

**RIO DELL CITY COUNCIL
REGULAR MEETING
NOVEMBER 15, 2016
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, Mayor Pro Tem Johnson, Councilmembers
Garnes, Marks and Thompson

Others Present: City Manager Knopp, Finance Director Woodcox, and City
Clerk Dunham

Absent: Community Development Director Caldwell, Chief of Police
Hill, Water/Roadways Superintendent Jensen and
Wastewater Superintendent Trainee Yaple (excused)

CEREMONIAL MATTERS

Proclamation in Support of November 2016 as National Caregiver Month

Mayor Wilson read a proclamation in support of National Caregiver Month. Julie Ryan, a staff member of California In-Home Supportive Services (IHSS) for Humboldt County was present to receive the Proclamation. She thanked the Council and said she has the pleasure of working with in-home caregivers all over Humboldt County who go over and beyond to provide care for the many seniors and people with disabilities so they can continue living in their own homes rather than a facility. She said a lot of times when people are housebound, the only person they see all day are their caregiver so they become very important to them. She expressed appreciation for the compassion and dedication that in-home caregivers provide each and every day to those in need and thanked the Council for taking the time to recognize them for their exemplary service to the community.

Mayor Wilson commented that on a personal note, has had experiences with in-home caregivers and expressed his utmost thanks and gratitude for help extended to his family.

Muriel addressed the Council and said she is retired and has been an in-home caregiver for three years and really likes it. She said being a caregiver allows her to work around her own schedule and said in caring for these individuals, they become your friends.

PUBLIC PRESENTATIONS

None

CONSENT CALENDAR

NOVEMBER 15, 2016 MINUTES
Page 2

Motion was made by Garnes/Thompson to approve the consent calendar including approval of minutes of the November 1, 2016 regular meeting. Motion carried 4-0; Mayor Pro Tem Johnson abstained.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Annual Financial Report and Presentation for the FY 2015-2016/Adoption of Resolution No. 1310-2016 Year End Budget Amendments and Operations Transfers

Finance Director Woodcox began by stating that for FY 2015-2016, the City started out with budgeted revenues of \$3,091,104 whereas actual revenues were \$3,791,838 resulting in a significant increase. She said as far as expenditures, there was \$3,288,280 budgeted with actual expenditures at \$3,026,696. She explained the Annual Financial Report is a reconciliation of budgeted amounts versus actual, and to account for significant variances. She said the presentation will help to explain those differences and summarize the City's financial activity for the fiscal year.

She continued with a power point presentation titled "*Annual Financial Report Budget Versus Actual for the Year Ended June 30, 2016.*"

She reviewed city-wide budget variances as well as department budget variances. City-wide revenues across all funds were 124% of budget representing a budget variance of \$697,734; the most significant budget variances were in the General Fund, Water Funds, and Sewer Funds. City-wide expenditures represented 91% of budgeted amounts with a budget savings of \$261,584.

General Fund Revenues showed an additional \$72,373 from the actual budgeted amount with Measure U showing the largest variance of \$56,054, followed by Vehicle In-Lieu Fees of \$6,796 and Franchise Fees of \$5,622. General Fund Expenditures showed a savings of \$147,406 primarily due to savings in capital projects and moderate savings reflected in operating costs.

Finance Director Woodcox noted that one of the reasons for the \$56,054 budget variance in Measure U revenue is likely due to underestimating the sales from the Dollar General.

She explained the variance in the Water Fund revenue of \$382,799 was primarily due to the water rate increase in January 2016 as well as increased customer water consumption.

She noted that there was a savings of \$81,000 in Sewer Fund Expenditures and explained that the Sewer Assessment payment that gets paid annually didn't get paid in the 2015-16 fiscal year because there were actually two payments made in the previous fiscal year.

The presentation continued with highlights of other departments. Revenues in the Building Fund were budgeted at \$33,100 with actual revenues at \$37,491. Expenditures were

NOVEMBER 15, 2016 MINUTES
Page 3

budgeted at \$50,367 with actual expenditures at \$40,031. This resulted in a variance of \$14,727 but it was pointed out that this included a \$17,267 General Fund subsidy to fill the unfunded amount in the Building Fund which is what has been occurring since the creation of the Building Fund in FY 2013-14.

Finance Director Woodcox noted that the SLESF Fund which is used solely for salaries and benefits for police officer positions had an increase in revenue of \$43,942 due to recent legislation. She reported the additional funding is ongoing although the revenue amount will vary from year to year.

She pointed out that the only overspending was in the Police Department and City Council budgets with the Police Department expenditures exceeding budgeted appropriations by \$13,390, primarily due to personnel changes that occurred during the year. However; once Measure Z revenue is recorded, the shortfall will only be around \$1,500. The City Council allocations were budgeted at \$13,298 with actual expenditures at \$14,050.

Other miscellaneous revenue and expenditures including CDBG, Parks & Recreation, Recycling, Solid Waste, the Realignment Grant and the Admin Fund represented total revenues of \$43,351 with expenditures of \$23,259 for a variance of \$20,092.

In closing, Finance Director Woodcox said what this all means and what everyone really wants to know essentially is what the fund balance is at year end.

She then reviewed the chart representing the beginning and ending fund balances to show how the fund balance changes from year to year. She explained that basically you start with the beginning fund balance, add in revenues, subtract expenditures, and add in any budget transfers who take you to the change in the fund balance then finally the ending fund balance.

She then reviewed the change in fund balance by department and reported an overall change in the ending fund balance at June 30, 2016 of \$762,000 placing the City in a better financial position from the prior year.

Mayor Pro Tem Johnson commended staff for doing a great job in watching dollars and making sure the City is run efficiently and effectively and said the bottom line is that the City now has a much better ending fund balance. He said what this is going to do in the future is it will allow for Capital Projects to improve the City.

Mayor Wilson called for public comment on the financial report.

Alice Millington commented on the \$10,000 balance in the *Spay & Neuter Fund* as reported and said as she recalls, it had that same amount the same time last year. As such, she wondered what kind of change if any, had occurred with regard to that fund.

NOVEMBER 15, 2016 MINUTES
Page 4

Finance Director Woodcox responded that the *Spay & Neuter Fund* actually shows a balance of \$2,600; the \$10,000 amount reported actually included other miscellaneous funds. She noted that she believes there was a \$2,600 General Fund subsidy to that fund but she would look into it.

Sharon Wolfe stated that the Water and Sewer funds are enterprise funds and there seems to be a lot more revenue coming in than what was anticipated. She said since enterprise funds are not allowed to make a profit, she wondered what that can mean for ratepayers, if anything.

Finance Director Woodcox explained that staff is going to be doing an in-depth study and will have answers hopefully before the end of the fiscal year.

An unidentified member of the public said since the Water fund is making more money than expected and the Police Department is overspent, assumed there should be some kind of breakdown for customers.

Finance Director Woodcox stated that staff can't say specifically what will be decided with the rates and acknowledged there was a healthy increase in water revenues which is good as that fund was heading toward a large deficit. She said as far as the Police, that department is funded out of the General Fund and SLESF so any Police Department expenditures can only be paid out of those funds noting that water fund revenue has nothing to do with the police department fund.

Larry Arsenault asked if staff predicts the water revenue to continue to be over the budgeted amount or if this is a one-time thing.

Finance Director Woodcox said essentially the water revenues are on target with the goals set by the Council and explained that some of the revenue generated is to meet annual expenditures; for example the \$27,000 a year over five years to build up funds for the \$136,000 final payment on the infiltration gallery. In addition, there are a certain amount of funds set aside for maintenance costs related to the Metropolitan Wells Project.

Councilmember Thompson said in talking about the surplus in the Water Fund he knows that staff has been working very hard on the Wells Project but wondered if any work has been done to develop a plan for replacement of the 50,000 feet of the old galvanized water distribution system pipes.

City Manager Knopp said right now the City has an outstanding planning grant application with the State of California for \$.5 million for 100% grant money to conduct the necessary planning and engineering to develop that project. He said there currently is a huge backlog in terms of grant applications with the State for Prop 84 and Prop 1 funds which has created some delays in getting final approval. He noted that staff is however; still moving forward with the development of a plan to improve the water distribution system.

NOVEMBER 15, 2016 MINUTES
Page 5

Councilmember Thompson asked what the chances are of developing the project this year.

City Manager Knopp explained it will be a multi-year project and probably looking at a 4-5 year timeline. He said the project is still in the early phases and staff will need to get some more specific data through the planning grant on the replacement of pipes as far as what is allowed, the amount of grant dollars, as well as the needs of the system.

He noted that also on the Capital Improvement list is replacement of the water tank at the end of Painter Street as well as some additional work needed on the Water Infiltration Gallery and a couple of other miscellaneous projects that need to get accomplished. He said staff is hoping that over the next five years some significant improvements on these Capital projects can be realized.

Councilmember Thompson stated that even though there is a surplus in Water Funds, staff is trying to secure grants in order to maximize the amount of work that can get done.

City Manager Knopp said as the Finance Director pointed out, there was \$100,000 received as a one-time cash settlement included that was not anticipated at the time the budget was prepared and that was set aside for infiltration gallery improvements. In addition, another \$80,000 or so was received in grant reimbursements for the Metropolitan Wells Project that ultimately helps to cover administrative expenses and helps the City's overall bottom line. Then of course, the water rate increase that was implemented in the middle of the year.

He stated that when looking at the needs of the water system, the water distribution system definitely needs to be improved and staff is working on that goal while leveraging as much outside grant dollars as possible to save rate payers money.

Finance Director Woodcox said in looking at the Water Rate Study, the original goal to be collected was \$1.105 million which is what was adopted and essentially what was collected to put against that was about \$883,000. She explained that when you go down the list and apply each amount the water rates were set up to bill there essentially was only \$23,000 left for Capital Improvements. As such, all of the expenditures by order of priority once filled; leaves \$23,000 in Capital and the focus was to ultimately collect \$183,000, which gives everyone the idea of where the revenue is this year in comparison to the \$1.105 million.

Mayor Wilson asked if all the money from the water rate increase is going toward the City's match for future grant funding or if a portion going toward the replacement of pipes.

Finance Director Woodcox explained that \$120,000 is collected annually in order to be able to secure grant funding in five years and the remaining \$50,000-\$60,000 is identified for Capital Projects.

Mayor Wilson then asked if there is a schedule of projects to accomplish in order of priority.

NOVEMBER 15, 2016 MINUTES
Page 6

City Manager Knopp explained that part of the outstanding planning grant application with the State Water Resources Control Board (SWRCB) is to identify exactly that. He said if the City qualifies for 100% grant funding which seems likely at this point, those funds will be utilized to develop a comprehensive plan to determine which areas to approach first, including the type of pipe. He pointed out that there is a very large backlog of deferred maintenance across the entire system and the City's cap in terms of grant dollars is a maximum of \$5 million for infrastructure grants. He said the study done by GHD related to estimated costs to cover deferred maintenance exceeds that amount. As such, even under the best case scenario and the City gets the entire \$5 million there will still be some additional maintenance needs. He said a comprehensive plan will gauge what the priorities are. Also, the city will be conducting a MHI (Median Household Income) study independently to make sure the City's water rates are enough to qualify for grants.

Mayor Wilson said basically it will take the entire \$500,000 to just do the study.

City Manager Knopp commented that it would but pointed out that the grant is 100% funded and not paid for by the ratepayers. He noted that the study will not only address the distribution system but will include the Painter St. Tank replacement.

Mayor Wilson referred to the \$27,000 collected annually for 5 years to pay back the grant match and asked how much longer after that before the debt matures.

Finance Director Woodcox stated the debt will mature in 2030.

Mayor Wilson asked if the plan is to stop collecting the \$27,000 once the debt is paid off.

Finance Director Woodcox indicated the assumption is that staff would bring the matter back to Council for further direction at that point.

Quarterly Financial Report for First Quarter FY 2016-2017

Finance Director Woodcox provided a presentation on the City's financial activities for the first quarter. (July 1 – September 30, 2016). She explained the Quarterly Financial Report is a benchmark for budgeted versus actual amounts and to explain significant variations below the 25% benchmark for the quarter.

She began with budget variances by department and said most departmental budget variances were at or under the expected 25% benchmark. She noted that the City Council budget was at 48% of appropriations due to legal fees of \$6,000 during the first quarter although other line items within the City Council budget remained under 25%.

Departmental expenditures that came in significantly below the 25% were the Admin Car at 4%; Recycling/Solid Waste at 7%; and Capital Projects at only 1% bringing the total city-wide variance in at 15%.

NOVEMBER 15, 2016 MINUTES
Page 7

Finance Director Woodcox then reported salaries and benefits were at 25% as expected with operating expenditures at 23%.

She said departmental variances as far as revenues, were low at 14% in the Governmental funds which is attributed to the modified accrual basis of accounting where revenues are recorded when received and accrued at year-end including any revenues received after June 30th meant for that fiscal year. She said because of this, that number grows significantly at the end of the fiscal year. As an example, the City doesn't collect property taxes until well after January so at mid-year this number could still be very low but at year-end it will be in line with the budgeted amount.

Mayor Wilson called for public comment on the financial reports.

An unidentified member of the public asked with regard to discussion on the water system improvements if there was anything put on the table regarding testing for Chromium-6.

City Manager Knopp stated that Chromium-6 has come up as an issue for other water systems in the area but it is not an issue with the City's water system and it is his understanding that the system is completely clear of it. He said if he would like to call City Hall, staff can put him in touch with the Water Superintendent who can provide additional information. He noted that the City recently sent out to all ratepayers, the annual Consumer Confidence Report on the water as required by law. He added that the City currently has very high quality water compared to some of the larger jurisdictions. He said the deterioration of pipes has to do with age of the pipes; not so much with the composition of materials of the pipes.

Finance Director Woodcox continued with review of the requested budget amendments to the Operating and Capital Budget for FY 2015-2016 and explained a lot of the amendments are housekeeping items such as increasing the grant expenditure for the Metropolitan Wells Project to record the revenue received for the wells as well as to increase revenues received for the Dinsmore zone and to increase appropriations for the purchase of a new pump. She noted that there is a request for an additional \$1,500 in appropriations for the Police Department as well as \$2,793 in the City Council Department. She said the total increased appropriations in the General Fund were around \$17,000.

Motion was made by Johnson/Garnes to adopt Resolution No. 1310-2016 - Year-End Budget Amendments and Operations Transfers. Motion carried 5-0.

Downtown City Parking Lot Improvements

City Manager Knopp provided a handout related to fencing at the City's downtown parking lot and said as the Council is aware, there have been multiple discussions regarding improvements to the parking lot. He said one of the discussions early on was focused on aesthetics and the idea was presented to install planters and fencing to make the EV charging

NOVEMBER 15, 2016 MINUTES
Page 8

area more inviting. There was some concern about visibility and lighting so lighting was added. He said in costing out the planter boxes, plantings, and extending water to the parcel it was determined that it would exceed the budget. He said other lower cost options were discussed and ultimately the Council came up with the idea of installing a split rail fence. He said in talking with staff about options in moving forward, discussion came up about getting access to CDBG funding and looking into how to approach Brownfield remediation throughout the City. He noted that in this particular area there are definitely some targeted opportunities down the road regarding the City taking the leadership role in doing some improvements to the surrounding properties. He said if the City can leverage some CDBG funding and also some Brownfield remediation funding the focus of the City could be more on the overall downtown rejuvenation.

City Manager Knopp said there has been some concern about installation of the fence without really having a master plan for the area. He commented that the adjacent property has been up for sale for some time with no apparent interested buyer and if the City could use its status to leverage funding for the cleanup it would be a benefit to the public or at least return the area to commercial use. He said if the fence is installed and then the City is able to move forward with Brownfield remediation, the fenced would have to be modified or torn down.

He said based on that, if the Council agrees they may want to delay the fence construction until other possible project options are explored. He pointed out that the City has already made significant improvements to the parking lot and this might be a case where stepping back and looking at the broader picture and developing a more comprehensive plan for the downtown is a better approach. He said staff would like to bring back to the Council in 2017, a strategy for possible façade improvements to the downtown through the CDBG program as well as a possible Brownfield remediation plan.

Mayor Pro Tem Johnson said before the City can leverage additional CDBG funding, they have to spend down the CDBG Program Income (PI) and there is a plan to do that. As such, he said he would be in favor of tabling the discussion until next year in order to fully explore the larger scale cleanup of the adjacent property and potential funding to do that.

Councilmember Thompson agreed with Mayor Pro Tem Johnson and said it may be a waste of money to proceed with the fence at this point before exploring other options for the downtown.

Councilmember Garnes asked if the only Brownfield site in the area was the adjacent property and if it was privately owned.

City Manager Knopp stated that all of the parcels surrounding the City parking lot were privately owned.

The consensus of the Council was that the installation of the fence at the downtown parking be tabled until further options are explored.

Mayor Wilson called for public comment on the matter.

Paul Hoffman asked for the location of the Brownfield site in question.

Mayor Wilson said the parcel is north of the City parking lot and was the former BP Gas Station. He explained that without a public entity involved, it is hard for private parties to get funding for cleanup of contaminated sites.

ORDINANCES/SPECIAL RESOLUTIONS

Conduct second reading (by title only) and Adopt Ordinance No. 350-2016 Amending Chapter 17.40, "Enforcement", Sections 17.40.020, 17.40.030, 17.40.040 and 17.40.050 of the Rio Dell Municipal Code (RDMC)

City Manager Knopp provided a brief staff report and said the proposed ordinance is back for its second reading and potential adoption. He explained that during preparation of the Commercial Cannabis Medical Land Use Ordinance (CCMLUO), staff discovered that the enforcement provisions of the Zoning Regulations seemed to be outdated and were not consistent with the enforcement provisions of the Nuisance Regulations.

He explained that the current "Enforcement" provisions under Chapter 17.40.020 of the RDMC establishes a fine of \$500.00 for violation of any of the provisions of the regulations whereas; the Nuisance Regulations establishes a \$1,000 fine and is cumulative each day and every day the violation continues to exist. He said the idea is to incorporate the same provisions in the "Enforcement" provisions under Chapter 17.40.020 as the Nuisance Regulations so they are consistent. He said the amendment will also provide greater ability for the City to enforce the regulations and recover costs.

Mayor Wilson opened the public hearing to receive public input on the proposed ordinance.

There being no public comment, the public hearing closed.

Motion was made by Garnes/Johnson to approve second reading (by title only) and adopt *Ordinance No. 350-2016 amending Chapter 17.40, "Enforcement", Sections 17.40.020, 17.40.030, 17.40.040, and 17.40.050 of the Rio Dell Municipal Code (RDMC)* and directing the City Clerk, within 15 days after its adoption, to post an adoption summary of the Ordinance. Motion carried 5-0.

Conduct second reading (by title only) and Adopt Ordinance No. 351-2016 Amending Chapter 13.10, Sewer Rates and Regulations of the Rio Dell Municipal Code (RDMC)

Mayor Pro Tem Johnson recused himself from discussion and action of the ordinance due to a potential conflict of interest and left the room.

NOVEMBER 15, 2016 MINUTES
Page 10

City Manager Knopp provided a brief staff report and said the proposed ordinance is back for its second reading and potential adoption. He said staff was recently contacted by the Humboldt County Department of Environmental Health (DEH) regarding onsite septic systems and the State Water Resources Control Board's *Water Quality Control Policy for Siting, Design, and Maintenance of Onsite Wastewater Treatment Systems (OWTS) Policy*. He explained that while the majority of septic systems exist within the unincorporated areas of Humboldt County, there are some homes in the City which continue to be served by septic systems.

He further explained that under the State OWTS Policy, the City is allowed to develop and administer its own Local Agency Management Plan (LAMP) or continue to work with the County Division of Environmental Health (DEH). He said the City has relied on the County for their review and approval of onsite septic systems for decades and obviously it is more efficient to continue that arrangement.

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

There being no public comment, the public hearing was closed.

Motion was made by Garnes/Thompson to approve second reading (by title only) and adopt *Ordinance No. 351-2016 amending Chapter 13.10, Sewer Rates and Regulations, of the Rio Dell Municipal Code (RDMC)* and continuing consideration, approval and adoption of the proposed Ordinance to the meeting of November 15, 2016. Motion carried 4-0 with Mayor Pro Tem Johnson abstaining.

A brief recess was called at this time; 7:47 p.m.

Mayor Pro Tem Johnson returned and the meeting resumed at 7:52 p.m.

Conduct second reading (by title only) and Adopt Ordinance No. 345-2016 Amending Chapter 13 of the Rio Dell Municipal Code (RDMC) to participate in the Community Choice Aggregation (CCA) program developed for Humboldt County by the Redwood Coast Energy Authority (RCEA)

City Manager Knopp provided a staff report and said at the October 18, 2016 regular meeting the Council reopened the hearing on Community Choice Aggregation (CCA). He said after a series of meetings, the Council at that meeting approved the first reading of the ordinance and directed staff to send out a survey to the community to see if residents were in support of a CCA program. He said the City sent out a newsletter on October 20, 2016 to all residents and included a survey with "Frequently Asked Questions" about Community Choice Energy ((CCE) programs and the question whether they would support a CCE program in the City or prefer to purchase energy from PG&E. He reported that only 25 responses were received; 22 were in support and 3 were opposed to the program. He said the City also issued an online poll of which there were 11 responses, with 9 in support and 2 opposed.

NOVEMBER 15, 2016 MINUTES
Page 11

City Manager Knopp continued with review of the recommended action and requested the Council approve the second reading of the ordinance (by title only), open the public hearing to receive public comment, and adopt the proposed ordinance to participate in the CCA program.

He said Matthew Marshall from Redwood Coast energy Authority (RCEA) was present to answer any questions the council or public may have.

Councilmember Thompson asked for clarification if customers will still receive their bill from PG&E.

Matthew Marshall responded that customers will still just get one bill from PG&E and they will collect the payments and transfer the money to the program so there will be no additional bill to the customers.

Mayor Wilson asked how far along they are in establishing the rates.

Matthew explained that the overall approach and goal the Board adopted is that rates are going to be lower than PG&E rates or they won't move forward with the program. He said the actual rates will be set in January once they know what PG&E's rates are going to be. He said the goal is to have a modest savings in rates but the bigger benefit potentially is the ability to invest in local generation projects.

He commented that they are in the process of sending out Requests for Offers for local biomass power to contract with one or more local biomass facilities. He said that total amount will be in the range of \$7-\$10 million a year in procurement so that is one of the components for setting the rates.

He reiterated that they will be looking at rates on an annual basis and customers will have the ultimate choice to opt out of the program when the program is first launched or at a later time if they are not able to maintain lower rates.

Mayor Wilson commented that the study that was done only represents around 2% of the customers (although it's no fault of staff) but it is not representative of the public's opinion. He said another thing he has a problem with is that they don't know what the rates are going to be. The other concern is that the County has 53% of the weighted vote so ultimately what they decide will stand.

He commented that he would prefer to table adoption of the ordinance until they know what the rates are going to be.

Mayor Wilson also commented that one of the developers with a proposed 15 acre cultivation site at the Eel River Industrial Park is requesting 3 MW of power from PG&E and the entire

NOVEMBER 15, 2016 MINUTES
Page 12

load of Rio Dell is only 2 MW. As such, this grow alone will use 1.5 times the City's power consumption which will bring the numbers up for the City.

Mayor Wilson opened a public hearing to receive public input on the proposed ordinance. There being no public comment, the public hearing closed.

Motion was made by Johnson/Thompson to approve the second reading (by title only) and adopt *Ordinance No. 345-2016 amending the Rio Dell Municipal Code to Authorize Participation in the Community Choice Aggregation Program Implemented and Operated by the Redwood Coast Energy Authority (RCEA)*. Motion carried 3-2; with Mayor Wilson and Councilmember Marks dissenting.

REPORTS/STAFF COMMUNICATIONS

City Manager Knopp distributed a written City Manager update of recent activities and events (Attachment 1 to these minutes), including an announcement on the ground breaking ceremony for the Metropolitan Wells Project; an update on the ABR porch project; new monitoring requirements with the State for the City's wastewater facility; and coordination plans with the Chamber of Commerce to help generate interest in Chamber membership and also to solicit donations for the Memorial Park tree lighting.

Finance Director Woodcox reported on recent activities in the finance department and said she attended a Weekend Warrior training over the weekend through CSFMO and reported that it was an excellent training and well worth attending. She also reported that with the financial reports done she will be giving the general ledger to the auditor so he can complete his report. She pointed out that when the auditor comes in and makes his presentation a big piece of that financial picture is the depreciation so while some of these numbers show excessive revenues it doesn't include depreciation. She noted that the water and sewer funds could show negative fund balances meaning that the financial picture of what she presented and what the auditor will present as the audited financials will be different because of the depreciation.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Thompson provided an update of activities with the Humboldt Waste Management Authority (HWMA) and said this will be his final report as representative on that board provided the City receives the final election results before their next scheduled meeting.

He provided highlights and said as of about three weeks ago, all solid waste from Hawthorne St. will be going south to Solid Waste of Willits with around ten trailers a week. He said to make sure they can get rid of that amount of volume they built in a backup plan with Dry Creek Landfill in Oregon and Bettendorf Trucking in the event they can't match the loads to the volume.

NOVEMBER 15, 2016 MINUTES
Page 13

He also noted that Wes Green Landscaping which has been taking green waste from HWMA for a number of years went on the market recently and HWMA has now negotiated purchase of that facility. He noted that it saves about 200 trailers a year from going south and the purchase is a good idea because it is important to keep the green waste program going.

He also reported that the negotiation for the purchase of 413 acres of forest land around the Cummings Landfill is finalized although they won't receive payment for the purchase until May of next year. He explained the reason for the delay is that HWMA has been waiting for \$1.7 million from the State since February of last year and is not exactly sure when payment will be received.

He noted that the Cummings Land Fill is totally closed but maintenance of it is 30 years at a cost of over \$300,000 per year.

He commented that he was presented with a book with pictures and a proclamation thanking him for his service on the Board and said there have been a number of difficult years but at the same time it has been a rewarding challenge.

Mayor Wilson thanked him for his dedication in representing the City on the HWMA Board.

Mayor Pro Tem Johnson reported on his attendance at HCAOG and said it looks like Caltrans is going to be undergoing a project related to seismic retrofit and painting of the Rio Dell-Scotia Bridge.

Councilmember Marks commented on the recent tragic fire involving marijuana and the volatile processes thereof. He said unfortunately three people were seriously injured and commented that he has been against the manufacturing of marijuana for quite some time and this incident is a prime example of why it shouldn't be allowed in the City. He said it is very close quarters in that block of First Ave. and it's a wonder the whole block didn't go up in flames noting the Rio Dell Fire Department did a good job containing the fire.

Councilmember Garnes asked for a consensus of the Council to place an item on the next agenda regarding Chapter 2.60 of the Rio Dell Municipal Code related to Planning Commission membership. She said although it's an awkward issue, there is currently a situation where there are family members serving on the Planning Commission and City Council at the same time and it could be perceived as a violation of the Brown Act. She pointed out that three Councilmembers basically can't ride together in the same car or sit together at an event or they are accused of breaking the Brown Act. She said as of the first of the year, there will be spouses of Councilmembers on the Planning Commission. She said she doesn't believe anyone would intentionally violate the Brown Act but there is potential for inadvertent violations.

NOVEMBER 15, 2016 MINUTES
Page 14

She said at the time Commissioner Marks was appointed to the Planning Commission there was no one who expressed interest so it made sense. She said at this point there are people volunteering so she thinks the provisions of the Code related to Planning Commission membership is something that they, as a Council should look at.

The consensus of the Council was to agenize the item for discussion at the next regular meeting on December 6, 2016.

Mayor Wilson commented on the fire Councilmember Marks mentioned and said the fire was very serious and said a lot of people filmed it and the U-Tube video was worth watching.

ADJOURNMENT

Motion was made by Johnson/Marks to adjourn the meeting at 8:23 p.m. to the December 6, 2016 regular meeting. Motion carried 5-0.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk