

Redline Shows Changes from Current Language

12.4 Potter Valley Project

(a) —All or part of the Potter Valley Project may be acquired upon a determination by the Board of Directors of the Agency that such acquisition is necessary to insure the Agency's continued ability to make the water deliveries authorized by this Agreement ~~and maintain fisheries and other incidental benefits to the Russian River basin~~, provided, however, that no part nor all of the Potter Valley Project shall be acquired ~~using revenues from any charge set forth in Section 4.1(a)~~ without the ~~affirmative vote of at least six (6) representatives of the Water Contractors on the Water Advisory Committee representing at least two-thirds of the total weighted votes as calculated pursuant to Section 5.3(a)~~~~prior approval of the Water Advisory Committee~~. The Agency shall not be liable to any of its Customers for any damage resulting from any Agency decision regarding the acquisition or non-acquisition of any part or all of the Potter Valley Project.

(b) The Agency shall commence a process upon the effective date of this Agreement to evaluate the water supply and fisheries benefits provided by the Potter Valley Project within the Russian River watershed, the economic and operational feasibility of acquiring the Potter Valley Project, and whether alternative actions could reduce the need for the Agency to acquire the Potter Valley Project. Alternative actions to be evaluated may include the increased use of recycled water to reduce agricultural and other diversions from the Russian River and its tributaries; the modification of instream flow requirements in the Russian River; and the completion of state and/or federal recovery plans for salmonid species listed as threatened or endangered in the Russian River watershed. The cost of such evaluations shall be paid from Watershed Planning and Restoration Sub-Charge funds available pursuant to subsection 4.14; however, the Agency shall use its best efforts to obtain the agreement of other interested parties who divert water from the Russian River or its tributaries (including municipal and agricultural diverters) to pay for a portion of such costs and to participate in the implementation of such alternative actions.

(c) Upon determination by Agency that other actions could reduce the need for the Agency to acquire the Potter Valley Project, the Agency and the Water Contractors shall engage in a cooperative process to implement said other actions.

Also need conforming changes to Section 4.14(b) below:

1(b) The aggregate amount of money to be received by the Agency from the Watershed Planning and Restoration Sub-Charge in each Fiscal Year shall be sufficient to produce water sale revenues to cover the Agency's reasonable estimate of costs for such Fiscal Year (net of funding provided by other sources, including the Russian River Projects Fund and the Agency's General Fund) of carrying out: (1) fishery mitigation, enhancement, and environmental compliance activities and projects undertaken by the Agency, including the Agency's costs of complying with the Endangered Species Act or any other applicable federal, state, or local environmental statute or regulation, if such activities, projects, and costs are reasonably necessary, to enable the Agency to provide water to Regular Customers under this Agreement; (2) the activities and evaluations undertaken pursuant to Section 2.4(b); and (23) actions, studies or projects authorized pursuant to Section 2.8 of this Agreement that are not covered by other funding sources and contributions. The Agency shall not use proceeds from the Watershed Planning and Restoration Sub-Charge to pay for the capital cost or operation and maintenance cost of recreation facilities.