



HUMBOLDT BAY MUNICIPAL WATER DISTRICT  
828 7<sup>th</sup> Street, Eureka



Agenda for Special Meeting of Board of Directors

August 08, 2016, 9:00 a.m.

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## District Mission

*Reliably deliver high quality drinking water to the communities and customers we serve in the greater Humboldt Bay Area at a reasonable cost. Reliably deliver untreated water to our wholesale industrial customer(s) at a reasonable cost. Protect the long-term water supply and water quality interests of the District in the Mad River watershed.*

A. ROLL CALL

B. FLAG SALUTE

C. ACCEPT AGENDA

D. PUBLIC COMMENT

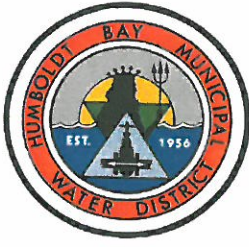
Members of the public are invited to address the Board on items *not* listed on the agenda that are within the scope and jurisdiction of the District. At the discretion of the President, comments may be limited to three minutes per person. The public will be given the opportunity to address items that are on the agenda at the time the Board takes up that item.

E. DISCUSSION WITH CONGRESSMAN HUFFMAN ON HUMBOLDT BAY AREA WATER /ENVIRONMENTAL ISSUES

## ADJOURNMENT

ADA compliance statement: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the District office at (707) 443-5018. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

(Posted and mailed August 5, 2016)



## **Major Issues for Water Agencies in Humboldt Bay Area**

Discussion with Congressman Huffman

August 8, 2016

### **Water Supplies**

The Mad River has an annual average outflow of approximately 1 million acre-feet (AF) per year. HBMWD typically captures 20,000 acre-feet of this runoff every year in Ruth Reservoir, for use in generating hydropower and in meeting streamflow requirements. HBMWD has rights to divert 84,000 AF per year at Essex, and currently diverts approximately 11,000 AF/yr, for use by its municipal customers. HBMWD's industrial system has the capacity to divert approximately 65,000 AF/yr, and none of this capacity is currently being used, resulting in potential jeopardy of HBMWD's water rights (the permit for which expires in 2029) and in the consequences of deterioration of unused and unmaintained infrastructure.

### **Infrastructure Costs**

The dispersed nature of the population in the urban area around Humboldt Bay creates higher than average operation and maintenance costs for water and wastewater systems. The closure of the pulp mills in the 1990's and 2000's, along with the requirement that HBMWD provide additional water filtration during winter months (a requirement that no other Ranney well system has in California) have both contributed significantly to the nearly 1000% increase in wholesale cost of water since 1999 in the Humboldt Bay region. Major components of the water and wastewater systems around Humboldt Bay are reaching the end of their useful lives and state bond funding and federal hazard mitigation funds have been helpful, but insufficient to mitigate the cost impacts to local residents.

### **Climate Change/Earthquake Preparedness**

A longer-term issue that affects infrastructure costs is the potential cost of protecting water and wastewater facilities from sea level rise impacts or potential damage from a major earthquake. At HBMWD, the Federal Energy Regulatory Commission requires a review every five years of potential failure scenarios for Matthews Dam (which forms Ruth Lake), and newly-developed estimates of the impacts of a Cascadia Subduction Zone earthquake will need to be analyzed by 2021. If the risks of dam failure are identified as too great in this new analysis, HBMWD may be required to lower storage levels or buttress the dam or both.

### **Cannabis Production**

The number of cannabis growing operations in the Mad River watershed was estimated by the California Department of Fish and Wildlife in 2014 to number approximately 430. In 2015, the number of grows in Humboldt County was estimated by the North Coast Journal to number between 4,000 and 10,000. These operations divert flows from tributaries which can have significant adverse impacts on habitats and listed species.

Runoff from poorly-managed sites can contribute sediment, pesticides and other pollutants to waterways. CDFW and the Regional Water Quality Control Board both operate regulatory and enforcement programs to address these operations, but given the magnitude of the problem, funding and staffing remain inadequate, including in local law enforcement agencies, as well. A corollary issue is that water agencies and other local agencies and businesses find it difficult to compete with the cannabis industry for employees.

### **Renewable Energy/Community Choice Aggregation**

Humboldt County is moving forward with Community Choice Aggregation, and expects to have the Redwood Community Energy program up and running by spring, 2017. This program will provide lower rates and more renewable power than are available from PG&E. It will also provide more opportunities to implement local renewable power projects, and to ensure that as many as possible of the current biomass plants can continue to operate (thus providing significant benefit to lumber mills in the area, as well). HBMWD and the cities of Arcata, Blue Lake and Blue Lake are sponsoring this program through their participation in the Redwood Coast Energy Authority. While this program is expected to provide some benefit for local renewable projects, water agencies in the Humboldt Bay area continue to seek ways to ensure their projects are cost-effective. Grant funding and very low interest loans, as well as net-metering and other incentive programs, often make the difference in allowing an agency to fund such projects. The use of alternative energy can potentially stabilize rates easing the burden on lower income rate payers and also make favorable gains in carbon reductions to meet federal guidelines.