

**RIO DELL CITY COUNCIL
SPECIAL MEETING MINUTES
MAY 27, 2025**

Mayor Garnes called the Special Meeting of the Rio Dell City Council to order at 4:33 p.m.

ROLL CALL: Present: Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Wilson and Woodall

Absent: Councilmember Orr (Excused)

Others Present: City Manager Knopp, Chief of Police Phinney, Water/Roadways Superintendent Jensen, Finance Director Sanborn, and City Clerk Dunham

Absent: Community Development Director Caldwell (Excused)

SPECIAL MEETING MATTERS

Adopt Resolution No. 1633-2025 Approving a Funding Agreement with the State Water Resources Control Board to Receive a \$1,490,550 Grant for the Project and Further Authorizing the City Manager to Act on the City's Behalf as the Authorized Agent to Carry Out the Responsibilities of the Funding Agreement

City Manager Knopp provided a staff report recommending adoption of the Resolution authorizing the City to enter into a funding agreement with the California State Water Resources Control Board (SWRCB) to receive \$1,490,550 in grant funding for the Painter Street Sewer Line Replacement Project.

The Painter Street Line Replacement Project involves upsizing the final connection into the wastewater treatment plant to eliminate recurring sanitary sewer overflows during storm events, and staff identified the project as a priority. Preliminary estimates indicated the total project cost would be approximately \$3 million. The \$1,490,550 grant represents the initial phase of funding, and staff would continue to secure additional grant funding to complete the entire project scope.

He noted that he hopes to have the project done in 2026, and the reason for the delay in the project is that the final budget approval process for the State of California takes in excess of six months, which potentially means that it is the end of the construction window.

Councilmember Wilson asked how the project is affected by not having all the funding secured at once.

City Manager Knopp explained that what staff is hoping to happen, is that once the State gets through the final budget approval process, they will appropriate more funding for the

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project. If there is no additional funding for the project, it will be next to impossible to do, as water and sewer funds are already allocated for other projects. He pointed out that this project is one of the State's high priorities for funding.

Councilmember Wilson questioned the timeline for the next phase of funding.

City Manager Knopp noted that once the State budget is approved, it would take them another 6 months to get to the next phase for possible funding.

A motion was made by Carter/Woodall to adopt Resolution No. 1633-2025 Approving a Funding Agreement with the State Water Resources Control Board to Receive a \$1,490,550 Grant for the Project and Further Authorizing the City Manager to Act on the City's Behalf as the Authorized Agent to Carry Out the Responsibilities of the Funding Agreement. The motion carried 4-0.

Provide Staff Direction on the Development of City Council Priorities for FY 2025-2026

City Manager Knopp provided a staff report and said that this is a continuation of the priority setting session from the May 20, 2025, regular meeting. He said that Councilmembers are asked to develop a list of five priorities that will then be collectively arranged and presented to the Council at the June 3, 2025, regular meeting.

He referred the Council to the draft minutes from the May 20, 2025, regular meeting outlining the individual priorities of each council member.

Staff continued with the traditional exercise of placing the individual priorities identified on colored post-it notes on a board under the associated subject matter. The results were as follows:

• Public Safety	-	8
• Economic Development	-	6
• Public Works	-	4
• Personnel	-	2
• Community Development	-	1
• Transparency	-	0
• Finance	-	1
• Planning/Building	-	1
• Other	-	3

City Manager Knopp pointed out that some of the items overlap into other categories and noted that Code Enforcement doesn't always involve public safety, and staff retention for the police department could either be listed under Public Safety or Personnel.

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Mayor Pro Tem Carter said that regarding Economic Development, instead of identifying it under one umbrella term, she suggested an Economic Development Ad Hoc Committee be reestablished to zero in on specific priorities, such as moving forward with the implementation of a commercial vacant building tax.

City Manager Knopp distributed to council members a copy of the ***City of Rio Dell Economic Development Ad Hoc Goals and Actions to Achieve Economic Development 2021.***

He reviewed the goals and objectives of the Ad Hoc as well as recent successes and the Immediate Action Plan (IAP). He commented on the success of the IAP and said that the Council needs to look at the next steps in developing an updated Economic Development Plan since the landscape has somewhat changed.

City Manager Knopp reviewed the summary chart of the priorities from the last five years as a very broad summary of the priorities.

Councilmember Woodall asked Water/Roadways Superintendent Jensen what he sees as priorities for the public works department.

Water/Roadways Superintendent Jensen identified staffing as a priority with reassignment of duties, the Painter Street Upsizing Project, and one new utility truck this year, followed by a new dump truck as funding is available. Some of the capital projects included the SCADA System, the Monument Water Line Project, the Water CIP, and 6 or 7 items related to wastewater.

Councilmember Woodall then asked Finance Director Sanborn what his priorities were for the finance department.

Finance Director Sanborn explained that the City received \$801,000 in American Rescue Plan Act (ARPA) funding, which could be spent on anything city-related. The City had until 12/31/24 to allocate the rest of those ARPA funds, which were approximately \$600,000, and the funding must be spent by 2026, identifying that as a priority to avoid returning the money. He said that with a new auditor on board, staff need to understand those needs and also close out grants without a hitch.

Councilmember Woodall asked City Manager Knopp what his priorities were for the City.

City Manager Knopp said that the City has always faced a sustainability question and how to get revenue into the City to accomplish projects that need to be done. The sludge dryer, as an example, has issues that have to be solved along with other important projects. The problem is that they all have a dollar amount attached to them, so fundamentally, the City

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has to have adequate revenue coming in to fund these projects. He identified staff retention as another concern.

He noted that the most disappointing thing is the loss of the Todd property for potential economic development opportunities. In terms of budget allocations, he thought the City was doing okay, but is concerned about the long-term trajectory of being able to afford a police department where expenses only increase. There is a strong desire of the community to increase the level of services, but the City does not have the tax revenues to expand the department. As such, the goal is to make small adjustments here and there as soon as possible to prepare for a potential economic decline or changes in the cannabis industry. He said he got the message loud and clear from the City Council from the time he started that public safety was a priority, but maintaining a small police department has been one of the City's biggest challenges.

In addition, Public Works has a number of deferred maintenance issues that go back for years, and the City is dependent on the State for grants; otherwise, not much can get accomplished, and the City is tapped out on what it can charge ratepayers.

He noted that the most progress over recent years was related to water, including the development of a backup water supply and the water infrastructure project, which is now underway.

City Manager Knopp said in terms of prioritization, one thing that should be considered is the recruitment of a full-time Public Works Director. He stressed the importance of having someone on staff to "birddog" and oversee projects.

He pointed out that the City has made progress on some of the City Council's top priorities and suggested the current focus be on big-ticket items.

Councilmember Woodall asked who typically searches for grants for the City.

City Manager Knopp indicated that sometimes it is the City Engineer or City staff. He noted that Community Development Director Caldwell spearheaded the effort for the ADA portion of the Eel River Trail Project through the Wildlife Conservation Board and that the City Manager wrote the Clean California Grant.

Councilmember Wilson commented that the Water and Sewer Department and the Police Department make the City run. He said that other cities have given up on the idea of having a police department, but the City Council doesn't want to do that, as it is not productive to have the Sheriff's Department handle public safety. It would not only be a financial burden to the City, but the Public Works Department would likely turn into a Community Services District (CSD).

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He emphasized that the cannabis industry is not coming back to what it was, at \$3,000 a pound. He said that the City should take any cannabis revenue that is there and face the fact that the industry is going away.

He pointed out that storefronts are boarded up all over Eureka, and they have an Economic Development Department that is larger than the entire Rio Dell staff. He said that unless the City brings in an Economic Development Specialist, nothing will change. He suggested spending funds to promote economic development in the meantime.

The consensus of the Council was to accept the top five priorities as noted above and to revisit the re-establishment of an Economic Development Ad Hoc Committee. Staff will bring the top five priorities back to the Council at the next meeting for final approval.

ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Conference with Labor Negotiator - Agency Negotiator: City Manager – Employee Organizations: Rio Dell Employees Association, Rio Dell Police Officers Association, and All Contract Employees (Gov't Code §54957.6)

The Council recessed into closed session at 5:20 p.m. to discuss the above matter.

The Council reconvened into open session at 5:57 p.m. Mayor Garnes announced that there was nothing to report out of closed session.

ADJOURNMENT

The special meeting was adjourned at 5:58 p.m. to the June 3, 2025, regular meeting.

Debra Garnes, Mayor

Karen Dunham, City Clerk