



AGENDA
RIO DELL CITY COUNCIL
REGULAR MEETING – 6:30 P.M.
TUESDAY, SEPTEMBER 1, 2015
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. 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. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

THE TYPE OF COUNCIL BUSINESS IS IDENTIFIED IMMEDIATELY AFTER EACH TITLE IN BOLD CAPITAL LETTERS

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. CEREMONIAL MATTERS

- 1) 2015/0901.01 - Presentation of Life Saving Award to Sergeant John Beauchaine

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 intended. 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 2/3rds of the Councilmembers present 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 Council members 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 in the next section, "SPECIAL CALL ITEMS".

- 1) 2015/0901.02 - Approve Minutes of the August 18, 2015 Regular Meeting (**ACTION**) 1
- 2) 2015/0901.03 - Authorization for the City Manager to Sign Proposition 84 Sub-Grantee Agreement with the County of Humboldt for the Metropolitan Well Project (**ACTION**) 15

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. SPECIAL PRESENTATIONS/STUDY SESSIONS

- 1) 2015/0901.04 - Presentation Introducing Revised Land Use Matrix (**RECEIVE & FILE**) 30

I. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

- 1) 2015/0901.05 - Provide Staff Direction on September 8, 2015 Water Rate Study Session (**DISCUSSION/POSSIBLE ACTION**) 31
- 2) 2015/0901.06 - Review and Discussion of Staff's Proposed Submittals for County of Humboldt 2016 Legislative Platform (**DISCUSSION/POSSIBLE ACTION**) 32

J. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

K. REPORTS/STAFF COMMUNICATIONS

1. City Manager
2. Chief of Police
3. Finance Director
4. Community Development Director

L. COUNCIL REPORTS/COMMUNICATIONS

M. ADJOURNMENT

A Special Study Session will be held on September 8, 2015 at 6:00 p.m.

*The next regular meeting will be on September 15, 2015
at 6:30 p.m. in City Hall Council Chambers*

**RIO DELL CITY COUNCIL
REGULAR MEETING
AUGUST 18, 2015
MINUTES**

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Wilson.

ROLL CALL: Present: Mayor Wilson, Councilmembers Garnes, Johnson, Marks and Thompson

Others Present: City Manager Knopp, Finance Director Woodcox, Community Development Director Caldwell, Water/Roadways Superintendent Jensen and City Clerk Dunham

Absent: Chief of Police Hill and Wastewater Superintendent Chicora (excused)

PUBLIC PRESENTATIONS

Nick Angeloff provided a brief update on recent activities with regard to the Chamber of Commerce and said they were in the process of submitting a few grant applications including one for a gift shop. He also announced that he will be running for a seat on the Harbor District.

CONSENT CALENDAR

Motion was made by Johnson/Garnes to approve the consent calendar including approval of minutes of the August 4, 2015 regular meeting. Motion carried 5-0.

Mayor Wilson announced a change in the order of the agenda and said Item 2015/0818.06 would be addressed at this time.

Second Reading (by title only) and Adoption of Ordinance No. 337-2015 Establishing Chapter 15.20 of the Rio Dell Municipal Code Related to Expedited Permitting Procedures for Small Residential Rooftop Solar Systems

Community Development Director Caldwell provided a brief staff report and said the ordinance was introduced at the August 4, 2015 regular meeting and is back before the Council for its second reading (by title only) and adoption. He said pursuant to AB 2188 every jurisdiction by September 30, 2015 must adopt an ordinance that creates expedited, streamlined permitting for small residential rooftop solar energy systems. As such, the proposed ordinance, based on a model template provided by the California Building Officials (CALBO), is recommended for adoption.

A public hearing was opened to receive public input on the proposed ordinance.

There being no public comment, the public hearing closed.

Motion was made by Garnes/Marks to conduct second reading (by title only) and adopt Ordinance No. 337-2015 *Establishing Chapter 15.20 to the Rio Dell Municipal Code Relating to Expedited Permitting Procedures for Small Residential Rooftop Solar Systems*, pursuant to AB 2188. Motion carried 5-0.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Discussion on Metropolitan Well Site and Financing Plan

City Manager Knopp provided a staff report and said the idea of the Metropolitan Well Site Project is to reactivate the former wells as a back-up water supply for the City. He said in funding the \$1.2 million project without the use of any rate payer dollars, the City has been working on three funding sources. He said under Prop 84 Northcoast Integrated Regional Water Management Plan (NCIRWMP), \$784,000 has been set aside which covers a majority of the project costs. An application was submitted under the Safe Drinking Water State Revolving Fund (SDWSRF) for the remaining funding however; because the City water rates are below the 1.5% low-moderate income threshold, the application is currently under review and it does not appear that the SDWSRF grant will cover 100% of the remaining project costs.

City Manager Knopp said a third application was submitted under the USDA's Emergency Community Water Assistance Grant (ECWAG) Program and in talking with USDA representatives, he learned that there is a State/City share requirement that needs to be higher than the current proposal before federal funds can be accessed for the project which means that they could potentially fund \$254,200, provided the City provides \$176,000 of non-federal dollars toward the project.

He said basically what is happening is that putting together the financing plan for the Metropolitan Well Site Project is taking longer than expected and there is a growing likelihood that some local City dollars may need to be tied to the project in order for it to move forward.

Mayor Wilson asked what the current low-moderate income level is for Rio Dell.

City Manager Knopp stated that the low-moderate household income is reported as \$42,127 and that the City may have some potential avenues to argue that fact to possibly maximize grant dollars. He pointed out that even if the City is required to provide the \$176,000 in matching funds, the majority of the project will be funded with grant funding and the City will have a second source of water. He noted that without a backup source of water during high turbidity in the Eel River, the City will be faced with the need to purchase a water clarifier which is around \$500,000.

He said it is important to know that when the State takes a look at whether the City qualifies for grant funding, they also look to see if the City is taking care of prior covenants and wants to make sure the City is maintaining the infrastructure they have already invested in.

He handed out a series of email correspondence to the Council and public that transpired between him and the State and stated that he wants to continue to keep everyone updated as staff moves through the process.

Councilmember Johnson asked if staff has any idea of when they can expect to hear anything back from USDA representatives regarding the ECWAG application.

City Manager Knopp's response was that the initial grant application was reviewed and passed up the chain for evaluation and there could possibly be changes in the funding amount depending on what is determined and said he will certainly be maintaining contact with them in attempt to maximize the potential grant benefit for the City.

Councilmember Garnes asked if the project is basically at a stand-still.

City Manager Knopp stated that he had not yet received the final agreement from the County on the Prop 84 NCIRWMP grant and because of the delay, stopped GHD from continuing work on the project at this point in time. He noted that he will authorize work to proceed on the final design phase once he receives the grant agreement or other assurances that the financing is in place.

Discussion continued regarding the validity of the census data and possible recalculation of the income survey numbers.

An unidentified person in the audience questioned the approximate \$10 million in grant funding recently acquired by the City.

Councilmember Thompson responded that the Wastewater Treatment Plant Upgrade and Disposal Project cost approximately \$12 million and the funding package included \$6 million in grants and \$6 million in loans. Also, the City was successful in securing several million dollars in grant funding for the Water Infiltration Gallery in 2005.

Kathleen Mangiantini addressed the Council regarding the census data and said she worked for the Census Bureau gathering census data twice and when there are more than six people in a household, they are classified under "special places." She said she actually contacted the County to collect household data for Rio Dell which calculated the average number of people per household at 49 and cautioned the Council to not rely on those numbers.

Michael Mangiantini questioned whether it would be cheaper to drill a new well as opposed to restoring the old one.

City Manager Knopp explained that various options were explored to secure a backup water source and contrary to what many people believe, the former wells are not contaminated but do contain high levels of iron and manganese. He noted that based on the engineering data, the water flows away from the former Eel River Sawmills contamination site. He added that a series of monitoring wells were installed to monitor groundwater quality and insure the safety of the water. He said when the wells were shut down in 2005 they were still producing a significant amount of water. He pointed out that drilling a new well in other locations identified as potential sources for water would require the City to acquire property potentially by eminent domain.

Kathleen Mangiantini expressed concern about high levels of manganese being linked to ADHD.

City Manager Knopp reiterated that monitoring wells were installed to monitor the water quality and that the installation of an advanced filtering system was one of the components of the project.

Joey Sancho stated that a few years ago the City put in the new infiltration gallery and now is rehabbing the old wells and expressed concern that in five or ten years down the road, staff will be coming back to the Council to say that they don't have enough money to maintain both systems and want another rate increase.

City Manager Knopp explained that the City is currently in closed session discussions regarding the infiltration gallery so he is limited as to what he can say at this time but commented that there are some apparent flaws in the design of the gallery which the City is working on. He said rehabilitation of the former wells will provide the City access to the Eel River Basin aquifer and that it is a very safe and robust source of water although unlike the water coming from the infiltration gallery in the Eel River, is not high quality due to the iron and manganese.

He agreed there is added maintenance costs associated with additional infrastructure and said the initial estimate to maintain the system was \$.097/month per customer.

There being no further public comment, the public comment period was closed.

FY 2015 City Water Consumption and Charges (Interfund Billing)

Finance Director Woodcox provided background information on the interfund billing for water and wastewater services within the various departments and said at the beginning of the 2014-2015 fiscal year, the City voluntarily began charging its departments for water and wastewater at the same rates paid by citizens. She said it was prompted by a pending lawsuit that alleged the City of Davis was unfairly charging high wastewater fees and the City wasn't required to pay for the same services. She noted that the intent of the City implementing this policy was to be ahead of the potential ruling that would require all cities to begin charging operations for water and wastewater services. She said although the case against the City of Davis was eventually settled

through mediation in closed session, Rio Dell's water and wastewater costs are continuing to be billed to the various funds according to budgeted departmental allocations.

She provided a power point presentation including a chart showing the amounts charged to each fund for the 2014-2015 fiscal year totaling \$33,616. She said included in that amount is \$4,056 billed to the General Fund for the fire department and library billings and \$6,310 for buildings and grounds and because of that cost, the City has refrained from watering the median grass.

She pointed out that the water interfund billing alone is \$29,700 and with the proposed 70% rate increase, that amount would increase to \$50,490.

Analysis of 2005 Water Rate Study and the Implications on the Current Status of the Water Funds

Staff continued on with the power point presentation with an overview of the 2005 Water Rate Study.

Finance Director Woodcox explained in 2005 the base water rate was increased to \$22.00 which is where it is today with the exception of the annual CPI adjustment of 3% which brings it to \$27.82. She noted that the water rates at that time were based on recommended revenue of \$500,000 however; in 2009-2010 expenses in the water fund spiked to \$783,930 and at that point the water fund reserves began declining.

In summary she stated that basically what has happened is that the water rates adopted in 2005 were not set up to adequately cover operating expenses, water capital, and the mandatory debt service payments. She said at the very least, the \$195,000 depreciation expense should have been included in the 2005 water rates in order to have avoided the financial decline in the water fund today.

She presented three informational charts: one showing expenses that omit costs to fund capital improvements; one that depicts revenues and expenses that include the cost of capital; and one that combines the information for comparison.

Mayor Wilson called for public comment on the presentation.

Shannon Foster commented that she came into town at 3:00 a.m. and saw sprinklers going with the water running into the gutters.

Water/Roadways Superintendent Jensen said he would look into the matter.

Nathan Williams questioned why it has taken ten years and a crisis situation to finally address the water rate situation.

Mayor Wilson pointed out that this is not the same city council as the council in 2005 and that this council did not create the problem. He said over the past 50 years there have been over 30 different city managers and many different city councils. He said in 2012, councilmembers ran for election unopposed and in 2014 people had to basically be forced to run. He added that the City has a water system that pre-dates 1950 and repairs need to be made. He said the only way to do that is to adjust water rates. He said the council is here to get input from the public and hopefully work together to come up with a viable solution.

Kathryn Haselip asked if taxes go toward funding any of these projects.

City Manager Knopp explained that the City only receives a small portion of property taxes and other than the small sewer assessment portion of the taxes, the majority of the property tax revenue goes toward providing public services such as law enforcement.

Michael Mangiantini asked why water lines can't be replaced one street at a time rather than the entire City all at once.

City Manager Knopp explained the Council at the last meeting on August 4th approved the strategy to set aside 10-20% of the project costs in order to leverage state and federal monies to do these projects and the goal is to replace all of the pre-1950's piping over a five-year plan. He said the \$80,000/yr. is the estimated City share cost to simply be able to leverage funds.

He referred to the list of deferred projects categorized in the Capital Improvement Plan such as improvements to the infiltration gallery, replacement of the Painter St. tank, new water meters, and miscellaneous pieces of equipment that are all essential improvements that have not been funded.

Dave Griffith commented on the fact that water meters are no longer being read manually.

Water/Roadways Superintendent Jensen stated that the electronically read meters were installed 14 years ago and that the meters have moving parts and ERTS that routinely need to be replaced.

Kathryn Haselip commented that her mother's meter has recorded zero usage for seven consecutive months.

Staff agreed to follow up on why that was happening.

Dan LoMigilio said he attended the Council meeting in 2005 when the water rate increase was approved and the Council at that time assured the public that the sewer rates would be decreased by approximately \$10/month but it didn't happen.

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Mayor Wilson stated the sewer rates were adjusted last year and went from a flat rate to a variable rate which represented a reduction in the majority of the bills even though the intent of the adjustment was to be revenue neutral.

Dan LoMiglio questioned the method of measuring sewer usage.

Water/Roadways Superintendent Jensen explained the sewer rates are based on a 3-month average winter water consumption so as not to factor in outdoor summer water usage that doesn't go into the sewer system.

Kiloe Young acknowledged the problems but said the Council needs to find other ways to fund the improvements aside from a rate increase; perhaps through a local sales tax. He said he is a student with an annual income of \$16,000 and paid over \$1,200 last year for water and sewer. He said he is already staggering on his bills and that an increase would create an extreme hardship for him.

Julie Woodall asked if the new sewer rates are revenue neutral as proposed.

Finance Director Woodcox responded that because there has been a reduction in water usage due to the drought, the sewer revenue has decreased.

Julie Woodall said if the Council is going to continue to be pro-active with regard to rates, it seems that the sewer rates will need to be reviewed as well.

Mayor Wilson commented that some of the data provided to Bartle Wells to do the sewer rate study was questionable but as of July 1st the City has a full year of accurate data so he believes the data can be analyzed to see where things are.

Julie Woodall also pointed out that one thing that citizens need to understand is that the Water Fund is a proprietary fund and has to be self-supporting.

An unidentified person in the audience asked why her bills are the same amount when they are gone for three weeks out of the month.

Mayor Wilson suggested she discuss her bill with the front office staff.

Mayor Wilson closed the public comment period at this time and asked the Council to think about what they want to do with regard to water rates and said it is clear there is a lot to understand. He said as he listens to the citizens he thinks there may need to be another meeting scheduled to explain the rate structure in detail so everyone understands it.

Councilmember Thompson said he would like to have perhaps two study sessions; the first one to allow citizens the opportunity to bring forth questions, and another one to allow the Council to provide informed answers to those questions.

Water Rate Adjustment Options

City Manager Knopp provided a brief introduction of this item and said during the time that Bartle Wells Associates (BWS) did the Sewer Rate Study for the City it was known that the water rates would also need to be adjusted. He said as an alternative to utilizing BWA to do the Water Rate Study, staff has been working with Richard Kulp at Rural Community Assistance Corporation (RCAC) to put together the study at no charge. He commented that the City is very fortunate to have Mr. Kulp's expertise.

He continued with a power point presentation including an analysis of a water revenue target to accomplish the various goals and priorities for the water system. He stated that the Council on August 4th was presented with five separate goals ranging from no action on the rate structure to fully funding the Capital Improvement Program; from which the Council unanimously approved Funding Goal #2 with a revenue target of \$1.1 million. He said since that meeting, staff revised the revenue amount downward to \$1,082,458 which was projected to adequately cover all mandatory debt service requirements, operating costs, miscellaneous equipment, the cost of new infrastructure (Metropolitan Wells), as well as providing a portion of the costs required to leverage grant funds to achieve various infrastructure projects.

Finance Director Woodcox continued with review of various rate structure options ranging from a flat rate where all costs are split equally between rate payers regardless of water use, to two-tiered rate structures with various options for the split between fixed and variable charges.

She said the goal tonight is for the Council to approve a rate structure and direct staff to move forward with the public noticing process pursuant to Prop 218.

Finance Director Woodcox referred to Rate Option 2 which splits the rate 75% fixed and 25% variable and said this option is most in line with the current split for sewer use and most accurately reflects the split in costs between fixed and variable expenditures. She noted that this option brings the base water rate with 1 unit of water to \$52.79 and \$3.04 for each additional unit of water. In reviewing the graph from 2014 to present, she pointed out that monthly water and sewer bill for a customer using 1 unit of water would actually go down by 74 cents.

Mayor Wilson said he is convinced that the Council needs to have a better understanding of all the issues and explore all options before making a decision on a rate structure.

City Manager Knopp continued with the presentation and said in moving forward, the goal is to decide on a rate structure that achieves the revenue funding goal as previously determined by the Council at the last meeting whether it be on a flat rate method or volumetric method. He noted that Option 2 with 75% fixed and 25% variable is basically what staff is recommending. He reviewed the next option with a 70% - 30% split which he said staff cannot recommend because there is not enough stability with this rate structure. He said Option 5 which would be a

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drastic swing and represents a 100% variable rate with a straight \$12.17 per unit and no base rate. He said there would be no stability with the rates and not wise for the public infrastructure of the City.

He urged the Council to try and come to a consensus on the preferred rate structure so staff can move forward with the Prop 218 noticing process and said Richard Kulp and staff was prepared to answer any questions the Council may have. He also explained that once the Council selects a rate structure and notification of the proposed rate increase is sent out, the 45-day protest period begins so if the citizens don't agree, they can veto the rate increase; if 50% plus one protest votes are received, then the rates cannot be adopted and the Council would have to go back to the drawing board.

Councilmember Thompson stated that he studied the information in the various documents and spreadsheets provided by staff and said that he took the total number of users and came up with his own scenarios and in the end what he feels would be a viable solution is to establish a base fixed rate of around \$25.00 with variable charges broken out in perhaps 3 tiers where the low users and low income rate payers will not be significantly impacted although he is open for suggestions. He said whatever rate structure is selected he will be plugging the numbers into his own spreadsheet and calculating the bills for the various usage amounts.

Councilmember Johnson asked if it was fair to say that Mr. Kulp as well as staff is recommending Option 2 with the 75% - 25% split between fixed and variable charges.

Water/Roadways Superintendent Jensen recommended Option 2 or 2A; Finance Director Woodcox recommended Option 2; and Mr. Kulp recommended Option 2 but agreed there is merit in having a more variable based rate.

Discussion continued regarding fixed costs versus variable costs and whether the low user should pay the same for Capital improvements as a high user.

Mr. Kulp said although all seven options presented achieve the same revenue funding goal it makes sense to establish a higher fixed rate to provide more revenue stability but if in deed the larger users can take a higher hit perhaps the City should lean toward a little higher variable rate to soften the impact to low users.

Councilmember Garnes stated that it would be lovely if the Council could simply adopt the rate schedule that resolves everything but she doesn't know if the community as a whole can afford to pay those rates each month. She said at the same time, she too was here in 2005 when the last rate increase was done and it was pointed out what the reality would be if rates were not adjusted to adequately address the system's maintenance issues and just what they said would happen is happening today. If the rates are not adjusted to adequately fund the water fund, the Council will be coming back in five or ten years with another drastic rate increase.

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She said she understands a rate increase at this time is necessary and that Option 2A at a 70% - 30% split would probably be the highest she would recommend or perhaps Option 2B with the 60% - 40% split although feels it probably would not address all of the issues because too much of the rate would be variable and unstable. She added that the Council needs to listen to citizens because the bottom line is if they don't agree with the rate increase as proposed they can protest it through the prop 218 process and it won't happen. She also pointed out that the City must meet the State's guidelines with regard to meeting debt service obligations in order to continue to get grants. As a Council, they have to be prepared to take the heat from the public as far as negative comments and said the reality is that if the minimal rate increase is implemented there won't be anything for the citizens to protest but it won't solve the problems with the water fund. She said the rates need to provide enough revenue to maintain the system, pay for infrastructure improvements, allows the City to meet its debt service obligations, and keep employees. She said to sum it up; the City needs to be able to deliver good water to its citizens and without a rate increase, that can't happen. She said no matter what the decision is the City needs to make sure they can meet those obligations and suggested moving forward with Option 2A.

Councilmember Marks questioned the possibility of an incremental rate increase with a minimal rate increase now and to take a look at the situation in a year or so and implement another increase if necessary.

City Manager Knopp said that could be done and said there certainly is no crystal ball so conceivably the revenue generated could be more or less than anticipated.

Councilmember Marks said the City would have the data to show if the revenue generated was not adequate. He said the Council certainly did not expect the City would be looking at record lows in the Eel River either.

Staff responded that environmental conditions change as well as State regulations which require constant monitoring.

Mr. Kulp commented that under Prop 218 it is unusual to adopt rates with incremental steps other than to incorporate an annual CPI adjustment and said the City of Groveland is attempting to establish incremental rate adjustments over a 5-year plan but he wouldn't advise it since it is a long time to go without re-evaluating the rates. He said it could however; be done as long as the Council is open and transparent with the details of the rate increase.

Mayor Wilson stated that as with Councilmember Thompson, he also had questioned the need for multiple tiers in the rate structure but the bigger question in his mind is with regard to Prop 218 protests. He said the process requires that notices only be sent to the owner of record and that only they can protest the rate increase. He said the city attorney confirmed the requirement and advised staff that although that is the minimum requirement, notices can also be sent to the renter. His concern was that it takes 50% plus one protest vote to defeat the rate increase and

those property owners will not protest a rate increase on behalf of their tenants. Also, he said he got his council packet on Saturday and today received seven newly proposed scenarios the Council is being asked to vote on. He said to vote on one of these scenarios on such short notice is not acting as a responsible council member and that the Council needs to slow down and take a better look at the rate structures to get an accurate understanding of the rates.

Mayor Wilson asked if there were any additional comments from the public.

Misty Young stated that what Mayor Wilson said closely expresses what she thinks and as a citizen she wants to be able to make an informed decision and that the only information she had was what was given to her when she walked in the door. She said staff is coming across to say that the decision has to be made tonight. She agreed with a tier rate structure so the excessive users are held accountable. She urged the Council to allow more time to look at various options before making a decision and said she tends to agree with the 75% - 25% split. She questioned the possibility of restructuring the City's debt service loan and offered to volunteer to access income surveys and make phone calls if needed.

Joey Sancho asked if the water revenue target includes Capital expenditures and said it was mentioned that water leaks in the City are minimal and asked if they could be eliminated. He also pointed out that approximately ten years ago when Loretta Nickolaus resigned her position as City Manager her annual salary was \$66,000 and the current City Manager is now making \$106,000. He then stated that he lives at Riverside Estates Mobilehome Park where there are 39 units with one bill going to the property owner and asked if under Prop 218 if that means the property will get to vote 39 times on the proposed rate structure. He said as a tax payer and water user he deserves to have a vote in the process.

Councilmember Thompson assured Mr. Sancho that every legal aspect of the Prop 218 process would be strictly followed.

Councilmember Marks asked if the Prop 218 process applied to the recent fire assessment.

Joey Sancho stated that he was not given the opportunity to vote on the fire assessment measure either.

Mayor Wilson said the Prop 218 issue with regard to protest votes will be researched further.

Melissa Marks thanked everyone for attending the meeting and being so polite and also for asking good questions. She agreed with the need to have another study session as there is a lot of information to understand and said as far as the rate schedule she thinks it would be good to have a low variable because as with the sewer rates, may find that not enough revenue is being collected if the variable is higher.

Kathryn Mangiantini commented that her husband was injured four years ago and can no longer work so his earnings were reduced significantly. She said the proposed rate increase will not only impact them, but will impact a lot of other citizens as well. She said if citizens don't like the rates and want to move, there is no guarantee they can even sell their homes.

Nick Angeloff asked what the average water usage is and said he would like to see a chart based on water usage for showing the current rates versus the proposed rates so citizens could look at their individual bill and determine the increase.

As President of the Chamber of Commerce he expressed concern regarding the impact the rates will have on businesses and said although most businesses use more water they also bring more revenue to the City. He suggested the Council consider implementing some sort of incentive for businesses and perhaps a 20% reduction for new businesses coming in.

Keith Miller said what he heard the City Manager say is that if the City doesn't do something to increase water revenue we will be in trouble. He said the \$1.2 million is 2-fold in that the rates will stabilize the water fund and help meet that funding goal, and that it will enable the City to increase water flows and allow citizens to turn on their water and have it flow clearly as opposed to the 1970's when the water was orange. He said he moved back to Rio Dell in 2006 and at that time his water and sewer bill was \$47.00. He questioned how the City got that far behind with regard to generating enough revenue to keep the water system going. He asked if the rates are structured beyond 2015 and said if not, the Council will be right back to where there are now in a couple of years. He stated that he understands the idea of a tiered rate and because he is very conservative with water usage his increase would be about \$20.00/month. He said he was also concerned about the impact the rates will have on businesses and like Mr. Angeloff suggested, he would like to see a chart to show the new proposed rates for the various consumption levels so citizens can see how the increase will impact their bill. He suggested the rate structure incorporate a long-term (10 year) sustainable plan with small incremental increases built in rather than waiting too long and then increasing bills by \$40.00/month. He said there are citizens on fixed incomes of \$600.00/month and they simply can't afford those kinds of increases.

Mary McGrath expressed concern about yearly rate increases and said everyone is talking about El Nino coming and ending the drought but even if it does rain for days, it won't end the drought. She said she and her husband are on fixed incomes, have kids and animals and manage to reduce their water consumption to one unit/month. She said she feels this proposal is only a band aid and that a long-term sustainable plan needs to be implemented. She commented that there is no use digging a hole in the river when there's no water. She added that citizens are fighting for their ability to live here and no one wants to come back to the Council in ten years to hear that another rate increase is needed because of poor choices made by a previous City Council. She suggested looking at other programs to perhaps put in a sustainable rate structure instead of simply choosing one and hoping that it works.

Parker Hall asked if it would be possible for citizens to get a breakdown of expenses and whether the Council is going to give money back to the ratepayers by reducing the rates if El Nino happens and ends the drought.

There being no further public comment, the public comment period closed.

Councilmember Johnson suggested the public comment period be continued to a September meeting along with the vote on the proposed rate schedule. Council concurred.

A five minute recess was called to allow staff and Council the opportunity to look at their calendars.

The meeting reconvened and staff recommended a Special Study Session be scheduled for September 8, 2015 at 5:00 p.m. to continue discussion of water rates with the final determination to be made at the September 15, 2015 regular meeting.

The Study Session was scheduled for September 8, 2015 beginning at 6:00 p.m.

Councilmember Johnson stated there is a chance that he may not be available to attend the meeting on the 8th.

Mayor Wilson said he would like to see how the rates will impact the community and what effect it will have on water usage.

Richard Kulp pointed out that anytime you add tiers to the rate schedule you run into problems with justification so he presented rate scenarios based solely on actual costs which is key in establishing fair and equitable rates with no arbitrary factors. He said there have been some recent legal issues with that and unless the City Council directs staff to look at alternative rate methods, he would recommend implementing one of the seven proposals as presented.

Mayor Wilson asked that councilmembers submit to the city manager any items they would like to address at the study session.

Keith Miller interjected that staff did a great job with the information presented however; most citizens can't fully comprehend the information. He said there needs to be a simple breakdown of costs including a rate chart to show how much an individual bill will go up based on usage.

Councilmember Garnes suggested a letter be sent to all residents notifying them about the study session on September 8th and to consider holding the meeting at the Rio Dell School because of the limited seating in the Council Chambers.

Mayor Wilson thanked citizens for participating in the discussion and expressed appreciation for the efforts put forth by staff in presenting the information.

ADJOURNMENT

Motion was made by Thompson/Garnes to adjourn the meeting at 9:47 p.m. to the September 1, 2015 regular meeting. Motion carried 5 -0.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*



September 1, 2015

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager 

SUBJECT: Authorization for the City Manager to Sign Proposition 84 Sub-Grantee Agreement with the County of Humboldt for the Metropolitan Well Project

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to sign the sub-grantee agreement.

BACKGROUND AND DISCUSSION

The long awaited agreement is here between the County of Humboldt and City of Rio Dell for the North Coast Integrated Water Management Plan (NCIRWMP) grant, also known as the Proposition 84 grant.

The sub-grantee agreement allows for, and helps spell out a process for the City of Rio Dell to claim for reimbursement for expenses related to the Metropolitan Well Site project. The amount of the grant is \$783,000 and the total project cost is currently estimated at \$1,200,000.

Current expenditures by the City on the Metropolitan Well Site are approximately \$100,000 and the City is about to enter the final design phase of the project.

The first round of reimbursement claims is due September 15th and the first reimbursements can be expected within 90 days of this date.

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**PROPOSITION 84 SUB-GRANTEE AGREEMENT
BY AND BETWEEN
THE COUNTY OF HUMBOLDT
AND
City Of Rio Dell
FOR THE PROJECT ENTITLED: Rio Dell Metropolitan Well Project**

This Agreement, entered into this ____ day of _____, 20__, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and City of Rio Dell, a Municipal Corporation hereinafter referred to as "SUB-GRANTEE," is made upon the following considerations:

RECITALS

WHEREAS, COUNTY has agreed to receive grant funding from the California Department of Water Resources ("DWR") pursuant to Proposition 84 Integrated Regional Water Management Implementation Grant Agreement No. 4600010890, dated July 20 2015 ("Proposition 84 Implementation Agreement"), which is attached hereto as Exhibit A – Proposition 84 Implementation Agreement and incorporated herein by reference; and

WHEREAS, SUB-GRANTEE is one of several parties intended to receive grant funding from COUNTY pursuant to said Proposition 84 Implementation Agreement for work to be completed by SUB-GRANTEE as set forth in said Proposition 84 Implementation Agreement; and

WHEREAS, such work to be completed by SUB-GRANTEE, and other specific information pertaining to the Rio Dell Metropolitan Well Project ("Project"), is set forth in both the Proposition 84 Implementation Agreement and in this Agreement as Exhibit B – Work Plan, Schedule and Budget, which is attached hereto and incorporated herein by reference; and

WHEREAS, the parties acknowledge that COUNTY intends to merely administer the distribution of grant funds pursuant to the Proposition 84 Implementation Agreement and SUB-GRANTEE intends to complete all other aspects of the Project, as set forth in the Proposition 84 Implementation Agreement and Exhibit B to this Agreement, in a manner that will insure COUNTY's compliance with the Proposition 84 Implementation Agreement; and

WHEREAS, COUNTY is relying on SUB-GRANTEE's performance hereunder in order for COUNTY to comply with its obligations set forth in the Proposition 84 Implementation Agreement; and

WHEREAS, the parties desire to set forth the terms and conditions under which SUB-GRANTEE is to receive grant funds from COUNTY.

AGREEMENT

1. **INCORPORATION BY REFERENCE:**

The above recitals are incorporated herein by reference.

2. **RIGHTS AND OBLIGATIONS OF SUB-GRANTEE:**

A. **Scope of Work.** SUB-GRANTEE shall perform all work pertaining to the Project, and provide the documentation required of COUNTY or other sub-grantees, in a timely manner as set forth

in the applicable provisions of the Proposition 84 Implementation Agreement and Exhibit B to this Agreement.

- B. Provision of Requested Documentation and Project Access. To enable COUNTY to confirm SUB-GRANTEE's compliance with this Agreement, SUB-GRANTEE shall provide COUNTY with any requested documentation and access to any work sites, or other areas associated with the Project .

3. RIGHTS AND OBLIGATIONS OF COUNTY:

- A. Disbursement. Subject to receipt of grant funds from DWR, as a result of a particular request for disbursement submitted by SUB-GRANTEE, and the other terms and conditions set forth herein, COUNTY shall remit to SUB-GRANTEE such funds it receives from DWR. SUB-GRANTEE shall not be entitled disbursement of grant funds as set forth herein, if COUNTY does not receive grant funds from DWR in connection with SUB-GRANTEE's request for disbursement.
- B. Remedies. In the event SUB-GRANTEE violates any provision of this Agreement that could potentially result in a violation of the Proposition 84 Implementation Agreement, COUNTY may take any and all appropriate measures to prevent any such violation of the Proposition 84 Implementation Agreement, or to mitigate any damages COUNTY could incur as a result thereof, including, but not limited to, performing any work required of SUB-GRANTEE hereunder. SUB-GRANTEE shall be liable for any costs incurred by COUNTY in connection with any such violation of this Agreement or the Proposition 84 Implementation Agreement.

4. DISBURSEMENT OF GRANT FUNDS:

- A. Disbursement Requests. SUB-GRANTEE hereby acknowledges that the Eligible Project Costs related to the Project are limited to those set forth in the applicable provisions of the Proposition 84 Implementation Agreement and Exhibit B to this Agreement. SUB-GRANTEE shall not request disbursement for any cost until such cost has been incurred, and has been paid, or is due and payable, by SUB-GRANTEE.
- B. Matching Funds. SUB-GRANTEE hereby acknowledges that it is required to obtain matching funds for the Project as set forth in the applicable provisions of the Proposition 84 Implementation Agreement.
- C. Invoices. In order to receive disbursement of grant funds, SUB-GRANTEE shall submit to COUNTY monthly invoices itemizing all work completed, and Eligible Project Costs incurred, by SUB-GRANTEE. Invoices shall be in a format approved by, and shall include backup documentation as specified by, the Humboldt County Department of Public Works and the Humboldt County Auditor-Controller. All invoices submitted by SUB-GRANTEE shall be sent to COUNTY at the following address:

COUNTY: Humboldt County Department of Public Works
Natural Resources Division
Attn: Devin Theobald, Administrative Analyst
1106 Second Street
Eureka, CA 95501

- D. Retention of Grant Funds. SUB-GRANTEE acknowledges that COUNTY may withhold the disbursement of any grant funds that may be necessary to satisfy the retention requirements set forth in the applicable provisions of the Proposition 84 Implementation Agreement.
- E. Conditions and Limitations. Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which:
1. Violates, or conflicts with, the Proposition 84 Implementation Agreement or any local, state or federal laws, rules or regulations
 2. May require any rebates to the federal government pursuant to any applicable local, state or federal laws or regulations.
 3. May result in the loss of tax-free status on state bonds pursuant to any applicable local, state or federal laws or regulations.
- F. Refunds. If COUNTY is required to refund to DWR any disbursement made to SUB-GRANTEE, due to a violation of the Proposition 84 Implementation Agreement by SUB-GRANTEE, SUB-GRANTEE shall refund to COUNTY such disbursement amount plus any interest or penalties required to be paid by COUNTY in connection with such refund.

5. TERM:

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until June 30, 2019 or until all of the parties' obligations hereunder are fully satisfied, whichever occurs earlier.

6. TERMINATION:

- A. Breach of Contract. If, in the opinion of COUNTY, SUB-GRANTEE fails to adequately perform its obligations hereunder, within the time limits set forth in the applicable provisions of the Proposition 84 Implementation Agreement and Exhibit B to this Agreement, or otherwise fails to comply with any term or condition of this Agreement, or violates any ordinance, regulation, or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.
- B. Without Cause. This Agreement may be terminated by COUNTY without cause upon thirty (30) days advance written notice. Such notice shall state the effective date of the termination.
- C. Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is terminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide SUB-GRANTEE seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Compensation. In the event of any termination of this Agreement, SUB-GRANTEE shall be entitled to compensation for uncompensated Eligible Project Costs incurred hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owing to COUNTY resulting from a breach of this Agreement by SUB-GRANTEE.

7. NOTICES:

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Department of Public Works
Natural Resource Division
Attn: Devin Theobald, Administrative Analyst
1106 Second Street
Eureka, CA 95501

SUB-GRANTEE: City of Rio Dell
375 Wildwood Avenue
Rio Dell, CA 95562

8. RECORD RETENTION AND INSPECTION:

- A. Maintenance and Preservation of Records. SUB-GRANTEE agrees to timely prepare accurate and complete performance records relating to the Project, and to maintain and preserve said records for at least seven (7) years from the expiration date of this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom.
- B. Inspection of Records. SUB-GRANTEE hereby agrees to make all performance records relating to the Project available during normal business hours to inspection, audit and reproduction by any duly authorized local, state and/or federal agencies. SUB-GRANTEE further agrees to allow interviews of any persons who might reasonably have information related to such records by any duly authorized local, state and/or federal agencies. All examinations and inspections conducted under this section shall be strictly confined to those matters connected with the performance of this Agreement.

9. MONITORING:

SUB-GRANTEE agrees that COUNTY has the right to monitor all activities related to this Agreement, including the right to review and monitor SUB-GRANTEE's records, programs or procedures, at any time, as well as access any work sites, or other areas associated with the Project, in order to ensure compliance with the terms and conditions of this Agreement. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of the results of work performed by SUB-GRANTEE.

10. CONFIDENTIAL INFORMATION:

In the performance of this Agreement, SUB-GRANTEE may receive confidential information. SUB-GRANTEE hereby agrees to protect all such confidential information in conformance with any and all applicable local, state and federal laws and regulations.

11. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

SUB-GRANTEE certifies by its signature below that is not a Nuclear Weapons Contractor, in that SUB-GRANTEE is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. SUB-GRANTEE agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false, or if SUB-GRANTEE subsequently becomes a Nuclear Weapons Contractor.

12. NON-DISCRIMINATION COMPLIANCE:

A. Professional Services and Employment. In connection with the execution of this Agreement, SUB-GRANTEE shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service or any other classifications protected by local, state and federal laws and regulations. Nothing herein shall be construed to require employment of unqualified persons.

B. Compliance with Anti-Discrimination Laws. SUB-GRANTEE further assures that it will abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, California Welfare and Institutions Code Section 10000, CDSS MPP Division 21, United States Executive Order 11246, as amended, and any other applicable local, state and federal laws and regulations. Practices in hiring, compensation, benefits and firing are among the employment practices subject to this requirement.

13. INDEMNIFICATION:

SUB-GRANTEE shall hold harmless, defend and indemnify COUNTY and its agents, officers, official, employees and volunteers from and against any and all liabilities, including, without limitation, liability under the Proposition 84 Implementation Agreement, claims, demands, losses, damages, expenses and costs of any kind or nature, including, but not limited to, attorney fees and other costs of litigation, arising out of, or in connection with, SUB-GRANTEE's performance of, or failure to comply with, any of the obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

14. INSURANCE:

Without limiting SUB-GRANTEE's indemnification obligations provided for herein, SUB-GRANTEE will maintain in full force and effect, at its own expense, any and all appropriate comprehensive general liability insurance, comprehensive automobile insurance and workers' compensation policies.

15. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association.

16. WARRANTIES AND REPRESENTATIONS:

SUB-GRANTEE hereby makes all of the warranties, representations, covenants and certifications that are otherwise made by COUNTY, with respect to the Project, as set forth in the applicable provisions of the Proposition 84 Implementation Agreement.

17. COMPLIANCE WITH LAWS:

SUB-GRANTEE agrees to comply with all applicable local, state and federal laws and regulations, in performance of its obligations hereunder. SUB-GRANTEE further agrees to comply with any and all applicable provisions of the Proposition 84 Implementation Agreement. In the event that any applicable law, regulation or contractual provision is amended during the term of this Agreement, the parties agree to comply with the amended law, regulation or contractual provision as of the effective date of such amendment.

18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms, conditions or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend this Agreement to make such insertion or correction.

19. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

20. ASSIGNMENT:

SUB-GRANTEE shall not delegate its duties or assign its rights, obligations, or interests hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by SUB-GRANTEE to obtain supplies, technical support or professional services.

21. AGREEMENT SHALL BIND SUCCESSORS:

Subject to any provisions concerning assignment, all terms and conditions of this Agreement shall be fully binding upon, inure to the benefit of, and be enforceable by, the parties hereto and to each of their heirs, executors, administrators, legal representatives, successors and assigns.

22. WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any provision of this Agreement shall not be deemed a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

23. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

24. AMENDMENT:

No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

25. DISPUTE RESOLUTION:

If a dispute arises involving the interpretation, implementation or enforcement of this Agreement, the parties shall meet, in person and in good faith, to make every reasonable attempt to resolve the problem within thirty (30) days of discovering a material dispute. The parties agree that informal dispute resolution, including mediation, should an in-person meeting prove unsuccessful, shall be attempted prior to seeking recourse from the courts.

26. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

27. ADVERTISING AND MEDIA RELEASE:

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. SUB-GRANTEE shall inform COUNTY of all requests for interviews by media related to this Agreement before such interviews take place; and COUNTY is entitled to have a representative present at such interviews. All notices required by this provision shall be given to the Humboldt County Public Works Director.

28. SUBCONTRACTS:

SUB-GRANTEE shall obtain prior written approval from COUNTY before subcontracting any of its obligations hereunder. Any and all subcontracts will be subject to all applicable provisions of this Agreement. SUB-GRANTEE shall remain legally responsible for the performance of all terms and conditions of this Agreement, including work performed by third parties under subcontracts, whether approved by COUNTY or not.

29. ATTORNEYS' FEES:

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement from being performed, the prevailing party in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorney's fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

30. SURVIVAL:

The duties and obligations of the parties set forth in Sections 6(D), 8, 10 and 13 shall survive the expiration or termination of this Agreement.

31. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in paragraphs 1 through 36 of this Agreement, paragraphs 1 through 36 of this Agreement shall have priority.

32. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

33. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

34. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

35. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed

to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any and all prior agreements of the parties regarding the subject matter of this Agreement.

36. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

1. *CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND*
2. *SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.*

City of Rio Dell:

By: _____

Date: _____

Name : _____

Title: _____

COUNTY OF HUMBOLDT:

By: _____

Date: _____

Thomas K. Mattson
Director, Department of Public Works
Pursuant to the authority delegated by the
Board of Supervisors on May 27, 2014

Exhibit A: DWR Grant Agreement #4600010890

Exhibit B Work Plan, Budget, and Schedule

RIO DELL METROPOLITAN WELL PROJECT

IMPLEMENTING AGENCY: CITY OF RIO DELL

PROJECT DESCRIPTION: The purpose of this project is to construct a new well treatment facility at the City owned Metropolitan Site north of the City of Rio Dell in order to increase and improve water supply reliability. Once completed, this project will increase water supply reliability by approximately 17 acre-feet per year.

Task 2.1 Direct Project Administration: Budget Category (a)

Task 2.1.A Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents and coordination with IRWM regional manager, Humboldt County. Prepare invoices including relevant supporting documentation for submittal to DWR via Humboldt County. This task also includes administrative responsibilities associated with the project such as creating and entering into a sub-grantee agreement with the County of Humboldt, coordinating with partnering agencies, and managing consultants/contractors.

Deliverables:

- Financial Statements
- Invoices
- Other Applicable Project Deliverables

Task 2.1.B Project Monitoring Plan

Develop and submit a Project Monitoring Plan. Along with the Project Performance Measures Table, the Project Monitoring Plan will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

Deliverables:

- Project Monitoring Plan

Task 2.1.C Labor Compliance Program

Take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, preparation and implementation of a labor compliance program or including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

Deliverables:

- Proof of labor compliance upon request

Task 2.1.D Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit G of this agreement. Submit reports to Humboldt County for review and inclusion in a progress report to be submitted to DWR.

Prepare draft Final Project Completion Report and submit to DWR via Humboldt County for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare Final Report addressing Humboldt County/DWRs comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Project Progress Reports
- Draft and Final Project Completion Report

Task 2.2 Land Purchase/Easement: Budget Category (b)

No land acquisition or easement is anticipated for this project.

Task 2.3 Planning/Design/Engineering and Environmental Documentation: Budget Category (c)

Task 2.3.A Planning and Assessment

Create a Preliminary Well Development Plan and complete Preliminary Well Site Evaluation. A plan including specifications will be created based on standard drinking water well development practices and knowledge of the existing system to guide the physical evaluation of the City owned wells. Preliminary well site evaluation includes video recording the well casing, cleaning and step draw down testing the existing City owned wells. Testing will provide detailed information on the existing wells production capabilities and will be used to size pumps during the preliminary design phase. The information gathered during the evaluation process will be summarized in an infrastructure evaluation memorandum to document the evaluation process and results and to be used to guide the preliminary design.

Deliverables:

- Infrastructure Evaluation Memorandum
- Well Development Plan

Task 2.3.B Design

Complete preliminary design including land/topographic survey work needed to produce a set of final design plans and specifications ready to put out to bid. The plans and specifications will conform to all necessary requirements stipulated by the District and regulatory agencies.

Deliverables:

- Final land/topographic survey
- 100% Design Documents

Task 2.3.C CEQA Documentation

Complete all necessary environmental documentation including DWR Environmental Information Form and Notice of Exemption per CEQA Guidelines. Prepare letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- Environmental Information Form
- Copy of Notice of Exemption
- Legal Challenges letter

Task 2.3.D Permitting

Acquire all necessary federal, state, and local permits. Permits may include a Humboldt County drilling permit, a City of Rio Dell Building Permit, and a flood plain certificate designating the base flood elevation at the site describing how the new facilities will be flood proofed.

Deliverables:

- Copy of all required permits

Task 2.4 Construction/Implementation: Budget Category (d)

Task 2.4.A Construction Contracting

Activities necessary to secure a contractor and award the contract include: develop advertisement for bids and contract documents, conduct pre-bid contractors meeting, perform evaluation of bids, and award contract.

Deliverables:

- Summary of Bids
- Award of Contract

Task 2.4.B Construction Administration

Complete tasks necessary to administer construction contract including: Initiate project construction, keep daily records of construction activities, inspection, and progress, conduct project construction photo-monitoring, inspect project components and establish that work is complete. Verification that all project components have been installed and are functioning as specified will be conducted as part of construction inspection and project closeout. Prepare record drawings.

Deliverables:

- Photo documentation
- Construction Management Logs
- As-Builts and Record Drawings

Task 2.4.C Construction/Implementation Activities

(1) Mobilization and Site Prep: Secure Site for storage of contractor equipment and project components, order long lead project components such as treatment unit, pumps, controls and SCADA system.

(2) Construction of project components, including well, well housing, treatment infrastructure and connections to existing systems.

(3) Performance Testing: Upon completion of construction, a one-time test will be conducted to measure the performance of the project. The test includes measuring the flow and testing the treated water to determine that the well and treatment system produces the expected minimum flow and that the quality of the treated water meets drinking water standards.

Deliverables:

- Photo documentation

Project 2: Rio Dell Metropolitan Well Project				
Project Sponsor: City of Rio Dell				
		Grant Amount	Funding Match	Total Cost
(a)	Direct Project Administration	\$35,000	\$0	\$35,000
(b)	Land Purchase/Easement	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$154,500	\$0	\$154,500
(d)	Construction/Implementation	\$593,500	\$0	\$593,500
	Total	\$783,000	\$0	\$783,000

Project 2: Rio Dell Metropolitan Well Project			
	Task	Start Date	End Date
2.1	Project Administration	September '14	May '16
2.1.A	Project Management	November '14	May '16
2.1.B	Project Monitoring Plan	September '14	October '14
2.1.C	Labor Compliance Program	July '15	November '15
2.1.D	Reporting	September '14	May '16
2.2	Land Purchase/Easement	N/A	N/A
2.2.A	Land Acquisition- N/A	N/A	N/A
2.3	Planning/Design/Engineering and Environmental Documentation	November '14	August '15
2.3.B	Design	November '14	August '15
2.3.C	CEQA Documentation	January '15	July '15
2.3.D	Permitting	November '14	March '15
2.4	Construction/Implementation	April '15	May '16
2.4.A	Construction Contracting	April '15	September '15
2.4.B	Construction Administration	July '15	May '16
2.4.C	Construction/Implementation Activities	July '15	May '16



*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*

September 1, 2015

TO: Rio Dell City Council
FROM: Kevin Caldwell, Community Development Director
SUBJECT: Presentation Introducing Revised Land Use Matrix

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the presentation.

BACKGROUND AND DISCUSSION

Community Development Director Kevin Caldwell will give a presentation on the Land Use Matrix for the City Council.

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*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*



September 1, 2015

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager 
SUBJECT: Discussion and Possible Action on September 8th Study Session

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Council to provide direction to staff.

BACKGROUND AND DISCUSSION

At its regularly scheduled August 18, 2015 City Council meeting, the Council scheduled a study session to go over water rate information. Mayor Frank Wilson has requested that the agenda include the topic of accountability and annual review with handout information on the proposed rates and how that would impact specific usage levels. Mayor Wilson also requested data showing monthly cost, percentage change from the current rate and the number of users in each unit category.

The general agenda for the meeting is proposed to include a staff presentation on the materials and rate study to date followed by presentation and discussion of each special item requested during this Council meeting.

The purpose of this agenda item is to help facilitate input from the Council on what material the Council would like to see during the September 8th Study Session.

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*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*

September 1, 2015

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager 
SUBJECT: Discussion and Possible Action on Issue Request Submittals for the County of Humboldt 2016 Legislative Platform

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Review and discuss staff's proposed submittals; adding, removing or editing as needed.

BACKGROUND AND DISCUSSION

The County of Humboldt annually engages in the development of a legislative platform for both the State Legislature and the United States Congress. Legislative platforms help highlight the main priority issues for local government that can be solved through legislation. The County Board of Supervisors has recently moved toward a more inclusive approach and asked for the involvement of cities in addition to the County. The County has retained legislative advocates at both the State and Federal level.

Staff has developed a list of priority issues including:

1.) Reassessment of the American Community Survey Data
2.) Enhanced Road Maintenance Funding
3.) Increased Supplemental Law Enforcement Services Funding
4.) Increased Economic Development Tools for Small Municipalities

To be considered by the County Board of Supervisor's, Issue Request Templates need to be submitted by September 18, 2015.

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**COUNTY ADMINISTRATIVE OFFICE
MANAGEMENT & BUDGET TEAM
COUNTY OF HUMBOLDT**

825 5th Street, Suite 112, Eureka, CA 95501-1153
Telephone (707) 445-7266 Fax (707) 445-7299
cao@co.humboldt.ca.us

August 21, 2015

City of Rio Dell
Att: Kyle Knopp, City Manager
675 Wildwood Avenue
Rio Dell, CA 95562

Re: 2016 Legislative Platform Development Process

Dear Kyle:

On behalf of the Humboldt County Board of Supervisors I am writing to invite the City of Rio Dell to submit legislative items of interest for prioritization into the County's 2016 Legislative Platform development process. Submitted items can be of either State or federal interest. If your agency is interested in submitting a legislative item(s) please contact Public Information Specialist Sean Quincey as soon as possible as items are due by September 18, 2015. The attached State and federal legislative template may help your agency define items of interest.

The Humboldt County Board of Supervisors is interested in moving towards increased regional cooperation on legislative advocacy. The County currently contracts with both a state and federal lobbyist to provide advocacy services.

We look forward to hearing from you and should you have any questions please feel free to contact Sean Quincey at squincey@co.humboldt.ca.us or (707) 445-7266.

Sincerely,

Phillip Smith-Hanes
County Administrative Officer
County of Humboldt

Attachment:
State and federal legislative template

cc:
Humboldt County Board of Supervisors
Shaw/Yoder/Antwih
Waterman and Associates



**State and Federal Legislative Platform
Issue Request Template**
(Maximum 2 pages)

Department:	Contact:
I Issue Title – <i>How would you “headline” your issue? For example, Funding for Public Infrastructure Projects</i>	
II Description of Issue – a. <i>What is the background? Please identify elements of the issue and include specific citations when referencing code, regulations, or policies.</i> b. <i>What is the current status and anticipated implications of the programs or services?</i> c. <i>What is the impact or relationship with other agency programs?</i>	
III Recommended Resolution of Issue – <i>What are the alternatives? Which is preferred, and why?</i>	
IV Issue Scope – <i>Is the issue restricted to Humboldt County, the region, the state, or the nation?</i>	
V Fiscal Impact – <i>What is the fiscal impact to the County?</i>	
VI Suggested Platform Language – <i>What is the suggested language for the legislative platform? Please describe in two sentences the stance or suggested remedy for inclusion in our platform.</i>	
VII Anticipated Opponents or Supporters – <i>What other organizations might be expected to oppose or support this issue?</i>	
VIII Related Bills – <i>What are the applicable bills, if known, that are in this session or past sessions?</i>	
IX Other Information – <i>What other information is pertinent to this request? If known, please include information about subcommittees, departments, agencies, programs, and funding mechanisms.</i>	



**State and Federal Legislative Platform
Issue Request Template**
(Maximum 2 pages)

Department: City of Rio Dell	Contact: Kyle Knopp, (707)764-3532
I Issue Title – <i>Reassessment of American Community Survey Data</i>	
II Description of Issue – <i>a. Many in the City feel that the American Community Survey (ACS) data for the City of Rio Dell is incorrect. It lists a Median Household Income (MHI) level of \$42,127 which many believe inflates the community's real income levels.</i> <i>b. The MHI is used by many Federal and State agencies to determine grant eligibility and the level of "disadvantage" a community is in. Rio Dell's MHI is high enough that it is causing difficulty for the City when seeking State of Federal grants.</i>	
III Recommended Resolution of Issue – <i>Rio Dell requests that State and Federal agencies be more proactive in conducting their own survey's to determine grant eligibility for small cities. Further, Rio Dell asks that the U.S. Census Bureau review its methodology and practices when it comes to small communities such as Rio Dell. Further, different agencies and levels of government have different ways of using ACS data to determine a community's level of "disadvantage" and none of these methodologies is clear or consistent – work together to develop a common rubric for disadvantaged community status.</i>	
IV Issue Scope – <i>There is not enough information to make a determination.</i>	
V Fiscal Impact – <i>This request has no fiscal impact to the County.</i>	
VI Suggested Platform Language – <i>There is a lack of confidence in how the American Community Survey represents income data for small communities. State and Federal agencies should be proactive in confirming/altering ACS data. The Federal Government should review and address how the American Community Survey records income levels within small cities. State and Federal agencies should work together to help develop a common definition of a "disadvantaged" community.</i>	
VII Anticipated Opponents or Supporters – <i>Unclear.</i>	



**State and Federal Legislative Platform
Issue Request Template**
(Maximum 2 pages)

VIII Related Bills – *Unknown.*

IX Other Information – *N/A*



**State and Federal Legislative Platform
Issue Request Template**
(Maximum 2 pages)

Department: City of Rio Dell	Contact: Kyle Knopp, (707)764-3532
I Issue Title – <i>Enhanced Road Maintenance Funding</i>	
II Description of Issue – <i>a. Like other City and County government across California, Rio Dell struggles to maintain transportation infrastructure. Many of our streets are seriously impaired. Revenues that the State government controls are declining to the point that even reactive pothole filling will become a thing of the past.</i>	
III Recommended Resolution of Issue – <i>Increase discretionary funding to local governments.</i>	
IV Issue Scope – <i>State of California</i>	
V Fiscal Impact – <i>N/A</i>	
VI Suggested Platform Language – <i>Cities do not have the necessary level of funding needed for preventative road maintenance. It is significantly more cost effective to preventatively maintain our roadways than be forced to reconstruct them. The City of Rio Dell supports enhanced transportation revenue and reasonable minimum funding level guarantees for small cities.</i>	
VII Anticipated Opponents or Supporters – <i>Unknown</i>	
VIII Related Bills – <i>SB 16 from 2015.</i>	
IX Other Information – <i>N/A</i>	



**State and Federal Legislative Platform
Issue Request Template**
(Maximum 2 pages)

Department: City of Rio Dell	Contact: Kyle Knopp, (707)764-3532
I Issue Title – <i>Increase Supplemental Law Enforcement Services Funds (SLESF)</i>	
II Description of Issue – <i>a. Cities across California receive a baseline \$100,000 in SLESF support which is derived from a portion of the VLF. This amount should be increased.</i>	
III Recommended Resolution of Issue – <i>Rio Dell recommends at least doubling this funding source.</i>	
IV Issue Scope – <i>State of California.</i>	
V Fiscal Impact – <i>No Impact to the County.</i>	
VI Suggested Platform Language – <i>The City of Rio Dell supports amending Government Code 30061 et seq. to increase the minimum SLESF grant to \$200,000 from its current level.</i>	
VII Anticipated Opponents or Supporters – <i>Unknown.</i>	
VIII Related Bills – <i>Unknown.</i>	
IX Other Information – <i>N/A</i>	



**State and Federal Legislative Platform
Issue Request Template**
(Maximum 2 pages)

Department: City of Rio Dell	Contact: Kyle Knopp, (707)764-3532
I Issue Title – <i>Economic Development Tools for Small Municipal Governments</i>	
II Description of Issue – <i>a. There are few tools for small municipal governments with high levels of poverty to promote economic development.</i>	
III Recommended Resolution of Issue – <i>The State legislature should enhance the ability of small municipal governments to engage in tax increment financing. SB 628 lowered the voter threshold for Infrastructure Financing Districts, but new legislation should be considered that would give greater flexibility for smaller local governments.</i>	
IV Issue Scope – <i>State of California.</i>	
V Fiscal Impact – <i>Allowing small cities to have greater access to tax increment financing may have some impact on other property tax related revenues, depending upon the language of any legislation.</i>	
VI Suggested Platform Language – <i>The State legislature should enhance the ability of small municipal governments to engage in tax increment financing. SB 628 lowered the voter threshold for infrastructure financing districts, but new legislation should be considered that would give greater flexibility for smaller local governments.</i>	
VII Anticipated Opponents or Supporters – <i>opponents may be Governor Brown, while supporters may be other small cities.</i>	
VIII Related Bills – <i>Unknown.</i>	
IX Other Information – <i>N/A</i>	