



RIO DELL CITY COUNCIL AGENDA
REGULAR MEETING - 6:30 P.M.
TUESDAY, FEBRUARY 19, 2019
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

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- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CEREMONIAL MATTERS
- E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not 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 Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

- F. CONSENT CALENDAR

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

- 1) 2019/0219.01 - Approve Minutes of February 5, 2019 Regular Meeting
(ACTION)

2) 2019/0219.02 - Receive and File Mid-Year Financial Report for FY 2018/19 (ACTION)	14
3) 2019/0219.03 - Authorize the City Manager to execute the Northwestern Ave. Waterline Reimbursement Agreement and Certificate of Acceptance (ACTION)	23
4) 2019/0219.04 - Receive and File Check Register for January 2019 (ACTION)	47
G. ITEMS REMOVED FROM THE CONSENT CALENDAR	
H. REPORTS/STAFF COMMUNICATIONS	
1) 2019/0219.05 - City Manager/Staff Update (RECEIVE & FILE)	51
I. SPECIAL PRESENTATIONS/STUDY SESSIONS	
J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS	
1) 2019/0219.06 - Approve contract with Miranda's Animal Rescue and Authorize Chief of Police to execute (DISCUSSION/POSSIBLE ACTION)	52
K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS	
1) 2019/0219.07 - Introduce and conduct first reading (by title only) of Ordinance No. 372-2019 amending Chapter 13.05 Water Rates and Regulations of the Rio Dell Municipal Code incorporating language regarding obligations to reimbursement agreements (ACTION)	64
L. COUNCIL REPORTS/COMMUNICATIONS	
M. ADJOURNMENT	

*The next regular City Council meeting is scheduled for
Tuesday, March 5, 2019 at 6:30 p.m.*

**RIO DELL CITY COUNCIL
REGULAR MEETING
FEBRUARY 5, 2019
MINUTES**

The regular meeting of the Rio Dell City Council was called to order at 5:30 p.m.

ROLL CALL: Present: Mayor Garnes, Mayor Pro Tem Woodall, Councilmembers Richter, Strahan and Woodall

Others Present: (Closed Session) City Manager Knopp and City Attorney Gans

(Regular Meeting): City Manager Knopp, Finance Director Kerrigan, Chief of Police Conner, Wastewater Superintendent Taylor, and City Clerk Dunham

Absent: Community Development Director Caldwell, and Water/Roadways Superintendent Jensen

ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Public Employee Performance Evaluation Title: Chief of Police (Pursuant to §54957)

Public Employee Performance Evaluation Title: City Manager (Pursuant to §54957)

The Council recessed into closed session with City Manager Knopp and City Attorney Gans at 5:30 p.m. to discuss the above matters.

The Council reconvened into open session at 6:30 p.m.

Mayor Garnes announced that there was no reportable action taken in closed session.

PUBLIC PRESENTATIONS

Gordon Johnson addressed the Council and said he was pleased and proud to read the article in the local newspaper, *A Road Trip, a Veteran's Flag and a Happy Homecoming*. He said on Mayor Garnes return from a trip to Sacramento, she met a niece of one of Rio Dell's life-long residents, Nancy Kurtz who asked her if she would do her a favor and return to her aunt, the flag from the funeral of her husband, Albert Kurtz who had passed away 27 years prior. He provided the newspaper article to the city clerk and asked that it become part of the record.

Tina Jackson, resident of Fourth Avenue, addressed the Council regarding the number of junk vehicles in the neighborhood and asked that the City work on getting the area cleaned up.

Mayor Garnes suggested she contact the office and file a complaint.

Ms. Jackson noted that she had called numerous times and that the police department had

tagged some vehicles but there is still a problem.

Nick Angeloff provided a brief update on Chamber of Commerce activities and announced that the Eagle Prairie Arts District (EPAD) had moved out of the Chamber office but the Chamber of Commerce would remain at that location. He noted that EPAD would remain in force and that the Chamber was working on plans for some upcoming events and as plans develop he would inform the Council.

Jim Barsanti, Rio Dell Fire Commission Chairman provided annual statistics on Fire Department calls for 2018 and noted that the department currently has 27 firefighters, which is the largest number they have had in quite a while. The following stats were reported:

• Medical Aid	-	273
• Public Assist	-	38
• Fires	-	56
• Hazard Conditions	-	14
• Traffic Conditions	-	14
• Tech Rescue	-	6
• Meetings and Drills	-	36
• Special Events & Work Details	-	4
• Mutual Aid	-	15
• Cal Fire Cover Calls	-	64
• Total	-	520

He commented that all fire department personnel were provided jackets with the Rio Dell Fire Department patch to identify them noting that unauthorized people were showing up at fires. He commended the department for their dedication and hard work and said he was very proud of them.

The Council thanked the Fire Department for their dedication to the City and citizens of Rio Dell.

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.

Councilmember Strahan noted that she provided the city clerk with a couple of corrections to the January 15, 2019 minutes.

City Clerk Dunham commented that she had provided councilmembers with the requested corrections.

Motion was made by Wilson/Woodall to approve the consent calendar including approval of the minutes of the January 15, 2019 regular meeting as amended; to receive and file the Measure Z Second Quarter Report; and approval of Resolution No. 1413-2019 amending the Operating and Capital Budget for FY 2018-2019 for removal of a traffic and pedestrian hazard on Wildwood Avenue. Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp referred to the Staff Update as presented and added that the past week the City advertised on the electronic message board for 2020 census workers. He said if anyone is interested in applying or knows anyone that might be, to come by City Hall and get the information on how to apply. He noted that they will be hiring in August and that the more census data is gathered, the more accurate count there will be for Rio Dell. He explained that the census numbers are used in determining grant eligibility for the City and urged citizens to apply.

Mayor Pro Tem Woodall referred to SB 998; the State mandated process for shutting off water services for non-payment and asked when the bill will go into effect.

City Manager Knopp noted that it becomes effective January 2020.

Mayor Garnes asked staff to touch on Rio Dell's first Point in Time Count of the local homeless population.

City Manager Knopp reported that Sergeant Beauchaine, other City staff and staff from the Community Resource Center went out on the morning of January 23, 2019 to identify people experiencing homelessness and in addition, vehicles occupied for overnight camping. He said that they identified six (6) homeless people although they were all located outside the City at the Scotia river bar. He indicated that there were also some vehicles identified in the City as being occupied for overnight camping.

Mayor Pro Tem Woodall thanked Chief Conner for his efforts in getting the parcel on Rio Dell Avenue cleaned up.

SPECIAL PRESENTATIONS/STUDY SESSIONS

Nick Angeloff reminded everyone about the Chamber Mixer on Friday, February 8th to be held at the Rio Dell Fire Hall and said that Marc Barsanti from the Redcrest Fire Department would be the guest speaker. He said the event is free and encouraged everyone to attend.

Presentation – Green Buffalo Medical Regarding Medical Cannabis Treatment

Nick Angeloff introduced the team from Green Buffalo Medical. He said that Carl Truvin, was a former Washington, D.C. lobbyist and that he had worked with him for over a decade.

He provided a general overview of Green Buffalo Medical and explained that it consists of a group of folks dedicated to medical research and treatment of children's diseases such as epilepsy, cancer and other diseases. He said Carl introduced him to these folks about two years ago when he heard that the City's focus was on medical cannabis research. He indicated that they had been working with universities on the East Coast but are looking for a new home for their organization. He said their goal is to develop a strategy for medical cannabis CBD treatment and create a facility that provides wrap around care. He said the understanding is that Rio Dell could be recognized for its cannabis medical research at the Humboldt Rio Dell Business Park, which is what the City would like to see come to fruition. He said Green Buffalo Medicals long-term strategic goal is to become the cannabis medical center of the world. He commented that he and the group went around and spoke to a number of people today about their plans for the medical research and treatment center and the conversations became very emotional.

Carl Truvin said that he was a lobbyist on Capitol Hill for many years and that he had met Nick about ten years ago. As soon as he heard about Rio Dell's interest in medical cannabis research, he introduced Chacki Brown Freeman to him because of their common interests. He commented that he was honored to be here to help and would like to see this venture become a huge success.

Chacki Brown Freeman, a medical cannabis consultant, said that he became involved as a concerned citizen based on the idea that cannabis is medicine. He said that Green Buffalo Medical created treatments based on hemp as the medicine. He added that they are here to explore the feasibility of joining forces and also because of love and friendship. He said they would like to find a way to design a better way of life based on a wonderful concept, and to help guide the country in a better direction. He commented that amazing strides have been taken in culture and human rights under this republican administration and they would like to help shape the history in Rio Dell and the County of Humboldt, being the jewel of the Emerald Triangle. He said that never before has a city council offered their services, making this a unique situation.

He said they would also like to propose an exhibit to show the community what Green Buffalo is all about and requested a meeting with the City Council at a later date related to the City becoming the sister city to a place in Mexico.

Johnathan Philips, strategic director of Green Buffalo Medicine said that they came to Rio Dell to see the culture and meet people that are involved in this business. He commented that they have been looking at what California is doing and came to visit to see what the local cannabis industry is all about. He explained that they operated in Washington, D.C. strictly as a cannabis medical facility and is not involved in the recreational cannabis business at all. He said this is about getting medicine to children, creating data, and data driven protocols for doctors. He added that they need to have a research center to do this and having the city council behind it to create that type of industry was something that made them drop everything and put their entire focus on this project. He commented that he thinks there is a tremendous opportunity to

bring another type of the cannabis industry to California that is not a recreational cannabis type business. He said he would like to bring together other cannabis growers and researchers. Ultimately, it is about the children and finding a place for them to be nurtured and be given medicine in a non-institutional setting. He added that he appreciated the time the city council has given them to see what the city's vision is and to be able to express what they can bring to Rio Dell.

Lisa Leydan said she was in Washington, D.C. for 26 years and recently relocated to Colorado. She told the story of her son (now age 15) who developed epileptic seizures at the age of eight (8). They visited seven different neurologists who prescribed anti-epilepsy drugs and each time the treatments failed. She said they also tried special diets, acupuncture, chiropractic care and yoga, which resulted in no improvement. She then visited local cannabis dispensaries looking for cannabis that contained CBD without THC and was unsuccessful. By this time, her son was in 5th grade and was no longer learning. Since the treatments were not working, they picked up and moved to Colorado. There they began administering doses of medical cannabis in attempt to lessen the number of seizures her son was having. She said the seizures did not lessen after the first dose but she did see cognizant improvement. She commented that she found a cannabis cultivator in Kentucky that produced cannabis high in CBD's but she had to figure out the dosing. She said that with the cannabis harvested for her son, he was able to get off two-thirds of the medications he was on and go back to school. She noted that this was life changing for him and expressed the need for more medical research to establish correct dosing for particular diseases and illnesses. She added that this is a unique community that seems to want to focus on medical cannabis research and this is the optimal opportunity to establish a medical cannabis program here. The city has the resources to help children as well as the elderly with counseling and a doctor on staff as well as perhaps a therapy room where kids can play and interact with other kids.

Jeremy Kurtz from Redwood Coast Water Company commented that he helped to put this program together and that he has seen some amazing things from treatments to children with ADHD and heard testimonies from teachers that said they were blessed to have these kids in their classrooms. He said that he talked to Nick a couple of years ago and found that they had a similar interest in seeing a change in people's view of the industry. He pointed out that there is a huge opiate epidemic in this country and he looks forward in working toward breaking the taboo about cannabis and bringing forward treatments that are natural. He noted that their company was recognized by Supervisor Fennel and that they have a plethora of testimonials, referring to their web page. He said they also need to figure out a way to get this medicine out to people where it is affordable because CBD cannabis is expensive. He added that there are many people looking to their company for information on the hemp industry. He ended by saying that this could put Rio Dell on the map and what better cause could there be than helping sick kids.

Nick Angeloff said these folks have been looking for an entity that would support them in their efforts, working on this throughout the globe and have not found a regulatory body that would actually promote the research and development of medical marijuana nor provide a base for a

home for these children. He said what they failed to mention is that there are between 2,000 and 2,500 kids that they are connected with which is just the tip of the iceberg. These people need help and one thing that really affected him emotionally was that Lisa's son Jackson was finally for the first time, able to connect with a friend with the same type of issues and know that he was not alone in this journey. That is what the City can provide. To have somewhere these kids can go and know that they are not alone is important. Rio Dell is the first municipality that has said that this is what they want to do and that really says something about our city.

Councilmember Richter said he wanted to thank Councilmember Wilson because his goal from the beginning has been to have the City as a base for medical cannabis research. He also thanked Nick Angeloff for bringing these people here.

Councilmember Wilson commented that medical cannabis research has been his goal from the beginning and that he believes the medical side of the cannabis industry will prevail over recreational cannabis. He pointed out that this group got into cannabis research not to change society but to help children with seizures and other diseases. He suggested the City fully embrace this and do whatever it can to support the proposal.

Mayor Pro Tem Woodall commented that her brother has an autistic son and she has been reading a lot about autism and cannabis. She said that it has helped children with anxiety and aggression so that they are able to sit down and concentrate. She said she thinks the research is important and worthwhile.

Mayor Garnes thought the information was very well presented and she learned how powerful a person's passion and belief in helping is. She fully supported the project.

Mayor Pro Tem Woodall asked what the next steps are.

Johnathan Phillips noted that they would like to bring in exhibits to get information out to the community. He said they have an army of resources they are willing to share including bringing in funding and investors. He commented that they have 150,000 children with which they have access to and share information and their goal is to keep every kid alive.

Councilmember Strahan commented that they mentioned that they wanted to incorporate a doctor into their program and asked if they have one that is working with them.

Jeremy Kurtz indicated that he has a friend in Fortuna that is an anesthesiologist that stands behind them. In addition, they have a Hospice nurse that works for them and goes out and talks to people. He said he perceives other people in the medical field also jumping on board.

Mayor Garnes thanked them for the presentation and said she looked forward to working with them.

Mayor Garnes called for public comment.

Millie Crummett, Rio Dell resident and nurse of 30 years said that she had previously worked at Home Health and worked with children with special needs administering various types of drugs. She was glad to see someone researching a natural plant based medicine. She said that she understands they have scientists and chemists but questioned who would be the hub of their staff that would be directing the research and what type of qualifications would they be required to have.

Chacki Brown Freeman explained that because of the unique and ever-changing nature of this industry as far as legislation, they have a multitude of doctors and universities they work with including doctors in Mexico. He said that with all the resources and data they have gathered to prove that this medicine keeps people alive; it has yet to be codified.

Lisa explained that they would constantly be collecting data and working closely with families noting that the research would be done in the facility here.

Jeremy Kurtz said that he provides CBD water to patients as a way to educate people through personal experience and that there are several people that they work with that are in the field of CBD medicine. He said as the water tech, he reaches out to these people and gathers all of the data he can to help further information for people so they can research it online and educate themselves. He noted that they have a healthy team of technicians backing up their work. He commented that the internet is a wealth of knowledge and they have an internet site that will be launched that will have ailments listed from A-Z with a description of what CBD medicine does for that particular ailment. He added that they have touched down on something that is very powerful but CBD cannabis is not cheap and one of their goals is to try to find a way to make it affordable for patients.

Nick Angeloff stated that this is just the start of implementing this product and the strategy and the format still has to be developed. He said that there have been researchers in Israel interested in coming here because of the genetic strains of cannabis that exist here.

Councilmember Strahan asked what they were referring to when they were talking about codifying this product.

It was explained that their vision is, once the facility is built, to codify the protocols that can then create a green medical cannabis movement. The idea is to create a database that compiles all of the information on the patients in order to find trends as well as a social network and database that doctors and researchers from all over the world can has access to.

Mayor Pro Tem Woodall asked what the difference is between hemp and cannabis.

Lisa explained that hemp is essentially just a different variety of cannabis and typically contains less than 0.3% THC.

Mayor Garnes commented that what she heard from the discussions today is that their overall goal is to give children and their family's dignity.

Mayor Garnes called for a 5-minute recess at 7:35 p.m.

The meeting reconvened at 7:47 p.m.

Presentation – Terra-Gen LLC Regarding Wind Energy Project Proposal

Nathan Vajdos, representative of Terra-Gen LLC provided an update on the wind energy project proposed along Monument Ridge and the eastern side of Bear River Ridge. He began by providing an overview of the project details and noted that the project would construct up to 60 wind turbines for a total capacity of up to 155 megawatts.

Councilmember Strahan asked where the power would be going.

Nathan explained that it would go into the grid with 80-90% of the power consumed locally. He noted that they would be producing more electricity than all of the electricity currently used in Humboldt County. He expressed interest in selling electricity to Redwood Coast Energy Authority (RCAC) however; there is a competitive bid process (RFP) process they must follow.

He further explained that they would be building overhead lines, which they were able to shorten from 24 miles to 22 miles.

He said that he is not here to ask the City Council or the community for anything since everything would occur in non-incorporated areas however; there would be impacts to the City as identified in the EIR document that is currently being drafted by the County of Humboldt. He recognized that there would be an increase in traffic in the City and that Monument Road is in poor condition. He commented that they have no plans or desire to pave Monument Road but as they get further into the project, there may be something they can do to help the City.

He continued with review of the location map, benefits to the community, results of the feedback collected from the open house held in Scotia, visual simulations of the project site from Rio Dell (from Davis St. and Monument Road), and simulations from the Town of Scotia.

Nathan said that following the open house in Scotia, a survey was sent out asking the community if they would support the development of an on-shore wind energy project in Humboldt County. He noted that 48.15% strongly agreed with only 7.41% strongly disagreeing.

Councilmember Strahan commented that she was in attendance at the Scotia meeting and that she did not see any survey.

Nathan responded that the surveys were emailed through Survey Monkey. He said the survey asked people what excited them most about the project and what concerned them most.

He said producing renewable energy was the thing that excited people most and the things that concerned them most were the effects on wildlife and sound and vibration generated from the site.

Mayor Pro Tem Woodall referred to the visual simulations from Davis St. and asked if that represented all of the turbines that would be viewed from that location or if the other turbines would be behind the front row and out of site.

Nathan explained that the turbines would be placed all in one line across the ridge but some may not be visible because of the height of some of the ridges.

Mayor Pro Tem Woodall asked how tall the turbines were.

Nathan said the maximum height from the ground to the tip is 600 feet.

Mayor Garnes questioned the noise level.

Nathan indicated that there would be no noise heard in the City of Rio Dell and if someone was really close to the turbines, they would be able to hear a slight whir of the blades.

Councilmember Strahan expressed concern that there would need to be lights on the turbines because of the nearby airport.

Nathan said that they do not have the final lighting scheme worked out but that those lights would be dictated by the FAA noting that safety is obviously their first concern.

Mayor Pro Tem Woodall asked for the anticipated construction timeline.

Nathan explained that once the turbines arrive the actual construction time would be between 12-18 months.

Discussion continued regarding the use of Monument Road by the sub-contractors even though the official access road designated is Jordan Creek Road.

Nathan agreed to put up signage to minimize the traffic on Monument Road and offered to pay a police officer to sit there and cite drivers if necessary. He commented that they would assume responsibility for any damage done to the road by the contractors or sub-contractors. He indicated that the plan is for all vehicles, trucks and heavy equipment to access the project site from the Jordan Creek Road exit and pointed out that it is not possible to deliver the turbines to the site from Monument Road because of the length of the components.

Mayor Pro Tem Woodall asked how the property owners are compensated for allowing the turbines to be on their property.

Nathan explained that they enter into a leasehold interest agreement in which they receive a percentage based on the number of turbines according to industry standards.

Councilmember Wilson asked if the County of Humboldt shares in that revenue stream.

Nathan said that they would not although the property taxes generated would be a little over \$1 million a year.

Jim Barsanti pointed out that the project site is in the jurisdiction of the Rio Dell Fire Protection District and asked if there would be any training for the local fire department.

Nathan indicated that there would be specific training and as they get further into the project, they would address it.

Gordon Johnson asked what the length was for the largest turbine component, where they were manufactured and if the road would need to be engineered to make sure the trucks could make it to the site.

Nathan said that the longest component was 250 feet and approximately 98% of the parts were manufactured in the U.S. with 2% proprietary components.

Gordon Johnson then asked if all the components would be trucked in.

Nathan explained that some of the components would be barged in to Fields Landing then trucked to the site.

Carol Hoopes, a Monument Road resident said that she lives 2 miles from the proposed project site and pointed out that the height of the blades was almost 54 stories, which is 12 times the height of a PG&E pole. She expressed concern about the traffic on Monument Road, and the flickering lights on the turbines. She noted that her family has had a ranch there since 1890 and she now has a winery and feels the project would be detrimental to her business.

James Cortazar, Dinsmore Plateau property owner agreed and said there needs to be more studies done on the health risks of wind turbines. He pointed out that with the great solar programs that are available; there is no need for the wind energy project. He urged the City Council to look closely at the studies before supporting any wind energy project in the city.

Millie Crummett asked if Rio Dell and Scotia residents would get the benefit of lower electricity rates.

Nathan explained that there likely would not be a savings as they would not be selling electricity to residents. He said if RCAC bought the power, there could potentially be a savings to customers because wind power per kilowatt-hour is much cheaper compared to retail electricity rates.

Councilmember Wilson pointed out that RCAC determines the rate for the electricity but PG&E charges for the transmission. He said at the last RCAC meeting, the board voted to set the rates at 1% below PG&E's rates, which amounts to less than \$1.00 month savings per customer. Their focus is more into producing more green energy.

Millie Crummett commented that she is all for green energy but Rio Dell is a beautiful place and she does not want to see a wind energy project in a populated area. She suggested there be more research related to potential health risks.

City Manager Knopp noted that last week staff observed a crane truck going up Monument Road so he followed it to the site, talked to the contractor and was told that they were installing a test windmill. He indicated that the reason he used Monument Road was that the other roads were closed due to a slide.

Carol Hoopes interjected that she witnessed the truck going to the site and said they had to take the crane off the truck to get through get around some of the turns.

Councilmember Wilson asked if the City Council has the authority to approve or oppose the project since the site is located out of Rio Dell city limits.

Nathan explained that the approval is under the County's jurisdiction and the information is provided to the City as advisory only. He stated that he is aware of the condition of Monument Road and is amenable to entering into some sort of road construction agreement with the City however; doesn't want to be blamed for damages caused by log truck or other heavy vehicles. He said he would follow up with the contractor regarding the use of the road.

Councilmember Strahan said she would like Terra-Gen to agree to fix Monument Road. She said she does not want to see the wind energy project here but realizes that the City probably cannot stop it from being constructed. She pointed out that the City will not profit from it and will have to look at it for the next 50 years.

Nathan confirmed that by law, the City Council could not stop the project.

Councilmember Richter stated that the City is already stuck with a housing project they do not want and now this is just another project that the City has no say about. He said that putting up barricades to stop the trucks would not work because local people know Monument Road is a public road and unless someone has a gun, the barricades will not work.

Nathan was receptive to engaging in meaningful discussions that both the City and Terra-Gen are happy with. He indicated that Rio Dell has a voice regarding the project because if Monument Road is damaged as a result of the project, the City can sue. He encouraged the city to contact the County Planning Department and address any concerns. He said that he is 100% willing to engage in discussions but the fact is that they do not have the money to fix Monument Rd. as a new road would cost probably one-quarter of the cost of the entire project.

Councilmember Strahan responded that they could find the money if they wanted to and that she would hope that they would bless the City in some way because the residents would have to look at this for years to come.

Nathan once again encouraged the City to talk to County Planning and the County Board of Supervisors and address their concerns. He acknowledged that the voices of the City are being heard but action is through the County of Humboldt.

Mayor Garnes asked if the desire of the Council is to direct staff to enter into dialog with the County.

Mayor Pro Tem Woodall and Councilmember Richter suggested Supervisors Bohn and Fennell be invited to attend a Council meeting so the concerns can be addressed.

Nathan pointed out that a portion of property taxes go toward fixing county roads and regardless of any road use agreement and what the County decides to do, there are benefits of the project for the City.

Councilmember Richter thanked him for having the courage to come and address the Council and the community about the project.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Update on Rio Dell Library and Related ADA Compliance

City Manager Knopp provided an update on the Rio Dell Library and said that he and Mayor Garnes attended the Board of Supervisors meeting this morning and that they are still in discussions with the Rio Dell Fire District regarding keeping the library at its current location. He said the fire department extended an offer with certain terms as discussed at the last meeting but due to the cost associated with the offer, they were not in agreement. He said the fire department modified the terms by reducing the rent from \$1,000/mo. to the current amount of \$250/mo. with a 15-year lease. The matter will go back to the board in 2 weeks for further discussion. He said he sees a door opening if things do not work out with the fire district, to eliminate library services in Rio Dell.

Mayor Garnes noted that the board did not shut the door on other options and that there was a lot of discussion on the possibility of having a book mobile come down as an alternative. She said everyone is hoping that some sort of agreement is worked out to keep the library in town. If not, the book mobile may be the only option.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Richter reported that he attended the Redwood Region Economic Development Commission (RREDC) meeting last week and commented that the board expressed that they will miss Councilmember Wilson as the City's representative. He said the

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new direction of the board is on the development of new businesses in Eureka. He said the meeting was interesting and he was looking forward to being part of it.

Councilmember Wilson reported on his attendance at the Redwood Coast Energy Authority (RCEA) meeting and said that under the CCE program, RCEA set electricity rates 3% below PG&E's rates. The board was presented the option to modify the rate at 1.5% below PG&E's rates but in the end, the decision was made to set them at 1% lower representing an average savings of 75 cents on the average monthly bill as opposed to the average \$2.00 monthly savings. He said the benefit is that they are purchasing greener power.

Mayor Garnes reported that she had her orientation with Redwood Coast Energy Authority (RCEA) as alternate representative on the board. She said that she would try to attend meetings to have a better understand of what is going on in the event she has to fill in.

Councilmember Strahan asked about the status of the Citizen's Advisory Committee for the DANCO project and said there was discussion about having a meeting at the school. She said she would like to have a discussion on that issue.

ADJOURNMENT

Motion was made by Richter/Woodall to adjourn the meeting at 9:02 p.m. to the February 19, 2019 regular meeting. Motion carried 5-0

Debra L. Garnes, Mayor


Attest:

Karen Dunham, City Clerk

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**CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
February 19, 2019**

TO: Mayor and Members of the City Council
THROUGH: Kyle Knopp, City Manager
FROM: Brooke Kerrigan, Finance Director 
DATE: February 19, 2019
SUBJECT: Mid-Year Financial Report for FY 2018/19

RECOMMENDATION

Receive and File the FY 2018/19 Mid-year Financial Report

BACKGROUND AND DISCUSSION

The FY 2018/19 Operating and Capital budget for the City of Rio Dell was adopted through Resolution 1389-2018. The adopted budget showed projected revenues totaling \$5,456,358 and expenditures in the amount of \$5,665,276. The amended budget shows an increase of expenditures (\$61,623) for a total of \$5,726,899. The mid-year financial report is based on the amended budget amount.

As of December 31, 2019 City-wide amounts for revenues had been received at 44% of budgeted amounts and expenditures had been spent at 35% of budgeted amounts. At midyear staff does not foresee any serious revenue discrepancies that might impact the progression of the FY 2018/19 budget. Expenditures are not exceeding budgeted appropriations at both the department and fund levels.

ATTACHMENTS

- A – FY 2018/19 Mid-year Financial Report
- B – Consolidated Balance Sheet with Prior Year Comparison
- C – Notes to accompany Consolidated Balance Sheet with Prior Year Comparison

MID YEAR FINANCIAL REPORT

DECEMBER 31, 2018

SECOND QUARTER REPORT 2018/19

BUDGET VARIANCE BY DEPARTMENT

City-wide a total of \$1,519,294 (35%) of \$4.3 million budgeted appropriations were spent at mid-year. *Operating expenditures* were spent at 38% and *activities expenditures* were 27%.

*City-wide Departmental Budget Variances
Mid-year FY 2018/19*

EXPENDITURES BY DEPT.	YTD ACTUAL	AMENDED BUDGET	%
OPERATING EXPENDITURES			
Building	26,045	54,931	47%
City Council	11,478	33,438	34%
City Manager	126,285	279,745	45%
Finance	161,297	393,679	41%
Planning	28,343	62,245	46%
Police Department	245,273	966,538	25%
General Government	20,364	63,424	32%
Public Works	653,447	1,530,515	43%
TOTAL OPERATING	1,272,532	3,384,515	38%
ACTIVITY EXPENDITURES			
Admin. Car	193	1,200	16%
Capital Projects *	244,229	904,092	27%
Recycling/Solid Waste	2,340	9,292	25%
TOTAL ACTIVITIES	246,762	914,584	27%
TOTAL CITY-WIDE	1,519,294	4,299,099	35%
*Not including Grant Funded Projects			

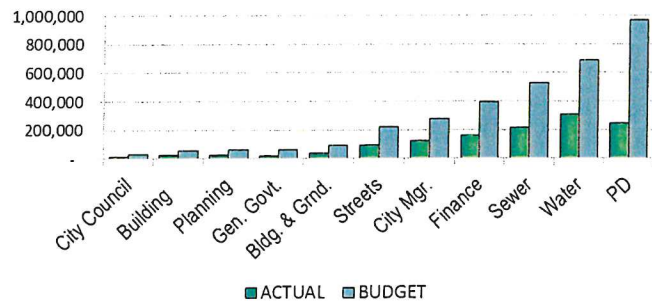
At mid-year PD had spent 25% of appropriations (\$245,273). This is well below the 50% mid-year benchmark used as comparison. The PDs lower than anticipated spending significantly reduced the City-wide operating budget variance due to PDs large proportion of total budgeted amounts (25%).

The budget variances for all departments were under the 50% bench mark at mid-year. In comparison to last fiscal year (2017/18) City-wide expenditures were at 45%, or \$1,659,558 spent out of \$3.7 million in appropriations.

Capital projects were spent 27% at mid-year. In the prior fiscal year the capital projects budget variance was 43%, or \$375,792 of \$876,805 total appropriations.

The following chart shows budget versus actual by department. City Council has the smallest apportionment, while law enforcement has the highest.

BUDGET VS. ACTUAL BY DEPARTMENT
12/31/2018



BUDGET VARIANCE BY DEPARTMENT AND BY MAJOR CATEGORY

The following two charts reflect City-wide departmental spending broken into categories of *salaries and benefits* and *services and supplies*.

Salaries and Benefits were at 38% at mid-year in comparison to 46% last year at this time.

*City-wide Departmental Salary and Benefits Budget Variances
Mid-year FY 2018/19*

SALARY AND BENEFITS BY DEPARTMENT	YTD ACTUAL	AMENDED BUDGET	%
Building	20,690	41,152	50%
City Manager	100,560	207,521	48%
Finance	137,876	305,148	45%
General Government	19,496	40,922	48%
Planning	22,799	45,699	50%
Police Department	182,348	693,689	26%
Public Works	280,124	662,329	42%
TOTAL CITY-WIDE	763,893	1,996,460	38%

The PD has been short staffed (26% budget variance). An additional Police Officer for FY 2018/19 was added for a total of six (6) sworn officers. The position remained unfilled at Dec. 31.

Services and supplies items were at 37% of appropriations at mid-year. The General Government department low variance reflects an unspent amount of \$20,000 appropriated for a City-wide income study. Services and supplies also include one-time appropriations for RIMS software for the Police Department (\$105,000), a wastewater rate study (\$30,000), and a water rate study (\$30,000). The ratio of budgeted appropriations for Salaries and Benefits in comparison to Services and Supplies *without* these one-time items is 62% and 38%, respectively.

MID YEAR FINANCIAL REPORT

DECEMBER 31, 2018

SECOND QUARTER REPORT 2018/19

City-wide Departmental Svcs. and Supplies Budget Variances Mid-year FY 2018/19

OPERATING SERVICES AND SUPPLIES BY DEPARTMENT	YTD ACTUAL	AMENDED BUDGET	%
Building	5,355	13,779	39%
City Council	11478	33438	34%
City Manager	25,725	72,224	36%
Finance	23,421	88,531	26%
General Government	868	22,502	4%
Planning	5,544	16,546	34%
Police Department	62,925	272,849	23%
Public Works	373,323	868,186	43%
TOTAL CITY-WIDE	508,639	1,388,055	37%

REVENUES

Governmental Funds are the General Fund, SLESF, Streets Funds, and Special Revenue Funds. The modified accrual basis of accounting is used to record revenues and expenditures for all Governmental Funds.

Enterprise Funds use the accrual basis of accounting. Water and sewer fund revenues are collected when earned and expenditures are recorded in the month incurred. This is the matching principle and is in accordance with Generally Accepted Accounting Principles (GAAP).

Revenues by Fund Budget Variances Mid-year FY 2018/19

REVENUES BY FUND	YTD Actual	BUDGET	%
General Fund	203,466	1,033,793	20%
SLESF	82,061	100,000	82%
Streets	130,457	298,300	44%
Building Fund	32,596	35,056	93%
Sewer	674,779	1,236,830	55%
Water	630,562	1,214,863	52%
Special Revenue Funds	29,428	55,816	53%
	1,627,575	3,673,013	44%

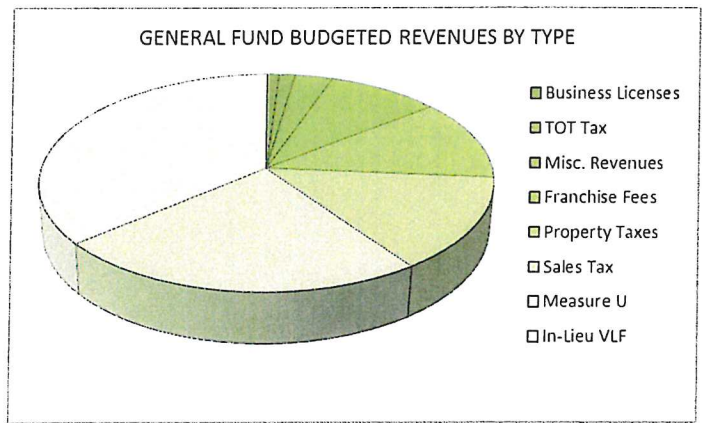
City-wide revenues were at 44% of budget at mid-year. The Enterprise Fund revenues for sewer and water were collected at 53% and 52%, respectively. The General Fund budget variance was 20%, which significantly impacts the overall City-wide budget variance; however because of the modified accrual basis of accounting several General Fund revenues were still outstanding at mid-year. These are recorded in a

future period (cash basis) with all General Fund revenues fully captured at year-end (accrual basis).

The Building Fund shows a high budget variance at mid-year of 93% (\$32,596). Of this amount \$19,283 (59%) are cannabis related revenues.

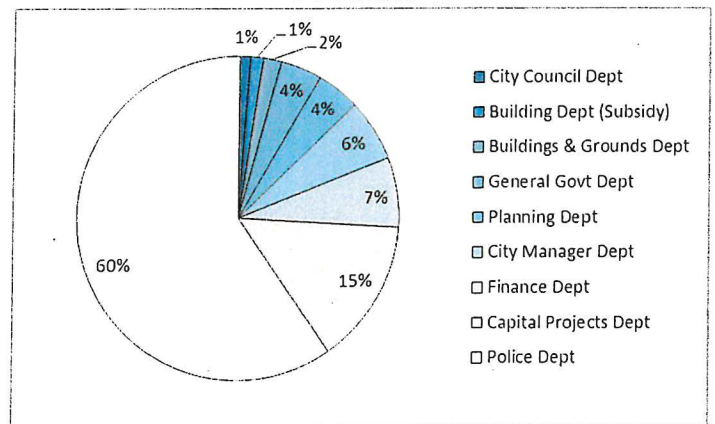
GENERAL FUND

REVENUES. At mid-year General Fund revenues had a budget variance of 20% (\$203,466). Revenues are anticipated to be at, or above, budgeted amounts totaling \$1,033,793 by year-end.



EXPENDITURES. Budgeted appropriations for the General Fund for FY 2018/19 total \$1,404,670. This includes \$380,517 in capital and special projects. An additional Police Officer was also budgeted for through the General Fund. Total appropriations spent at mid-year were \$359,797 (26%).

General Fund Adopted Appropriations by Department FY 2018/19



The General Fund supports *operating costs* (\$1,024,153) for law enforcement and the administration of City government activities. Additional appropriations of \$380,517 are for streets

MID YEAR FINANCIAL REPORT

DECEMBER 31, 2018

SECOND QUARTER REPORT 2018/19

improvements (\$107,000), City Hall improvements (\$48,517), Habitat for Humanity parcel repairs (\$60,000), Police Department software (\$105,000), code enforcement (\$30,000), an income study (\$20,000), and \$5,000 each towards a police vehicle trust and river bar access.

The General Fund shows a total of \$13,183 in capital and special project amounts spent through mid-year. Prioritization of other City activities limits the amount of staff time available to implement projects on a consistent basis. The streets project of \$107,000 is scheduled for later in the year.

Law enforcement takes up the majority of appropriations for the General Fund (60%). The new software, The California Law Enforcement Telecommunications System (CLETS), supports computer aided dispatch, records and case management, crime analysis, training records management and community access to law enforcement information and public records. The purchasing process is on-going as staff evaluates the long term costs anticipated to be an additional \$10,800 annually for enhanced broadband service.

ENTERPRISE FUNDS - WATER

Revenues for the Water Funds are meeting expectations at midyear (52%). Projections for the entire fiscal year typically shows that water sales fluctuate between high use in the summer months to lowered use in the winter and spring months. Since the next quarter (Jan-Mar) is historically the City's lowest sales period for units of water revenues generally smooth out to anticipated levels by year-end.

The chart below shows water sales from FY 2014/15 to FY 2018/19. December 2018 is the lowest water sales for the month of December over the past five years.

*Water Fund Revenues Budget Variances
Mid-year 2018/19*

WATER FUND REVENUES	YTD Actual	BUDGET	%
Operating Fund	416,244	798,119	52%
Debt Service Fund	106,692	207,383	51%
Capital Fund	87,872	169,561	52%
Metro Wells Fund	8,903	17,291	51%
Dinsmore Zone Fund	10,851	22,509	48%
TOTAL	630,562	1,214,863	52%

Expenditures for the Water Funds were spent at \$455,314 for a total budget variance of 40%. The Operating Fund pays for the water system's operating costs and various departmental

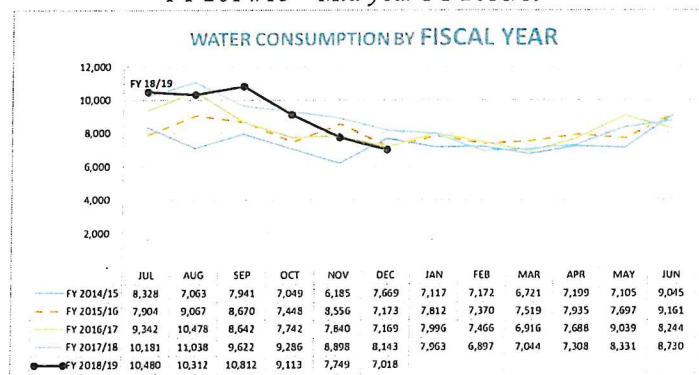
administration costs. Budget variance for the Operating Fund (060) was 41% at mid-year, the Dinsmore Zone (064) was 109% mainly for electricity costs, the Metropolitan Wells (063) showed a 5% budget variance, Capital Projects Fund (062) were at 33%, and Debt Service Fund (061) was at 50% of budgeted appropriations. The water's debt service is paid in semi-annual installments of \$68,000 due July 1 and January 1. The final payment is set for July 2029.

*Water Fund Departmental Budget Variance
Mid-year 2018/19*

WATER FUNDS	YTD ACTUAL	AMENDED BUDGET	%
OPERATING			
Buildings & Grounds	11,379	24,898	46%
City Council	2,074	7,811	27%
City Manager	41,032	88,167	47%
Finance	56,606	137,788	41%
Water Operations	211,999	530,396	40%
TOTAL OPERATING	323,090	789,060	41%
ACTIVITIES			
Dinsmore Zone	2,173	2,000	109%
Metropolitan Wells	1,209	24,200	5%
Capital Projects *	60,842	184,000	33%
Debt Service	68,000	136,000	50%
TOTAL ACTIVITIES	132,224	346,200	38%
TOTAL WATER FUNDS	455,314	1,135,260	40%

The chart below shows water consumption by month over five (5) years' time. 2018 is the lowest recorded amount for the month of December for the past five (5) years.

*Annual Water Sales by Fiscal Year
FY 2014/15 – Mid-year FY 2018/19*



MID YEAR FINANCIAL REPORT

DECEMBER 31, 2018

SECOND QUARTER REPORT 2018/19

ENTERPRISE FUNDS - SEWER

Sewer Fund revenues were at 55% (\$674,583) at mid-year. Last year at this time revenues were \$627,914, a 7% decrease from the current year's amount. Revenues in the Sewer Funds are anticipated to remain constant since the current year's revenues are systematically calculated with the same data each month.

*Sewer Fund Revenues Budget Variances
Mid-year FY 2018/19*

SEWER FUND REVENUES	YTD Actual	BUDGET	%
Operating Fund	438,093	831,855	53%
Debt Service Fund	170,549	302,899	56%
Capital Fund	65,941	102,076	65%
TOTAL	674,583	1,236,830	55%

Expenditures for the Sewer Operating Fund were below the mid-year benchmark (44%). Capital projects and debt service for the Sewer Funds were 34% and 100%, respectively. Debt service is paid annually on October 31. The treatment plant loan for \$6.6 million will be fully paid in 2043.

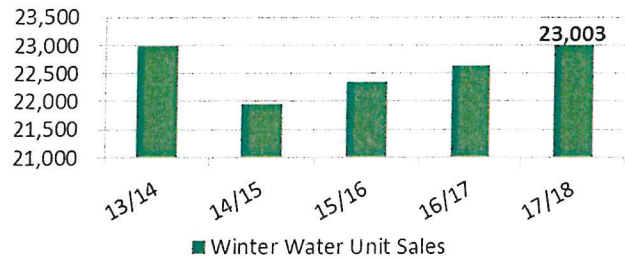
*Sewer Fund Departmental Budget Variance
Mid-year FY 2018/19*

SEWER FUNDS	YTD ACTUAL	AMENDED BUDGET	%
OPERATING			
Buildings & Grounds	11,378	24,898	46%
City Council	2,074	7,811	27%
City Manager	40,069	88,167	45%
Finance	56,626	137,788	41%
Sewer Operations	308,320	685,646	45%
TOTAL OPERATING	418,467	944,310	44%
ACTIVITIES			
Capital Projects *	164,549	480,825	34%
Debt Service	302,899	302,899	100%
TOTAL ACTIVITIES	467,448	783,724	60%
TOTAL SEWER FUNDS	885,915	1,728,034	51%

Sewer Reserves have seen declines in the past two (2) fiscal years due to on-going maintenance and repairs of the system. Revenues continue to come in above budget, which works to rebuild reserve amounts that can be utilized for major repairs. The sewer billing system calculates customer bills based on the

prior years' winter months water consumption. This creates revenue stability on an annual basis.

Winter Months – December, January, and February



CAPITAL AND SPECIAL PROJECTS

Total spending for capital projects at mid-year was \$244,229 (27%) of appropriations totaling \$904,092.

CAPITAL PROJECT SPENDING BY FUND	YTD Actual	Revised Budget	%
GENERAL FUND	13,183	214,017	6%
STREETS FUNDS	654	25,250	3%
SEWER FUND	169,549	480,825	35%
WATER FUND	60,842	184,000	33%
TOTAL	244,229	904,092	27%

BUDGET OUTLOOK There may be significant budgetary savings at year-end as some Capital Projects will not be completed; however many incomplete projects may be carried over to next fiscal year's budget.

Revenues overall appear to be coming in slightly higher than budget. In particular the Building Fund has realized nearly 100% of budgeted revenues largely due to cannabis activities.

There will be budgetary savings in the Police Department that showed 25% of appropriations had been spent at mid-year.

More significantly, not reported in the numbers are better efficiencies in Public Works with staffing at full capacity at mid-year. On the other hand, the PD is understaffed, yet officers are motivated to meet the Law Enforcement needs of the community. Measure Z plays a significant role in PDs ability to operate at minimal staffing levels.

Many underreported factors have significant and positive effects on the City's financial health. Reserve balances continue to be sufficiently healthy with staff's recommendations and Council's actions. This shows collaboration, as just one unreported factor behind the numbers presented here, works in positive ways towards the financial stability of the City.

Information is produced by The City's financial mgmt. system. Questions contact: Brooke Kerrigan, Finance Director kerriganb@cityofriodell.ca.gov

Consolidated Balance Sheet with Prior Year Comparison
For the Period then Ended December 31, 2018

	Current Year 12/31/2019	Prior Year 12/31/2018	Change	See Attached Note
ASSETS				
1011 Cash - General Checking	1,712,529	3,485,380	(1,772,851)	<u>1</u>
1020 Cash - Petty Cash	150	150	-	
1030 Cash - Change Drawer	250	250	-	
1031 Cash - Change Drawer 2	250	250	-	
1032 Cash - Change Drawer 3	250	250	-	
1033 Cash - Change Drawer 4	250	250	-	
1045 Construction Account - US Bank of California	100	100	-	
1050 Cash - Payroll Checking	5,000	5,000	-	
1060 Cash - Undeposited Funds	6,180	1,558	4,622	
1075 Cash - US Bank CDBG Program Income	40,022	142,280	(102,258)	<u>2</u>
1080 Investment - LAIF Savings	3,015,579	4,859	3,010,720	<u>3</u>
1140 Prepaid	31,329	28,036	3,293	
1320 Notes Receivable	1,069,794	1,153,005	(83,211)	<u>4</u>
1400 Accts Receivable	6,936	11,031	(4,095)	
1415 Sewer Assessment Receivable	-	30,000	(30,000)	<u>5</u>
1420 Accts Receivable - Utility Bill. Dist	241,141	233,716	7,425	
1421 Sewer Lien Receivable	10,246	8,641	1,605	
1423 Accounts Receivable CDBG	-	58,739	(58,739)	<u>6</u>
1425 Accts Receivable - Planning	3,077	(1,201)	4,278	
1427 Accts Receivable - Building	655	655	-	
1430 Claims on Cash	41	41	-	
1460 Grants Receivable	203,729	667,574	(463,846)	<u>7</u>
1530 Prepaid Insurance	41,516	38,443	3,073	
1535 Prepaid Dependent Coverage	(533)	72	(605)	
1540 Prepaid COBRA Coverage	-	(140)	140	
1700 Machinery & Equipment	1,777,769	1,600,400	177,369	
1701 Building and Improvements	556,247	256,860	299,387	
1702 Land and Improvements	1,135,804	1,135,804	-	
1703 Infrastructure	27,588,142	27,557,729	30,413	
1705 Vehicles	319,739	319,739	-	
1708 Construction in Progress	1,998,048	928,713	1,069,335	
1709 Streets/Roads	1,946,002	1,906,804	39,198	<u>8</u>
1710 Accum Depr - Mach & Equip	(1,485,883)	(1,460,735)	(25,148)	
1740 Accum Depr - Vehicles	(239,298)	(217,232)	(22,066)	
1750 Accum Depr - Bldg & Imprv	(220,683)	(203,410)	(17,273)	
1760 Accum Depr - Infrastructure	(4,636,019)	(3,871,228)	(764,791)	
1761 Accum Depr - Streets & Roads	(309,999)	(271,863)	(38,136)	
TOTAL ASSETS	<u>34,818,359</u>	<u>33,550,521</u>	<u>1,267,838</u>	
LIABILITIES				
2010 Accounts Payable	43,293	156,587	(113,294)	<u>9</u>
2012 Sales Tax Payable	4,137	413	3,724	
2014 SICPA Pass Thru Fees	863	-	863	
2060 Accrued AFLAC Ins. Payable	(39)	139	(177)	
2111 Payroll Tax - FICA	-	4,479	(4,479)	
2112 Payroll Tax - FIT	-	4,575	(4,575)	
2113 Payroll Tax - Medicare	-	1,198	(1,198)	
2115 Payroll Tax - SDI	-	292	(292)	
2116 Payroll Tax - SIT	-	1,419	(1,419)	
2222 Loan Payable-SWRCB WWTP Project	5,777,762	5,949,800	(172,038)	
2233 Loan Payable	1,428,000	1,564,000	(136,000)	<u>10</u>
2310 Bond - Sewer Assessment	-	30,000	(30,000)	

Consolidated Balance Sheet with Prior Year Comparison
For the Period then Ended December 31, 2018

	Current Year 12/31/2019	Prior Year 12/31/2018	Change	See Attached Note
LIABILITIES Cont.				
2410 Deposit - Utility Customers	74,896	72,361	2,535	
2415 Customer Credits- U/B	4,334	1,915	2,419	
2600 Compensated Absenses Payable	22,279	25,502	(3,224)	
2700 Deferred Inflow of Resources	1,069,794	1,153,005	(83,211)	<u>11</u>
TOTAL LIABILITIES	<u>8,425,319</u>	<u>8,965,684</u>	<u>(540,365)</u>	
FUND BALANCE				
3005 Fund Balance - Restricted	316,422	316,422	-	
3010 Fund Balance	21,229,762	20,006,183	1,223,579	<u>12</u>
3020 Investment in Fixed Assets	4,619,906	4,374,905	245,001	
3110 Retained Earnings	-	-	-	
3210 Prior Period Adjustment	106,442	106,442	-	
3500 Residual Equity Transfer	-	-	-	
Change in Fund Balance	120,508	(219,116)	339,624	
TOTAL FUND BALANCE	<u>26,393,040</u>	<u>24,584,836</u>	<u>1,808,203</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u><u>34,818,359</u></u>	<u><u>33,550,521</u></u>	<u><u>1,267,838</u></u>	

Notes to the Consolidated Balance Sheet with Prior Year Comparison
For the Year then Ended December 31, 2018

1. 1011 Cash – General Checking: The City’s General Checking account has \$1.7 million less cash than the previous fiscal year. This is because in on August 2, 2018 an amount of \$3.0 million was transferred to LAIF, an investment division of the State Controller’s Office. The amount was transferred because the City is in a position to use surplus cash for investment purposes. As of 12/31/2018 the investment had earned \$15,579 in investment earnings.
2. 1075 Cash – US Bank CDBG Program Income: The City’s CDBG bank account showed a decrease of \$102,258 from the prior fiscal year. This is because funds were used in FY 2017/18 for the construction of City Hall’s front entrance. Historically costs associated with CDBG funds are paid through the City’s General Checking account, which is reimbursed back with CDBG. In this case once the project was completed the amount of \$142,273 was reimbursed in May 2018 from the CDBG bank account back to General Checking. The transfer significantly reduced CDBG amounts held in US Bank.
3. 1080 Investment – LAIF Savings: The Local Agency Investment Fund (LAIF) is a voluntary investment program for California local governments and is administered by the California State Treasurer. In August of 2018 the City had a surplus of cash and transferred \$3.0 million to LAIF in order to earn investment interest on cash that was otherwise sitting in its General Checking at zero interest. As of December 31, 2018 interest earned since August 2018 was \$15,579. For additional information see <https://www.treasurer.ca.gov/pmia-laif/laif/index.asp> and Resolution 1346-2017 RD Investment Policy.

LAIF – “The mission of the Investment Division is to prudently manage ... LAIF Program under the statutory authority granted by state law and consistent with the investment objectives of Safety, Liquidity, and Yield...”

“The LAIF program allows cities, counties, and special districts to place money in a major portfolio at no additional costs to taxpayers, using the expertise of the Investment Division staff. Participating agencies can withdraw their funds from LAIF at any time.”
4. 1320 Notes Receivable: This account holds CDBG notes receivable. From December 2017 to December 2018 the City wrote off a loan deemed uncollectible due to foreclosure, and received a loan payoff. The decrease is reflection of these activities.
5. 1415 Sewer Assessment Receivable: The City released the final payment for 1978 bonds for sewer infrastructure. The final payment was \$30,000.
6. 1423 Accounts Receivable CDBG: An outstanding receivable for engineering services was expensed. The costs were reimbursable through a CDBG grant of \$100,000 that could not be drawn upon until all program income had been spent. The City spent down CDBG program income through City Hall front entrance improvements.

7. 1460 Grants Receivable: In FY 2017/18 the Metropolitan Well Project was underway and was mostly complete by the end of the fiscal year. The amount of \$667,574 had been paid out by the City for costs associated with Well construction. The City has been reimbursed for the majority of costs and final reimbursement will be realized once the grant has been officially closed.

In the current fiscal year (2018/19) the City has two grant funded projects. These are the ATP project for streets and roads improvements, and the State Water Resources Control Board (SWRCB) grant for a water system capital improvements plan (CIP). Remaining amounts in account 1460 are for the SWRCB grant reimbursement.

8. 1700-1709 Asset: Assets increased \$1.6 million since last fiscal year. The majority was for the Metropolitan Wells with Construction in Progress of \$1,069,335. Building improvements increased by \$299,387 for City Hall ABR ADA front entrance improvements, Machinery and Equipment was mainly for the Wastewater Treatment Plant repairs, maintenance, and improvements and the Wastewater Treatment Plant also had infrastructure improvements.

1710-1761 Accumulated Depreciation: Accumulated depreciation is calculated using a systematic approach with standards set by the Internal Revenue Service. The useful lives of assets are based on type, which determines the amount of time allowable to depreciate.

9. 2010 Accounts Payable: Accounts payable decreased from last year at mid-year. This is because last fiscal year (2017/18) because last fiscal year the City had two major construction projects going on: the Metropolitan Wells and City Hall front entrance ABR ADA improvements. Outstanding invoices associated to project construction created a higher accounts payable than the current year's mid-year amount.
10. 2233 – 2310 Loan Payables: Principle amounts for the City's debt service decreased a total of \$338,038. Amounts are for the Wastewater Treatment Plant loan, the water infiltration gallery loan, and the final payment for 1978 sewer bonds. The year of payoff for each loan is 2043, 2029, and 2018, respectively.
11. 2700 Deferred Inflow of Resources: This account is the offset for CDBG loan activity against account 1320 Notes Receivable. The City acts as a custodian for CDBG funds, therefore these two accounts are used for CDBG loan activity and transactions.
12. 3010 Fund Balance: City-wide fund balance increased \$1.2 million. The increase is a consolidated amount of all funds, but is mainly seen in the Water Funds where revenues have been significantly higher since 2015s water rate increase. Spending in the water funds, as well, has been well under budget, which also contributes to fund balance increases. The General Fund balance increased in comparison to last year at this same time (\$269,796). Other significant changes in fund balances were decreases in CDBG funds and the Sewer Funds. Decreases were attributable to major capital spending where revenues were less than expenditures spent.

For more information please contact Brooke Kerrigan, Finance Director at the City of Rio Dell.


kerriganb@cityofriodell.ca.gov

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532



For Meeting of: February 19, 2019
 Consent Item; Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager

Date: February 10, 2019

Subject: Northwestern Avenue Waterline Reimbursement Agreement & Certificate of Acceptance.

Recommendation:

1. Authorize the City Manager to execute the Northwestern Waterline Reimbursement Agreement; and
2. Authorize the City Manager to execute the Northwestern Waterline Certificate of Acceptance.

Discussion

As the Council is aware Glenn White, Precision Manufactured Developments Inc. has installed a new waterline consisting of approximately 5,000 linear feet of a 10" C-900 water main including valves and fire hydrants within the Northwestern Avenue public right-of-way.

Staff has worked with the City's Special Counsel, Michael Colantuono, in developing a Reimbursement Agreement, included as Attachment 1. Staff recommends that your Council authorize the City Manager to execute the Northwestern Waterline Reimbursement Agreement. The costs of Mr. Colantuono's services has been incorporated into the total cost of the waterline.

In addition, Glenn White, Precision Manufactured Developments Inc. will be offering for dedication to the City the installed waterline and associated appurtenances. The City Engineer was involved in the review and approval of the Plans and Specifications. In addition the City Engineer provided oversight during construction. In anticipation of the Offer of Dedication, staff recommends that your Council authorize the City Manager to execute the Northwestern Waterline Certificate of Acceptance once the Offer of Dedication is made.

Attachment 1: Northwestern Avenue Waterline Reimbursement Agreement

Recording Requested by:
City of Rio Dell
Exempt Government Code § 27383

Return to:
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA. 95562

City of Rio Dell
Northwestern Avenue Waterline
Reimbursement Agreement

This Reimbursement Agreement (including all recitals and exhibits) "Agreement" is made and entered into between the City of Rio Dell, a Municipal Corporation, hereafter referred to as the "CITY" and Glenn White, Precision Manufactured Developments (PMD) Inc., owner of the property identified as APN 205-111-021 hereinafter referred to as "PROPERTY OWNER".

A. WHEREAS, as a condition of approval of a project, the PROPERTY OWNER was required to extend the waterline, including valves and fire hydrants to (APN) 205-111-021 ("the project site"); and

B. WHEREAS, the City and the Fire Protection District required that the waterline, including valves and fire hydrants be sized to accommodate future development including meeting required fire flows; and

C. WHEREAS, the PROPERTY OWNER has installed a new waterline consisting of approximately 5,000 linear feet of a 10" C-900 water main including valves and fire hydrants within the Northwestern Avenue public right-of-way ("the PROJECT"); and

D. WHEREAS, the PROPERTY OWNER has requested that the PROPERTY OWNER be paid back for the reimbursable costs of the project; and

E. WHEREAS Section 13.05.040 of the Rio Dell Municipal Code (RDMC) requires that all new residential dwellings, commercial and industrial buildings connect to the City's water system; and

F. WHEREAS, there are nine (9) parcels that are required to connect to the water main as a condition of development, at the time of development that will be served by the project; and

G. WHEREAS the "BENEFITED PARCELS" are the nine (9) parcels are identified below by Assessor Parcel Number(s) (APN(s)) as of January 1, 2019 and described in **Exhibit A**; and

205-111-021	205-111-040	205-111-053
205-111-056	L. 205-111-057	M. 205-111-069
205-111-044 & 205-171-013	205-111-045 & 205-171-018	205-111-051 & 205-171-015

H. WHEREAS, the BENEFITED PARCELS nine (9) parcels shall share equally in the cost of project; and

I. WHEREAS, the total cost of the PROJECT to be reimbursed for the nine (9) parcels BENEFITED PARCELS is \$655,612.75 as identified in Exhibit B; and

J. WHEREAS, the proportionate cost of the PROJECT for each of the nine (9) parcels BENEFITED PARCELS is \$72,845.86 as identified in Exhibit B; and

K. WHEREAS, in addition Assessor Parcel Numbers (APN's) 205-111-021 and 205-111-057 had two (2) additional laterals installed at a cost of \$6,998.00 per lateral; and

L. WHEREAS, Assessor Parcel Numbers (APN's) 205-111-021 and 205-111-057 proportionate cost for each parcel is \$88,841.86; and

M. WHEREAS, Assessor Parcel Number (APN) 205-111-022 and described in Exhibit A, is improved with an existing building on the parcel and therefore is not required to connect to the City's water system; and

N. WHEREAS, the owner of Assessor Parcel Number (APN) 205-111-022 shall pay the cost of extending the water main, including the installation of valves and a fire hydrant, from the northern most lateral on Assessor Parcel Number (APN) 205-111-021 to the fire hydrant on APN 205-111-022; and

O. WHEREAS, the cost of extending the water main from the northern most lateral on Assessor Parcel Number (APN) 205-111-021 to the fire hydrant Assessor Parcel Number (APN) 205-111-022 is \$31,870.98 as identified in Exhibit B; and

P. WHEREAS, when and if then-owner of Assessor Parcel Number (APN) 205-111-022 decides to connect to the CITY'S water system, he or she shall pay the CITY the difference of the cost, \$40,974.88 of extending the water main from the northern most lateral to the fire hydrant to their share of the equal total cost for the installation of the water main and the valves and hydrants within the Northwestern Avenue public right-of-way; and

Q. WHEREAS, when and if then-owner of Assessor Parcel Number (APN) 205-111-022 decides to connect to the City's water system, he or she shall pay the CITY the difference of \$40,974.88 to the City and the City shall reimburse the other nine (9) BENEFITED PARCELS property owners \$4,552.76, plus the interest identified herein within sixty (60) days to the nine (9) BENEFITED PARCELS property owners as specified in paragraph 3 below; and

R. WHEREAS, those BENEFITED PARCELS are responsible for their proportionate share of the cost of the PROJECT; and

S. WHEREAS, every payment due to the PROPERTY OWNER under this Agreement is subject to 2% simple annual interest from January 1, 2019 until paid; and

T. WHEREAS, the CITY upon acceptance of the PROJECT, will include as part of the CITY'S public water system and accept future responsibility to own, maintain and operate it in common with other water system assets; and

U. WHEREAS, the CITY COUNCIL authorized the City Manager to enter into this agreement at their meeting of February 19, 2019.

NOW, THEREFORE, the parties do agree to the following;

1. The parties affirm the foregoing recitals and incorporate them and Exhibits A, B and C into this Agreement as though set out in full here.

1a. Term: This Agreement is effective from the date that the CITY accepts the PROJECT and expires fifteen (15) years thereafter.

2. The CITY will charge the nine (9) BENEFITED PARCELS and APN 205-111-022 connecting to the PROJECT during the term of this Agreement the sums described below and in **Exhibit B**.

1	APN 205-111-021 (PMD Inc.) Includes two extra laterals (\$13,996.00)	\$86,841.86
2	APN 205-111-040 (Cortazar)	\$72,845.86
3	APN 205-111-044 & 205-171-013 (Whitlow & Pellandini)	\$72,845.86
4	APN 205-111-045 & 205-171-013 (Whitlow & Pellandini)	\$72,845.86
5	205-111-051 & 205-171-015 (Cathy Studebaker)	\$72,845.86
6	APN 205-111-053 (Alex & Miranda Moore)	\$72,845.86
7	APN 205-111-056 (Alex & Miranda Moore)	\$72,845.86
8	APN 205-111-057 (McWhorter) Includes two extra laterals (\$13,996.00)	\$86,841.86
9	APN 205-111-069 (Rio Dell Holdings)	\$72,845.86
	APN 205-111-022 (Humboldt Brand)	\$31,870.98

3. (a) If and when Assessor Parcel Number (APN) 205-111-022 and described Exhibit A is connected to the PROJECT to serve an existing or new structure on that parcel, the City will charge its owner the amount referenced in Recital P and the CITY'S current water capital connection charges at the time of connection.

(b) The CITY shall allocate and remit any such payment by the owner of APN 205-111-022 as follows:

(i) first, it shall retain the processing fee referenced in paragraph 5 below;

(ii) second, it shall remit to any owner of a BENEFITED PARCEL for which any owner has previously paid their share of the cost of the PROJECT the amount identified in Recital Q; and

(iii) third, the balance to the PROPERTY OWNER.

(c) Thereafter, the CITY shall charge the owner of any BENEFITED PARCEL who connects to the PROJECT:

(i) the costs/amounts identified in Recital 2; and

(ii) the CITY's current water capital connection charges at the time of connection.

4. The CITY shall remit payments to the PROPERTY OWNER within 60 days of receiving them until the sooner of (i) the date all payments have been received or (ii) the term of this Agreement expires. The CITY's obligations to PROPERTY OWNER shall be limited to payment of sums actually collected by the CITY from owners of APN 205-111-022 or one or more BENEFITED PARCELS. The City is not liable to the PROPERTY OWNER for any other amounts, including costs or damages of any sort, with respect to PROPERTY OWNER's costs incurred with respect to the PROJECT.

5. The CITY shall retain \$35.00 of each payment received under this Agreement, to cover its costs to administer this Agreement.

6. PROPERTY OWNER'S rights under this Agreement are not transferable but the payment obligations associated with this Agreement shall run with title to the BENEFITED PARCELS and APN 205-111-022 upon the adoption of an ordinance as specified in paragraph 16 below and recordation of this Agreement against the BENEFITED PARCELS and APN 205-111-022.

7. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by mail. Notice required to PROPERTY OWNER or to CITY shall be addressed to the addresses indicated in the signature blocks below.

8. A party may change his or its address for notice by giving notice in writing to the other party and thereafter notices under this Agreement shall be addressed and transmitted to the new address.
9. No waiver by the CITY or any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach hereunder.
10. The PROPERTY OWNER agrees to hold harmless, to indemnify, and at his own expense, cost and risk, to defend the CITY, its officers, agents and employees from every loss, claim, action or liability which arises from or relates to this Agreement. If the City's legal authority to collect the amounts noted here from the owner of APN 205-111-022 or of a BENEFITED PARCEL is challenged in any court of law, if a claim is made against the City for refund of such an amount, if such an amount is paid under protest or threat of legal action, or if the City Attorney, in his or her discretion, determines that it is likely that such a challenge will be brought or would be likely to succeed; the CITY may do one or more of the following:
- (a) Suspend its obligations by written notice to PROPERTY OWNER.
 - (b) Repeal or amend this Agreement as necessary to conform to law.
 - (c) Refund amounts received from any such parcel owner, in which event such refunded amounts shall not be payable to the PROPERTY OWNER pursuant to paragraph 4 of this Agreement.
 - (d) Tender defense of the claim or action to the PROPERTY OWNER.
11. This Agreement shall constitute the entire agreement between the parties concerning its subject. Any amendment or modification of this Agreement shall be in writing and shall be executed by both parties.
12. The parties have had an equal opportunity to review and revise this Agreement and each has had opportunity to consult counsel. Therefore, no rule of construction pertinent to the party which drafted the Agreement shall apply to its construction.
13. The Parties entering into this Agreement do not intend to create any agency, partnership, joint venture, trust, or other relationship with duties or incidents different from those of parties to an arm's-length contract.
14. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Venue for any action to enforce any provisions of this Agreement shall be lie in Humboldt County, California and PROPERTY OWNER consents to personal jurisdiction there for that purpose. The sole remedy for breach of this Agreement shall be an order for specific performance of an obligation under this Agreement and no claim for money damages, consequential, direct or otherwise, shall lie against either party by virtue of this Agreement.
15. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the

validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired and to that end, the parties declare that the provisions of this Agreement are severable.

16. This Agreement creates rights and duties only between the PROPERTY OWNER and the CITY, and no third party is intended to have, or shall be deemed to have, any rights under the Agreement. Obligations of the owners of APN 205-111-022 and of the BENEFITED PARCELS arise by ordinance of the City enacted with authority conferred by article XI, sections 7 and 9 of the California Constitution.

IN WITNESS THEREOF; this Agreement has been executed by the parties on this date of _____, 2019.

PROPERTY OWNER

CITY

Glen White PMD Inc.
3419 Via Lido, Suite 609
Newport Beach, CA. 92663

City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA. 95562

BY: _____
Glen White
Title: _____
Dated: _____

BY: _____
Kyle Knopp
Title: City Manager
Dated: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Humboldt

On _____ before me, _____ personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Humboldt

On _____ before me, _____ personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
PROPERTY DESCRIPTIONS FOR PARCELS

All that real property situated in the City of Rio Dell, County of Humboldt,
State of California, described as follows:

APN 205-111-057 (Double S Investments)

That portion of the Northeast Quarter of the Northwest Quarter of Section 36, Township 2 North, Range 1 West, Humboldt Meridian, described as follows:

BEGINNING on the West line of the Northeast Quarter of the Northwest Quarter of said Section 36, at a point that is distant 929.77 feet South and 1321.22 feet East of the Northwest corner of said Section 36, said point of beginning being also the intersection of said West line with a strip of land heretofore conveyed to the State of California for a State Highway as relocated;

thence along the North line of said State Highway, South 63 degrees 51 minutes 30 seconds East, 456.96 feet; thence continuing along said North line, South 68 degrees 37 minutes 19 seconds East, 78.22 feet;

thence leaving said north line, North 30 degrees 30 minutes East, 190.92 feet to the Southerly line of the Old State Highway, now known as Northwestern Avenue;

thence along said Southerly line, North 59 degrees 30 minutes West, 672.71 feet to said West line of the Northeast Quarter of the Northwest Quarter of Section 36;

thence South 0 degrees 04 minutes West along said line, 276.08 feet to the point of beginning.

APN's 205-111-044 & 205-171-013 (Whitlow & Pellandini)

THAT PORTION of Parcel 'A' described in the Notice of Lot Line Adjustment and Certificate of Subdivision Compliance, recorded on August 15, 2011, as Instrument No. 2011-17119-5, Humboldt County Records, described as follows:

BEGINNING at a point on the West line of the Northwest Quarter of the Northeast Quarter of said Section 36 at a point located North 1° 18' 24" West, 150 feet from the Southwest corner thereof; thence South 89° 46' 14" East, along the North line of said Parcel 'A', 271.89 feet;

thence leaving said North line, South 11° West, 259.50 feet to the Northerly line of the 4 rod wide strip of land conveyed for railroad purposes, Book 12 of Deeds, page 453, Humboldt County Records;

thence along said railroad line, North 59° 24' 20" West, 255 feet to the West line of the Northwest Quarter of the Northeast Quarter of said Section 36;

thence North 1° 18' 24" West along said line, 126.07 feet to the Point of Beginning.

APN's 205-111-051 & 205-171-014 (Whitlow & Pellandini)

THAT PORTION of Parcel 'A' and all of Parcel 'B' described in the Notice of Lot Line Adjustment and Certificate of Subdivision Compliance, recorded on August 15, 2011, as Instrument No. 2011-17119-5, Humboldt County Records, described as follows:

BEGINNING at a point on the West line of the Northwest Quarter of the Northeast Quarter of said Section 36 at a point located North 1° 18' 24" West, 150 feet from the Southwest corner thereof; thence South 89° 46' 14" East, along the North line of said Parcel 'A', 271.89 feet to the TRUE POINT OF BEGINNING;

thence continuing along the North line of Parcel 'A', South 89° 46' 14" East, 48.11 feet to the North corner common to said Parcel 'A' and Parcel 'B';

thence along the Northerly line of Parcel 'B', South 80° 15' 30" East, 186.39 feet to the Northeast corner thereof;

thence South 1° 18' 24" East along the East line of said Parcel 'B', 394.76 feet to the Northerly line of the 4 rod wide strip of land conveyed for railroad purposes, Book 12 of Deeds, page 453, Humboldt County Records;

thence along said railroad line and the Southerly lines of said Parcel 'B' and Parcel 'A', North 59° 24' 20" West, 337.27 feet;

thence North 11° East, 259.50 feet to the True Point of Beginning.

The Bearings in this description are based on the Survey recorded in Book 69 of Surveys, page 50, Humboldt County Records, which depict both Parcel 'A' and Parcel 'B'.

APN 205-111-040 (Cortazar)

PARCEL ONE:

That portion of the parcel of land described in the Trustee's Deed to the State of California recorded November 3, 1971, in Book 1110 of Official Records, Page 542, under Recorder's Serial No. 17633, Humboldt County Records, described as follows:

BEGINNING at the Southwest corner of said parcel of land;

thence South 62 degrees 24 minutes 56 seconds East (equals South 63 degrees 51 minutes 30 seconds East of record) along the Southerly line thereof, 118.68 feet;
thence North 24 degrees 23 minutes 19 seconds East, 83.55 feet;

thence North 58 degrees 3 minutes 26 seconds West (equals North 59 degrees 30 minutes West of record) along said Northerly line, 149.14 feet to the Northwest corner of said parcel of land;

thence South 7 degrees 28 minutes 49 seconds West (equals South 6 degrees 02 minutes West of record) along the Westerly line thereof, 100.90 feet to the point of beginning.

The bearings and distances used in the above description are on the California Coordinate System Zone 1. Multiply distances shown by 1.0000932 to obtain ground distances.

PARCEL TWO:

Those portions of the East Half of the Northwest Quarter and of the Southwest Quarter of the Northeast Quarter of Section 36, Township 2 North, Range 1 West, Humboldt Meridian, described as follows:

BEGINNING at a point 923.40 feet North and 2387.66 feet West of the quarter section corner on the East line of said Section 36;

thence North 6 degrees 2 minutes East, 100.91 feet;

thence along the right of way line of the Old State Highway (now known as Northwestern Avenue), North 59 degrees 30 minutes West, 782.29 feet;

thence South 27 degrees 25 West minutes 137.51 feet more or less, to the Northerly right of way line of the new State Highway;

thence along said new right of way line South 62 degrees 35 minutes 7 seconds East, 616.56 feet;

thence South 63 degrees 51 minutes 30 seconds East, 20 feet;

thence South 62 degrees 51 minutes 30 seconds East, 181.13 feet to the point of beginning.

PARCEL THREE:

That portion of the strip of land conveyed by the State of California to Eel River Sawmills, Inc. on June 28, 1990 as Instrument No. 1990-15324-4, Humboldt County Records, said strip being a portion of land conveyed from Elsie C. Christensen, et al, to the State of California by Deed recorded January 23, 1946 in Book 279 of Deeds, Page 129, Humboldt County Records, described as follows:

BEGINNING at the Westerly terminus of the course described as "thence continuing South 68 degrees 37 minutes 19 seconds East 171.65 feet" in said Deed to the State of California;

thence South 68 degrees 37 minutes 19 seconds East 171.65 feet;

thence South 62 degrees 35 minutes 07 seconds East 283.66 feet to the true point of

beginning of the land herein described;

thence continuing South 62 degrees 35 minutes 07 seconds East 616.56 feet;

thence North 64 degrees 05 minutes 49 seconds West 616.77 feet to a point lying South 27 degrees 25 minutes 00 seconds West from the true point of beginning;

thence North 27 degrees 25 minutes 00 seconds East 16.27 feet to the true point of beginning.

APN 205-111-022 (Humboldt Brand)

BEGINNING at a point 8.77 chains North and 9.43 chains East from the quarter section corner on the West boundary of Section 36, Township 2 North, Range 1 West, Humboldt Meridian, according to the Official Plat of said land;

and running thence North 5 minutes West 26.46 chains to the Southerly line of a strip of land conveyed by Peter Derr to Pacific Lumber Co., by Deed recorded in the Recorder's Office of Humboldt County in Book 12 of Deeds, Page 431;

thence along said Southerly line North 70 $\frac{3}{4}$ degrees West 10.01 chains to the section line;

thence along the section line South 5 minutes East 27.13 chains to the center of the County road; and thence along the center of said road, South 79 $\frac{3}{4}$ degrees East 6.42 chains and South 64 $\frac{1}{2}$ degrees East 3.47 chains to the place of beginning.

EXCEPTING therefrom, however, those portions thereof conveyed by Henry Bravo and Severina Bravo, his wife, and Fred S. Bravo and Belva W. Bravo, his wife, to the State of California, by Deed dated April 23, 1945 and recorded July 6, 1945 in Book 274 of Deeds, Page 431 and by Deed dated May 1, 1950 and recorded July 5, 1950 in Book 135 of Official Records, Page 310.

ALSO EXCEPTING therefrom that portion thereof conveyed by Arthur Bravo, Rose Bravo, Evelyn Bravo and Rena Collins, to Frederick S. Bravo and wife by Deed dated February 10, 1960 and recorded March 4, 1960 in Book 577 of Official Records, Page 39,

APN's 205-111-051 & 205-171-015 (Cathy Studebaker)

PARCEL ONE:

BEGINNING at a point on the West Line of the Northwest Quarter of the Northeast Quarter of said Section 36 at a point located North 1 degree 18 minutes 24 seconds West, 150 feet from the Southwest corner thereof;

thence South 89 degrees 46 minutes 14 seconds East (described as "East" in Instrument No. 2008-8706-5, Parcel M, Sub Parcel One), 320 feet;

thence South 80 degrees 15 minutes 30 seconds East along the North Line of the land conveyed by Silvio and Louise Mozzetti to Eel River Sawmills, Inc. by Deed recorded on August 11, 1980, in Book 1618, Page 1192, Humboldt County Official Records, (South 80 degrees 52 minutes 11 seconds East according to said Deed) 186.39 feet to the true point of beginning of the land herein described;

thence South 1 degree 18 minutes 24 seconds East, 394.76 feet to the Northerly line of the 4 rod wide strip of land conveyed for railroad purposes, Book 12 of Deeds, Page 45, Humboldt County Records;

thence along said line, South 59 degrees 24 minutes 20 seconds East. 248.38 feet;

thence leaving said line, North 37 degrees 52 minutes East 120.43 feet;

thence North 4 degrees 52 minutes East, 371 feet to the North line of said land conveyed to Eel River Sawmills, Inc.;

thence along said line North 80 degrees 15 minutes 30 seconds West (North 80 degrees 52 minutes 11 seconds West according to said Deed to Eel River Sawmills, Inc.), 333 feet to the true point of beginning.

PARCEL TWO:

A non-exclusive easement 24 feet wide for ingress, egress, drainage and public and/or private utilities and all other purposes incidental thereto, the Southwesterly line of said easement is described as follows:

BEGINNING at a point where the West line of the Northwest Quarter of the Northeast Quarter of said Section 36 intersects the North line of the 4 rod strip of land conveyed for railroad purposes, per Book 12 of Deeds, Page 452, Humboldt County Records;

thence South 59 degrees 24 minutes 20 seconds East along said railroad land, 155 feet to the true point of beginning of the easement herein described;

thence continuing South 59 degrees 24 minutes 20 seconds East, 437.27 feet to the Westerly Line of Parcel "C".

This description includes portions of the land described in the following Deeds: Book 29, Page 316, recorded on January 23, 1948; Book 1618, Page 1192, recorded on August 11, 1980; Book 159, Page 342, recorded on February 11, 1951, all Humboldt County Official Records.

APN 205-111-021 (Precision Manufactured Developments, Incorporated)

To find the point of beginning commence at a point 8.77 chains North and 9.43 chains East of the quarter section corner on the West boundary of Section 36, Township 2 North, Range 1 West, Humboldt Meridian; and run

thence North 0 degrees 5 minutes West, about 22 chains to the North line of the strip of land conveyed to the State of California by deed dated April 21, 1945 and recorded July 6, 1945 in Book 274 of Deeds, page 424 (which strip of land is the new location of State Highway) this being the point of beginning of the land to be here described;

thence from said point of beginning so found North 0 degrees 5 minutes West, about 4.46 chains to the South boundary of the four-rod strip of land formerly conveyed to Pacific Lumber Company and now occupied by Northwestern Pacific Railroad Company;

thence following said boundary South 70 $\frac{3}{4}$ degrees East, 4.09 chains;

thence continuing on said boundary South 68 degrees East, 7.37 chains to the East line of the West Half of the Northwest Quarter of said Section 36;

thence along that line South 0 degrees 10 minutes West about 5.50 chains to the North line of the said strip conveyed to the State for new highway location;

thence along said North line of said strip Northwesterly about 12 chains to the point of beginning.

EXCEPTING from the parcel above described that small triangular parcel in the Southwest corner together with abutters rights of access to the freeway a taken by the State of California by decree in condemnation dated December 18, 1951 and recorded in Book 192 of Official Records, page 48 and by deed dated April 21, 1945 and recorded in Book 274 of Deeds, page 424, Humboldt County Records.

APN 205-111-053 (Alex Moore & Miranda Moore)

PARCEL ONE:

Those portions of the East Half of the Northwest Quarter of Section 36, Township 2 North, Range 1 West, Humboldt Meridian, described as follows:

BEGINNING at a point 1295.83 feet North and 3115.55 feet West of the quarter corner on the East line of said Section 36, said point of beginning being also the Southwest corner of the land conveyed to Robert L. Yoder and wife, by Deed recorded June 9, 1950 under Recorder's Serial No. 5796, in the Office of the County Recorder of said County;

thence along the right of way line of the New State Highway (aka Highway 101), North 62 degrees 35 minutes 07 seconds West, 274.72 feet;

thence North 38 degrees East, 156.45 feet to the Southerly right of way line of the Old State Highway (now known as Northwestern Avenue);

thence along said Southerly line, South 59 degrees 30 minutes East, 246.34 feet to the Northwest corner of said Yoder lands;

thence South 27 degrees 25 minutes West, 140.53 feet to the point of beginning.

PARCEL TWO:

That portion of the strip of land conveyed by the State of California to Eel River Sawmills, Inc. on June 28, 1990 as Instrument No. 1990-15324-4, Humboldt County Records, said strip being a portion of land conveyed from Elsie C. Christensen, et al, to the State of California, by Deed recorded January 23, 1946 in Book 279 of Deeds, Page 129, Humboldt County Records, which lies within the following described boundaries:

BEGINNING at the Westerly terminus of the course described as "thence continuing South 68 degrees 37 minutes 19 seconds East, 171.65 feet" in said Deed to the State of California;

thence South 68 degrees 37 minutes 19 seconds East, 171.65 feet;

thence South 62 degrees 35 minutes 07 seconds East, 283.66 feet to the point of beginning of Parcel One above described, and the true point of beginning of the land herein described;

thence South 27 degrees 25 minutes West, 16.27 feet to the Southerly line of said strip;

thence North 64 degrees 05 minutes 49 seconds West along said strip, 279.24 feet to a point lying South 38 degrees West of the Westerly line of said Parcel One above described;

thence North 38 degrees East, 24.05 feet to the Southwest corner of said Parcel One;

thence along said Southerly line of Parcel One, South 62 degrees 35 minutes 07 seconds East, 274.72 feet to the true point of beginning.

APN 205-111-056 (Alex Moore & Miranda Moore)

PARCEL ONE:

Those portions of the East Half of the Northwest Quarter of Section 36, Township 2 North, Range 1 West Humboldt Meridian, described as follows:

BEGINNING at a point 1295.83 feet North and 3115.55 feet West of the quarter corner on the East line of said Section 36, said point of beginning being also the Southwest corner of the land conveyed to Robert L Yoder and wife, by Deed recorded June 9, 1950 under Recorder's Serial No. 5796, in the Office of the County Recorder of said County;

thence along the right of way line of the New State Highway (aka Highway 101), North 62 degrees 35 minutes 07 seconds West, 274.72 feet to the true point of beginning of the lands herein described;

thence continuing North 62 degrees 35 minutes 07 seconds West, 8.94 feet to an angle point in said State Highway;

thence North 68 degrees 37 minutes 19 seconds West 222.82 feet;

thence leaving said State Highway, North 30 degrees 30 minutes 00 seconds East, 190.92 feet to the Southerly line of the Old State Highway, now known as Northwestern Avenue;

thence along the Southerly line of Northwestern Avenue, South 59 degrees 30 minutes 00 seconds East, 249.35 feet to a point lying North 38 degrees East from the true point of beginning;

thence South 38 degrees West, 156.45 feet to the true point of beginning.

The above description includes a 40 foot strip of land abandoned and merged as described in the document recorded as Instrument No. 2011-7703-5, Humboldt County Records.

PARCEL TWO:

That portion of the strip of land conveyed by the State of California to Eel River Sawmills, Inc. on June 28, 1990 as Instrument No. 1990-15324-4, Humboldt County Records, said strip being a portion of land conveyed from Elsie C. Christensen, et al, to the State of California, by Deed recorded January 23, 1946 in Book 279 of Deeds, Page 129, Humboldt County Records, which lies within the following described boundaries:

BEGINNING at the Westerly terminus of the course described as "thence continuing South 68 degrees 37 minutes 19 seconds East, 171.65 feet" in said Deed to the State of California;

thence South 68 degrees 37 minutes 19 seconds East, 171.65 feet;

thence South 62 degrees 35 minutes 07 seconds East, 8.94 feet to the true point of beginning of Parcel One above described, and the true point of beginning of the land herein described;

thence South 38 degrees West 24.05 feet to the Southerly line of said strip;

thence North 64 degrees 05 minutes 49 seconds West along said strip, 175.06 feet;

thence North 26 degrees 08 minutes 30 seconds East, 10.21 feet to the point of beginning of said strip;

thence South 68 degrees 37 minutes 19 seconds East, 171.65 feet;

thence South 62 degrees 35 minutes 07 seconds East, 8.94 feet to the true point of beginning.

PARCEL C

A non-exclusive easement 10 feet in width for pipeline for the conveyance of water, together with the right of entry thereon, to lay, replace or maintain said pipeline over and across the Southeast Quarter of the Northwest Quarter of said Section 36, and the right to take and use water from the existing well located In the South Half of said Southeast Quarter of the Northwest Quarter. Said easement and water rights are for the benefit and appurtenant to the following described land:

BEGINNING at a point 1295.83 feet North and 3115.55 feet West of the quarter corner on the East line of said Section 36, said point of beginning being also the Southwest corner of the land conveyed to Robert L. Yoder and wife by deed recorded June 9, 1950, under Recorder's File No. 5796, in the Office of the County Recorder of said County;

thence along the right of way line of the New State Highway North 62 degrees 35 minutes 07 seconds West, 283.66 feet and North 68 degrees 37 minutes 19 seconds West 171.65 feet;

thence North 27 degrees 13 minutes 30 seconds East, 183.11 feet to the Southerly right of way line of the Old State Highway;

thence along said Southerly line South 59 degrees 30 minutes East. 455.58 feet to the Northwest corner of said Yoder property;

thence South 27 degrees 25 minutes West, 139.40 feet, more or less, to the point of beginning.

APN 205-111-069 (Rio Dell Holdings)

All that real property situate in the City of Rio Dell, County of Humboldt, State of California, located in the Northeast Quarter of Section 36, Township 2 North, Range 1 West, Humboldt Meridian described as follows:

THAT portion of 'PARCEL 'D' described in the Notice of Lot Line Adjustment and Subdivision Compliance recorded on August 15, 2011, as Instrument No. 2011-17119-5, Humboldt County Records and depicted on the survey for Wendt Construction Co. Inc., recorded on August 15, 2011 in Book 69 of Surveys, page 50, Humboldt County Records, described as follows: BEGINNING at a point on the North line of the South Half of the Northeast Quarter of said Section 36 located North 89° 46' 14" West, 11.71 chains (772.86 feet) from the Northeast corner thereof;

thence continuing North 89° 46' 14" West, 103.00 feet to the TRUE POINT OF BEGINNING of the land (PARCEL 'H') herein described;

thence continuing North 89° 46' 14" West, 612.99 feet to the intersection with the line described as "South 80° 52' 11" East, 907.35 feet to the South line of said subdivision" in the deed from Silvio and Louise Mozzetti to Eel River Sawmills, Inc. by deed recorded on August 11, 1980, in Book 1618, page 1192, Humboldt County Official Records;

thence along said line, North 80° 15' 30" West (North 80° 52' 11" West according to said deed), 387.96 feet to a point located South 80° 15' 30" East, 519.39 feet from the True Point of Beginning described in said deed from Mozzetti to Eel River Sawmills, Inc.;

thence South 4° 52' 00" West, 371.00 feet;

thence South 37° 52' 00" West, 120.43 feet to the Northerly line of the 4 rod wide strip of land conveyed for railroad purposes, Book 12 of Deeds, page 452, Humboldt County Records; thence along the Northerly line of said railroad, South 59° 24' 20" East, 823.40 feet;

thence leaving said railroad, North 23° 49' 00" East, 50.00 feet;

thence North 33° 00' 00" East, 177.00 feet;

thence North 53° 00' 00" East, 176.00 feet;

thence South 72° 00' 00" East, 162.53 feet to a point which bears South 2° 00' 00" East from the True Point of Beginning;

thence North 2° 00' 00" West, 566.17 feet to the True Point of Beginning containing 15.05 acres more or less.

RESERVING THEREFROM an EASEMENT over all existing drainage facilities located on said Parcel, including open ditches and underground culverts. Said Easement may be relocated by agreement or necessity as may be necessary by the passage of time. The Easement is for the benefit of and appurtenant to those parcels of land described in the Notice of Lot Line Adjustment and Subdivision Compliance recorded on August 15, 2016 as Instrument No. 2016-020170, Humboldt County Records, as to Resultant Parcels 'E', 'F', 'G' and those parcels of land

described in the deed from Robert A. Zigler to Wendt Construction Company, Inc., recorded April 8, 2008 as Instrument No. 2008-8706, Humboldt County Records, as to Parcel 'G' and Parcel 'O'.

EXHIBIT B
Costs of Northwestern Avenue Waterline Extension
Provided by Precision Manufactured Developments, Inc.
Detailed information is on file with the City of Rio Dell

MOBILIZATION 3 DAYS	
<ul style="list-style-type: none"> • Transportation of all crews and heavy equipment (excavator, 2 bobcats, front loader, whackers, etc.) transported from 16321 PCH Pacific Palisades, LA to 220 Northwestern Ave, Rio Dell • Transportation/Delivery of all heavy hardware (6'-12' diameter waterline main valves, couplers, T's, flanges, etc) 	<u>\$9,000.00</u>
ENGINEERING AND SURVEYING	
<ul style="list-style-type: none"> • Includes all Consulting and Engineering, including Plans and Specifications 	<u>\$11,441.55</u>
PERMITS, MISCELLANEOUS FEES	
<ul style="list-style-type: none"> • City of Rio Dell Permit Fees, including Encroachment Permit, City Engineer review and approval of Plans and Specifications, Construction Management and review and approval of As-Built Plans. • City Attorney (Outside Special Counsel) review, revision and approval of Reimbursement Agreement • Utility Relocations 	<u>\$9,220.37</u>
LABOR AND EQUIPMENT WITH BURDEN	
<ul style="list-style-type: none"> • ~5000 LF Main Waterline Saw-cut, Specialty saws, 3000 LF Excavation 2' wide x 3' deep, 2000 LF 2' wide x 5' deep through old (covered) road • Specialty saws – 2 roadways, (1) Asphalt, (1) Concrete Pavement w/ rebar • ~4780 LF Main Waterline – (10" DR18 CL 235 C900 TS) • Install 10 Fire Hydrants • Domestic Fabrication Only – (per City of Rio Dell Requirements) • Specific (per plan) Hydrants will need to be relocated approximately 5' prior to perimeter sidewalks installed at public street • 12 Man Crew • 6 Man Mainline Connection Crew • Includes all Heavy Equipment with Operators • Includes all Native Excavated Materials Removed/Loaded and Relocated Off-Site 	<u>\$236,012.80</u>

WATERLINE MATERIALS	
<ul style="list-style-type: none"> • 8" DR 18 CL235 C900 TS, • 6" DR18 • CL235 TS, 8" SDR35 20' TS • 12" SDR35 20' TS • 10" DR18 CL 235 C900 TS • 10 Fire Hydrants (DOMESTIC) • CLOW #960 6-HOLE SD Hydrants • 10"/6" MJXFLG R/W GATE CLOW • Hydrant Extensions C/L 6H • 10" Grip Rings • Christy B-9 Valve Box w/Traffic Lids • MJ Cap "Romac" or equiv. w/2" Tap • 2" Brass Nipples 	<u>\$234,868.84</u>
PATCHING AND PAVING ~10,000 SF	
<ul style="list-style-type: none"> • Parker & Sons • Completed (per City of Rio Dell.) – (\$28,000) • Hydrants will need to be relocated approximately 5' once perimeter sidewalk is installed at public street 	<u>\$24,000.00</u>
BEDDING AND BACKFILL MATERIALS	
<ul style="list-style-type: none"> • Eureka Ready Mix (crushed, base, gravel & concrete for thrust blocks) • Nichols Trucking (Bedding/Backfill Material) • Diaz Trucking (Additional waterline materials delivery) 	<u>\$72,361.08</u>
RENTAL EQUIPMENT AND FUEL	
<ul style="list-style-type: none"> • Reddi Rents - Fortuna • Six Rivers – Temporary Fencing • Renner Petroleum 	<u>\$21,919.11</u>
PMD PROJECT MANAGEMENT/SUPERVISION	
<ul style="list-style-type: none"> • 2 On-Site Superintendents • 1 Project Manager • Corporate Office Coordination 	<u>\$29,440.00</u>
LODGING/PER DIEM	
<ul style="list-style-type: none"> • Humboldt Gables Motel (Waterline Construction Crew) 	<u>\$7,349.00</u>
*TOTAL COST	<u>\$655,612.75</u>

***ABOVE TOTAL DOES NOT INCLUDE TWO ADDITIONAL LATERALS TO APN 205-111-021 (PMD INC.) & APN 205-11-057 (DOUBLE S INVESTMENTS) AND THE WATERLINE EXTENSION FOR APN 205-111-022 (HUMBOLDT BRAND) FOR FIRE HYDRANT**

ABOVE COST DIVIDED AMONG NINE (9) PARCELS

\$655,612.75 ÷ 9 = Cost Per Parcel

\$72,845.86

ADDITIONAL COSTS FOR EXTRA LATERALS

APN 205-111-021 (PMD Inc.) Two Additional Laterals @ \$6,998.00 Each

\$13,996.00

APN 205-111-057 (Double S Investments) Two Additional Laterals @ \$6,998.00 Each

\$13,996.00

TOTAL COST

\$27,992.00

ADDITIONAL COSTS FOR HUMBOLDT BRAND EXTENSION & FIRE HYDRANT

APN 205-111-022 (Humboldt Brand.) Extension & Fire Hydrant

\$31,870.98

TOTAL COST FOR NORTHWESTERN AVENUE WATERLINE PROJECT

TOTAL COST

\$715,475.73

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Ref#	Date	Vendor	Description	Amount
7605	1/04/2019	[3108] ACCUFUND, INC.	UPGRADE SOFTWARE TO 6:01.6133	200.00
7606	1/04/2019	[6038] ACCURATE TERMITE & PEST SOLUTIONS	MONTHLY RODENT CONTROL @ 475 HILLTOP DR	170.00
7607	1/04/2019	[5235] ADVANTAGE FINANCIAL SERVICES	DOCSTAR USER LICENSES & SYSTEM SOFTWARE	193.00
7608	1/04/2019	[6640] AKLK, LLC	TO REPLACE LOST CHECK #232217 DATED 12/20/18 LESS \$35 STOP PMT FEE	2,665.00
7609	1/04/2019	[2225] AQUA SIERRA CONTROLS, INC	TROUBLESHOOT CHEMICAL CONTROLS	338.00
7610	1/04/2019	[3975] AT&T - 5709	FAX LINE EXPENSES FOR DECEMBER 2018	40.84
7611	1/04/2019	[2296] CITY CLERK'S ASSOCIATION OF CALIFORNIA	MEMBERSHIP RENEWAL THROUGH JANUARY 01, 2020	90.00
7612	1/04/2019	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 12/21/18	60.00
7613	1/04/2019	[5127] DELTA DENTAL	DENTAL INSURANCE FOR FEBRUARY 2019	1,813.57
7614	1/04/2019	[2393] FASTENAL COMPANY	MISC PARTS/FITTINGS FOR REPAIRS	110.69
7615	1/04/2019	[2394] FEDEX	SHIPPING FOR WASTEWATER SAMPLES	382.19
7616	1/04/2019	[2407] FORBUSCO LUMBER	TWO MERANO KEYED LEVERSN	296.65
7617	1/04/2019	[2405] FORTUNA ACE HARDWARE	ONE QT 1-2-3 SEALER; PRE-HUNG DOOR	43.89
7618	1/04/2019	[6390] GAFFORD, DUNIGAN	CONTRACTOR TRASH BAGS; 3 GAL DISTILLED WATER; 2 GAL VINEGAR	133.60
7619	1/04/2019	[5052] GHD, INC	LEVER FLUSH ANG;E 28-DEG; BOLTS	1,995.00
7620	1/04/2019	[6486] GREEN TO GOLD ENTERPRISES LLC	CUSTOMER DEPOSIT REFUND	35.40
7621	1/04/2019	[2551] MIRANDA'S ANIMAL RESCUE	SRTS SAFETY IMPROVEMENT & COMMUNITY OUTREACH PROJECT	1,000.00
7622	1/04/2019	[2569] NORTH COAST LABORATORIES, INC.	PVC 1" SLIP CAP, HEAVY DUTY CONTRACTOR TRASH BAGS	60.00
7623	1/04/2019	[4393] NYLEX.net. Inc.	ANIMAL CONTROL FOR DECEMBER 2018	1,140.00
7624	1/04/2019	[6499] OCCUPATIONAL ENVIRONMENTAL HEALTH & DRUG SCREEN	COLIFORM QUANTI-TRAY	150.00
7625	1/04/2019	[5973] PRECISION INTERMEDIA	MONTHLY MAINTENANCE FOR JANUARY 15, 2019 THROUGH FEBRUARY 15, 2019	77.50
7626	1/04/2019	[6349] RECOLOGY EEL RIVER	PRE-EMPLOYMENT EXAM & DRUG SCREEN PANEL	487.32
7627	1/04/2019	[2659] RIO DELL PETTY CASH	MONTHLY WEB HOSTING FOR JANUARY 2019, MAYOR & COUNCIL MEMBER WEBSITE	49.29
7628	1/04/2019	[2693] SHELTON'S AUTO LUBE	.45 TONS DEBRIS, .32 TONS GENERAL DEBRIS, GARBAGE BAGS FOR DECEMBER 2018	
7629	1/04/2019	[4525] SHERLOCK RECORDS MGMT	PAKING TAPE & ICE FOR SHIPPING SAMPLES; SAFETY GLASSES; DISH SOAP; WASH CLOTHS; POSTAGE	
7630	1/04/2019	[2709] STAPLES DEPT. 00-04079109	FULL OIL CHANGE SERVICE FOR 2014 FORD EXPLORER	71.37
7631	1/04/2019	[2714] SWRCB Accounting Office	STORAGE SERVICE FOR DECEMBER 2018	105.20
7632	1/04/2019	[2754] US CELLULAR	BINDER CLIPS; PENS; FINGERPRINT STAMP PAD	27.46
7633	1/04/2019	[6037] WELLS FARGO VENDOR FIN SERV	COMMUNITY WATER SYSTEM FEES FOR 7/1/18 - 6/30/19	6,815.50
7634	1/15/2019	[0576] 101 AUTO PARTS	MONTHLY SERVICE 12/8/18 - 1/7/19	62.81
7635	1/15/2019	[5381] ALTERNATIVE BUSINESS CONCEPTS	KYOCERA COPIER PAYMENT FOR JANUARY 2019	534.58
7636	1/15/2019	[2224] AQUA BEN CORPORATION	TWO BULBS, MACHINE SCREWS; METRIC FLAT WASHERS; M4 X .70 CL. 8, GEAR OIL, GO-GONE CLEANER, MOTOR TUNE-UP; OIL PRODUCT, METRIC NUT, NEW PIG MAT PADS	109.83
			MONTHLY MAINTENANCE & COPIER CHARGES FOR DECEMBER 2018	494.87
			HYDROFLOC 851 275 GAL TOTE	3,836.70
			HYDROFLOC 750L 55 GAL DRUM	

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Ref#	Date	Vendor	Description	Amount
7637	1/15/2019	[2237] BANK OF AMERICA BUSINESS CARD	WINZIP - SOFTWARE FOR ACCUFUND SERVER, LKQ - SEAT BELT ASSEMBLY, LKQ - REAR SEAT FOR 2008 F-250 TRUCK, GALLS - 10 PK SUDECON WIPES; FIRST DEFENSE PEPPER SPRAY, ADOBE PRO MONTHLY SUBSCRIPTION, TRACTOR SUPPLY - BALL MT CLASS; RUBBER STALL MAT CSMFO - MEMBERSHIP DUES, MICHAELS - TWO PICTURE FRAMES FOR PROCLAMATIONS, AMAZON - TEN BOSS LEATHER ADJUSTABLE TASK CHAIRS, VISTAPRINT - BUSINESS CARDS, AIOACQUISIT - CA STATE & FEDERAL LABOR LAW POSTER	1,999.89
7638	1/15/2019	[4893] BOW WOW WASTE PRODUCTS	TEN CASES 1000 SINGLE PULL BAGS	
7639	1/15/2019	[2273] CALIFORNIA RURAL WATER ASSOCIATION	WATER DISTRIBUTION CERTIFICATION REVIEW CLASS GRADES 1-2 FOR TWO EMPLOYEES	409.90
7640	1/15/2019	[2293] CITY OF FORTUNA	LAB TESTING FOR OCTOBER THROUGH DECEMBER 2018	500.00
7641	1/15/2019	[2303] COAST CENTRAL CREDIT UNION	POLICE DISPATCH SERVICES FOR JANUARY 2019	
7642	1/15/2019	[2304] COLLEGE OF THE REDWOODS	LAB TESTING FOR JULY THROUGH SEPTEMBER 2018	
7643	1/15/2019	[6396] JEFF N CONNER	POA DUES FOR PPE 1/4/19	
7644	1/15/2019	[2385] EUREKA READYMIX	PERISHABLE SKILLS TRAINING SPRING 2018	60.00
7645	1/15/2019	[2386] EUREKA RUBBER STAMP CO.	REIMBURSEMENT FOR BULLETS	48.00
7646	1/15/2019	[2405] FORTUNA ACE HARDWARE	CREDIT FOR DOUBLE CHARGE ON INVOICE #49180, 25.22 TONS 3/4 BASE ROCK	97.60
7647	1/15/2019	[5765] GARNES, DEBRA	"CITY OF RIO DELL RECEIVED" STAMP KEYS	261.54
7648	1/15/2019	[6486] GREEN TO GOLD ENTERPRISES LLC	MILEAGE & MEALS PER DIEM TO ATTEND LOCC NEW COUNCIL MEMBERS ACADEMY	60.79
7649	1/15/2019	[2437] HACH	POWER STRIP & 125 VOLT 8' CORD	10.16
7650	1/15/2019	[6410] HUMBOLDT LODGING ALLIANCE	aa REAGENT SET, CHLORINE FREE CL17	13.69
7651	1/15/2019	[2501] KEENAN SUPPLY	HCTBID TOT ASSESSMENT FEE FOR OCTOBER THROUGH DECEMBER 2018	222.09
7652	1/15/2019	[2521] LEAGUE OF CALIF. CITIES	THREE EA 6 SLIP SCH 80 PVC VANSTONE FLANGES	1,051.38
7653	1/15/2019	[4908] THE MITCHELL LAW FIRM, LLP	ROMAC SS RPR CLAMPS; AYM COUPLING CTS; AYM BCOPR MIPs; AYM ANGLE METERS; AYM METER COUPLINGS	1,704.00
7654	1/15/2019	[3484] NATIONAL METER & AUTOMATION, INC	REDWOOD EMPIRE MEMBERSHIP DUES FOR 2019	
7655	1/15/2019	[2569] NORTH COAST LABORATORIES, INC.	LEGAL SERVICES FOR DECEMBER 2018, LEGAL SERVICES FOR DECEMBER 2018, LEGAL SERVICES FOR DECEMBER 2018	50.00
7656	1/15/2019	[5053] PACIFIC ECORISK	FOR DECEMBER 2018	1,920.50
7657	1/15/2019	[2595] PALCO PHARMACY	TWENTY FOUR ERW-1300-408 ITRON 100WP+, INTEGRAL CONNECTOR, W/ ANTENNA PORT	2,470.03
7658	1/15/2019	[2603] PG&E	ACID DIGESTION; CONDUCTIVITY; HARDNESS; ICAP METALS; NITRATE AND/OR NITRITE;	680.00
7659	1/15/2019	[6349] RECOLOGY EEL RIVER	SUBCONTRACTED ANALYSIS; THM BY EPA 624; TOTAL DISSOLVED SOLIDS; TOTAL PHOSPHATE	
7660	1/15/2019	[3769] REDWOOD RADIOLOGY INC	PHOSPHORUS; TURBIDITY, HALOACETIC ACIDS	
7661	1/15/2019	[2657] RIO DELL EMPLOYEES ASSOC	CHRONIC TOXICITY TESTING	
7662	1/15/2019	[2694] SHELL OIL CO.	BATTERIES FOR GATE CLICKER	1,795.73
7663	1/15/2019	[4570] SHRED AWARE	UTILITY EXPENSES FOR DECEMBER 2018	54.88
7664	1/15/2019	[2682] SMALL CITIES ORGANIZED RISK EFFORT (SCORE)	.47 TONS GENERAL DEBRIS	16,199.50
7665	1/15/2019	[2672] ST. JOSEPH HOSPITAL EUREKA	CHEST XRAY,CHEST XRAYS	97.41
7666	1/15/2019	[2694] SHELL OIL CO.	DUES FOR QUARTER ENDING 9/30/18 & 12/31/18	73.00
7667	1/15/2019	[4570] SHRED AWARE	PD FUEL EXPENSES FOR DECEMBER 2018, PW FUEL EXPENSES FOR DECEMBER 2018,ADMIN	205.00
7668	1/15/2019	[2682] SMALL CITIES ORGANIZED RISK EFFORT (SCORE)	CAR FUEL EXPENSES FOR DECEMBER 2018,PD FUEL EXPENSES FOR JANUARY 2019	1,743.38
7669	1/15/2019	[2672] ST. JOSEPH HOSPITAL EUREKA	SHREDDING, SHREDDING	
7670	1/15/2019	[2672] ST. JOSEPH HOSPITAL EUREKA	QUARTERLY PREMIUM FOR WORKER'S COMPENSATION INSURANCE 1/1/19 - 3/31/19	185.00
7671	1/15/2019	[2672] ST. JOSEPH HOSPITAL EUREKA	SART SAME EXAM ACUTE	23,436.48
7672	1/15/2019	[2672] ST. JOSEPH HOSPITAL EUREKA		1,800.00

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7666	1/15/2019	[2319] SUDDENLINK	MONTHLY BROADBAND, INTERNET & PHONE SERVICE 1/10/19 - 2/9/19	832.53
7667	1/15/2019	[6231] THOMPSON, GABRIEL	CUSTOMER DEPOSIT REFUND	126.20
7668	1/15/2019	[2481] VANTAGEPOINT TRANSFER AGENTS-304361	RETIREMENT FOR PPE 1/4/19	5,231.85
7669	1/15/2019	[2772] WENDT CONSTRUCTION, INC	TWO LOADS BASE ROCK DELIVERED	150.00
7670	1/15/2019	[6071] JENNIFER WORDEN	CUSTOMER DEPOSIT REFUND	141.19
7671	1/15/2019	[2792] ZUMAR INDUSTRIES, INC.	TWO "NO PARKING PAYMENT DROP OFF ONLY" SIGNS	149.40
7672	1/24/2019	[5750] AERO-MOD	BELT PRESS REPAIR	217.42
7673	1/24/2019	[6658] BLUE LAKE TRIBAL POLICE DEPT	45 EA DOCUMENT COPIES FOR BACKGROUND FILE	45.00
7674	1/24/2019	[4603] CALIF. BUILDING STANDARDS COMMISSION	PERMIT ASSESSMENT FEES FOR OCTOBER THROUGH DECEMBER 2018	49.50
7675	1/24/2019	[4937] CALIFORNIA DEPARTMENT OF TRANSPORTATION	SIGNALS & LIGHTING BILLING OCTOBER 2018 THROUGH DECEMBER 2018	290.78
7676	1/24/2019	[5540] CONN, KEITH	CUSTOMER DEPOSIT REFUND	202.85
7677	1/24/2019	[2411] DEARBORN NATIONAL LIFE INSURANCE COMPANY	LIFE INSURANCE FOR FEBRUARY 2019	397.50
7678	1/24/2019	[2342] DEPT OF CONSERVATION DIVISION OF ADMIN.	DISABILITY ACCESS & EDUCATION FEES FOR OCTOBER THROUGH DECEMBER 2018	240.63
7679	1/24/2019	[5568] DIVISION OF THE STATE ARCHITECT	DISABILITY ACCESS & EDUCATION FEES FOR OCTOBER THROUGH DECEMBER 2018	9.20
7680	1/24/2019	[2385] EUREKA READYMIX	4.48 TONS 3/4 BASE ROCK	51.89
7681	1/24/2019	[2386] EUREKA RUBBER STAMP CO.	2X10 WALNUT/WHITE NAME PLATE	19.56
7682	1/24/2019	[2393] FASTENAL COMPANY	S/S WORM DRIVE CLAMPS; ZINC FINISH HEX CAP SCREWS	245.25
7683	1/24/2019	[2405] FORTUNA ACE HARDWARE	WASTEBASKET; SOAP; OUTLET STRIP; TAPPER BIT; TRASH CAN; 1 GAL ISO ALCOHOL; CLOSET RING; PLUMBING TUBING; TOILET, SCREEN ALUM 24X84" BRITE, 10 EA PLUMBING TUBING; KEYCRAFTER #2056 BRASS	279.11
7684	1/24/2019	[5765] GARNES, DEBRA	BALANCE (25%) MILEAGE & MEALS PER DIEM TO ATTEND LOCC NEW COUNCIL MEMBER ACADEMY, LODGING REIMBURSEMENT TO ATTEND LOCC NEW COUNCIL MEMBERS ACADEMY	211.09
7685	1/24/2019	[5052] GHD, INC	ENGINEERING SERVICES FOR TAC MEETINGS & TRANS PLANNING	818.75
7686	1/24/2019	[6486] GREEN TO GOLD ENTERPRISES LLC	PVC 1 1/4" TREADED PLUG, GORILLA SUPER GLUE	9.31
7687	1/24/2019	[4922] GRUNDMAN'S SPORTING GOODS INC.	AMMUNITION	352.25
7688	1/24/2019	[2750] HD Supply Facility Maintenance DBA: USA BLUEBOOK	SET FOR HACH CL17; HACH NITRATE TNT+ LR 25/PK	354.74
7689	1/24/2019	[2452] HORIZON BUSINESS PRODUCTS	HACH pH ELECTRODE STORAGE SOLUTION; 1.3 L SETTLEMETER KIT; TOTAL CHLORINE REAGENT	
7690	1/24/2019	[4474] IIMC	MISC 1099 FORMS & 1096 TRANSMITTAL SHEET	18.80
7691	1/24/2019	[5942] KEENAN & ASSOCIATES	ANNUAL MEMBERSHIP THROUGH 3/31/2020	170.00
7692	1/24/2019	[5569] BROOKE D E KERRIGAN	HEALTH INSURANCE FOR FEBRUARY 2019	20,528.72
7693	1/24/2019	[2569] NORTH COAST LABORATORIES, INC.	MILEAGE & MEALS PER DIEM TO ATTEND CSMFO ANNUAL CONFERENCE	970.66
7694	1/24/2019	[2601] PETERSON	COLIFORM PRESENCE/ABSENCE; COLIFORM QUANTI-TRAY	130.00
7695	1/24/2019	[5973] PRECISION INTERMEDIA	TWO JUGS 15W40 OIL	39.49
7697	1/24/2019	[6506] SICPA PRODUCTS SECURITY, LLC	CITY COUNCIL WEBSITE PAGE CHANGES	47.50
7698	1/24/2019	[2709] STAPLES DEPT. 00-04079109	ITSS FEES - CASH COLLECTED FOR CANNABIS (DECEMBER 2018)	670.00
7699	1/24/2019	[6359] SYAR INDUSTRIES, INC.	FOUR CASES COPY PAPER	134.81
7700	1/24/2019	[3682] THOMSON REUTERS-WEST	FOUR PALLETS EZ STREET	1,770.45
7701	1/24/2019	[2754] US CELLULAR	CA PENAL CODE 2019	135.39
7702	1/24/2019	[5166] VSP-VISION SERVICE PLAN	MONTHLY SERVICE FOR SAFETY PHONE 1/8/19 - 2/7/19	130.36
7703	1/24/2019	[2787] WYCKOFF'S	VISION INSURANCE FOR FEBRUARY 2019	416.40
			CHEMICAL PUMP, FITTINGS; CONNECTORS; SOLDER; ELBOWS; COPPER PIPE; BRUSH; HOSE CLAMP	156.75

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7704	1/29/2019	[3114] 3T EQUIPMENT CO., INC.	FOOTAGE COUNTER FOR SEWER JETTER	538.32
7705	1/29/2019	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 1/18/19	120.00
7706	1/29/2019	[2356] DOWNEY BRAND LLP	LEGAL SERVICES FOR DECEMBER 2018	112.50
7707	1/29/2019	[2386] EUREKA RUBBER STAMP CO.	ONE 2X10 WALNUT/WHITE NAME PLATE; THREE 3/4X3 GOLD/BLACK NAME PLATES	38.28
7708	1/29/2019	[2393] FASTENAL COMPANY	HIGH VISIBILITY RAIN JACKET	54.36
7709	1/29/2019	[2394] FEDEX	SHIPPING CHARGES	19.10
7710	1/29/2019	[6059] HERRERA, LUIS	CUSTOMER DEPOSIT REFUND	123.45
7711	1/29/2019	[3943] HUMBOLDT COUNTY DEPARTMENT OF PUBLIC WORKS	CITY WIDE STREET SWEEPING	1,154.49
7712	1/29/2019	[2474] HUMMEL TIRE & WHEEL, INC	TWO NEW TIRES FOR 2004 FORD F-450	696.52
7713	1/29/2019	[6364] MUNIQUIP, LLC	VALVES & DIAPHRAGM SERVICE KITS FOR CHEMICAL PUMP REPAIRS	2,467.53
7714	1/29/2019	[5934] NORTH COAST JOURNAL	EMPLOYMENT ADVERTISEMENT FOR UTILITY WORKER I/II	130.00
7715	1/29/2019	[2569] NORTH COAST LABORATORIES, INC.	EMPLOYMENT ADVERTISEMENT FOR UTILITY WORKER I/II THROUGH ONLINE PORTAL	365.00
7716	1/29/2019	[6499] OCCUPATIONAL, ENVIRONMENTAL HEALTH & DRUG SCREENING	BOD/MFR, HALOACETIC ACIDS, TOTAL COLIFORM BACTERIA 3X5	984.00
7717	1/29/2019	[2662] RIO DELL/SCOTIA CHAMBER OF COMMERCE	PRE-EMPLOYMENT EXAM & DRUG SCREEN PANEL, PRE-EMPLOYMENT EXAM & DRUG SCREEN PANEL	50.00
7718	1/29/2019	[4215] ROCHA'S AUTOMOTIVE	2019 ANNUAL MEMBERSHIP DUES	391.30
7719	1/29/2019	[3372] SPECIALTY TRAFFIC SYSTEMS	DIAGNOSE DRIVEABILITY CONCERN; REMOVE & REPLACE AUTOMATIC TRANSMISSION FLUID & ENGINE OIL AND MANIFOLD PRESSURE SENSOR FOR 1995 FORD F-350	1,567.88
7720	1/29/2019	[2481] VANTAGEPOINT TRANSFER AGENTS-304361	30 EA REFLECTIVE CONES; 19 EA BARRICADES	6,559.73
7721	1/29/2019	[2787] WYCKOFF'S	RETIREMENT FOR PPE 1/18/2019	215.00
7722	1/29/2019	[2792] ZUMAR INDUSTRIES, INC.	TWO EA FLOOR SUCKERS; 1" PVC SPRING CHECK VALVE	575.12
7723	1/29/2019	[2757] US POSTMASTER	SIGNS FOR PARKS; SIX WASTEWATER CAUTION SIGNS	359.03
Total Checks/Deposits				139,619.65

Ref#	Date	Vendor	Description	Amount
487-168	1/14/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 01/04/2019	-5390.23
217899	1/14/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR PAYROLL TAXES FOR PPE 01/04/2019	-13076.60
9424186	1/17/2019	WITHDRAWALS	BANK ANALYSIS FEE FOR JANUARY 2019	-127.83
004-005-626	1/23/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR CALIF. DEPART. OF TAX & FEE ADMINISTRATION: ANNUAL SALES & USE TAX FOR 2018	-4137.00
995330	1/24/2019	WITHDRAWALS	DEPOSITED ITEM RETURNED	-140.00
2629745	1/25/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 01/18/2019	-11987.61
789-198-656	1/28/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 01/18/2019	-4167.87
6934896	1/30/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR AFLAC INSURANCE FOR JANUARY 2019	-460.64
Total EFT's/Bank Withdrawals				-39,487.78

Ref#	Date	Vendor	Description	Amount
TRX TO PR	1/8/2019	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 01/04/2019	-33,972.70
TRX TO PR	1/23/2019	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 01/18/2019	-32,885.72
Total Transfer Between Accounts				-66,858.42

The staff update will be presented under separate cover.



675 Wildwood Avenue
Rio Dell, CA 95562-1597
(707) 764-5642 Hall

For Meeting of: February 19, 2019
 Consent Item; Public Hearing Item

To: City Council
From: Jeff Conner, Chief of Police
Through: Kyle Knopp, City Manager
Date: February 8, 2019
Subject: Contract with Miranda's Animal Rescue to House Seized Animals

Recommendation:

That the City Council authorize the Chief of Police to sign a two-year contract with Miranda's Animal Rescue (hereinafter referred to as the Rescue) to receive and house animals submitted to this facility by the City of Rio Dell.

Background and Discussion

The City of Rio Dell currently has a contract with the Rescue to receive and house domesticated animals that are seized by the City of Rio Dell. This contract has been in effect for approximately three years. Shannon Miranda, President of the Rescue, came before your Council and requested a modification to the contract that would increase the monthly payment made by the City in exchange for these services. Negotiations commenced between City staff and Mr. Miranda. After an offer and counteroffer were made, the sum of \$1,900 per month was tentatively agreed upon.

Mr. Miranda is requesting these changes for several reasons. These include a more accurate number of animals brought to the Rescue by the City and the rising cost of caring for them. But the primary reason he has brought forward is the cost of spaying or neutering dogs and cats before they can be adopted by the public. The cost of spaying or neutering a small dog or cat is approximately \$200 per animal and rises to as much as \$500 for a very large dog. The City currently delivers about five animals per month to the Rescue and the current payment is not sufficient to cover the Rescue's costs.

In addition to the increase in the monthly payment, staff has requested some additional modifications. These include minor changes to the information required on the monthly invoice, the removal of the section requiring the Rescue to assist in the selling of dog licenses and an

addition that requires the owner of an animal to show proof that he has paid the City's redemption fee before an animal is released into his/her custody by the Rescue.

Currently, the information provided by the Rescue only covers its activities in the preceding month. The modifications being recommended would add a running total of the number of animals brought to the Rescue that are still housed there as well as the number of animals that have been spayed or neutered. This information will assist staff in future negotiations of the contract with the Rescue. To date, the Rescue has not been provided with dog tags by the City nor has an attempt been made to encourage them to assist in the issuance of dog licenses. Rather it is anticipated that when a dog owner pays the redemption fee to the City, a dog license will be issued at that time. This would also require that the dog in question be vaccinated against rabies before it is returned to the City.

Attachments:

Proposed contract with Miranda's Animal Rescue

AGREEMENT FOR ANIMAL CARE SERVICES

This Agreement is made as of _____, 2019 ("the Effective Date"), by and between the City of Rio Dell, a municipal corporation (hereinafter referred to as CITY) and Miranda's Rescue, a federal and California non-profit corporation and animal sanctuary (hereinafter referred to as SANCTUARY).

Recitals

This Agreement is entered into with reference to the following facts:

A. WHEREAS, CITY desires to provide shelter for the secure and humane impoundment and disposition of animals pursuant to the provisions of Section 25802 of the California Government Code and other applicable sections of the California Food and Agriculture Code, the California Health and Safety Code, the California Penal Code and the City Ordinances of the City of Rio Dell; and

B. WHEREAS, SANCTUARY is organized for the purpose of providing shelter and care for strayed, abandoned, abused, or otherwise neglected animals, seeking responsible people to adopt animals, and educating and training the public regarding the proper care and handling of animals, especially the importance of spaying and neutering; and

C. WHEREAS, SANCTUARY represents itself as willing and able to provide the services required by CITY to carry out the provision of the aforesaid statutes and said City Code, including but not limited to the collection of city and state fees and fines in regards to animal redemption, appropriate hours for owner redemption and adoption as allowed by law, and appropriate holding periods for all animals; and

D. WHEREAS, For the purposes of this Agreement, the definition of "domestic animal" or "animal" includes any dog, cat, rabbit, guinea pig, hamster, pot-bellied pig, bird, lizard, snake, turtle, or tortoise or any other domesticated animal, and does not include livestock.

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and provisions herein contained, it is expressly agreed and understood as follows:

Agreement

1. **Term.** This Agreement shall take effect on the Effective Date and it shall remain in full force and effect through March 31, 2021. Thereafter, this Agreement shall be automatically renewed for consecutive one-year periods, unless earlier terminated in accordance with Section 2.

2. **Termination.** Each party hereto reserves the right to cancel this Agreement on sixty (60) days written notice for any reason at any time.

3. **Payment.**

A. CITY agrees to pay the SANCTUARY, and SANCTUARY agrees to invoice the CITY, a sum of one thousand nine-hundred dollars (\$1900.00) per month regardless of the number or type of Authorized Animals received or services performed by SANCTUARY. SANCTUARY shall submit its monthly invoice to CITY no later than thirty (30) days after the final day of the specified monthly billing period. Failure to timely submit a monthly invoice shall waive SANCTUARY's right to receive payment from CITY for the pertinent billing period.

B. With each invoice and as a condition of payment by CITY, SANCTUARY shall provide ~~CITY~~ the CITY the following information ~~for the particular billing period invoiced:~~

- i. Number of Authorized Animals by animal species (dog, cat etc.) received in the invoice period.
- ii. Number of Authorized dogs/cats received in the invoice period that have been spayed/neutered
- iii. Number of Authorized Animals received that ~~were~~ have been spayed/neutered by SANCTUARY ~~upon receipt~~ in the invoice period.
- iv. A running total of the Number of Authorized Animals dogs/cats received that were not that have not been spayed/neutered by SANCTUARY ~~upon receipt.~~
- v. ~~Number of Authorized Animals received that were not identified as either spayed or neutered.~~
- vi. Number of Authorized Animals returned to their owners in the invoice period or adopted.
- vii. Total Number of Authorized Animals that remain unadopted or unreturned to owner at the SANCTUARY at the end of the invoice period.
- viii. Number of Authorized Animals that received veterinary care other than spaying, neutering or vaccinations while under the care of SANCTUARY during the invoice period.
- ix. Number of Authorized Animals received during the invoice period that pose a threat to health or safety of SANCTUARY employees, CITY employees, volunteers or the general public.

C. Upon the receipt of the information required by Section 3.B, above, the CITY shall review the information and reconcile the information provided by SANCTUARY with the records kept by the Rio Dell Police Department. To the extent there are any discrepancies, the Parties agree to meet and confer to ensure the information and records are accurate.

D. In the event that this Agreement does not remain in full force and effect for an entire monthly billing period, SANCTUARY shall Invoice the CITY for the partial month on a pro-rated basis by dividing \$1,900 by the amount of days this Agreement was effective.

4. Authorized Animals.

A. As used in this Agreement, the term "Authorized Animal(s)" means an animal that is delivered to or received by SANCTUARY accompanied by written documentation, signed and dated by an employee of the CITY, authorizing SANCTUARY to take custody of the animal. Written authorizations shall be delivered in person, or by fax or electronically scanned documentation at or before the time the animal is received by SANCTUARY. CITY agrees to make CITY staff available to prepare and deliver written authorization on an on-call basis at all hours of the day or night.

B. Animals accepted by SACTUARY without written authorization from CITY shall not be identified as Authorized Animals and all responsibility for the care, custody, and treatment of any unauthorized animals, or any liability, claims, damage or injury arising from said animals or said care, custody and treatment, shall be solely the responsibility of SANCTUARY and not of the CITY.

5. **Space Availability.** SANCTUARY will ensure that there is adequate space available for Authorized Animals at all times. No Authorized Animal delivered in accordance with this Agreement shall be denied sanctuary or otherwise refused by SANCTUARY.

6. **Non-Exclusivity.** It is understood and agreed that this Agreement does not obligate SANCTUARY to perform any functions or services for the other cities within the County of Humboldt. However, it is understood and agreed that SANCTUARY may enter into independent agreements with any incorporated cities within the County of Humboldt or the County of Humboldt itself, provided that SANCTUARY retains sufficient space, capacity, and personnel to meet its obligations under this Agreement. SANCTUARY agrees that it shall not receive any deductions or credits under this Agreement by reason of any sums received by SANCTUARY for functions and services rendered

under any other agreement it may enter into with any other person or entity.

7. Animal Sanctuary.

A. SANCTUARY will maintain and operate an animal sanctuary in a responsible, legal, secure and sanitary manner adequate for the confinement, treatment and placement of all Authorized Animals and will furnish all supervision, labor, animal food, tools, supplies, and other things necessary for satisfactory performance of the services herein agreed to be provided. This property may be used by SANCTUARY for all other uses authorized by law and not in conflict with this Agreement.

B. SANCTUARY will provide adequate means to accept at all times Authorized Animals not in need of immediate veterinary care delivered to SANCTUARY by CITY employees. In furtherance of this obligation, SANCTUARY shall provide an isolated kennel that shall be accessible to CITY at all times, day or night. SANCTUARY shall ensure that the isolated kennel herein contemplated is locked and secured and shall deliver a key or other means of access to the isolated kennel to the CITY's Chief Animal Control Officer. In the event CITY delivers an Authorized Animal to SANCTUARY during non-business hours, CITY shall provide notification to SANCTUARY of the intended delivery of an Authorized Animal to the isolated kennel and shall provide SANCTUARY the appropriate written documentation for said delivery. SANCTUARY's open hours shall be in accordance with state law.

C. SANCTUARY will maintain an isolated section of the shelter facility for the confinement, observation and care of any animal suspected of having rabies, or any animal which has bitten or otherwise exposed any person, and shall accept, care for and dispose of any such animal delivered to the facility in accordance with instructions of the County Health Officer or his/her designee.

D. SANCTUARY will report at once to the County Health Officer or his/her designee any animals delivered or reported to it as being suspected of rabies, or of having bitten or otherwise exposed any person, and shall cause to have removed and make available to the County Health Officer for laboratory examination the head of any animal which dies while under confinement for such reason. Pursuant to his or her responsibilities for rabies control, the County Health Officer and his or her authorized representatives shall be afforded access to the facility at all times for the examination of any or all animals impounded herein.

E. SANCTUARY will keep timely complete and accurate records of the receipt and disposition of all animals delivered into its custody at the animal sanctuary and a complete

and accurate set of books showing the revenues, expenses, and related financial transactions pursuant to this agreement. Such records and accounts shall be made available at the animal sanctuary on SANCTUARY's premises for examination at all reasonable times by authorized representatives of the CITY.

F. SANCTUARY will not release an Authorized Animal to its owner unless the owner provides SANCTUARY with a receipt, or other acceptable means, issued by the CITY that shows that the required redemption fee has been paid.

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8. Licensing:

~~A. It is understood and agreed that SANCTUARY will cooperate with CITY in the administration of animal licensing laws and shall, upon the request of the CITY, assist CITY in collection of fees thereof. SANCTUARY shall offer for sale dog licenses as provided in the City Code and under the direction of CITY. It is further understood, acknowledged, and agreed that in selling dog licenses, neither SANCTUARY nor any employee thereof shall be considered an employee or agent of CITY. It is further understood that all fees derived from licensing shall be forwarded to CITY on a monthly basis with a full, complete, and accurate accounting and inventory of licenses sold and unsold and receipts of sale.~~

~~B. CITY shall supply to SANCTUARY, without charge, all such dog license certificates, numbered metallic tags, and receipt forms as shall be required by SANCTUARY in carrying out its responsibility.~~

98. Insurance Requirements. Throughout the entirety of this Agreement, and as an express condition to its effectiveness, SANCTUARY shall obtain, maintain, and provide sufficient proof of liability insurance to the extent and in the manner set forth below. SANCTUARY shall submit and keep current certificates of insurance, or other forms of proof of such insurance that is acceptable to CITY, to the Clerk of the City of Rio Dell. Without limiting SANCTUARY's indemnification obligations provided herein, SANCTUARY shall maintain and require any of its subcontractors to maintain, at all times during the effectiveness of this Agreement, the following policies of insurance from insurers validly licensed and operating in the State of California and holding a current A.M. Bests Rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities conducted by SANCTUARY, its agents, employees, or subcontractors in the performance of or arising out of this Agreement:

- A. Comprehensive or Commercial General Liability Insurance at least as broad

as Insurance Services Office Commercial General Liability coverage (Occurrence from CG 0001) in an amount of \$2,000,000 per occurrence. Said policy shall contain, or be endorsed with the following provisions:

- i. The CITY, its officers, employees and agents are named as an additional insured under the policy. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its officers, agents, and employees.
- ii. The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of the premium) to CITY by certified mail.
- iii. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
- iv. For claims arising from SANCTUARY's performance of this Agreement, the CITY's coverage as an additional insured under the above policy shall be considered primary coverage to the CITY, and any insurance or self-insurance programs maintained by the CITY shall be considered excess coverage to SANCTUARY's insurance and will not be called upon to contribute with it.
- v. Any failure to comply with reporting or other provisions of the parties, including breach of warranties, shall not affect coverage provided to CITY, its officers, employees, and agents.

B. Worker's Compensation Insurance meeting statutory limits of the California Labor Code which policy shall contain or be endorsed to contain a waiver of subrogation against CITY, its officers, agents, and employees and provide for thirty (30) days prior written notice in the event of cancellation.

C. SANCTUARY is to maintain any other insurance or surety bonding that may be required by applicable local, State, or Federal laws and regulations.

SANCTUARY shall furnish CITY with certificates and original endorsements affecting the required coverage prior to execution of the Agreement by CITY and the effectiveness of this Agreement. The endorsements shall be on forms as approved by the City Attorney. Any deductible or self-insured

retention over \$100,000 shall be disclosed to and approved by CITY. If SANCTUARY does not keep all required policies in full force and effect, CITY may, in addition to other remedies under this Agreement, take out the necessary insurance, and SANCTUARY agrees to pay the cost of said insurance.

109. Indemnification. SANCTUARY will indemnify, defend and hold harmless the CITY and its employees, officials, agents, directors, officers and trustees against and from any and all claims, actions, liability, and expenses (including settlements, judgments, court costs, attorneys fees, regardless of the outcome of such claim or action) caused by, resulting from, or alleging negligent or intentional acts or omissions arising from SANCTUARY's (including its principals', officers', directors', agents', employees', subcontractors', and volunteers') performance of this Agreement, including without limitation, the custody, care, treatment, disposal, or adoption of any animal or the operation of its facilities, whether such act, omission, or failure was the fault of the SANCTUARY, its principals, officers, directors, agents, employees, subcontractors, or volunteers, and excepting any injuries or liabilities directly and solely caused by a negligent or intentional act of CITY or its employees or agents. Upon notice from the CITY, the SANCTUARY will resist and defend at its own expense, and by counsel reasonably satisfactory to the CITY, any such claim or action.

It is understood by the parties that any and all employees and volunteers working for SANCTUARY are not employees of the City and any and all liability associate with the activities of employees and volunteers of SANCTUARY, including Worker's Compensation, is the sole responsibility of the SANCTUARY.

110. Solicitation By Sanctuary. Nothing in this agreement is intended or shall be construed to prevent SANCTUARY from soliciting or accepting donations from any person or organization toward defraying the cost of SANCTUARY's activities. No report of these moneys need be made to CITY.

121. Sanctuary Independent Contractor. Nothing in this agreement shall be deemed or construed to create or constitute a partnership or joint venture between the parties hereto. Further, SANCTUARY is with respect to CITY and its officers an independent contractor and not an officer, employee or agent of CITY or of any CITY officer or employee.

132. Assignment. Neither party may assign this agreement nor its rights or duties under this agreement without the written consent of the other party.

143. Notices. In addition to all other notices provided for herein, CITY agrees that it shall give SANCTUARY notice of any ordinances, resolution or regulation changes contemplated by it relating to any matters effecting SANCTUARY's performance and/or functions under the terms and

conditions of this agreement.

All notices herein provided to be given or which may be given by either party to the other, shall be in writing and shall be deemed to have been given when deposited in the United States mail, certified and postage prepaid and addressed as follows:

TO CITY:
City of Rio Dell Chief of Police
675 Wildwood Avenue
Rio Dell, California 95562

TO SANCTUARY:
Miranda's Animal Rescue
1603 Sandy Prairie Road
Fortuna, CA 95540

154. Amendment. This agreement may be modified and amended at any time during its terms, or any extension(s) thereof, by written mutual agreement of the parties.

165. Binding Effect. This agreement shall be binding upon, and insure to the benefits of, the parties, their successors, and permitted assigns.

176. Compliance With Laws.

A. SANCTUARY agrees to comply with all local, state and federal laws and regulations. SANCTUARY further agrees to comply with any applicable federal, state or local licensing standards, any applicable accrediting standards, and any other applicable standards or criteria established locally or by the state or federal governments.

B. CITY agrees to reasonably comply with all local, state and federal laws and regulations pertaining to animal control. CITY further agrees to comply with any applicable standards or criteria established locally or by the state and federal governments.

187. Governing Law and Venue. This agreement shall be governed by and construed in accordance with the laws of the State of California. Any action or proceeding relating to or arising out of this Agreement shall be filed in the Superior Court of the State of California for the County of Humboldt, California.

198. No Waivers. No waiver by any party at any time of any breach of any provision of this Agreement shall be deemed a waiver or a breach of any other provision herein or a consent to any subsequent breach of the same or another provision. If any action by any party shall require the consent or approval of another party, such consent or approval of such action on any

one occasion shall not be deemed a consent to or approval of such action on any subsequent occasion or a consent to or approval of any other action.

2019. Captions and Headings. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe, or describe the scope or intent of this Agreement.

204. Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument.

221. Severability. If any provision (or any portion of any provision) of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, the legality, validity, and enforceability of the remaining provisions (or the balance of such provision) shall not be affected thereby.

232. Drafting of Agreement. The parties acknowledge that this Agreement has been negotiated at arm's length, has been drafted via a cooperative effort by both parties and no one party shall be construed as the draftsman. The parties have freely and voluntarily entered this Agreement, in their own interests and of their own volition.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective and duly authorized agents of the day and year first shown above.

CITY OF RIO DELL

MIRANDA'S RESCUE

Signature/Title

Signature/Title

Date

Date

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532



For Meeting of: February 19, 2019
 Consent Item; Public Hearing Item

To: City Council
From: Kevin Caldwell, Community Development Director 
Through: Kyle Knopp, City Manager 
Date: February 8, 2019
Subject: Water Rate Text Amendment – Reimbursement Agreements

Recommendation:

1. Have staff introduce (first reading) Ordinance No. 372-2019 regarding amending Chapter 13.05 Water Rates and Regulations; and
2. Open the public hearing, receive public input and deliberate; and
3. Continue consideration, approval and adoption of the proposed Ordinance to your meeting of March 5, 2019 for the second reading and adoption.

Discussion

As the Council is aware Glenn White, Precision Manufactured Developments Inc. has installed a new waterline consisting of approximately 5,000 linear feet of a 10" C-900 water main including valves and fire hydrants within the Northwestern Avenue public right-of-way.

Staff has worked with the City's Special Counsel, Michael Colantuono, in developing a Reimbursement Agreement. Mr. Colantuono has recommended the City amend Chapter 13.05 Water Rates and Regulations, Section 13.05.240 Rates and Charges to include language regarding Reimbursement Agreements.

13.05.240 Rates and Charges.

The City Council shall establish fees, rates and charges by resolution to cover the cost of water delivery, water system maintenance, operations, administration, capital expenditures and/or debt service. [Ord. 356 § 1, 2017; Ord. 241 § 23, 2000. Formerly 13.05.230.]

Those parcels connecting to a water-main constructed as part of a public-private partnership subject to a Reimbursement Agreement are subject to the costs identified in the Reimbursement Agreement in addition to the City's current water capital connection charges at the time of connection.

Attachment 1: Ordinance No. 372-2019

ORDINANCE NO. 372-2019



**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL
AMENDING CHAPTER 13.05 WATER RATES AND REGULATIONS
OF THE RIO DELL MUNICIPAL CODE (RDMC) INCORPORATING LANGUAGE
REGARDING OBLIGATIONS TO REIMBURSEMENT AGREEMENTS.**

THE CITY COUNCIL OF THE CITY OF RIO DELL ORDAINS AS FOLLOWS:

WHEREAS Glenn White, Precision Manufactured Developments Inc. has installed a new waterline consisting of approximately 5,000 linear feet of a 10" C-900 water main including valves and fire hydrants within the Northwestern Avenue public right-of-way; and

WHEREAS staff has worked with the City's Special Counsel in developing a Reimbursement Agreement; and

WHEREAS the City's Special Counsel has recommended the City amend Chapter 13.05 Water Rates and Regulations, Section 13.05.240 Rates and Charges to include language regarding Reimbursement Agreements; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell does hereby ordain as follows:

Section 1. Chapter 13.05 Water Rates and Regulations is amended as follows:

13.05.240 Rates and Charges.

The City Council shall establish fees, rates and charges by resolution to cover the cost of water delivery, water system maintenance, operations, administration, capital expenditures and/or debt service. [Ord. 356 § 1, 2017; Ord. 241 § 23, 2000. Formerly 13.05.230.]

Those parcels connecting to a water-main constructed as part of a public-private partnership subject to a Reimbursement Agreement are subject to the costs identified in the Reimbursement Agreement in addition to the City's current water capital connection charges at the time of connection.

Section 2. Severability

If any provision of the ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

Section 3. Limitation of Actions

Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

Section 4. Effective Date

This ordinance becomes effective thirty (30) days after the date of its approval and adoption.

I HEREBY CERTIFY that the forgoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Rio Dell on February 19, 2018 and furthermore the forgoing Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the March 5, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 372-2019 which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the March 5, 2019.

Karen Dunham, City Clerk, City of Rio Dell