

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
JUNE 20, 2023**

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

ROLL CALL: Present: Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson and Woodall

Others Present: City Manager Knopp, Finance Director Sanborn, Water/
Roadways Superintendent Jensen, Wastewater
Superintendent Taylor, Community Development Director
Caldwell, Senior Fiscal Assistant Maciel, and City Clerk
Dunham

CEREMONIAL MATTERS

Introduction and Swearing-In of Police Officer Aimee House

Mayor Garnes administered the Oath of Allegiance to incoming police officer, Aimee House.

PUBLIC PRESENTATIONS

Mayor Garnes invited public comment on non-agenda matters.

Steve Saunders, 762 Rigby Ave. addressed the Council and said that he is still not back in his house that was red-tagged as a result of the December-January earthquakes. He expressed his thanks and appreciation to the City Council for listening to his concerns.

Jonathan Brodeur, 521 View Ave. addressed the Council suggesting the City adopt an ordinance prohibiting the sell of Red Bull to people under the age of 18 citing high levels of caffeine and other harmful ingredients for kids.

He expressed thanks and appreciation to local law enforcement and their participation in the Bike Rodeo over the weekend.

An unidentified citizen commented that prohibiting kids from drinking Red Bull starts at home with parents much like cleaning up garbage in yards and on city streets. He thanked Chief Allen for his service to the community and said that bike lanes are put in for kids to use but they don't use them and said that he would not be yielding to bikes on sidewalks.

CONSENT CALENDAR

Mayor Garnes asked if any councilmember, staff or member of the public would like to remove any item from the consent calendar for separate discussion.

Mayor Garnes removed the minutes of the June 6, 2023 regular meeting for separate discussion.

Motion was made by Carter/Woodall to approve the consent calendar including the following items:

- 1) Approve Resolution No. 1584-2023 Adopting the FY 2023-24 Operating and Capital Budget and Position Allocation Table;
- 2) Approve Purchase of Services for Annual Audit for FY 2022-23 and authorize City Manager or designee to sign the Letter of Engagement;
- 3) Approve Resolution No. 1583-2023 Adopting the Gann Appropriations Limit for FY 2023-24;
- 5) Approve Memorandum of Understanding between the City of Rio Dell, County of Humboldt, and Cities of Eureka, Arcata, Fortuna, Blue Lake, Trinidad and Ferndale for Management of an Edible Food Recovery Program;
- 6) Authorize City Manager to Execute a Special Salary Adjustment for Police Corporal Landry; and
- 7) Receive & File Check Register for June.

Motion carried 5-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Approve Minutes of the June 6, 2023 Regular Meeting

Mayor Garnes said that she would like to abstain from voting on the minutes since she was not present at the meeting.

Motion was made by Carter/Woodall to approve the minutes of June 6, 2023 as submitted. Motion carried 4-0; 1 abstention.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and said that a contractor was on site changing out porch lights with energy efficient LED lighting as well as some failed lighting inside City Hall. He also reported that street sweeping was done on Saturday using a new vendor.

He then referred to the June 16, 2023 letter from PG&E that was received as a result of Councilmember Wilson's request at the last meeting related to the update on the electric capacity issue and work that PG&E is undertaking to support growth in the City of Rio Dell and surrounding area.

Councilmember Woodall requested Public Works pick up the junk that was accumulating behind the grey box at the downtown City Parking Lot.

SPECIAL PRESENTATIONS/STUDY SESSIONS

Presentation – Proposed Renewable Energy Project at Humboldt-Rio Dell Business Park
City Manager Knopp introduced Bob Wiener, H2 Humboldt who was present to provide a power point presentation on a proposed solar/battery project at the Humboldt-Rio Dell Business Park (HRDBP).

Mr. Wiener began by stating that he was here representing his team from the Bay area including Wesley Zheng, Posh Electric who was online via Zoom to answer questions and James White, PhD who was currently out of the country.

He continued with a power point presentation proposing a solar plus battery project at the HRDBP to provide renewable energy to Rio Dell. He said that the lack of electricity has hampered the economic development of the City and they would be able to provide enough electricity to power 150-200 new homes as well as new businesses with 100% renewable energy.

The funding source is the US Department of Energy, providing up to \$5 million per project under the Energy Improvement in Rural or Remote Areas Fixed Grant Program (DE-FOA-0003045).

The original project was scaled down from 17 +/- acres to 8 +/- acres generating 1 MW of solar PV energy and 2 MWh of grid scale battery. The project is in the pre-proposal stage with the deadline for submittal of a pre-proposal application by July 11, 2023. A letter of support from the Rio Dell community was requested to bring the project to reality.

Mr. Wiener explained that the proposed project site will require bringing in up to 9 feet of fill material in some areas and to possibly utilize the Brownfield site. He indicated that they are waiting for test results to come back regarding the current level of contamination which means that they might be required to cap that area.

He added that they are keenly aware of the milestones to bring this project forward but was confident with what he referred to as a very competent team including Posh Electric which is a California based renewable energy company focused on battery storage and solar project development, and GHD who is an engineering firm with a strong presence in Humboldt County.

Councilmember Wilson asked if the idea is to install a solar array that the company would then manage.

Mr. Wiener commented that their team would manage the system with the goal of selling power to the grid as renewable energy.

Councilmember Wilson pointed out that Humboldt County already installed a micro-grid at the Eureka-Arcata Airport. He asked that in the event of a power failure, if the system

would provide power to the HRDBP or if the system would kick in and provide power to all of Rio Dell.

Wesley Zheng from Posh Electric explained that in the event of an emergency, the system could be independent and provide power to approximately 200 homes for a day or two.

Councilmember Wilson mentioned that the team would produce energy and sell that energy to the grid for the purpose of making money.

Mr. Wiener said that the City needs more renewable energy as part of the Climate Action Plan.

Councilmember Wilson commented that there would be a lot to manage this project.

Mr. Wiener said that they contacted Redwood Coast Energy Authority (RCEA) as well as PG&E and were waiting to hear back from them. The reason for the sudden push now is so that they can get the pre-proposal application submitted by July 11, 2023, hopefully including a letter of support from Rio Dell.

Councilmember Woodall asked how many new jobs would be created.

Mr. Zheng noted that there would not be a lot of new jobs created with just a small team on the ground but the construction would take 1-2 years and those workers (10-20) would be paid prevailing wage. He said that the main benefit of the project is that it would be bringing in clean renewable energy to the community.

Mayor Pro Tem Carter asked if the renewable energy would directly benefit Rio Dell or if it would simply go back into the grid once generated. She pointed out that the City has been down this road already with energy companies coming in and making promises they can't fulfill. She asked if they could demonstrate how the power would directly benefit the community. She asked if local jobs would be created or if workers would be coming from the Bay area.

Mr. Wiener indicated that they would reach out to the local unions as the project would require skilled labor.

Mayor Pro Tem Carter expressed concern that there is a myriad of potential uses for the land at the HRDBP which is something the Council should consider in supporting a use that is the most beneficial to the City.

Councilmember Orr commented that the missing part here is how this project will directly help Rio Dell. He said that they would be making power to sell back to the community but this City already has a commitment from PG&E to provide power to the site. He added that he is in favor of renewable energy but doesn't understand how Rio Dell would benefit by giving up land that potentially could be used for other commercial businesses that would benefit Rio Dell.

Mr. Wiener noted that up until a few months ago, there was no commitment by PG&E to provide power. What they were hoping to do, is help those businesses at the HRDBP.

Councilmember Orr commented that the City would be giving up 8 acres of commercial property that could be utilized for businesses that would generate tax revenue for the City to put solar panels there. He said that he understands that they are not planning to sell power to PG&E for a profit but will sell to the business park for a profit. PG&E has committed to provide that power without the City having to give up 8 acres of commercial land. He said that this helps Posh Electric and GHD but doesn't help generate revenue for Rio Dell.

Mr. Wiener pointed out that although they would be taking away 8 acres of commercial land that could potentially be used for other business opportunities, the current property owner does not want to make improvements to the property to make it a viable development site. As a viable option they would develop it and the City would receive property taxes from the site. He said that it was more of a gesture to help those property owners get their businesses up and running by providing necessary power.

Councilmember Woodall agreed with Councilmember Orr and said that she can't see how this is going to benefit Rio Dell as much as other businesses coming in. She said that she would not vote for submitting a letter of support from the City at this time because there is a lot of things she doesn't fully understand.

Mr. Wiener offered to provide additional information and clarify some of the concerns.

Mayor Garnes asked if anyone on their team has looked into potential taxes or other forms of financial benefits to the City.

Mr. Wiener said that one of their agenda items is how can they make the project beneficial to the City of Rio Dell but they have not come to any conclusions in that regard.

Mayor Garnes asked what, besides the letter of support, would be needed from the City

Mr. Zheng said that one of the requirements of the grant program is that the project must benefit the City.

Wastewater Superintendent Taylor asked for clarification that if the solar project is successful, they would be adding 2 MW of power to the grid.

Mr. Wiener clarified that it would be closer to 1 MW since the footprint of the project was reduced.

Mayor Garnes asked the City Manager why staff recommended the project be down sized from 17 acres to 8 acres.

City Manager Knopp explained that part of the problem with the site is that it is going to require a lot of fill material brought in to bring the lot above the flood elevation. He said

that it is an added expense in terms of development. In theory, there could be availability on the front portion of the parcel for a commercial structure. He commented that the project is a principally permitted use in that zone and although the city would not get exactly what they would prefer at this area of the business park, the addition of solar at that site would be a compromise and a noble goal. He said that staff would like to see permanent living wage jobs created at the business park He added that the City has gone through a number of proposals from developers on job creating projects which have not come to fruition.

He said that ultimately this is a decision of the City Council and certainly there could be more information provided. As such, one option would be to invite Mr. Wiener and his team back at the next meeting with a draft letter of support for the Council to consider.

He commented that the City had high hopes for the business park and five years down the road, it is entirely possible that it could attract different types of development.

Mayor Garnes asked what would be the offset to the City for them building the utility and asked them to explore options.

Mayor Garnes called for public comment on the item.

Jonathan Brodeur asked if the project would lower electricity costs to consumers.

Mr. Wiener said that it would be the goal but that would ultimately be up to PG&E, RCEA, the Public Utilities Company (PUC).

Councilmember Wilson explained that PG&E supplies the power to the community and RCEA sells the energy portion of that at one-half of one percent below what PG&E sells it for which is about \$2.00/mo. for the average homeowner. The power would have to be sold through PG&E because they own the transmission lines.

Jonathan Brodeur commented that during the earthquake emergency, power was down and asked if there would be a way to tie into perhaps City Hall or the Fire Department. He then asked what the life span is of this project.

Mr. Wiener indicated that the current property owner wants to lease the property rather than sell it and they are recommending a 30-year lease because that is the approximate life span of the solar panels. He said that it may be able to be worked out where they would install batteries at the Fire Department and perhaps the City's Treatment Plant facility and try to include that as the direct benefit to the City.

Councilmember Woodall asked what would happen at the end of the 30-year lease and if they would remove everything from the site.

Mr. Wiener said that they would prefer to have the project continue on after the 30 years if that is the technology used at that time, but the idea is to maintain the equipment as long as necessary.

Consensus of the Council was to bring the item back at the next meeting on July 6, 2023 with the applicants providing additional information and a draft letter of support for Council consideration.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Discussion on City Council Meeting Time

City Manager Knopp said that a request was made by staff that the City Council consider amending the Rio Dell Municipal Code (RDMC) to move the meeting time for regular City Council meetings from 6:30 p.m. to 5:30 or 6:00 p.m.

All members of the Council were in favor of a 5:30 meeting time with the exception of Councilmember Woodall who preferred 6:00.

City Manager Knopp pointed out that starting meetings at 5:30 p.m. could potentially create a problem for closed sessions that are typically scheduled before the regular meeting.

Motion was made by Carter/Orr to direct staff return at the next regular meeting with an amendment to Section 2.10.160(2) of the Rio Dell Municipal Code (RDMC) changing the meeting time for regular City Council meetings to 6:00 p.m. Motion carried 5-0.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Introduction and First Reading (by title only) of Ordinance No. 399-2023 Amending Ordinance No. 335-2015, Chapter 13.10, Section 241 of the Rio Dell Municipal Code (RDMC) and adding Chapter 13.10, Sections 242-246 Property Tax Liens for Nonpayment of Delinquent Sewer Bills for Customers that do not Subscribe to Water Service and a Means of Collection the Delinquent Charges on the Property Tax Bill

Finance Director Sanborn provided a staff report and said that staff is looking to amend Ordinance No. 335-2015 to allow the City to send delinquent sewer charges to the Auditor-Controller to add them to the tax roll as a lien.

The proposed Ordinance Amendment includes reference to the Health and Safety Code Section 5473 through 547.7. Section 5473 allows a city to send overdue sewer charges to the Auditor-Controller. The inclusion of the amendment by the City would conform to such Health and Safety code, thus allowing the City to submit overdue sewer charges to the Auditor-Controller so long as the City follows the protocol laid out in the Health and Safety Code which he then reviewed.

Councilmember Wilson said as he understands the process, the City has the ability to enact the code but does not.

Finance Director Sanborn explained that the City does not have the ability to enact this section of the RDMC per advice from the City Attorney because of the missing section

5473.7 which is the legal process the City has to follow to be able to send the charges to the Auditor-Controller for collection with the taxes.

Councilmember Orr asked if this would apply to retroactive charges or from this point forward

Finance Director Sanborn said that it would apply to all past due sewer charges.

Councilmember Woodall asked how many accounts would be sent over for collection and if the charges would be collected with property taxes or when the property changes title.

Finance Director Sanborn said that he didn't have the exact figure but estimated between 30 to 40 accounts. He said that the liens would be assessed against the property taxes but was not certain of the process for actual collection.

Councilmember Wilson asked if there were provisions in the ordinance that requires that property owners be notified when tenants are past due on their sewer bill.

Finance Director Sanborn explained that part of the process is to send notices to the ratepayer as well as the owner since the charges would essentially be assessed against the property.

He noted that there are checks and balances the city must follow and noted that the charges must be sent to the Auditor-Controller by August 10th of each year in order for the liens to be placed on the property taxes.

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

Jonathan Brodeur asked if this would affect those customers whose water was shut off.

Finance Director Sanborn said that it would affect those customers.

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

Motion was made by Orr/Carter to approve the introduction and first reading (by title only) of Ordinance No. 399-2023 Amending Ordinance No. 335-2015, Chapter 13.10, Section 241 of the Rio Dell Municipal Code (RDMC) and adding Chapter 13.10, Sections 242-246 Property Tax Liens for Nonpayment of Delinquent Sewer Bills for Customers that do not Subscribe to Water Service and a Means of Collection the Delinquent Charges on the Property Tax Bill and to continue consideration, approval and adoption of the proposed Ordinance to the meeting of July 6, 2023. Motion carried 5-0.

COUNCIL REPORTS/COMMUNICATIONS

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Mayor Pro Tem Carter announced there would be a Nuisance Advisory Committee meeting tomorrow at 3:00 p.m. for anyone interested in attending.

She also commented on the Bike Rodeo that was held over the weekend and thanked the Police Department, Fire Department and Community Resource Center for putting together a wonderful event.

Councilmember Woodall also extended her thanks and said that the kids really enjoyed the event.

Councilmember Wilson reported that he would be attending an RCEA meeting on June 30th and attended a Humboldt Waste Management Authority (HWMA) meeting last Thursday and some of the things that apply to SB-1383 are moving ahead. The MOU that was adopted will address how to cover some of the costs in moving the project forward.

Councilmember Orr reported that he attended an HCAOG meeting on Thursday and received a presentation on a portable housing project in Arcata which they hope will become a blueprint for the rest of the County.

Councilmember Wilson announced that the Indianola Overpass Project is finally coming to a reality with completion of the project scheduled for the end of 2025.

Mayor Garnes reported that she would be attending a Cal Cities conference in Pomona on Friday and thanked everyone who participated in the Bike Rodeo. She also expressed thanks to staff for everything they do.

ADJOURNMENT

Motion was made by Carter/Wilson to adjourn the meeting at 7:59 p.m. to the July 6, 2023 regular meeting. Motion carried 5-0.

Debra Garnes, Mayor

Attest:

Karen Dunham, City Clerk