



RIO DELL CITY COUNCIL AGENDA
REGULAR MEETING - 6:00 P.M.
TUESDAY, MARCH 03, 2026
City Council Chambers
675 Wildwood Avenue, Rio Dell

Welcome - Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue and available on the City's website at cityofriodell.ca.gov. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

City Council meetings are held in City Hall Council Chambers for in-person public attendance. The public may also attend these meeting virtually through Zoom.

Public Comment by Email:

In balancing the need to conduct government in an open and transparent manner, public comment on agenda items can be submitted via email at publiccomment@cityofriodell.ca.gov. Please note the agenda item the comment is directed to (example: Public Comments for items not on the agenda) **and email no later than one-hour prior to the start of the Council meeting**. Written comments will be submitted to the City Council and included in the meeting minutes as part of the public record. Meeting can be viewed on Access Humboldt's website at <https://www.accesshumboldt.net/>. Suddenlink Channels 10, 11 & 12 or Access Humboldt's YouTube Channel at <https://www.youtube.com/user/accesshumboldt>.

Zoom Public Comment:

When the Mayor announces the agenda item that you wish to comment on, call the conference line and turn off your TV or live stream. Please call the toll-free number **1-888-475-4499**, enter meeting **ID 987 154 0944** and press star (*) 9 on your phone – this will raise your hand. You will continue to hear the meeting on the call. When it is time for public comment on the item you wish to speak on, the Clerk will unmute your phone. You will hear a prompt that will indicate your phone is unmuted. Please state your name and begin your comment. You will have 3 minutes to comment.



In compliance with the Americans with Disabilities Act (ADA), if you require special assistance to participate in this meeting, please get in touch with the Office of the City Clerk at (707) 764-3532. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting. Assistive listening devices are now available for the hearing-impaired. Please see the City Clerk for a receiver.

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. CEREMONIAL MATTERS

E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not allowed under the Ralph M. Brown Act. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3 of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

F. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Councilmembers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.

1. 2026/0303.01 - Approve Minutes of the February 17, 2026 Regular Meeting (**ACTION**) - Pg. #4
2. 2026/0303.02 - Authorize the City Manager to Amend a Contract for Professional Services with CSG Consulting for SB 1383 Compliance and Franchise Agreement Development in the Amount of \$19,844 (**ACTION**) - Pg. #12
3. 2026/0303.03 - Authorize the City Manager to Execute a Master Services Agreement with Hinderliter, de Llamas and Associates (HdL Companies) for Sales Tax Audit and Reporting Services Agreement (**ACTION**) - Pg. #16

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. REPORTS/STAFF COMMUNICATIONS

1. 2026/0303.04 - City Manager/Staff Update (**RECEIVE & FILE**) - Pg. #33

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

1. 2026/0303.05 – Discussion and Possible Action Related to Distressed Trees at Memorial Park (**DISCUSSION / POSSIBLE ACTION**) - Pg. #35
2. 2026/0303.06 - Authorize the City Manager to Acquire Bids for a Mobile Vehicle Barrier System (**DISCUSSION / POSSIBLE ACTION**) - Pg. #40

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

L. COUNCIL REPORTS/COMMUNICATIONS

M. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, March 17, 2026 at 6:00 p.m.*

**CITY OF RIO DELL
CITY COUNCIL REGULAR MEETING MINUTES:
Tuesday, February 17, 2026**

Date: Tuesday, February 17, 2026

Time: 6:00 PM

Location: City Council Chambers, 675 Wildwood Avenue, Rio Dell, CA

A. CALL TO ORDER

The regular meeting of the Rio Dell City Council was called to order at approximately 6:00 PM.

B. ROLL CALL

Present:

- Mayor Garnes
- Mayor Pro Tem Carter
- Council Member Woodall
- Council Member Orr (arrived at 6:15 PM)

Excused Absence:

- Council Member Wilson

Staff Present:

- City Manager Knopp
- Finance Director Sanborn
- Community Development Director Caldwell
- Water Superintendent Jensen
- Wastewater Superintendent Moore
- Senior Fiscal Assistant Maciel

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Garnes.

D. CEREMONIAL MATTERS

None.

E. PUBLIC PRESENTATIONS

No members of the public addressed the Council during public presentations.

F. CONSENT CALENDAR

No items were pulled from the Consent Calendar by staff, the public, or Council members.

ACTION: Motion by Mayor Pro Tem Carter, seconded by Council Member Woodall, to approve the Consent Calendar. Motion carried 3-0.

Items Approved:

1. Minutes of the February 3, 2026 Regular Meeting (Item 2026/0217.01)
2. Receive and File the 2025 General Plan Annual Progress Report (Item 2026/0217.02)
3. Receive and File the Budget Calendar for FY 2026-27 (Item 2026/0217.03)
4. Approve the Reappointment of Alice Millington and Reshell Gurney to the Rio Dell Planning Commission for 3-Year Terms Ending December 31, 2028 (Item 2026/0217.04)
5. Approve the Amended and Restated Redwood Region Economic Development Commission's (RREDC) Joint Powers Agreement (JPA) (Item 2026/0217.05)
6. Receive & File the Check Register for January 2026 (Item 2026/0217.06)

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

H. REPORTS/STAFF COMMUNICATIONS

1. City Manager/Staff Update (Item 2026/0217.07)

City Manager Knopp provided the Council with a brief staff report via handout, which was also made available to members of the public in attendance.

Council Comments on Staff Report:

Mayor Pro Tem Carter:

- Expressed satisfaction that an abatement had been completed at 483 4th Avenue and that the City is working toward an abatement at 185 Douglas.
- Commended the department for its work at 520 1st Street.
- Noted that two dogs and two cats had been transported, with three of those animals, including both cats, having been received due to abuse conditions. Expressed that it is better they are at Miranda's Rescue than the original circumstance.

Mayor Garnes:

- Asked Community Development Director Caldwell whether the new dispensary (Element Seven) had contacted him regarding signage.

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- Director Caldwell confirmed he had sent information the prior week and would follow up the next day. He noted the dispensary is interested in a monument sign in the Town Center Zone, where the maximum permitted height is 10 feet. He stated he would research the matter further given that the Council's intent when the ordinance was adopted was to discourage freestanding pole-mounted signs and encourage on-building signage.
- Mayor Garnes noted she had visited the dispensary and shared her opinion of the two existing advertisement billboard signs (located in a neighboring city to the north), which she found disheartening given the City's efforts to improve its image along the Highway 101 corridor approaching from the south.
- Mayor Garnes shared that she spoke with a representative from the dispensary, who indicated management had already been notified of community concerns and that they are interested in a more tasteful, humorous approach. The dispensary is currently rebranding under the name "The Standard."
- Director Caldwell confirmed he had previously emailed the dispensary noting the City had received public comments regarding the signage, using a lighthearted reference to encourage professionalism in their messaging.

Council Member Woodall:
No questions or comments.

Council Member Orr:
Not yet present.

No public comments were received.

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

1. Fiscal Year 2025-26 Mid-Year Financial Report (Item 2026/0217.08)

Finance Director Sanborn presented the mid-year financial report for Fiscal Year 2025-26, summarizing revenues and expenditures for the first half of the fiscal year, highlighting key variances from the adjusted budget, and offering insights into financial trends that may impact the City in the coming years. The Director noted the analysis is based on unaudited financials.

Key Highlights from the Presentation:

Overall Financial Position:

- At the midyear point, the City's expenditures exceeded revenues by approximately \$326,000, primarily due to timing of revenue receipts from other government agencies and pending reimbursements for grant-funded projects, including the water distribution system capital improvement project.
- In the General Fund specifically, expenditures exceeded revenues by approximately \$429,000, largely due to revenues from Humboldt County received after the December 31, 2025 report deadline.

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- All departments are operating at or below 50% of their budgeted expenditures at midyear, indicating a balanced approach to spending.

Revenue Performance:

- General Fund revenues stood at 20% of the budgeted amount at midyear, compared to 22% at the same time last year, due to delayed revenue payments routed through Humboldt County typically received in the second half of the fiscal year.
- Cannabis tax revenues reached 35% of the budget at midyear, as anticipated, largely due to Ordinance 397-2023 allowing cultivators in the Dinsmore Plateau area to make one-time tax payments on March 15th rather than quarterly.
- Street funds received approximately 42% of budgeted revenues at midyear, with actual expenditures for street projects at 33% of the adopted budget.
- The Sewer Enterprise Fund performed in line with expectations, with revenues at 52% of budget and expenditures at 39%.
- The Water Enterprise Fund received 54% of budgeted revenue at midyear, with 46% of budgeted expenditures recorded.

Loan Status:

- The City's \$6.6 million wastewater treatment plant loan with the California Water Board remains on schedule for full repayment by 2043.
- The City's \$2.7 million water plant loan with the State Water Board is expected to be fully repaid by July 1, 2029.

Fiscal Challenges and Outlook:

- The total estimated cost for remaining earthquake recovery projects is \$5.8 million. CDAA reimbursements are expected to cover approximately \$4.8 million (75%). If the City is required to cover the 25% non-federal share, the remaining approximately \$1.4 million would be distributed across the wastewater, water, and street funds. Current capital fund balances indicate sufficient capacity to absorb these costs, though doing so would significantly reduce available reserves.
- Cannabis tax revenues remain uncertain. Market-wide downturns have contributed to a measurable decline in tax revenues, making this revenue source increasingly difficult to forecast.
- Street infrastructure funding faces long-term headwinds. The Legislative Analyst's Office projects a \$6 billion decline in gas tax revenue over the next decade as electric vehicle adoption accelerates. The City may need to direct a greater share of General Fund resources toward street maintenance in coming years.

Council Comments:

Councilmember Woodall:

Asked whether water used by the Fire Department still comes out of the General Fund. Finance Director Sanborn confirmed this is the case.

Mayor Pro Tem Carter:

No questions. Thanked Finance Director Sanborn for the clear and well-done presentation.

Mayor Garnes:

No questions. Expressed appreciation for the presentation, noting it was very well done and clear.

No public comments were received.

ACTION: Receive and File. No motion required.

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

None.

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

1. Resolution No. 1660-2026 Approving the Regional Climate Action Plan (Item 2026/0217.09)

City Manager Knopp introduced the item and acknowledged Community Development Director Caldwell's multi-year involvement in the regional climate action planning process.

Community Development Director Caldwell presented on the Regional Climate Action Plan (CAP), noting that the City has been collaborating with the County and other jurisdictions since 2019. He reported that the Environmental Impact Report was completed, certified at the December 2025 Board of Supervisors meeting, and that the CAP was subsequently adopted by the Board.

Key Highlights from the Presentation:

Purpose and Benefits of the CAP:

- Streamlines the CEQA process and greenhouse gas analysis for both the City and developers.
- Facilitates the Vehicle Miles Traveled (VMT) analysis.
- Reduces legal risk for the City and applicants.
- Aligns with state law requirements.
- Improves speed of development review.
- Enhances the City's eligibility for grant funding.

CAP Partners:

The CAP was developed in coordination with Humboldt County, all cities in the county, HCAOG, Redwood Coast Energy Authority, Humboldt Transit Authority, and Humboldt Waste Management Authority.

Greenhouse Gas Reduction Targets:

- The CAP establishes a framework to reduce countywide greenhouse gas emissions to 40% below 1990 levels by 2030, consistent with SB 32, and aims toward carbon neutrality by 2045, consistent with AB 1279.
- In 2022, total countywide emissions were estimated at approximately 1.53 million metric tons of CO2 equivalent. On-road transportation accounts for approximately 73% of emissions, followed by building natural gas use at 13%, and off-road equipment at 8%.

Six Sectors and Eleven Strategies:

- Building Energy: Increase carbon-free electricity; decarbonize existing and new construction.
- Transportation: Shift travel to walking, biking, and public transit; reduce vehicle miles traveled; increase zero-emission vehicle adoption.
- Solid Waste: Reduce organic waste in compliance with SB 1383.
- Water and Wastewater: Conserve water; reduce wastewater emissions (including the City's natural gas-powered biosolids dryer, which will need to be addressed by 2045).
- Carbon Sequestration: Increase urban tree canopy; preserve natural lands and wetlands; support soil carbon storage projects.
- Regional Climate Committee: Establish a regional committee with representatives from local jurisdictions and key regional agencies. A climate program manager position is in development, to be housed at either HCAOG or Redwood Coast Energy Authority.

Projected Impact:

If all implementation measures are carried out, emissions are projected to be reduced by approximately 219,000 metric tons by 2030 and nearly 1.3 million metric tons by 2045.

Adoption Status:

The City of Eureka has adopted the plan. Arcata was expected to adopt it the same week or the following week. Rio Dell was poised to be the second or third city to adopt.

Council Questions:

- Council Member Orr (who joined the meeting at 6:15 PM): No questions.
- Council Member Woodall: No questions.
- Mayor Pro Tem Carter: No questions.
- Mayor Garnes: No questions.

No public comments or online questions were received.

Council Vote:

Mayor Pro Tem Carter moved to adopt Resolution No. 1660-2026 approving the Regional Climate Action Plan. Mayor Garnes seconded the motion.

Council Member Orr: No
 Council Member Woodall: No
 Mayor Pro Tem Carter: Aye
 Mayor Garnes: Aye

ACTION: The motion failed on a 2-2 tie vote. Resolution No. 1660-2026 did not pass. No alternative motion was made.

L. COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter:

- Reported that the Chamber of Commerce is polling the community for the next Wildwood Days theme, an initiative she noted has not been done before. The poll is open until approximately the first or second week of March and can be found on the Chamber's Facebook page or website. The top submissions will be reposted for a final public vote.
- Noted a RREDC meeting scheduled for February 23rd.

Council Member Orr:

No report.

Council Member Woodall:

Noted that there is no Nuisance Committee meeting on the following day.

Mayor Garnes:

- Reported attending a Great Redwood Trail Agency (GRTA) special meeting focused on Appendix H of the master plan. While the state had exempted the GRTA from the CEQA process, staff developed a CEQA-like process with a checklist to demonstrate that the agency remains committed to proper environmental review. The master plan is expected to be adopted on March 17th.

M. ADJOURNMENT

ACTION: Motion to adjourn by Mayor Pro Tem Carter, seconded by Councilmember Woodall. Motion carried.

The meeting was adjourned at approximately 6:35 PM. The next regular City Council meeting is scheduled for Tuesday, March 3, 2026 at 6:00 PM.

APPROVED:

Mayor Garnes

Date: _____

ATTEST:

Kyle Knopp, Acting City Clerk



*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*

March 3, 2026

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Authorize the City Manager to Amend a Contract for Professional Services with CSG Consulting for SB 1383 Compliance and Franchise Agreement Development in the amount of \$19,844.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a Professional Services Contract with CSG Consultants to assist the City with SB 1383 compliance and development of an updated franchise agreement in the amount of \$19,844.

BACKGROUND AND DISCUSSION

On July 16, 2024 the City Council authorized an agreement with CSG Consulting for \$25,510. This amount is covered by a grant from CalRecycle, and the amended and additional figure of \$19,844 will also be covered by the grant.

CSG Consultants has been working with our neighboring jurisdictions in a similar fashion with Recology and Recology Eel River, the City’s solid waste franchise holder. The City’s solid waste franchise agreement is set to expire on December 31, 2026.

The negotiation (which also involves the County and cities of Arcata, Eureka and Fortuna) has taken longer than expected. As a result, staff is recommending this amendment for the franchise negotiations for Rio Dell to be completed.

Attachments:
CSG Consultants Proposal

///



Employee-Owned

550 Pilgrim Drive
Foster City, CA 94404
phone 650.522.2500
fax 650.522.2599

www.csgegr.com

Section F, Item 2.

February 18, 2026

Mr. Kyle Knopp
City Manager
City of Rio Dell
675 Wildwood Ave
Rio Dell, CA 95562

Re: City of Rio Dell: Proposal to Complete Franchise Agreement Negotiation and SB 1383 Compliance Technical Assistance

Dear Kyle,

Thank you for the opportunity for **CSG Consultants (CSG)** to complete the Franchise Agreement Negotiation and SB 1383 Compliance Technical Assistance for the City of Rio Dell. We look forward to completing this project for the City and ensuring the City receives a new franchise agreement with cost-effective programs, improved services and SB 1383 compliant programs.

Kathleen Gallagher will continue to serve as the Project Manager, and she brings over 30 years of sustainability program management and waste management experience. Since SB 1383 regulations were approved, she has assisted several jurisdictions with new franchise agreements that are SB 1383 compliant, and she has become an SB 1383 subject matter expert. Ms. Gallagher’s contact information is as follows:

Kathleen Gallagher, Senior Sustainability Manager
550 Pilgrim Drive, Foster City, CA 94404
650.489.9097 *mobile* | kathleeng@csgegr.com

The attached scope of work will be provided to the City on a not to exceed basis of \$19,844. Details are included in the scope of work. Please feel free to contact Ms. Gallagher with any questions or comments you may have regarding our proposal. We look forward to providing these services to the City of Rio Dell.

Sincerely,

Cyrus Kianpour, PE, PLS
President, CSG Consultants, Inc.

Scope of Work

- Task 1:** Complete franchise agreement provisions highlighted by the Rio Dell city attorney and achieve consensus with Recology’s attorney in collaboration with City staff and city attorney on outstanding legal terms and issues. Include updated agreed upon provisions and complete final franchise agreement quality assurance for City staff for the presentation to City Council for approval.
- Task 2:** Complete franchise agreement and achieve consensus on outstanding operations terms and issues with Rio Dell and Recology operations staff regarding Rio Dell’s commercial, MFD, residential accounts, city specific services, cardboard only accounts, outreach/education and rollout of new services.
- Task 3:** Complete cost proposal and rate structure quality assurance and quality control for all services to be included in Exhibit A of franchise agreement in collaboration with Rio Dell staff, Chris Bell and Recology. Participate in Recology/Chris Bell meetings and in City of Rio Dell and Chris Bell meetings. Provide technical assistance on rate structure to incentivize diversion and low contamination.
- Task 4:** Complete city staff report, and if city manager directs, the Proposition 218 public notice documents and templates for city staff presentation to City Council for approval of new franchise agreement and new rates for all Recology services for the City of Rio Dell.
- Task 5:** Provide technical assistance and oversight of Recology’s implementation plan and rollout of new collection programs. Ensure Recology’s implementation, delivery of services and containers, outreach, education, Waste Zero Specialist services comply with new franchise agreement requirements. Provide city staff, city key stakeholders with essential outreach materials in collaboration with Recology and update staff on milestones Provide technical assistance at the direction of City staff on a time and materials basis per the cost per hour noted in the Scope of Work.

Scope of Work Cost

Tasks	Hrs	Senior Sustainability Manager \$205/hr
Task 1: Complete franchise agreement and achieve consensus on outstanding legal terms and issues from Rio Dell staff and Recology attorney. Complete final franchise agreement for City Council approval with final quality assurance.	11	\$2,255
Task 2: Complete franchise agreement and achieve consensus on outstanding operations terms and issues with Rio Dell staff and Recology operations staff regarding Rio Dell’s commercial accounts, MFD accounts, residential accounts, city specific services, outreach/education and rollout of new services, and ensure SB 1383 compliance.	18	\$3,690
Task 3: Complete meetings with city staff and Chris Bell for cost proposal and rate structure quality assurance and quality control for all services for inclusion in Exhibit A of franchise agreement in collaboration with Rio Dell staff, Chris Bell and Recology. Provide technical assistance on rate structure. This task includes modifications to the cost proposal due to city staff requests to modify and/or reduce services to reduce rate impact. Provide technical assistance with selecting provisions to modify to reduce rate impact.	29	\$5,945
Task 4: Complete city staff report and if directed by City Manager, complete Prop 218 templates for city use for city staff presentation to City Council for approval of new franchise agreement.	9	\$1,845
Task 5: Provide technical assistance and oversight of Recology’s implementation plan and rollout of new collection programs. Ensure Recology’s implementation, delivery of services and containers, outreach, education, Waste Zero Specialist services comply with new franchise agreement requirements. Provide city staff, city key stakeholders with essential outreach and education materials in collaboration with Recology and provide city staff with milestones completion.	21	\$4,305
	10% Contingency	\$1,804
	Total	\$19,844

All hourly rates include overhead costs including, but not limited to, salaries, benefits, Workers Compensation Insurance, travel, and office expenses. CSG will mail an invoice every month for services rendered during the previous month. On July 1 of each year following the contract start date, CSG will initiate a rate increase based on change in CPI for the applicable region.

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
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cityofriodell.ca.gov*



DATE: March 3, 2026
TO: Rio Dell City Council
FROM: Travis Sanborn, Finance Director
THROUGH: Kyle Knopp, City Manager
SUBJECT: Sales Tax Audit and Reporting Services Agreement with HdL Companies

RECOMMENDATION

Authorize the City Manager to execute a Master Services Agreement with Hinderliter, de Llamas and Associates (HdL Companies) for sales tax audit and reporting services, subject to City Attorney review and approval, provided there are no substantive changes to the agreement terms. Direct staff to return with a resolution authorizing HdL to examine confidential CDTFA sales tax records as required under Revenue and Taxation Code Section 7056.

BACKGROUND

Sales and use tax is a significant component of the City's General Fund revenue. To ensure Rio Dell is receiving its full and accurate allocation, the City engaged HdL Companies, a firm specializing in sales tax analysis, allocation audit, and recovery services for California local governments. HdL works directly with the California Department of Tax and Fee Administration (CDTFA) to identify and correct misallocations, reporting errors, and other discrepancies that may result in the City receiving less than its entitled share of tax revenue.

DISCUSSION

The agreement offers two service tiers under Schedule A. Staff recommends Option 2 Essential Services at \$192 per month, which includes all Option 1 Basic Services features plus quarterly trend summaries suitable for public and economic development use, budget forecasting support, and two semi-annual presentations led by an HdL Sales Tax Principal. Option 1 Basic Services is available at \$183 per month for a reduced scope limited to database maintenance and quarterly allocation reports.

Allocation and Audit Recovery Services are included under both options and will run concurrently. This allows HdL to proactively identify and correct allocation errors directly with the CDTFA on the City's behalf. Common errors addressed include transposition misallocations,

erroneous consolidation of business outlets, and misreporting of point-of-sale location. The audit recovery fee is 18% of all new, increased, and recovered sales tax revenue resulting from HdL's work, and applies to revenue received for eight consecutive reporting quarters following CDTFA confirmation of each correction.

Monthly fees are subject to an annual CPI adjustment based on the Consumer Price Index for All Urban Consumers (CPI-U) as reported by the U.S. Bureau of Labor Statistics. The initial term is five years with two optional one-year renewal periods. Either party may terminate without cause with 120 days' written notice.

Per Revenue and Taxation Code Section 7056, the City is required to adopt a resolution authorizing HdL to examine confidential CDTFA sales tax records. Staff will return with that resolution for Council adoption.

ATTACHMENTS

Master Services Agreement, HdL Companies (including Schedule A and Schedule B)

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (this “Agreement”) is entered into as of _____, 2026 (the “Agreement Date”) by and between Hinderliter de Llamas and Associates (“Consultant”), and City of Rio Dell (“Client”), which is located within the state of California (the “State”).

WITNESSETH:

WHEREAS, Consultant is engaged in the business of providing consulting, software and other services that help public agencies understand and maximize their collection of sales, use and transactions taxes, business license taxes, property and lodging taxes, and other revenues, as well as their delivery of public services (collectively, “Consultant’s Business”); and

WHEREAS, Client desires to contract with Consultant to obtain one or more of the services included within Consultant’s Business (as provided for in Section 1) upon the terms and conditions contained in this Agreement;

WHEREAS, Consultant desires to contract with Client to render such services upon the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the covenants and promises contained herein, Client and Consultant mutually agree as follows:

1. Services.

1.1 Consultant will perform those services included within Consultant’s Business that are described in any and all schedule(s) referencing this Agreement and signed by Client and Consultant as of the Agreement Date or hereafter (individually and collectively, the “Schedule(s)”), upon the terms and conditions contained in this Agreement (including the Schedules) (such services are, collectively, the “Services”). In performing the Services, Consultant is acting as an independent contractor (and not as an agent or employee of Client).

1.2 Client acknowledges and agrees that any other public agency (including, without limitation, any participating government agency) located within or outside of the State (e.g., city, municipality, county, district, public authority or other political subdivision) may procure services for fees and other terms and conditions that are substantially similar to any of the Services, Fees and other terms and conditions set forth in this Agreement, provided that such other public agency executes a separate agreement with Consultant wherein the services rendered to such other public agency, the fees payable by such other public agency, and the other terms and conditions of such separate agreement are the responsibility of Consultant and such other public agency and not Client.

1.3 This Agreement does not limit the right of Consultant to enter into additional contracts with Client or to contract with third parties to provide them with merchandise or services of any kind whatsoever, including, but not limited to, services similar to the Services. During the Term of this Agreement, Client will not, directly or indirectly (except through

Consultant), engage any third party to provide the Services or any services similar to the Services.

2. **Fees.** As compensation for performing the Services, Client will pay Consultant the fees, costs and expenses as described in the Schedules (individually and collectively these fees and costs are, the “Fees”). Consultant may perform the Services using professionals from its staff or Consultant’s affiliated entities, and such Services will be invoiced to Client under the same terms applicable to Consultant’s staff. Consultant may increase the Fees from time to time (including, without limitation, as may be described in any of the Schedules). Other than a Fee increase as described in the Schedules, Client may notify Consultant of a request that such Fee increase be modified or revoked and, if Consultant fails to do so to Client’s satisfaction within thirty (30) days after the receipt of such request, Client may terminate this Agreement without cause pursuant to Section 7.3.

3. **Invoices; Payment.**

3.1 Consultant will invoice Client for the Fees earned and/or incurred by Consultant pursuant to this Agreement.

3.2 Invoices are due and payable upon receipt. Interest will begin to accrue on the thirty-first (31st) day following the invoice date on all unpaid balances at a rate of one and one-half percent (1½%) per month, or the maximum rate permitted by law, whichever is less. Payments will first be credited to interest and then to principal. In the event that Client disputes an invoice, only that portion so disputed in good faith will be withheld from payment, and the undisputed portion must be timely paid. Interest will accrue on any disputed portion of the invoice not timely paid and will be payable immediately if the disputed invoice is resolved in favor of Consultant.

3.3 If Client fails to fully pay an invoice within 30 days after the invoice date, Consultant may, after giving five (5) days’ prior written notice to Client, suspend the rendering of Services under this Agreement until said invoice is paid in full, together with all interest that has accrued thereon. In the event of such a suspension of Services, Consultant will have no liability to Client for any delays or damages arising therefrom.

4. **Insurance.** Throughout the term of this Agreement, Consultant will maintain the following insurance in not less than the referenced amounts: (a) workers compensation and employers liability insurance as may be required by the State; (b) property damage liability of \$1,000,000 per incident; (c) bodily injury liability of \$1,000,000 per incident; and (d) professional liability for any errors or omissions of \$1,000,000.

5. **Client Support.**

5.1 Client will promptly provide in writing to Consultant all data and other information relating to or which may be necessary for Consultant’s performance of the Services. Without limiting the foregoing, Client will keep Consultant informed on a timely basis in writing as to the existence and amendments of the laws, ordinances and/or regulations under which Consultant is performing the Services (including any adopted by Client). Consultant will be

permitted to rely on the accuracy, timeliness and completeness of the information provided by Client, and in no event will Consultant be liable to Client or others as a result of such reliance.

5.2 Client will examine all of Consultant's reports, specifications, notices, proposals and other documents. In the event that Consultant asks for a decision from Client in order for Consultant to perform the Services, Client will render such decision in writing in a timely manner.

5.3 Promptly following any request from Consultant, Client will adopt and maintain in full force and effect resolutions in forms acceptable to Client and in accordance with applicable law authorizing Consultant to examine the confidential sales tax and other relevant records of Client throughout the Term and, for so long as any Fees are still accruing pursuant to this Agreement, after the Term.

5.4 Client will assist Consultant in obtaining such licenses, permits and approvals as may be required by law for performing the Services, and Client will pay all fees, assessments and taxes related to the application, issuance and maintenance thereof.

5.5 The Services do not include services to support, prepare, document, bring, respond to subpoenas, act as a witness, defend or otherwise assist in litigation undertaken or defended by Client, which Consultant may be required by legal process or otherwise or requested by Client to provide (collectively, "Litigation Services"). In this regard, if Consultant agrees with Client or is otherwise required to perform Litigation Services, Client will promptly pay or reimburse Consultant for all of Consultant's costs and expenses related to Litigation Services (including, without limitation, Consultant's attorneys' fees and costs) at Consultant's actual cost, plus ten percent (10%) thereof (all of which are deemed to be additional Fees).

6. Confidentiality; Software Use and Warranty; Records.

6.1 Consultant will comply with the requirements of the applicable laws, ordinances and/or regulations of which it has been informed by Client pursuant to Section 5.1 concerning the confidentiality of tax records. Consultant may publicly state that it performs Services for Client.

6.2 As used herein, the term "proprietary information" means all information, techniques, processes, services or material that has or could have commercial value or other utility for Consultant or in Consultant's Business, including without limitation, (i) software, computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; (iii) desktop or web-based software; (iv) audit, tax or fee collection/administration or business processes, methods or routines; (v) marketing plans, analyses and strategies; (vi) materials, techniques and intellectual property used; and (vii) the Software and the Software's documentation. Except as otherwise required by law, Client must hold in confidence and may not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by Client in connection with this Agreement. The terms of this Section 6.2 do not apply to information that is public information; provided, however, that proprietary information will not qualify as public information if it became public due to Client's (or its employees' or agents') disclosure.

6.3 If access to any software which Consultant owns is provided to Client as part of the Services under this Agreement (including, without limitation, if Client chooses to subscribe to such software and/or related reports as part of the Services pursuant to a Schedule to this Agreement) (such Consultant-owned software is, collectively, the “Software”), Consultant hereby provides a limited, non-exclusive, non-transferable license to Client (including such of Client’s staff as may be designated from time to time by Client and approved by Consultant in writing) to use the Software pursuant to and during the Term of this Agreement.

6.4 The Software must only be used by such authorized Client staff, and Client must not sublicense, sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of the Software. The license granted hereunder does not imply ownership by Client or any of Client’s staff of the Software nor any rights of Client or any of Client’s staff to sublicense, transfer or sell the Software, or rights to use the Software for the benefit of others. Client may not create (or allow the creation of) any derivative work or product based on or derived from the Software or the Software’s documentation, nor modify (or allow the modification of) the Software or the Software’s documentation without the prior written consent of Consultant. In the event of a breach of this provision (and without limiting Consultant’s remedies), such modification, derivative work or product based on the Software or the Software’s documentation is hereby deemed assigned to Consultant. Upon termination of this Agreement or this Software license, this Software license will be deemed to have expired and Client must immediately deactivate, cease using and remove, delete and destroy all the Software (including, without limitation, from Client’s computers and network). **Consultant warrants that the Software will perform in accordance with the Software’s documentation.**

6.5 Notwithstanding anything to the contrary in this Agreement (including any Schedule hereto), if access to any software which Consultant does not own is provided to Client as part of the Services pursuant to this Agreement (including pursuant to any Schedule hereto), Client hereby agrees (i) to comply with all of the terms and conditions imposed on Client’s access to such software (including, without limitation, by Consultant, such software’s owner, and pursuant to applicable law), and (ii) Consultant has no obligation during the Term of this Agreement or thereafter to provide Client with access to such software.

6.6 All documents, preliminary drafts, communications and any and all other work product related to the Services and provided by Consultant to Client either in hard copy or electronically are the joint property of Client and Consultant. This does not include the Software or any other software, any programs, any methodologies or any systems used in the creation of such work product, nor does it include any drafts, notes or internal communications prepared by Consultant in the course of performing the Services that were not otherwise provided to Client in either hardcopy or electronic form, all of which may be protected by Consultant or third party copyrights or other intellectual property and remain Consultant’s or such third parties’ exclusive property (as the case may be). It is possible that any documents, drafts, communications or other work product provided to Client may be alleged to be public records under applicable law and/or may be discoverable through litigation. Well in advance of when Client may disclose such information in response to any request for public records, Client must notify Consultant in writing about the request and, if Consultant requests it, Client must apply for any potential exemption from disclosure that may exist under applicable law.

6.7 Subject to applicable law, Consultant is responsible for retaining all final documents and other final work product related to the Services for a period of not less than three (3) years from the date provided to Client. Retention of any other documents, preliminary drafts, communications and any and all other work product provided to Client by Consultant is the responsibility of Client. Consultant has no responsibility to retain any drafts, notes, communications, emails or other writings created or received by Client in the course of performing the Services (other than the final documents and other final work product related to the Services and provided to Client for the term of years referenced above).

7. Term and Termination.

7.1 The initial term of this Agreement commences as of the Agreement Date and, unless terminated earlier pursuant to any of this Agreement's express provisions, will continue in effect for five (5) years from such date (the "Initial Term"). This Agreement may be renewed for two twelve (12) month terms unless earlier terminated as set forth in Section 7.2 or 7.3 (each a "Renewal Term" and, collectively, together with the Initial Term, the "Term").

7.2 This Agreement may be terminated by either party for cause upon not less than forty-five (45) days' prior written notice given to and received by the other party, if the other party has materially breached this Agreement through no fault of the notifying party and fails to (i) commence correction of such material breach within thirty (30) days of receipt of the above-referenced written notice and (ii) diligently complete the correction thereafter.

7.3 In addition, either party may terminate this Agreement without cause upon not less than one hundred twenty (120) days' prior written notice to the other party.

7.4 On termination, Client will pay Consultant for all Fees and other compensation (including for Litigation Services) earned and/or incurred through the termination date and will thereafter timely pay Consultant for all other Fees and compensation to which Consultant may be entitled pursuant to this Agreement (including the Schedules hereto).

8. Indemnification.

8.1 Consultant, on behalf of itself and its directors, officers, employees, agents, direct and indirect equity holders, and affiliates (collectively, "Consultant Group"), agrees to fully and promptly protect, indemnify, reimburse and hold harmless Client, its directors, officers, employees, agents, direct and indirect equity holders, and affiliates (collectively, "Client Group"), from and against any and all liabilities, losses, claims, damages, personal injuries, death, expenses, and costs (including, without limitation, for attorneys' fees and costs) (each, a "Liability", and collectively, "Liabilities") which are the direct or indirect result of (a) any breach of any representation, warranty or covenant made by or given on behalf of Consultant under this Agreement, or (b) any gross negligence or willful misconduct on the part of any one or more of Consultant Group.

8.2 Client, on behalf of itself and the other members of Client Group, agrees to fully and promptly protect, indemnify, reimburse and hold harmless Consultant and the other members of Consultant Group from and against any and all Liabilities which are the direct or indirect result

of (a) any breach of any representation, warranty or covenant made by or given on behalf of Client under this Agreement, or (b) any action or failure to act on the part of any one or more of Consultant Group where such action or failure to act was in good faith believed by any of Consultant Group at the time to be in conformity with this Agreement, or (c) otherwise related to or arising out of any act or omission by any one or more Client Group. In this regard, Client hereby acknowledges that it is responsible for instructing Consultant regarding Consultant's performance of Services under this Agreement, as well as the interpretation and meaning of the ordinances and/or regulations under which Consultant is performing Services under this Agreement.

8.3 Promptly after any member of Client Group or any member of Consultant Group (in each case, the "Indemnified Group") receives notice of the commencement of any proceeding for which Client or Consultant (as the case may be) intends to make a claim for indemnification under this Agreement, it should notify the other party (the "Indemnifying Party"), but the failure to so notify will not result in the loss of any rights of any of the Indemnified Group to indemnification hereunder except to the extent that the Indemnifying Party does not otherwise become aware of such proceeding and is actually adversely affected thereby to a material extent. The Indemnifying Party will assume the defense of the Indemnified Group (including the employment of legal counsel reasonably satisfactory to the Indemnified Group) and payment of such counsel's fees and disbursements (including retainers). Should the Indemnified Group reasonably determine that separate counsel is necessary (whether due to the existence of different defenses, potential conflicts of interest or otherwise), or if the Indemnifying Party has not assumed the defense, then any of the Indemnified Group may employ separate legal counsel, and the Indemnifying Party will pay such counsel's reasonable fees and disbursements as incurred (including retainers). The obligations of defense and indemnification under this Agreement apply, without limitation, to those situations where someone brings a cross claim for indemnity or contribution against any one or more of the Indemnified Group.

8.4 Neither Consultant nor Client shall, without the other party's prior written consent, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action, or proceeding or investigation in respect of which indemnification could be sought hereunder (whether or not any of the other party or any other member of the Indemnified Group is an actual or potential party to such claim, action or proceeding or investigation), unless such settlement, compromise or consent includes an unconditional release of the other party and any other member of the Indemnified Group from all liability arising out of such claim, action, proceeding or investigation and includes an explicit disclaimer of responsibility of any kind on the part of the other party and any other member of the Indemnified Group.

9. Liability Limitations; Governing Law; Dispute Resolution

9.1 To the maximum extent permitted by law and notwithstanding anything to the contrary in this Agreement:

9.1.1 Except for Consultant's gross negligence or willful misconduct in connection with the performance of its obligations under this Agreement, Client's sole and exclusive remedies for any breaches of Consultant's obligations under this Agreement (including, without limitation, for any breaches relating to the Services or the Software,

including any breaches of warranty, express or implied) (i) are limited to making reasonable and necessary repairs, replacements or corrections without additional cost to the Client, and (ii) will not exceed, under any circumstances, the amount of the Fees paid by Client to Consultant for the twelve-month period prior to the alleged breaches, calculated without reference to any payments constituting the payment of costs or expenses. All amounts paid to Consultant hereunder are deemed first to be for the reimbursement of costs or expenses and then any excess will be regarded as payments for other portions of the Fees under this Agreement. Any references to breaches of this Agreement will include any supplements, additions or amendments to this Agreement.

9.1.2 Except as may otherwise be expressly set forth in this Agreement, Consultant makes no warranty of any kind with respect to the Services or the Software, express or implied. Consultant hereby disclaims all other warranties, express or implied, including the implied warranties of merchantability, fitness for a particular purpose, title and non infringement. Consultant disclaims all warranties and responsibility for third party software.

9.1.3 In no event will any of Consultant Group be liable for any lost revenues or lost profits, or any special, incidental, or consequential damages of any nature whatsoever, even if such restrictions deprive one or more remedies of their essential purpose. This damage exclusion is independent of any remedies provided for herein.

9.1.4 None of Consultant Group will have any Liability (whether direct or indirect, in contract or tort or otherwise) related to, arising out of, or in connection with this Agreement or to any of Client Group acting on any advice given or opinion rendered by any of Consultant Group, except to the extent that such Liability is found by a court of competent jurisdiction in a judgment which has become final and that it is no longer subject to appeal or review to have resulted solely from such Consultant Group's willful misconduct or gross negligence.

9.1.5 No claim may be brought by Client against any one or more of Consultant Group arising out of this Agreement (including, without limitation, in connection with the Services or the Software) more than one year after the date on which such claim arose (regardless of the date when Client may have discovered a basis for the claim).

9.1.6 Client acknowledges that this Agreement is with Consultant in its capacity as a corporation or a limited liability company, and Client agrees that in no event will it seek to hold any of the Consultant Group (other than Consultant) responsible for any Liabilities.

9.2 The law of the State will govern the validity of this Agreement, its interpretation and performance, and any other claims related to it, without regard to the State's conflict of laws rules. Venue for any legal action arising out of this Agreement will be proper only in the State courts or the federal courts located within the State. The parties hereby submit to the exclusive jurisdiction of such courts and waive any other venue to which either party might be entitled by domicile or otherwise.

9.3 If either party is required to bring legal action to enforce its rights under this Agreement or as the result of a breach of this Agreement, the costs and expenses of the prevailing party, including reasonable attorneys' fees, will be paid by the non-prevailing party.

9.4 A breach of this Agreement by either party may cause the other party hereto irreparable harm, the amount of which may be difficult to ascertain, and therefore such other party will have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any further breach and for such other relief as such other party may deem appropriate. Such right is in addition to the remedies otherwise available to such other party at law or in equity. The parties hereto expressly waive the defense that a remedy in damages will be adequate and any requirement in an action for specific performance or injunction hereunder for the posting of a bond.

10. General Legal Provisions.

10.1 Authorization to Proceed. Each Schedule must be signed by both Client and Consultant before such Schedule will be binding on the parties hereto.

10.2 Force Majeure. Consultant is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, epidemics, pandemics or other health emergencies, or other events beyond the control of Consultant.

10.3 Amendment; Waiver. Any provisions of this Agreement (including, without limitation, any Schedules or provisions within any Schedules) may be amended or terminated if in writing and signed by both Client and Consultant. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to be valid unless acknowledged by such party in writing, and such waiver will not extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

10.4 Severability and Survival. If any provision in this Agreement is held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired thereby. Notwithstanding any other provisions of this Agreement (including, without limitation, Section 7), Sections 3, 5.5, 6, 7, 8, 9 and 10 will survive the termination of this Agreement.

10.5 No Third-Party Beneficiaries; Services Limited to Agreement. Except as set forth in Section 8, this Agreement gives no rights or benefits to anyone other than Client and Consultant and has no third-party beneficiaries. The Services to be performed for Client by Consultant are defined solely by this Agreement (including the Schedules), and not by any other contract or agreement that may be associated with performing the Services.

10.6 Assignment. This is a bilateral personal services agreement. Neither party will have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. This Agreement is binding on the successors and assigns of the parties hereto. Notwithstanding anything to the contrary, Consultant may, from time to time, utilize one or more third parties to provide certain of the Services (including, but not limited to, as may be set forth in one or more of the Schedules).

10.7 Notices. All notices under this Agreement must be in writing and will be deemed to have been given when such notice is received (i) from United States Postal Service First Class Certified Mail, Return Receipt Requested, (ii) by courier service, or (iii) by email; provided, however, that notices received on a weekend or holiday or on a business day after 4:00 p.m. local time will be deemed to have been received on the next business day. Notices will, unless another address is specified in writing, be sent to the addresses indicated below (each of which must include a street address and an email address): Consultant: 120 S. State College Blvd.#200, Brea, CA 92821, Attn: Contracts, Email: contracts@hdlcompanies.com; and Client: 675 Wildwood Ave Rio Dell, CA 95562, Attn: City Manager, Email: knoppk@cityofriodell.ca.gov.

10.8 Entire Agreement; Conflict. This Agreement (which includes any Schedules or amendments dated as of the Agreement Date or hereafter, including without limitation, amendments of the main body of this Agreement or the Schedules that may add to, subtract from, modify or clarify the Term, the scope of Services and/or the amount of Fees) constitutes the entire agreement between the parties and supersedes any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof. Should there ever be a conflict between the terms and conditions of any Schedules and the remainder of this Agreement as set forth in the main body of this Agreement, the terms and conditions of the remainder of this Agreement as set forth in the main body of this Agreement will prevail and be controlling; provided, however, that should there ever be a conflict between the terms and conditions of this Agreement (including any Schedules) and (i) any amendments hereof, the terms and conditions of the amendments hereof will prevail and be controlling, and (ii) the terms and conditions of any Schedule that expressly provides for them to supersede any terms and conditions of the main body of this Agreement, such terms and conditions of such Schedule will prevail and be controlling.

10.9 Counterparts; Electronic Signatures; Authority. This Agreement may be signed in any number of counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement. Any signed signature pages of this Agreement transmitted by email or other electronic means in a portable document format (PDF) or other clear and visible electronic format will have the same legal effect as an original. Each of the persons signing on behalf of a party hereto represents that he or she has the authority to sign this Agreement on such party's behalf.

10.10 No Adverse Construction. Both parties acknowledge having had the opportunity to participate in the drafting of this Agreement. This Agreement will not be construed against either party based upon authorship. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

[Signatures are on the next page]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement through their duly authorized representatives as of the Agreement Date.

CONSULTANT:

CLIENT:

Hinderliter de Llamas and Associates

City of Rio Dell

By: _____
Andrew Nickerson, President/CEO

By: _____

[Any Schedule or Schedules may (but is/are not required to) be attached hereto]

SCHEDULE A
SERVICES – Sales and Use Tax

Consultant will provide the following services under Option 2 Essential Services for Sales and Use Tax Analysis/Reports. If during the term of the agreement Client desires to change service to Option 1, Client will notify Consultant in writing. Audit Recovery Services will not be optional and will be provided along with Option 1 or Option 2.

1. Option 1. BASIC SERVICES. Sales and Use Tax and Economic Analysis/Reports

- 1.1. Establish a special database with California Department of Tax and Fee Administration (“CDTFA”) registration data for businesses within applicable district boundaries holding seller’s permit accounts.
- 1.2. Consultant shall make available to CITY the HdL proprietary software program and database containing all applicable registration and quarterly allocation information for CITY business outlets registered with the Department of Tax and Fee Administration. The database will be updated quarterly.
- 1.3. Consultant shall provide updated reports each quarter identifying changes in allocation totals by individual businesses, business groups and by categories. Quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, will also be identified.

2. Option 2. ESSENTIAL SERVICES. Sales and Use Tax and Economic Analysis/Reports

- 2.1. Establish a special database with California Department of Tax and Fee Administration (“CDTFA”) registration data for businesses within applicable district boundaries holding seller’s permit accounts.
- 2.2. Consultant shall make available to CITY the HdL proprietary software program and database containing all applicable registration and quarterly allocation information for CITY business outlets registered with the Department of Tax and Fee Administration. The database will be updated quarterly.
- 2.3. Consultant shall provide updated reports each quarter identifying changes in allocation totals by individual businesses, business groups and by categories. Quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, will also be identified.
- 2.4. Following each calendar quarter shall provide a summary analysis for City to share with Council Members, Chamber of Commerce, other economic development interest groups and the public that analyze City’s sales tax trends by major groups without disclosing confidential individual tax records.
- 2.5. Provide periodic updated reports endeavoring to identify and assist with budget forecasting including (i) changes in allocation totals by individual businesses, business groups and categories, and (ii) aberrations due to State audits, fund transfers, and receivables, along with late or double payments.
- 2.6. Consultant shall provide a presentation led by an HdL Sales Tax Principal discussing latest sales tax results, emerging retail trends, business retention needs, leveraging of economic clusters and reviewing successes in client jurisdictions with similar characteristics. This presentation will occur two calendar quarters per year.

3. Allocation and Audit Recovery Services

- 3.1. Conduct (when mutually agreed with City) initial and on-going sales and use tax audits of businesses to help identify and correct allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby generating previously unrealized sales and use tax income for the City and/or recovering misallocated tax from registered taxpayers. Common errors that will be monitored and corrected include but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; misreporting of “point of sale” to the wrong location; delays in reporting new outlets; misallocating use tax payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.
- 3.2. Initiate contacts with sales, management and accounting officials in companies that have businesses where a probability of error exists to endeavor to help verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner.
- 3.3. Prepare and submit to the CDTFA information for the purpose of correcting any identified allocation errors, and follow-up with individual businesses and the CDTFA to promote recovery by the City of back or prospective quarterly payments that may be owing.
- 3.4. If, during the course of its audit, Consultant finds businesses located in the City’s jurisdiction that are properly reporting sales and use tax but have the potential for modifying their operation to provide an even greater share to City, Consultant may so advise City and collaborate with those businesses and City to encourage such changes.

4. Consulting and Other Optional Services

Consultant may from time to time in its sole discretion, consult with City’s staff, including without limitation, regarding (i) technical questions and other issues related to sales, use and transactions tax, (ii) utilization of reports to enhance business license collection efforts, (iii) sales tax projections for proposed annexations, economic development projects and budget planning, (iv) negotiating/review of tax sharing agreements, (v) establishing purchasing corporations, (vi) meeting with taxpayers to encourage self-assessment of tax obligations, and (vii) other sales, use or transactions tax revenue-related matters.

FEES – Sales and Use Tax Services

5. Option 1. BASIC SERVICES. Sales and Use Tax and Economic Analysis/ Reports

- 5.1. Fees for performing the sales tax and economic analysis Services as described above shall initially be **\$183** per month, commencing with the month of the Effective Date (hereafter referred to as “monthly fee”). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by City no later than 30 days after the invoice date.
- 5.2. Consultant will increase the non-hourly Fees established above once a year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), as reported by the U.S. Bureau of Labor Statistics (the “CPI Change”).

6. Option 2. ESSENTIAL SERVICES. Sales and Use Tax and Economic Analysis/ Reports

- 6.1. Fees for performing the sales tax and economic analysis Services as described above shall initially be **\$192** per month, commencing with the month of the Effective Date (hereafter referred to as “monthly fee”). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by City no later than 30 days after the invoice date.
- 6.2. Consultant will increase the non-hourly Fees established above once a year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), as reported by the U.S. Bureau of Labor Statistics (the “CPI Change”).

7. Allocation and Audit Recovery Services

- 7.1. Fees for performing the allocation and audit recovery Services described above shall be **18%** of all new, increased and recovered sales and use tax revenue received by the City as a result, in whole or in part, of the allocation audit and recovery services (hereafter referred to as “audit fee”). The fee shall be paid notwithstanding any related City assistance, work in parallel, and/or incurrence of attorneys’ fees or other costs or expenses in connection, with the relevant Services.
- 7.2. The Fee described above include, without limitation, State fund transfers received for back quarter reallocations and monies received in the second eight (8) consecutive reporting quarters following completion of Consultant’s allocation audit and confirmation of the corrections by the CDTFAs.
- 7.3. These Fees shall be paid by City upon Consultant’s submittal of evidence of Consultant’s relevant Services in support thereof, including, without limitation, copies of relevant communications between Consultant and the CDTFAs and/or taxpayers.

SCHEDULE B
ADDITIONAL TERMS

8. Consulting and Other Optional Services

8.1. Fees for performing other optional services are described below:

8.1.1. Fees for performing City Staff training, public representation, or technical seminars for elected officials shall be \$3,000 for one-time service and \$2,000 for recurring service

8.1.2. Fees for performing transactional tax ballot measure estimates shall be \$2,600 per report.

8.1.3. On-site travel to the city shall be \$2,600 plus any associated travel expenses per visit

8.1.4. Incremental non-core packet reporting shall be \$2,600 for a one-time report and \$700 for recurring reporting service

8.2. Any other consulting and optional Services not listed shall be based on the following initial hourly rates: (i) Principal - \$325; (ii) Programmer - \$295; (iii) Senior Analyst - \$245; and (iv) Analyst - \$195

9. General Provisions Relating to Fees

9.1. Fees for travel and lodging expenses will be invoiced at cost and applied to all meetings (including implementation, training, operations and support). Travel expenses only apply to out of scope travel and must therefore be pre-approved by City.

9.2. Fees will be invoiced monthly to City for Services performed during the prior month. To the extent that Consultant has commercially reasonable means to do so, Fees will be netted out of City's monthly revenue disbursement.

12. Confidentiality Information

Section 7056 of the State of California Revenue and Taxation Code ("R&T Code") specifically limits the disclosure of confidential taxpayer information contained in the records of the CDTFA. Section 7056 specifies the conditions under which a city, county or district may authorize persons other than such city, county or district's officers and employees to examine state sales and use tax records.

The following conditions specified in Section 7056-(b)(1) of the State of California R&T Code are hereby made part of this Agreement:

12.1. Consultant is authorized by this Agreement to examine sales, use or transactions and use tax records of the CDTFA provided to City pursuant to contract under the Bradley-Burns Uniform Local Sales and Use Tax Law R&T Code Section 7200 et.seq.

12.2. Consultant is required to disclose information contained in, or derived from, those sales or transactions and use tax records only to an officer or employee of City who is authorized by City resolution provided to the CDTFA to examine the information.

- 12.3. Consultant is prohibited from performing consulting services for a retailer (as defined in R&T Code Section 6015), during the term of this agreement.
- 12.4. Consultant is prohibited from retaining the information contained in or derived from those sales, use or transactions and use tax records after this agreement has expired. Information obtained by examination of the CDTFA records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the Consultant as a person authorized to examine sales and use tax records and certify that this agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.



Staff Highlights – 2026-03-03

City Council

City Manager

The bathroom in the Police Department suffered a long term leak that damaged the flooring and required an emergency repair.

On or around March 23rd the City will host researchers from UC Davis to tour the Wastewater treatment and collection systems. They will be touring other north coast facilities to develop a report on the needs of these systems.

On Tuesday February 24th power to the Corporation Yard failed, sometime in the morning. The Tesla battery system appears to have caused the outage. The emergency diesel generators activated immediately and power was eventually restored. Staff is working with Tesla to identify the problem and develop solutions.

The new City Clerk's first day is expected to be March 9th.

City Clerk

City Attorney

Human Resources, Risk & Training

Finance Department

Completed Invoice #16 for the Rio Dell Water Distribution System Improvement Project and submitted to the State Water Resources Control Board for reimbursement.

Initiated Draw Request #10 with RCAC for bridge loan financing associated with the Water Distribution System Improvement Project.

Coordinated with GHD and the State Water Resources Control Board to clarify the timeline and reimbursement schedule for the Sanitary Sewer Evaluation Study.

Discussed infrastructure financing options with GHD for ongoing earthquake recovery and city infrastructure projects.

Collaborated with finance staff to compile and upload supporting documentation and forms requested by the City's auditor as part of the ongoing FY 2024-2025 Annual Financial Audit.



Coordinated with the County of Humboldt to track and reconcile outstanding Measure Z funding reimbursements.

Facilitated CDBG Program Income project activities in coordination with HCD and the County of Humboldt.

Addressed utility account compliance matters related to SB 998.

Provided billable rate information to the Police Department for cost allocation purposes.

Worked with the City Manager to update the City's SAM.gov registration.

Discussed US Bank Merchant Services options with a Business Development Consultant to evaluate payment processing solutions for the City.

Assisted with the offloading of surplus vehicles recently sold through GovDeals.

Assisted staff in preparing for the onboarding of the incoming City Clerk.

Public Works Water

Public Works Wastewater

Public Works Streets, Buildings and Grounds

Public Works City Engineer

Public Works Capital Projects

Police Department

Community Development Department

Intergovernmental

Humboldt-Rio Dell Business Park



*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*

March 3, 2026

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Related to Trees at Memorial Park

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Direct staff to:

Procure the services of a professional arborist to conduct an analysis on the trees and return to the Council; or,

Authorize staff to acquire bids for tree removal and return to the Council with a proposed tree replacement plan.; or,

Take no action. This is not recommended.

BACKGROUND AND DISCUSSION

Concern exists regarding the condition of the trees located at Memorial Park. Pest infestation and visible cracks on the trees are a concern. Staff regularly reviews the condition of the trees and has in the past hired professional tree service companies to occasionally limb dead or distressed branches. Most recently, our tree services company has recommending cutting the trees down due to their condition.

The trees are a type of Poplar, a species known for quick growth but a short life span. The species can begin to be subject to pest and disease at only 25 years of age and typically live only 30-50 years. It is not known when the Poplars were planted. Historical satellite photos show the trees were likely planted sometime during or shortly after 1983, placing their maximum age at 43 years.

In 2009 the trees were subjected to some sort of unidentified pest infestation that defoliated the leaves. The trees recovered, however in the spring of 2024 a new infestation emerged. The Humboldt County Agriculture Department confirmed the infestation as the Satin Moth, which

defoliated or partially defoliated all the trees that year. The trees did not appear to fully recover in 2025 and there is concern that many if not all of the trees are in the process of dying.

As a public safety and liability concern, the issue needs to be addressed.

Staff seeks direction from the Council to either hire a professional arborist to evaluate the trees and make recommendations to the city, or to proceed with the removal of the trees and to begin the process of replacing the trees with a more pest resistant variety and researching funding options.

Attachments:

- Satin Moth material provided by the County of Humboldt
- Photo of a Satin Moth found on the side of City Hall in 2024.

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INSECTS *of the* **PACIFIC NORTHWEST**

Herbert Haggard & Judy Haggard



TIMBER PRESS FIELD GUIDE

TUSSOCK MOTHS Family Lymantriidae

This is a somewhat large family of moths, although relatively few species are native to the United States and Canada. Similar to the noctuid moths (Noctuidae), the adults are medium in size, stout, and nondescript in color, usually brown to grayish white. The females of some species are wingless. The males have feathery antennae. The adults of all species are short-lived and do not feed. The slender larvae typically have long tufts of hair, called

tussocks, at each end of the body (hence the common name for the family) and shorter, often brightly colored tufts on the back. The larvae of most species commonly feed on the foliage of trees and shrubs and are often seen in gardens. The pupae are enclosed in loose cocoons that often incorporate larval hairs. Some species are serious pests of forest and shade trees.



Leucoma salicis, adult and pupal skin



Leucoma salicis, larva

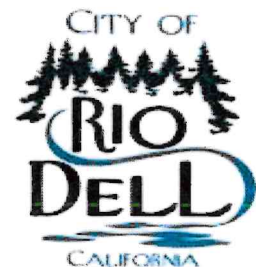
Leucoma salicis

SATIN MOTH

ADULT Above, forewings satiny or shiny white with leading margin edged with light yellow. Legs banded black and white. **WINGSPAN** 50 mm. **LARVA** With series of large, creamy white dorsal spots in between which are pairs of red bumps; sides covered with white hairs. **FOOD** Larva: Willow (*Salix* spp.); black cottonwood (*Populus balsamifera*), quaking aspen (*P. tremuloides*), and other poplars (*Populus* spp.). **FOUND** Very common throughout the U.S.

This species was introduced from Europe. Pete has seen huge poplars that have been completely stripped of their leaves by the larvae. When threatened, the adult releases from the base of its head a liquid that repels predators (see photograph).





*Rio Dell City Hall
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March 3, 2026

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Related to The Purchase of a Mobile Vehicle Barrier System

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Direct staff to:

Direct staff to acquire bids for a Mobile Vehicle Barrier System; or,

Take no action.

BACKGROUND AND DISCUSSION

The City is currently in possession of approximately \$126,000 of American Recovery and Reinvestment (ARRA) grant funds to create an Open Space Events Facility (OSEF). The ARRA Funds must be expended by the end of this year, or be returned to the US Government. OSEF was conceived during Covid to create a new way for the community to safely gather in open air environments during special events, including Wildwood Days or future events such as a Farmers Market, or other such types of gatherings. Because open space park venues in the City are limited, in the past Wildwood Avenue has been utilized for such events. OSEF will create a safer ability to utilize Wildwood Avenue for special events by designating the section of the Avenue between Davis and Side Streets as such a venue. This location is desirable due to the ease of redirecting traffic that normally uses Wildwood Avenue around City Hall, thereby keeping the main North-South route open for vehicle traffic with minimal disruption to traffic and neighbors.

Originally envisioned was the utilization of traffic bollards physically installed in the roadway. However, due to the complexity and cost of such an installation, in addition to time constraints, staff has been researching alternatives. Attached is an example of a mobile vehicle barrier available in the United States. Such a barrier has numerous advantages, including the ease of setup and configuration, in addition to the fact that the system can be utilized by Public Works

for construction projects or other emergency situations necessitating lane closures or road closures. Such a system can also be contained in a trailer.

Attachments:

- Example Mobile Vehicle Barrier
- OSEF conceptual design

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PITAGONE F18 MOBILE VEHICLE BARRIER

The Pitagone F18 is a modular, rapidly deployable vehicle barrier for any special event.

The Pitagone F18 Mobile Vehicle Barriers are a lightweight, unique and mobile solution designed to protect people, places and things against intentional or inadvertent vehicle ramming attacks.

These mobile barriers can be set up in a matter of minutes by one person and does not require any tools to configure them. They are the only crash certified mobile solution crash tested with the wheels on the barrier. The integrated wheels on each barrier allows for emergency vehicle access. Pitagone F18 is a modular system, meaning the barriers can connect to each other to provide unlimited protected coverage. Optional Barrier Trailer Kits are available.



Pitagone Barrier Details

- **Crash Certifications:**
 - **ASTM:** F2656/F2656M-20 PU30/P3
 - **PAS 68:** 2013
 - **IWA 14-1:** 2013
 - **German Certification:**
 - 45 degree Impact Attack
 - 10.4 ft Offset Impact Attack
 - Wet Road Surface
- Emergency Vehicle Access Capabilities
- Available for purchase or rental
- Custom Color Schemes
- Barrier Trailer Kits
- Highly Visible
- Requires No Tools For Set Up
- No Sharp Edges
- Adjustable With Two Widths
- Secure & Stackable Storage
- Crash Tested with Wheels On
- Integrated ADA Accessible Pedestrian Walk Through

GET IN TOUCH

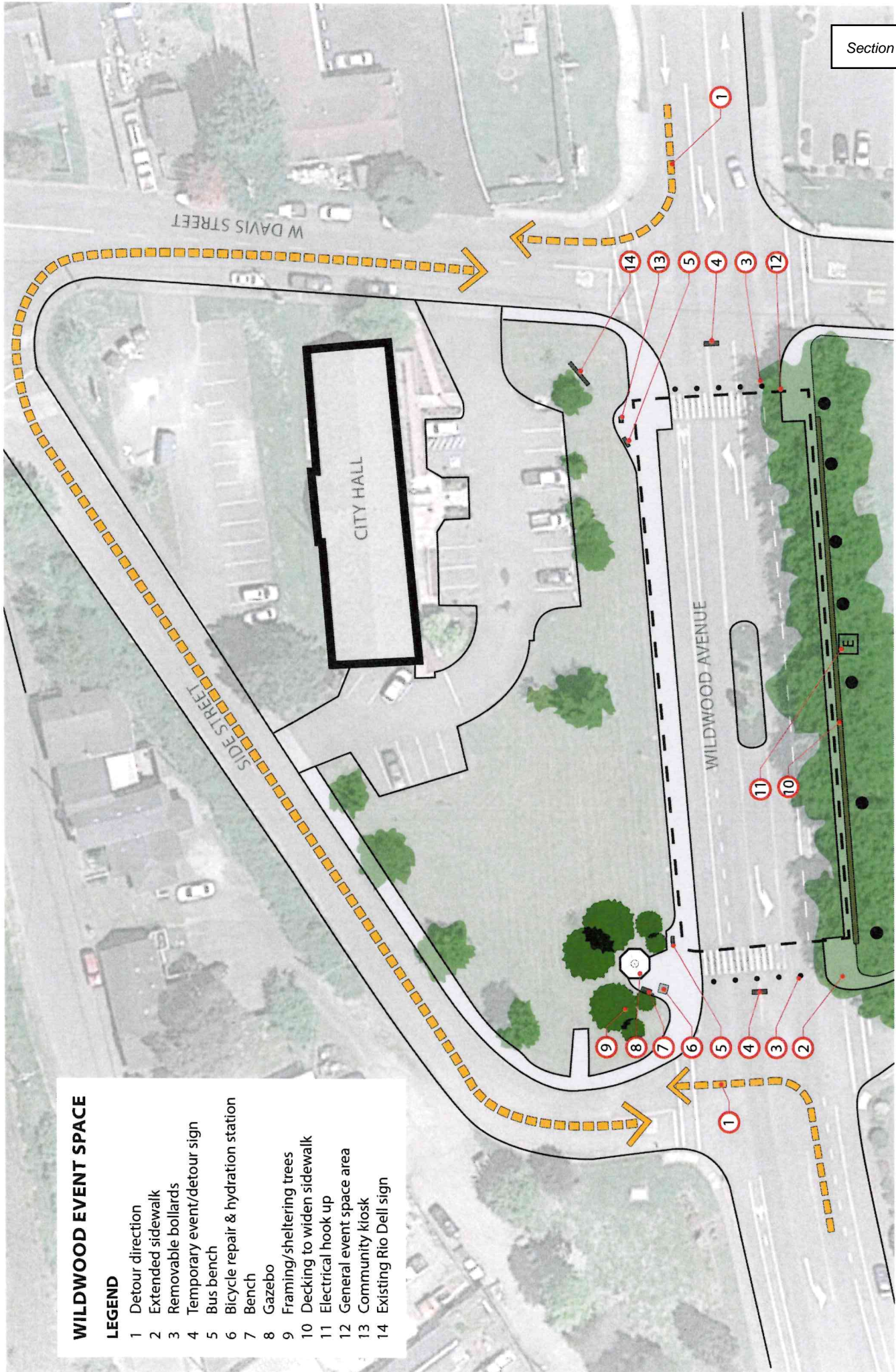
A leader in mobile high-security fencing, vehicle barriers, crowd control measures, guard booths, and temporary perimeter security solutions.



 VISIT SITE



ARX Perimeters
708-352-2373
arxperimeters.com
421 Heathrow Court
Burr Ridge, IL 60527



WILDWOOD EVENT SPACE

LEGEND

- 1 Detour direction
- 2 Extended sidewalk
- 3 Removable bollards
- 4 Temporary event/detour sign
- 5 Bus bench
- 6 Bicycle repair & hydration station
- 7 Bench
- 8 Gazebo
- 9 Framing/sheltering trees
- 10 Decking to widen sidewalk
- 11 Electrical hook up
- 12 General event space area
- 13 Community kiosk
- 14 Existing Rio Dell sign

WILDWOOD AVENUE EVENT SPACE



WILDWOOD AVENUE EVENT SPACE