-federal hydroelectric dams in the United States. On July 25, 2025, PG&E filed with FERC a final license surrender application and an application for Non-Project Use of Project Lands. Any conditions included in a State Water Board-issued water quality certification for the Proposed Project will become conditions of any new FERC license surrender order issued for the decommissioning of the Hydroelectric Project.

KEEP INFORMED OF PROPOSED PROJECT MILESTONES

To receive emails related to the Potter Valley Hydroelectric Project Surrender and Decommissioning and other projects pursuing certifications managed by the Division of Water Rights, interested persons should enroll in the "Water Rights Water Quality Certification" e-mail notification service. Instructions on how to sign up for the State Water Board's Email Subscription List are outlined below:

1. Visit the Board's Email Subscription List webpage.[9]
2. Provide your email in the required fields, then click the "Submit" button.
3. On the next page, below Subscription Topics, select "Water Rights," then "Water Rights Water Quality Certification".
4. Click the "Submit" button.
5. An email will be sent to you. You must respond to the email message to confirm your membership on the selected topic(s).

By enrolling in this email list, you will receive notices for other current projects in the Division of Water Rights' Water Quality Certification Program, including the Potter Valley Hydroelectric Project Surrender and Decommissioning. You can enroll or un-enroll from the email notification service at any time. If you do not have internet access or do not wish to participate in the email notification list, you may contact Wilhelmina Chon by phone call to: (916) 319-0745 to request to receive notices by mail.

[9] http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml#rights

Questions and Additional Information

If you have questions regarding this notice the best means of contact is by email. General questions regarding the water quality certification and CEQA processes for the Proposed Project should be directed to Wilhelmina Chon, Project Manager, by email to: Wilhelmina.Chon@waterboards.ca.gov, or by phone call to: (916) 319-0745.

Sincerely,

Parker Thaler

Parker Thaler
Water Quality Certification Program Manager
Division of Water Rights

September 22, 2025
Date

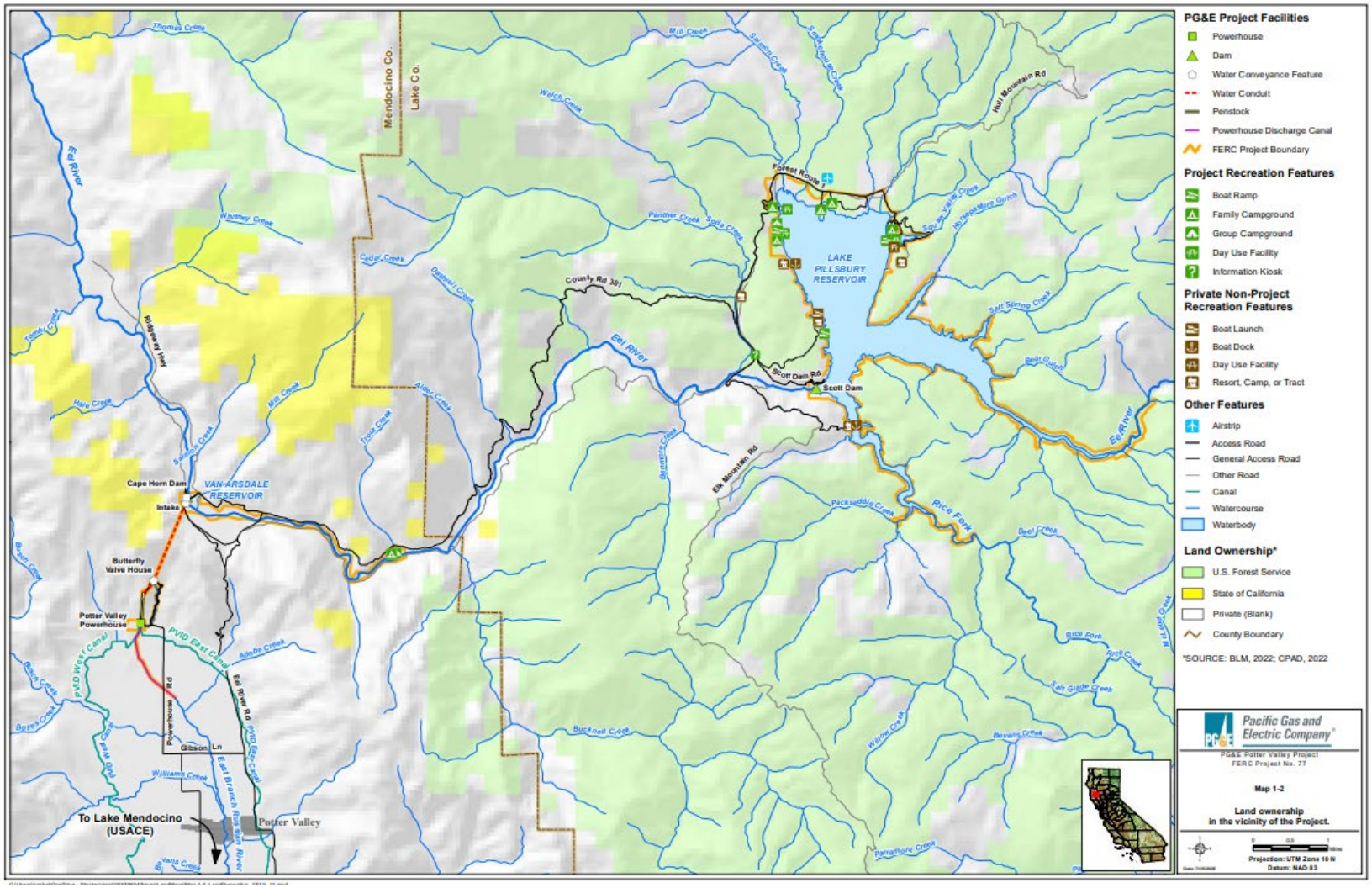

Figure 1. Potter Valley Hydroelectric Project Vicinity Map[10]

[10] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands

Figure 2. Potter Valley Hydroelectric Scott Dam Area[11]

[11] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands

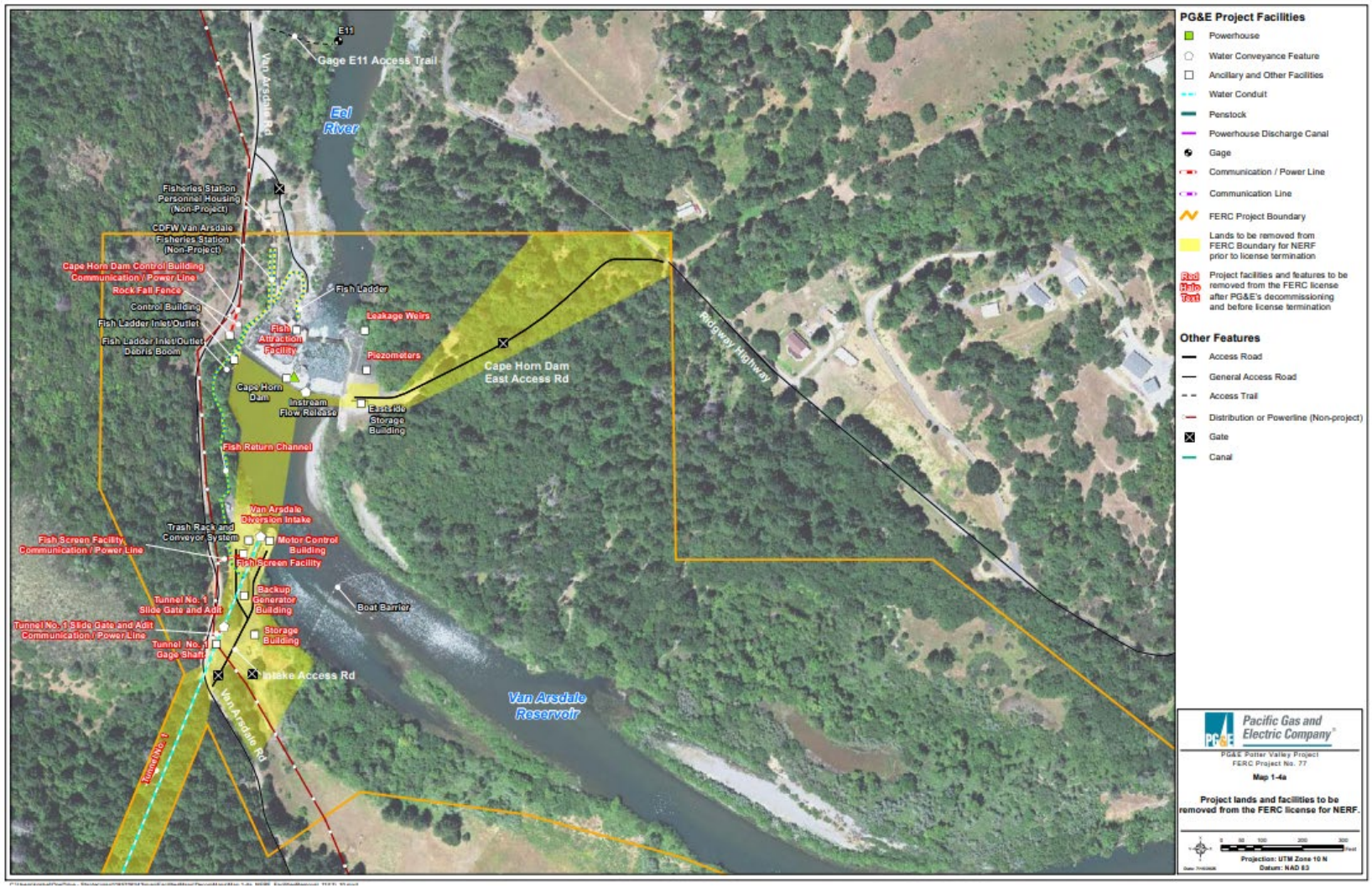

Figure 3. Potter Valley Hydroelectric Cape Horn Dam Area[12]

[12] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands

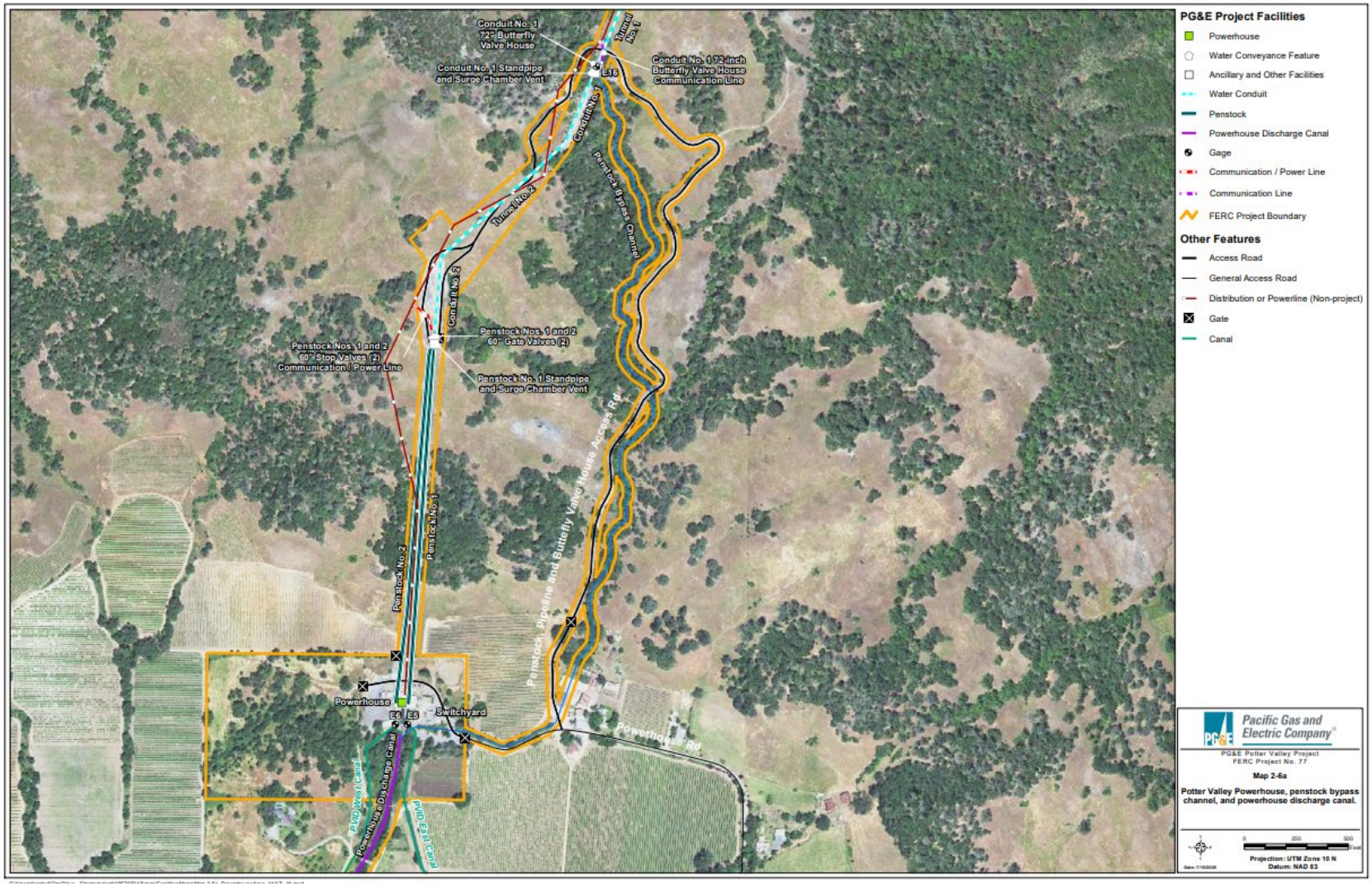

Figure 4. Potter Valley Hydroelectric Project Powerhouse Area[13]

[13] Source: PG&E's July 2025 Final Application for Surrender of License and Application for Non-Project Use of Project Lands