



November 22, 2021

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E.  
Washington, D.C. 20426

**Re: Potter Valley Project (Project No. 77-298)**

Dear Secretary Bose:

Mendocino County Inland Water and Power Commission (IWPC), Sonoma County Water Agency, California Trout, Inc., the County of Humboldt, and the Round Valley Indian Tribes (NOI Parties) hereby provide this status report in response to the Commission's September 23, 2021 letter granting an abeyance in the relicensing proceeding for the Potter Valley Project (Project), until April 14, 2022.

Specifically, the Commission directed NOI Parties to file a status report on forming the Regional Entity that will be filing the application and a plan for gathering the information needed to support the license application, including completing the required studies.

We report that the NOI Parties have developed a comparative legal analysis of alternative forms of special districts that could serve as a Regional Entity. This analysis addresses: requirements for formation; authority to assess user fees, assessments, or taxes to beneficiaries; and representative governance. It appears likely that new legislation would be necessary to form the Regional Entity.

As noted in our September 2, 2021 letter requesting an abeyance, the NOI Parties have not secured the necessary funds to undertake the studies described in the Study Plan Determination. Because of this, the NOI Parties have also not made significant progress in forming the Regional Entity, and there currently is no timetable for establishing a Regional Entity.

The NOI Parties are pursuing funds for (i) basinwide fisheries restoration planning in the Eel River, and (ii) an assessment related to maintaining the water transfer infrastructure, and in particular the costs and risks associated with owning such infrastructure. The Partners agree to jointly pursue funding from private, state, and federal entities to this end.

While it is highly improbable that the NOI Parties will submit a license application by April 14, 2022, we continue to evaluate all alternatives to pursuing an outcome that meets the water supply needs and improves fisheries and water quality in both river basins. Since submitting our September 2, 2021 letter, the governing boards of the NOI Parties have begun and are continuing such deliberations.

We will file a further progress report on January 31, 2022 as directed.

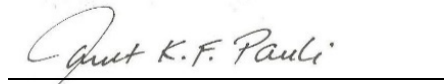
In sum, the NOI Parties continue to evaluate how the Project would best contribute to a comprehensive strategy to manage the emerging crises in fisheries and water supply in the Eel River and Russian River basins.

Thank you for your consideration. Please contact Mike Swiger at [mas@vnf.com](mailto:mas@vnf.com) or (202) 298-1891 with any questions about this submittal.

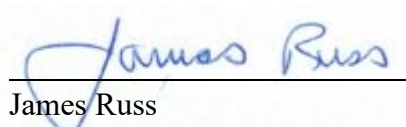
Respectfully submitted,



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Cc: Service List, Project No. 77-285