



RIO DELL CITY COUNCIL
REGULAR MEETING – 6:30 P.M.
TUESDAY, JUNE 2, 2026
City Council Chambers
675 Wildwood Avenue, Rio Dell

A. CALL TO ORDER

The regular meeting of the Rio Dell City Council was called to order at approximately 6:30 PM by Mayor Garnes.

B. ROLL CALL

Present:

- Mayor Garnes
- Mayor Pro Tem Carter
- Council Member Woodall
- Council Member Orr (arrived at 6:37PM)
- Council Member Wilson

Staff Present:

- City Manager Kyle Knopp
- Finance Director Travis Sanborn
- Chief of Police Josh Phinney
- Wastewater Superintendent Moore
- Water Superintendent Jensen
- Sr. Fiscal Assistant Rosa Maciel

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Council.

D. CEREMONIAL MATTERS

No Ceremonial Matters.

E. PUBLIC PRESENTATIONS

Mayor Garnes opened the public presentations portion of the meeting, inviting comments on matters not listed on the agenda and within the Council's jurisdiction.

Rick Pellerin addressed the Council regarding the PG&E Water Diversion Project. He described the history of the project, noting that PG&E had surrendered its license to generate power at the facility. He expressed concern that the power generated was barely sufficient to pump the water back uphill, and suggested that the diversion

primarily benefited parties to the south at the expense of the local area and fishery. He raised concern that efforts were being made to revive the project and noted the ecological impact, including reduced salmon populations. He suggested the City engage the Wiyot Tribe as a potential ally in opposing any revival of the project, referencing the Tribe's historic connection to the land and river and their representation at other regional bodies such as the fishery service in Eureka.

A second speaker, a Public Works employee who was recently elected as Employee Association President, addressed the Council. He began by retracting a prior comment he had made characterizing the utility crew as a "glorified lawn crew," stating the remark did not accurately convey his meaning. He clarified that his intent was to express concern that the technical skills of utility crew members — certified water operators and operators-in-training — can be underappreciated by those outside the department. He expressed pride in city work, noted that crew members receive thank-you notes from residents, and stated that positive recognition from the community and leadership means a great deal to the team. In his new role as Employee Association President, he stated his goal is to foster open, positive, and productive communication between employees and leadership, and to encourage city employees to engage with the Council. He formally requested the Council establish a labor-management ad hoc committee to facilitate upcoming contract negotiations constructively before month's end.

No other public comments were received.

F. CONSENT CALENDAR

Items on Consent:

- 2026/0602.01 – Approve Minutes of the May 18th, 2026, Special Meeting
- 2026/0602.02 – Approve Minutes of the May 19th, 2026, Regular Meeting
- 2026/0602.03 – Approve Minutes of the May 27th, 2026, Special Meeting
- 2026/0602.04 – Discussion and Ratification of the Letter the Mayor Signed in Opposition of SB 866 related to the Homeless Housing, Assistance, and Prevention program: Housing Element
- 2026/0602.05 – Resolution No. 1670-2026 Approving the Revised Gann Appropriations Limit for Fiscal Year 2026-27
- 2026/0602.06 – Discussion and Possible Action to Award the Construction Contract for the Fern Street Lift Station Earthquake Damage Repair to Sequoia Construction, the Lowest Responsive and Responsible Bidder, in the Total Amount of \$466,339.00; and Authorize the City Manager to Execute the Contract Documents in Coordination with the City Attorney and Future Change Orders
- 2026/0602.07 – Resolution No. 1668-2026 Ordering and Calling for a General Municipal Election on November 3rd, 2026; Requesting the Services of the

Humboldt County Registrar of Voters; and Adopting Uniform Policies related to Noticing and Candidate Statements

No items were removed from the Consent Calendar.

ACTION: Motion by Council Member Woodall, seconded by Mayor Pro Tem Carter, to approve the Consent Calendar. Motion carried 5–0.

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

No items were removed from the Consent Calendar.

H. REPORTS / STAFF COMMUNICATIONS

1. City Manager / Staff Update (Item 2026/0519.10)

City Manager Knopp reported on the following items:

- Opportunity Zone 2.0: The City Manager noted that Opportunity Zones are a federal tax incentive program designed to encourage capital gains investment in distressed communities. Rio Dell was not included in Opportunity Zone 1.0, which was assigned without meaningful local advocacy. For Opportunity Zone 2.0, the state will be submitting eligible census tracts, and Rio Dell falls within a census tract recommended for inclusion. The City will work with regional partners to advocate for Rio Dell's inclusion. The qualifying area is expected to encompass Rio Dell, Scotia, and south to approximately Red Crest. The City Manager indicated he would return to Council with any items requiring action.
- Juneteenth Holiday: City Manager Knopp reminded staff and the public that June 19th is Juneteenth, a City holiday, and that City Hall will be closed that day.
- Police vs. Fire Softball Game: City Manager Knopp noted that a police department versus fire department charity softball game is being planned for approximately July 10th, though the date is not yet finalized. Council members and city staff interested in participating were encouraged to contact the Chief of Police.
- Wildfire Liability: In response to a question from Council Member Carter, City Manager Knopp explained that the State Legislature is considering expanding wildfire liability pools beyond electric utilities to include city and county governments. The impetus is the high cost of utility wildfire settlements, which has contributed to rising energy rates. He noted that some areas of Rio Dell have been identified as elevated risk in Cal Fire's wildfire maps, though neighboring jurisdictions are in more precarious positions. He indicated that significant grant funding exists for wildfire mitigation projects and that the City would need to evaluate its role relative to the County, particularly given that much of the wildfire interface is in unincorporated areas outside city limits. He described this as a developing issue worth continued monitoring.
- Animal Handling Update: In response to a comment from Council Member Carter, City Manager Knopp noted that since the cessation of the Miranda's Rescue partnership, all recent animal placements had resulted in positive outcomes: one dog was transported to Fortuna Police Department kennels and then transferred to Sequoia Humane Society, one dog was placed in foster care,

and two cats were transported to Fortuna Police Department kennels and subsequently adopted. Council Member Carter expressed appreciation for the interim solution and to city staff for their efforts.

- Public Works Recognition: Council Member Woodall recognized Public Works staff for their work cleaning up Monument Park and along Wildwood Avenue and the main business corridor, noting the results looked very nice.

Mayor Garnes recognized Water Superintendent Marshall for attending a California Water Environment Association meeting that was hosted by Rio Dell.

Mayor Garnes thanked Finance Director Sanborn and the finance team for their work completing both the annual audit and the FY 2026-27 budget concurrently.

No public questions for staff were received.

I. SPECIAL PRESENTATIONS / STUDY SESSIONS

1. Adoption of Fiscal Year 2026-27 City Budget (Item 2026/0602.09)

City Manager Knopp introduced the item, noting that many of the budget's major elements had been discussed at the May 18, 2026 budget study session. He acknowledged that neighboring jurisdictions are experiencing fiscal challenges and commended the Council for its consistent, responsible stewardship of city expenditures. He expressed confidence that revenue trends would eventually improve and emphasized the importance of strategic investment during the current period.

Finance Director Travis Sanborn presented the recommended FY 2026-27 Operating and Capital Budget via a PowerPoint presentation. Key points included:

- Total Budget: \$24,722,849 across all funds. The increase over prior years is driven almost entirely by the capital program, not operational growth.
- Projected Revenue: \$22,172,058 across all funds.
- Fund Balance Draw: The \$2.55 million difference between expenditures and revenue is closed by a planned draw on fund balances. Finance Director Sanborn clarified that this draw is not an operational shortfall, but is attributable to three known factors: (1) CDAA earthquake projects are budgeted conservatively at 75% reimbursement, though the City continues to pursue 100% reimbursement through CalOES; (2) the remaining \$475,000 in ARPA-SLFRF funds must be fully expended by December 31, 2026; and (3) several capital funds are spending designated reserves on the projects those reserves were accumulated for.
- General Fund: Projected revenue of \$1,809,625 and expenditures of \$1,857,016, plus a \$29,679 transfer to the Building Fund, result in a net decrease in the General Fund balance of \$77,070. The ending General Fund balance of \$1,851,200 remains \$1,294,095 above the Council's 30% reserve target of \$557,105. The Police Department accounts for approximately 75% of General Fund expenditures at \$1,388,062.
- Capital Program: \$18,992,764 in capital projects, dominated by the \$10 million DWSRF water distribution system project (grant-funded through the State Water

Resources Control Board), \$3.6 million in five remaining CDAA-funded earthquake recovery projects from the 2022 Ferndale earthquake, and approximately \$3.4 million in other grant-funded projects including the WCB Eel River Trail accessible ramp, the Pedestrian Connectivity STIP project, and the Painter Street sewer pipe upsue. General Fund capital contribution is limited to \$24,500.

- Staffing: Total city staffing is held flat at 23.05 full-time equivalents, unchanged from FY 2025-26, and below the FY 2023-24 peak of 25.65 FTEs.
- Reserve Policy Exceptions: Three funds — the Sewer Operations Fund (050), Water Metro Wells Fund (063), and Water Dinsmore Zone Fund (064) — are not projected to maintain the required 15% minimum reserve balance. Section 4 of the resolution grants an exception consistent with prior years' practice.
- Inter-Fund Transfers: Six authorized inter-fund transfers totaling \$2,814,243 are included in the budget, primarily consisting of CDAA pass-through transfers from the Earthquake Disaster Fund to Sewer Capital and Water Capital funds.

In response to a question from Council Member Wilson, Finance Director Sanborn confirmed that the General Fund reserve remains above the 30% threshold and that reserve draws in other funds are the result of previously disclosed circumstances addressed in the resolution.

Council members expressed appreciation to Finance Director Sanborn and the finance team for the clarity and quality of the budget presentation.

No public questions were received.

ACTION: Motion by Mayor Pro Tem Carter, seconded by Council Member Woodall, to adopt Resolution No. 1671-2026 adopting the Fiscal Year 2026-27 Operating and Capital Budget and Position Allocation Table. Motion carried 5–0.

J. SPECIAL CALL ITEMS / COMMUNITY AFFAIRS / PUBLIC HEARINGS

1. Discussion and Possible Action to Establish an Animal Care and Control Ad Hoc Committee (Item 2026/0602.10)

City Manager Knopp presented the staff report. He noted that due to recent events involving Miranda's Rescue, the City's long-term animal care partner, significant and ongoing changes in animal care and control are anticipated. The proposed Ad Hoc Committee's purpose would be to review past practices with Miranda's Rescue and evaluate future options, with the goal of establishing a safer, more sustainable, and more transparent animal care and control system for Rio Dell. The Ad Hoc would advise staff on which matters should return to the full Council for consideration. The City Manager noted the Council could appoint one or two members.

Discussion ensued. Mayor Garnes and Mayor Pro Tem Carter both volunteered to serve on the Ad Hoc Committee.

No public comments were received.

ACTION: Motion by Council Member Orr, seconded by Council Member Wilson, to appoint Mayor Pro Tem Carter and Mayor Garnes to the Animal Care and Control Ad Hoc Committee. Motion carried 5–0.

K. ORDINANCES / SPECIAL RESOLUTIONS / PUBLIC HEARINGS

No ordinances, resolutions, or public hearings were presented.

L. COUNCIL REPORTS / COMMUNICATIONS

Mayor Pro Tem Carter reported that she attended the Cal Cities Redwood Empire meeting in Fort Bragg over the preceding weekend. The presentation focused on economic development initiatives in Fort Bragg, including a “blue economy” focus centered on ocean-related industries. She noted that while the specifics were not directly applicable to Rio Dell, she was struck by how much Fort Bragg has accomplished through strong working relationships with other local agencies, governing bodies, school boards, and tribal entities. She expressed that this model of regional collaboration is something she has long believed in. She also noted that the Rio Dell-Scotia School Board meeting is scheduled for June 11th at 6:30 PM. She shared April statistics from the Rio Dell Resource Center, reported by Sarah Newback: commodity distribution served 408 people; emergency food was provided to 182 people; career assistance was provided to 20 people; housing assistance to 9 people; and bus passes to 10 people. She also noted that the Resource Center has partnered with the North Coast Growers Association to serve as a pickup location for the Harvest Box Community Supported Agriculture program, available Mondays from 1:00 to 4:30 PM beginning June 1st, with SNAP-eligible participants able to access boxes at a discount.

Council Member Orr had no formal report, but expressed appreciation to Public Works staff and congratulated the Chief of Police on the graduation of Officer Lewallen from the Field Training Program.

Council Member Wilson reported attending an RCEA (Redwood Coast Energy Authority) meeting, where the agency’s fiscal outlook was discussed. Despite holding approximately \$30 million in reserves, RCEA is projected to draw those reserves down in coming years due to ongoing PG&E charges related to customers who have switched to RCEA.

Mayor Garnes Mayor Garnes noted that similar concerns were raised at the Redwood Empire meeting in Fort Bragg. She also expressed appreciation for the collaborative approach he observed at Fort Bragg involving local governments, tribal entities, and educational institutions. She noted an HWMA (Humboldt Waste Management Authority) meeting the following morning. She thanked all city staff for their continued dedication. Mayor Garnes reminded those present that polls were open until 8:00 PM and

encouraged anyone who had not yet voted to do so at the nearby polling location at the school.

M. ADJOURNMENT

ACTION: Motion to adjourn made by Mayor Pro Tem Carter, seconded by Council Member Woodall.

Motion carried 5–0.

The meeting adjourned at approximately 7:20 PM. The next regular City Council meeting is scheduled for Tuesday, June 16, 2026 at 6:00 PM.

APPROVED:

Debra Garnes, Mayor

ATTEST:

Jessica Hill, City Clerk