RIO DELL CITY COUNCIL REGULAR MEETING MINUTES OCTOBER 7, 2025

Mayor Pro Tem Carter called the regular meeting of the Rio Dell City Council to order at 6:00 p.m.

ROLL CALL:

Present: Mayor Pro Tem Carter, Councilmembers Orr and Wilson

Absent: Mayor Garnes and Councilmember Woodall (excused)

Others Present: City Manager Knopp, Chief of Police Phinney, Finance

Director Sanborn, Water/Roadways Superintendent Jensen, Wastewater Superintendent Moore, City Clerk

Dunham, and Senior Fiscal Assistant Maciel

Maciel

Absent: Community Development Director Caldwell

PUBLIC PRESENTATIONS

Mayor Pro Tem Carter invited public comments on non-agenda matters.

Wally Coppini, addressed the Council on behalf of the Chamber of Commerce and said that they are looking for ways to bring people into the community and approached the idea of a billboard on the city's property in Metropolitan near the wastewater disposal site. He asked that the matter be placed on a future agenda for consideration. He commented that the chamber would be willing to pursue potential funding sources if the concept is approved by the City Council. He said that he thought that would be a great location for the city to have a billboard and suggested the city and the chamber work together to pursue economic development opportunities.

The consensus of the council members present was to bring the matter back on a future agenda for further discussion and consideration.

CONSENT CALENDAR

Mayor Pro Tem Carter asked if any council member, staff, or members of the public would like to remove any item from the consent calendar for separate discussions. No items were removed.

Orr/Wilson made a motion to approve the consent calendar, including the following items:

- 1) Approve Minutes of September 16, 2025, Regular Meeting; and
- 2) Approve Employment Agreement with Finance Director Travis Sanborn.

The motion carried 3-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp reported on upcoming meetings and events and announced that this year's Halloween festivities include a first ever canine costume contest, a Halloween decorating contest and a trunk or treat event at Fireman's Park from 6-8 p.m.

He then introduced and welcomed Marshall Moore, the city's new wastewater superintendent.

Councilmember Wilson asked Marshall to provide a brief summary of his background.

Marshall said that he was born and raised in Humboldt County, spent 7 years in the Army, worked for Redway Community Services District for the past 4 years, serving as the Acting Chief Operator for the past year, and said he likes what the city has planned for the future.

Council members welcomed Mr. Marshall to Rio Dell.

Mayor Pro Tem Carter asked Chief Phinney to talk about his recent appointment with the California Police Chief's Association.

Chief Phinney said that he recently applied and was selected to be the regional representative for the California Police Chief's Association representing Humboldt, Del Norte and Trinity County. He explained that what it entails is not only welcoming new appointments but also carrying forward issues to the state level. He said that he looks forward to taking a more active stance on local issues.

Mayor Pro Tem Carter announced that there were zero animals transported to Miranda's Rescue over the past three weeks.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Davis Street Park Acquisition

City Manager Knopp provided a staff report and said that staff is recommending postponement of non-reimbursable project expenditures for the Davis Street Park acquisition until after the official announcement of the Land and Water Conservation Fund (LWCF) grant awards, which is anticipated in February 2026.

He noted that Fidelity National Title estimated the cost of the title reports, title insurance and escrow to be around \$3,000. In addition, Mike O'Hearn who performed the previous survey indicated, assuming the previously set monuments are still there, that

the survey and map preparation, checking and recording fee to be around \$4,500. He said that the city conducted a similar survey back in 2014 of the area that was intended to be acquired and expended almost \$4,500 but the acquisition never materialized. Since then, a solar array was installed within the area originally planned to be acquired and in addition, the school district reduced that area by about a half-acre so the exact area the district is willing to sell is not clear.

City Manager Knopp further explained that there are some details related to the grant that the Council needs to be aware of, noting that the grant requires a 50% match, and in addition, any lands put under LWCF protection are limited to open space and recreational facilities. Buildings such as community centers, gyms, etc., other than restrooms are prohibited. Even if the city is awarded the grant, the Council may not want to accept it. Accepting the grant and purchasing the property could be a significant capital expense to the city and once acquired, the city takes on any potential liabilities, demolition costs of removing that portion of the baseball field fencing, dilapidated restrooms and snack shack, and maintenance responsibilities.

He said that the State scores park grant applications by using a mapping tool and if the location of the proposed park is within a certain distance of a pre-existing park, it puts the city in a disadvantage for securing grants. In this case, the Davis St. Park is near Fireman's Park, Memorial Park and Blue Star Park, so although not impossible, it will be difficult to secure grants.

As such, staff's recommendation is to receive an update from Mayor Pro Tem Carter on the status of the Davis Street Park acquisition and to postpone any project expenditures until after the grant award announcement, potentially in February 2026.

Mayor Pro Tem Carter said that her original request was to proceed with a lot line adjustment but after talking to staff, understands why it isn't the best plan in moving forward. She said that her main concern with the lot line changes is that she didn't want to go to the School Board and ask them to pay for the lot line adjustment, especially if the city can acquire a grant to cover the costs. She agreed to table the lot line adjustment for now.

She said after looking at the proposed map, she contacted Angela Johnson, the school superintendent and discussed the straight line on the map that cuts the ballpark in half. She said that Angela's opinion was that the straight line was drawn to make it easy but that the board would be amenable to expand the city's land acquisition area to include the additional ballpark area that was identified on the map to be retained by the school.

She said that she would attend the school board meeting tomorrow night and report back to the Council and pointed out that the current school board is a different board than before and very supportive of the city.

A motion was made by Orr/Wilson to postpone non-reimbursable project expenditures (title work and record of survey) for the Davis Street Park LWCF acquisition until after the grant award announcement, expected February 2026. The motion carried 3-0.

Explanation of Water and Sewer Rate Structure

Finance Director Sanborn provided an overview of the current water and sewer rate structure, how it was established and how it works. He said that staff is recommending that the city council 1) acknowledge the comprehensive rate study process conducted in full compliance with Proposition 218 requirements, 2) reaffirm the cost-of-service methodology for both water and sewer rates established through resolution1535-2022 and Resolution1536-2022, and 3) note that sewer rates are appropriately differentiated by strength classification to reflect actual treatment costs for different business types.

He said that in 2022, the city completed a comprehensive rate study. Following the requirements of Proposition 218, mailed notices to property owners and tenants and held public hearings and received protest ballots well below the threshold needed to stop the rate increase from proceeding. The water and sewer rates were then adopted by the city council under separate resolutions.

Next, he addressed the public comments received regarding grants and said that the city is actively pursuing and implementing grant funded infrastructure improvements. He noted that the city is currently in the construction phase of an over \$12 million water infrastructure project. In addition, the wastewater system is in the midst of a \$6.1 million Sanitary Sewer Study. He pointed out that these efforts demonstrate that the city is doing everything possible to secure outside funding to minimize the burden on the rate payers while improving and maintaining the systems.

Finance Director Sanborn explained that the water rates are comprised of a fixed rate charge and a consumption charge. Likewise, sewer rates include a fixed monthly charge and a volume rate based on customer categories classified as low strength, domestic strength, medium strength, and high strength based on content and strength of the discharge. Sewer volume charges are calculated based on winter water consumption rather than year-round usage. He noted that the city also established provisions for water and sewer adjustments to protect customers from unfair charges due to water leaks.

Mayor Pro Tem Carter called for public comment on the rate structure. No public comment was received.

Councilmember Wilson referred to the water and sewer bill for Shotz Coffee and said that \$700/month seems high.

Mayor Pro Tem Carter commented that Rio Dell had a reputation for having the highest water bills but that has rapidly changed.

Councilmember Wilson said that the only issue he has with the sewer rate structure is with the 5-unit average for new customers where it can take anywhere from 8 months to 18 months to establish an actual 3-month winter average. He said that this is something that should be addressed with the next scheduled rate study.

He thanked Finance Director Sanborn for putting together a thorough report and said that the information and background is available online for customers to review.

Wilson/Orr made a motion to acknowledge the comprehensive rate study process conducted in full compliance with Proposition 218 requirements, 2) reaffirm the cost-of-service methodology for both water and sewer rates established through resolution1535-2022 and Resolution1536-2022, and 3) note that sewer rates are appropriately differentiated by strength classification to reflect actual treatment costs for different business types. The motion carried 3-0.

Cannabis Cultivation Tax Rate Analysis

Finance Director Sanborn provided an overview of the cannabis cultivation tax rate and said that staff recommends maintaining the current rate of \$2.00 per square foot. He said the voters authorized this tax twice, first with Measure T in 2016 and overwhelmingly with Measure X in 2017 with nearly 81% of the vote, authorizing cannabis taxation up to \$5.00 per square foot. The city currently operates at 40% of that rate and it has remained unchanged for 6 years.

He reported that cannabis taxes generate \$258,000 annually, taking an average of the last five years. This represents roughly 14.5% of the city's general fund revenue which directly funds critical services including road maintenance and police department operations. Dropping this tax to \$1.50 per square foot would reduce cannabis revenue by \$64,500 and dropping the tax to \$1.00 would reduce the revenue by \$129,000. Over five years, a \$1.00 reduction would result in \$645,000 in lost revenue for the general fund.

Finance Director Sanborn noted that Humboldt County suspended 100% of cannabis taxes for 2025 with 765 permits owing \$17 million in back taxes. Other California cities have reduced cannabis taxes due to market pressures, but Rio Dell is different as it maintains collection of taxes while utilizing existing hardship relief mechanisms for operators that need temporary assistance. The city's rate is competitive and honors the strong voter mandate for taxation.

He further explained that rate reductions would require service cuts and contradict what 81% of the voters authorized.

Councilmember Wilson commended Finance Director Sanborn for submitting a great report and said that the city went through what he referred to as a 'marijuana war." The council chambers were packed with people for probably 4 months, so the subject was well-vetted.

He noted that in talking to people in the community regarding the cannabis tax, many were against the whole idea of cannabis legalization but wanted the revenue to fix the streets. He said that the city did an excellent job handling the tax revenue that was received by paving streets and improving the city's road system.

He pointed out that many of the original growers on Dinsmore Plateau are no longer there and development at the Humboldt-Rio Dell Business Park has not completely materialized. He said that the growers knew what the tax rate was when they came to Rio Dell and said that he thought the current tax was reasonable. He agreed with staff's recommendation to maintain the cannabis cultivation tax rate of \$2.00 per square foot.

Councilmember Orr wondered if the reduction in sales tax revenue was the result of the reduction of growers spending less money here and didn't see why the city couldn't approve a temporary tax reduction to keep them here.

Mayor Pro Tem Carter said that she was inclined to uphold the decision of the voters and maintain the current cannabis tax rate.

Mayor Pro Tem Carter called for public comment on the cannabis tax rate. No public comment was received.

Discussion on Drainage Issues at and Around 590 View Avenue

City Manager Knopp provided a staff report and said that at the September 16, 2025, regular meeting, the Council requested that a drainage issue near and around 590 View Ave. be agendized for discussion.

He provided background on the issue and said that sometime between 1940 and 1956, the house at 590 View Avenue was built, which was prior to incorporation of the City of Rio Dell in 1965. This was the only house located on the east side of View Avenue until years or decades later when three additional homes were built on the east side of view Ave. He said that it appears that the two homes nearest to 590 View Ave. were built around 1983 via a lot line adjustment. He noted that lot line adjustments are subject to terms and conditions, typically including the construction of sidewalks. It appears that the sidewalk at the adjacent property was constructed at the time of construction of the house (by the owner or contractor, not the city). The sidewalks are higher than the sidewalk at 590 View Ave., which contributes to the drainage problem.

He commented that the City Clerk had no knowledge of drainage complaints from 590 View Ave. in the past, however, records from offsite storage are being retrieved that may or may not have additional information.

City Manager Knopp said that resolution of these kinds of issues can be complex, involving issues of liability for permit-plan approval, defect disclosure laws, assignment

of maintenance responsibilities and possible deferred improvement agreements. While City staff are sympathetic to the situation, the City Attorney's preliminary opinion on the issue is that the city has no obligation to fix the drainage issue.

He said if the Council wishes to pursue this further, it is recommended that the item be referred to the City Attorney for further information which is consistent with prior action on contentious or complex drainage issues.

Councilmember Wilson commented that drainage issues are part of the nature of Rio Dell, especially with homes constructed prior to the incorporation of the city. He expressed appreciation to staff for bringing matters forward when citizens request it. He said that staff has done its due diligence in researching this particular issue but to ask the city to go back and try and fix a drainage issue that could be very expensive is not that easy. He thanked staff for researching the issue and providing the information to the council.

Mayor Pro Tem Carter called for public comment on the matter.

Laura Berrey, 590 View Ave. addressed the Council and began by stating that she is not here to place blame but to ask for help. She said that the ongoing drainage problem on View Ave. has reached a point where it is causing serious damage, not just to their property but to neighbor's homes as well. Because of the way the hill slopes and the way the curb is constructed, all the runoff runs straight into their yard and neighbors' yards. Over time the water has eroded their property, damaged fencing, and compromised the foundation on the house below them at 590 Pacific Ave. She said that they placed sandbags along the front of their property to try and divert the flow, which is unsightly, creates a tripping hazard and reduces overall curb appeal of the street. She said that this is not a small matter, and the condition of the street has affected a million dollars of real estate and the long-term health of the neighborhood.

She asked the city to take meaningful action and not just acknowledge the issue but to find and implement a real solution. She added that collectively the neighbors have spent thousands of dollars to protect their homes and maintain property values which contribute directly to the city's economy and reputation as a desirable place to live. She asked the city to show the same commitment to them as shown to the community as this is clearly a city infrastructure issue.

She said that the recommended action is to either refer this matter to the city attorney or take no action at all. Referring to the city attorney is a waste of city resources as this problem does not need legal review but a simple fix. All that is required is a small asphalt berm to redirect the flow of water to the street where it belongs. The city is already doing asphalt work in the area so this could easily be addressed as part of that effort. She urged the city to take immediate action to prevent further property damage, protect human safety, and demonstrate the city's commitment to its residents.

Sam Berrey, 590 View Ave. addressed the Council and said there was a comment from staff that there were no records beyond the past 5 years related to drainage complaints from 590 View Ave. or the neighbors. He then read a letter from the former property owner of 590 View Ave., Duane Primofiore who lived there from 1961-2017. In the letter he stated that there was always a problem with water running onto the property. Living in the neighborhood for 64 years, he saw the issues firsthand.

Sam said that he also had letters from other neighbors related to the ongoing drainage issues and asked for the city's help in addressing the issue and preserving their homes.

Mayor Pro Tem Carter commented that even if the city agreed to install an asphalt berm as suggested by the property owners, she would still want more information, including a legal opinion from the city attorney as there are a lot of laws pertaining to drainage improvements. She asked the property owners if the sandbags helped divert the water.

Laura Berrey said that they helped but even with light rain, there was 7 inches of water standing in front of the sandbags which backed up into the neighbor's yard. She reiterated that the water needs to be redirected to the city's storm drain. She said that they have pumped hundreds of thousands of gallons of water from the street.

Councilmember Orr agreed that the issue should be referred to the City Attorney. He pointed out that the city may not have a legal obligation but having water running down the street creates a driving hazard and a health hazard and ignoring the issue is a crappy way of running the city.

Councilmember Wilson asked Roadways Superintendent Jensen if he had an opinion on the recommended construction of a berm.

Roadways Superintendent Jensen said that he had not looked at it on a professional level but more as a one-to-one basis and said that there is more to solving the problem than pouring a berm. The road is higher than the sidewalk, so the entire street needs to be reconstructed to set the grade. A more in-depth analysis is needed to fix the problem correctly rather than constructing a berm as a temporary patch.

Councilmember Wilson agreed to refer the matter to the city attorney to get a legal opinion on the responsibility and the preliminary cost of the project if it is the city's responsibility.

Mayor Pro Tem Carter agreed and said that she would be interested to see how the Sanitary Sewer Evaluation Study (SSES) would affect this in the future.

Orr/Wilson made a motion to refer the matter to the City Attorney for briefing. The motion carried 3-0.

COUNCIL REPORTS/COMMUNICATION

Councilmember Wilson reported that he would be attending a Humboldt Waste Management Authority (HWMA) meeting on Thursday and regarding Redwood Coast Energy Authority (RCEA) they are still researching AI regarding the power grid and rates.

Mayor Pro Tem Carter reported on recent and upcoming meetings and events and said that she would be attending the Rio Dell School Board meeting tomorrow, and the Fire Commissioners meeting on Thursday.

She said that she received a nice card from a Fortuna resident complimenting Rio Dell for its green trees and flowers when driving into town. She asked that the city let the landscapers know that their work is appreciated.

She reported that the artwork on the utility box at the end of town is continuing, said there would be an annual river bar cleanup on Saturday, October 11 with volunteers welcome, said that she attended a Chamber of Commerce meeting yesterday with the discussion focused on Christmas decorating which is scheduled for November 22 and 23 with any finishing touches on the following weekend, the annual tree lighting and truck parade event will be on December 6 along with the Chamber annual meeting with cookies and hot cocoa.

Related to Halloween, the Chamber is hosting its first Halloween decorating contest with voting to occur between October 15-29 on either the Chamber Facebook page or the Chamber website. Lastly, the new median decorations are out and were constructed entirely with donated time and materials from the Community Resource Center and encouraged everyone to drive down the median and take a look. In addition, there is a Halloween Dog Costume contest and Trunk or Treat at Fireman's Park on October 31st.

ADJOURNMENT

Orr/Wilson made a motion to adjourn the meeting at 7:02 p.m. to the October 21, 2025, regular meeting. Motion carried 3-0.

Attest:	Amanda Carter, Mayor Pro Tem
Karen Dunham, City Clerk	