

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
OCTOBER 17, 2023**

The regular meeting of the Rio Dell City Council was called to order at 5:00 p.m. by Mayor Garnes.

ROLL CALL: Present: (Closed Session) Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson, and Woodall, City Manager Knopp, and City Attorney Gans

Absent: Councilmember Orr

Present: (Regular Meeting) Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson, and Woodall

Absent: Councilmember Orr

Others Present: City Manager Knopp, Chief of Police Allen, Finance Director Sanborn, Water/Roadways Superintendent Jensen, Waste-water Superintendent Taylor, Senior Fiscal Assistant Maciel, and City Clerk Dunham

Absent: Community Development Director Caldwell

ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Public Employee Performance Evaluation – City Manager under Gov't Code §54957

Conference with Labor Negotiator – Rio Dell Employees Association, Rio Dell Peace Officers Association, and all Contract Employees Under Gov't Code §54957

PUBLIC COMMENT REGARDING CLOSED SESSION

Mayor Garnes invited public comment regarding the closed session. No public comment was received.

The Council recessed into a closed session at 5:00 p.m. with City Manager Knopp and City Attorney Gans.

The Council reconvened into open session at 6:00 p.m. Mayor Garnes announced that there was nothing to report out of closed session.

PUBLIC PRESENTATIONS

Mayor Garnes invited public comment on non-agenda matters. No public comment was received.

CONSENT CALENDAR

Mayor Garnes asked if any councilmember, staff or member of the public would like to remove any item from the consent calendar for a separate discussion. No items were removed.

A motion was made by Woodall/Carter to approve the consent calendar including the following items:

- 1) Minutes of the October 3, 2023 regular meeting;
- 2) Check Register for September

Motion carried 4-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and said that staff had a meeting last week with Senator McGuire and water board staff to go over some of the City's projects; particularly the \$12.9 million Water Distribution Grant, the Sanitary Sewer Evaluation Study, and others to access and figure out how to move these projects forward.

He noted that staff has also been working on the Painter St. Upsizing Line Project and has met some hurdles to cross such as getting permission slips signed on some pre-existing easements to conduct a cultural resources survey and a botany survey of the area to search for historical artifacts or endangered plant species. That hurdle was crossed off and there are assurances from the State that they will move those applications forward as promptly as possible.

He said that the City is still on schedule to put the Water CIP out to bid sometime in February 2024 and the SSES looks to be extended and expects to be approved for additional camera work.

He reported that at today's Board of Supervisors meeting, there was an agenda item related to Habitat for Humanity and their work in Rio Dell and other earthquake impact areas within the County. He encouraged anyone not able to watch the meeting to watch it on Access Humboldt.

He announced that the City's National Pollution Discharge Elimination System (NPDES) permit was approved and invited Wastewater Superintendent Taylor to comment on the matter.

Wastewater Superintendent Taylor commented that there were a couple of minor changes but nothing significant. He said that the Painter St. Upsizing Project seems to be gaining some traction and might be a reality sooner rather than later.

The City Manager commented that the NPDES permit is required when discharging and is renewed every 5 years. He said that it becomes more and more complex and thanked Wastewater Superintendent Taylor for his work in bringing that to the finish line.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Discussion on USDA Rural Development (RD) Direct Loan Opportunities

Finance Director Sanborn provided a staff report regarding USDA Rural Development (RD) direct loan opportunities. He noted that staff met with Reef Atwell-Smith, the USDA Community Programs Specialist to discuss funding programs in greater detail, including the Community Facilities Direct Loan and Grant programs.

He explained that these funds can be used to purchase, construct, or improve essential community facilities including public facilities, street improvements, and public safety or public works vehicles. Funding available under this program, includes low-interest direct loans, grants, or a combination of the two. Based on recent census data, Rio Dell qualifies for grants that could cover up to 75% of the project costs or 50k, whatever is greater. Direct loan terms and rates are determined during the application process but entertain rates as low as 3.875% with loan repayment terms up to 40 years dependent on the useful life of the facility.

Water and Waste Disposal Loans and Grant programs are another USDA Rural Development option that is intended to fund or finance the acquisition, construction, or improvement of water and wastewater facilities and infrastructure. Financing terms are similar to that of the Community Facilities program and would be determined during the beginning of the application process.

The last funding mechanism discussed with the USDA specialist was the Disaster Funding Grant program. The City was encouraged to apply for this limited tranche of money amounting to \$24 million across the entire state of California. Ideas included applying to offset the City's anticipated multi-million-dollar liability as a result of the 25% cost share the City potentially will be responsible for. Another proposal discussed was supporting the City's efforts to address the I & I or inflow and infiltration issues intensified in the aftermath of the December 2022 earthquake and documented by the City's contract engineers (GHD), in an engineer's report. He said that City staff will continue to work with USDA representatives to ensure a robust and impactful application is submitted.

Mayor Pro Tem Carter asked when the City would know whether it would be on the hook for the 25% cost share for infrastructure repairs related to the earthquake.

Finance Director Sanborn explained that step one is to submit and apply to the State for the designation to apply for the 100% reimbursement. Every single project after that is submitted individually for funding. There is no time table as to when or what the reimbursement amount will be.

Councilmember Wilson asked if this funding is separate from the Disaster Center project that was previously presented to the Council.

Finance Director Sanborn said that this funding is not part of that project. He stated for clarification that many different applicants can apply for USDA loans and grants including private citizens, school districts, fire districts, and not just cities. He said that staff would keep the Council apprised of any further developments regarding funding.

Mayor Garnes asked if the City could apply for funding to cover the 25% cost share without knowing if it was going to be covered.

Finance Director Sanborn said that the idea is to request as much as they essentially would be willing to grant the City and provide the list of projects and potential \$6 million liability for the cost share. He said that USDA offers grants, loans, or a combination of the two and since Rio Dell qualifies as a severely disadvantaged community based on the last census, the City would have the ability to have a higher rating for a grant.

Update on Gateway Project

City Manager Knopp provided a staff report related to the Clean California Grant awarded to the City for \$197,870. The project includes tree plantings, irrigation upgrades, and an exercise station. The project was divided into two bids; the gateway landscaping and the exercise station. The only bid received was from Miller Farms for \$287,708 which did not include the exercise equipment.

He said that staff is recommending negotiating with the contractor to reduce the scope and cost of the landscaping portion of the project in conjunction with the Gateway Ad Hoc and staff from the Clean California Program. The cost-cutting most likely would involve reducing the number of trees planted in the gateway. Additionally, staff is recommending looking into additional financial resources noting that a \$5,000 grant from PG&E was awarded. There is another pending grant application for \$20,750 from Coast Central Credit Union for exercise equipment and possibly other grant sources not yet identified. In the FY 2023-24 budget, \$38,000 was approved for beautification which could be utilized. Funds from Economic Development or the General Fund were identified as other potential funding sources to complete the project.

City Manager Knopp said that staff believes that through a combination of cost and scope reductions and identification of new funding for the project, a positive and substantive project is still possible. Staff will return to the Council for approval of any contract with Miller Farms after negotiation and the recommended financing approach.

Mayor Pro Tem Carter said that she sat on the Ad Hoc committee and it would be great to reduce the costs but the community needs to see something that is an upgrade to the City and helps to boost morale in the community.

Councilmember Woodall said that she would not want to see money come out of the Economic Development Fund or the General Fund but is willing to look at other funding opportunities.

Councilmember Wilson asked for a cost estimate for the exercise equipment.

City Manager Knopp indicated that the quote came in just under \$21,000, with an estimated \$35,000 for installation and set-up of the ADA facilities.

Councilmember Wilson agreed that funds from the Economic Development or General Fund should not be used for the project.

Mayor Garnes said that she would like to see the project move forward with perhaps the reduction in the number of trees and commented that there is a lot of expense involved with preparing the soil to plant so there would be additional cost savings there. She expressed support for using a small amount of economic development funding if necessary because having a beautiful town to come into would add to economic development.

Councilmember Woodall asked if the flowering Cherry trees would be planted between existing trees as part of the reduction plan and asked about the tall healthy trees.

Mayor Garnes said that the recommendation of the Ad Hoc was to have all of the trees the same but the determination comes down to what can be negotiated as far as costs..

City Manager Knopp noted that the bulk of the cost is soil preparation and not the actual cost of the trees and irrigation.

Councilmember Woodall asked if it was a nursery or the city that planted the existing trees.

Water/Roadways Superintendent Jensen said that he recalled public works only putting in a couple of trees.

Councilmember Wilson asked if it would be possible for any portion of the project to be done by public works staff and if there was a deadline for completion of the project.

City Manager Knopp indicated that for city staff to engage in the construction of a project of this size is not realistic. He said that the project must be completed by June 2024.

Mayor Garnes invited public comment regarding the project. No public comment was received.

The motion was made by Woodall/Carter to accept the bid from Miller Farms for the Gateway Project and direct the City Manager to develop an agreement in coordination with the Ad Hoc Committee and Clean California Program and return to the Council for final approval, and work to reduce the cost and scope of the project and present options to the City Council for providing additional funding. Motion carried 4-0.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter reported that she represented the City at the Great Redwood Trail event at the Dyerville Loop which was a good well-attended event. She said that Rio Dell

got a lot of attention and gave away great stuff. She commented that the eclipse helped bring people out as it was a great location to watch it.

She also reported that there would be a Nuisance Advisory Committee meeting tomorrow at 3:00 p.m. followed by a Beautification, Walkability, and Pride Committee meeting on Thursday at 4:00 p.m. Lastly, she announced there would be a Trunk & Treat event held at the Fire Hall on Halloween night.

Councilmember Wilson announced that he would be attending a Redwood Coast Energy Authority (RCEA) meeting next week and said that he attended an HWMA meeting last week but had nothing to report.

Councilmember Woodall reported that she attended a Chamber of Commerce meeting with the discussion focused on Christmas activities. They will be obtaining a permit again this year to light up the Paul Mudgett Bridge.

Mayor Pro Tem Carter announced that the Chamber will be putting up Christmas decorations on November 11th and 18th for anyone interested in volunteering. The annual tree lighting event will take place on December 2nd.

Mayor Garnes reported that she attended a Seismic Safety Committee meeting in Sacramento and they discussed grant opportunities for low to moderate-income residents and said that information can be obtained on the USDA website.

Mayor Garnes introduced and welcomed Sunshine Kelly as the City's next Wastewater Superintendent.

ADJOURNMENT

A motion was made by Carter/Woodall to adjourn the meeting at 6:35 p.m. to November 7, 2023. Motion carried 4-0.

Debra Garnes, Mayor

Attest:

Karen Dunham, City Clerk