



AGENDA
RIO DELL CITY COUNCIL
CLOSED SESSION - 6:00 P.M.
REGULAR MEETING - 6:30 P.M.
TUESDAY, MARCH 21, 2017
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE

***WELCOME . . .** By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*

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

- A. CALL TO ORDER
- B. ROLL CALL
- C. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS:
 - 1) 2017/0321.01 - **Conference with Legal Counsel – Anticipated Litigation**
Significant Exposure to Litigation Pursuant to §54956.9(d)
(2): One Potential Case: Facts and Circumstances Known to
Potential Plaintiff/Adverse Party, John Clark, Street Drainage
Issue
- D. PUBLIC COMMENT REGARDING CLOSED SESSION
- E. RECESS INTO CLOSED SESSION
- F. RECONVENE INTO OPEN SESSION – 6:30 P.M.
- G. ORAL ANNOUNCEMENTS
- H. PLEDGE OF ALLEGIANCE
- I. CEREMONIAL MATTERS

J. 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.

K. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council members if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS".

- 1) 2017/0321.02 - Approve Minutes of the March 7, 2017 Regular Meeting
(ACTION) **1**
- 2) 2017/0321.03 - Approve Resolution No. 1325-2017 Adopting the Budget Calendar for FY 2017/2018 as Amended **(ACTION)** **19**
- 3) 2017/0321.04 - Approve Pay Request No. 2 to Wahlund Construction in the amount of \$111,092.82 for work related to the Metropolitan Wells Project **(ACTION)** **23**

L. ITEMS REMOVED FROM THE CONSENT CALENDAR

M. SPECIAL PRESENTATIONS/STUDY SESSIONS

- 1) 2017/0321.05 - Presentation Related to Cannabis Tax Measure
(DISCUSSION/POSSIBLE ACTION) **31**

N. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

- 1) 2017/0321.06 - Request from Glenn White for the Sale of CBD/THC Infused Products **(DISCUSSION/POSSIBLE ACTION)** **35**
- 2) 2017/0321.07 - Renaming of for Eel River Sawmill Site **(DISCUSSION/POSSIBLE ACTION)** **37**

- 4) 2017/0321.08 - Authorize staff to purchase Vactor Trailer in the amount of \$44,608.00 **(DISCUSSION/POSSIBLE ACTION)** 39
- 5) 2017/0321.09 - Public Works Update **(RECEIVE & FILE)** 45
- O. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS
- 1) 2017/0321.10 - Approve Resolution No. 1327-2017 Budget Amendment for additional General Fund Streets Subsidy for Streets Repairs and Maintenance **(DISCUSSION/POSSIBLE ACTION)** 55
- 2) 2017/0321.11 - Approve Resolution No. 1328-2017 Approving Award of Bid to Parker & Son in the amount of \$55,977.00 for the 2017 Asphalt Pavement & Crack Sealing Project **(DISCUSSION/POSSIBLE ACTION)** 57
- 3) 2017/0321.12 - Approve Resolution No. 1324-2017 Budget Amendment for SLESF Funds for Purchase of Police Vehicles **(DISCUSSION/POSSIBLE ACTION)** 69
- P. REPORTS/STAFF COMMUNICATIONS
- Q. COUNCIL REPORTS/COMMUNICATIONS
- R. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, April 4, 2017 at 6:30 p.m.*

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**RIO DELL CITY COUNCIL
REGULAR MEETING
MARCH 7, 2017
MINUTES**

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

ROLL CALL: Present: Mayor Wilson, Mayor Pro Tem Johnson, Councilmembers
Garnes, Marks and Strahan

Others Present: City Manager Knopp, Finance Director Woodcox Community
Development Director Caldwell, and Ryan Plotz (filling in for
City Attorney Gans)

Absent: Chief of Police Hill, Water/Roadways Superintendent
Jensen, Wastewater Superintendent Trainee Yaple and City
Clerk Dunham (excused)

PUBLIC PRESENTATIONS

None

CONSENT CALENDAR

Mayor Wilson asked that item number 3, *Approval of Resolution No. 1325-2017 Adopting the Budget Calendar for FY 2017-18* is removed for separate discussion.

Motion was made by Johnson/Garnes to approve the consent calendar including approval of minutes of the February 21, 2017 regular meeting; approval of Resolution No. 1323-2017 Mid-year Budget Amendments; and to receive and file the check registers for January and February 2017. Motion carried 5-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Approve Resolution No. 1325-2017 Adopting the Budget Calendar for FY 2017/2018

Mayor Wilson asked councilmembers if the proposed budget calendar was acceptable.

Since there were conflicts with regard to some of the meeting dates, Finance Director Woodcox agreed to come back at the next meeting with an amended budget calendar.

Mayor Wilson announced a change in the order of the agenda and moved item 4) 2017/0307.11 *Ordinance No. 355-2017 related to the Use of Cargo/Shipping containers as Accessory Structures* up to accommodate members of the public.

Introduction and First Reading (by title only) of Ordinance No. 355-2017 Amending Chapter 17.30.020 "Accessory Uses and Buildings" of the Rio Dell Municipal Code (RDMC) to Include Cargo/Shipping Containers used as Accessory Structures

Community Development Director Caldwell provided a staff report and said the Planning Commission held three (3) separate public hearings discussing the use of cargo/shipping containers as accessory structures. He said that initially they were supportive of their use in residential zones however; at the last meeting, after a lengthy discussion, the Commission made some significant changes including recommending to the City Council that cargo/shipping containers not be allowed in residential zones. In addition, the Commission also recommended that the definitions in the zoning code for cargo/shipping container be amended to read:

"Cargo/Shipping Container means a container made of steel or similar material which is designed for securing and protecting items for transport or storage. Cargo/Shipping containers include, but are not limited to, containers commonly used as shipping containers on ships and railroads, and/or tractor trailers. PODS (Portable on Demand Storage) and other similar units."

He stated that the Commission is also recommending that existing Cargo/Shipping Containers not be considered a legal non-conforming use and that they be required to be removed within 180 days after adoption of the ordinance.

Also, containers used as accessory structures in the Natural Resources (NR), Community Commercial (CC), and Neighborhood Center (NC) zones are required to conform to the same development standards as required in the Industrial Commercial (IC) zone including the allowable number of containers on a parcel subject to the size of the parcel.

Community Development Director Caldwell said the real question is whether the Council wants to allow cargo/shipping containers in residential zones.

Councilmember Strahan commented that she was in attendance at the last Planning Commission meeting and felt they conducted a pretty thorough review of the regulations before coming up with the recommendations as presented.

Community Development Director Caldwell noted that there was approximately 1.5 hours of discussion on the subject but unfortunately there were no members of the public present with the exception Councilmember Strahan.

Mayor Pro Tem Johnson commented that he has approximately three (3) acres and under the proposed regulations he would not be allowed to have a container as an accessory structure. He said although he has no plans at this time to utilize one, he would nevertheless like to have the option.

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

Kathy Wildgrube, 6 Painter St. addressed the Council and said she currently has two (2) cargo/shipping containers on her property. She said that she was not able to attend the last Planning Commission meeting as she was sick but she was led to believe from the previous meetings that provided residents complied with the development standards, they would be in allowed to keep them. She commented that she painted her containers a neutral color as requested by the City and agreed to obtain a building permit if deemed necessary. She said to change the regulations now and give residents 180 days to remove them from their property seems unfair and underhanded. She explained that one of the containers is used to store family heirlooms and the other to store firewood and lawn equipment and they are safe and secure units. She urged the Council to consider "grandfathering in" existing containers as long as they are in compliance with certain performance standards. She also pointed out that 3 or 4 years ago when she purchased the containers she came into the city and was told there were no regulations prohibiting them or a requirement for a building permit.

Tim Roscoe, property owner on the 100 block of Painter St. stated that he also has cargo/shipping containers on his property but they are not visible from the street. He said cargo containers don't seem to be causing blight in the city although he has seen a couple in front yards that are rusted and pretty unsightly. He said there are some advantages to utilizing cargo containers as accessory structures as they can be locked securely, noting that Rio Dell is not the most secure town. He commented that he was also in attendance at the Planning Commission meetings when the regulations were discussed and was under the impression the Planning Commission was in agreement with the recommendation to the City Council to allow the use in residential zones with the performance standards as originally proposed. He questioned the number of cargo/shipping containers currently existing on residential parcels in the City.

Community Development Director Caldwell said he was aware of six or seven existing containers located on residential parcels but not aware of any on parcels 6,000 square feet or less.

Travis Wildgrube, property owner of the parcel at Center St. and Ireland Ave. addressed the Council and said he currently has one (1) cargo container and has plans for a second container with the idea of installing a peaked roof, siding and rollup door to make it resemble a shop. He said if the Council makes the decision to prohibit them in residential zones, he will be out another \$2,000.

Councilmember Garnes asked what triggered this action.

Community Development Director Caldwell explained the issue has been on staff's radar for the past couple of years but more recently received some complaints and inquiries so decided to bring forth some regulations for the Council to consider.

Larry Salmon, 550 Painter St. said as a realtor he looks at the issue from a little different point of view and said there needs to be some type of regulations due to potential fire danger if the containers are placed too close to other structures. He said on the other hand, as a property owner, he would like to see regulations that would allow the ability to utilize cargo containers as accessory structures provided they are placed on the rear portion of a parcel if the parcel is large enough. He said he can't imagine containers being allowed to be placed on the front portion of 6,000 square foot parcels or up against other structures; allowing them on larger parcels with performance standards would be reasonable.

Discussion continued regarding exception provisions.

Community Development Director Caldwell said if the Council would like to allow containers on larger residential parcels, perhaps the table related to the number of containers allowed pursuant to the parcel size could be amended to include one (1) container on residential parcels 10,000 square feet or larger and no containers on parcels less than 10,000 square feet.

Councilmember Garnes used Mayor Pro Tem Johnson's parcel as an example and said if he had a container on his parcel that no one could see, asked why anyone would care since it would not be harming anyone.

Community Development Director Caldwell said that discussion did not come up at the Planning Commission meeting but one concern was that there may be some clan descent activity occurring which is the reason for the permits; to inspect the structure for safety and to make sure they are in compliance with setback requirements.

Mayor Pro Tem Johnson commented that he would like to have options available for residential property owners and suggested the matter be sent back to the Planning Commission for further review and to come up with provisions for existing containers.

Mayor Wilson agreed and said there needs to be some regulations and perhaps notification to neighbors such as required under the Conditional Use Permit process.

Councilmember Strahan disagreed and said the Planning Commission did a good job when coming up with a recommendation to the Council. She pointed out that they are only talking about residential zones and that regulation for commercial zones has already been established. She said that she understands citizen's concerns but they will be given 6 months to remove the containers with the option for an extension if needed. She said she thinks the Council needs to look out for residential citizens and allowing containers to be placed anywhere in the City provides opportunity for clan descent activities to occur.

Community Development Director Caldwell said another option for the Council to consider

would be to treat existing cargo/shipping containers as legal non-conforming uses so only those in place at the effective date of the ordinance would be allowed to remain. He noted that staff would need to craft language to that affect and take it back to the Planning Commission including the same performance standards as established for the other zones.

Councilmember Marks stated that he likes the ordinance the way it is and that he thinks cargo containers are ugly and that he would not put one on his property but would instead, build a nice stick built structure.

Councilmember Garnes agreed with the basic ordinance but said the Council needs to consider those residents who already have existing containers in place and to also take into consideration that when they placed them on their parcels they were not out of compliance. Also, if someone has one located on their parcel and it is not visible to anyone it doesn't infringe on anyone's rights and should be allowed with the proper permits.

City Manager Knopp suggested the matter be referred back to the Planning Commission and that they bring back to the Council a proposal based on grandfathering in existing containers and reaffirming the rules for new containers coming in.

Community Development Director Caldwell commented that staff could also craft some exception language regarding the placement of containers that are not visible to anyone and refer it to the Planning Commission at their meeting of March 28, 2017.

The consensus of the Council was 3-2 with Councilmembers Marks and Strahan dissenting.

Mayor Wilson strongly recommended affected residents attend the Planning Commission meeting on March 28th to voice their concerns.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Amend Scope of Work on the City's Safe Drinking Water State Revolving Fund (SDWSRF) Planning Grant Related to Water System Capital Improvements

City Manager Knopp provided a staff report and explained that since the original submission of the grant application some conditions have changed in the City that need to be addressed in the planning grant scope.

He reviewed the scope of work under the original grant and said the plans under the grant were developed at a time with certain things in place including pending litigation with regard to the infiltration gallery that has since been resolved. Also, the City has learned a lot more about the limits of the infiltration gallery as far as what it can handle through what has been the biggest drought period in years. He noted that comments were received back from the State and with the Metropolitan Wells Project underway; it makes the infiltration gallery modifications less appealing. He said the City also received some settlement money for the infiltration

gallery repairs and reiterated that the gallery is a little more robust than originally thought which was the reason for the modifications. As such, the repairs are no longer needed and maintenance can be done by the Public Works crew. There was no change regarding the replacement of distribution system piping or improvements to the SCADA system. With regard to the Painter Street tank replacement, the proposed change was to expand the tank evaluation to include the Redwood Douglas Tank which is used for backwashing the system.

Mayor Pro Tem Johnson referred to the filter media project and assumed that is the same project discussed by Public Works at a previous meeting related to recoating of the screens.

City Manager Knopp explained that the project basically needs to get done as soon as possible and it is not really feasible to wait for the grant cycle.

Mayor Pro Tem Johnson asked if it is possible to ship the screens out of state to get painted where more durable paint is used noting that as staff mentioned, the VOC's for California are so limited that when the coatings are done and the parameters are not exact for the application, the coatings fail much sooner; perhaps in 5 years versus 20 years in other states that don't have as strict regulations.

City Manager Knopp commented that he would need to talk to staff but his understanding is that the intent is to do the work onsite to expedite the project. He said perhaps if the Metropolitan Wells were online and could be used as a backup system the filters could be sent out of state.

Nick Angeloff addressed the Council and due to his late arrival at the meeting asked to make a brief announcement regarding an event occurring on Saturday at the Winema Theater in Scotia as a farewell to Harry Pulver who will be moving to North Carolina. He noted that Harry was the Rio Dell Postmaster for many years and Chamber of Commerce President for probably 25 years and made numerous contributions to the community over the years and said it would be great if any of the councilmembers could attend.

Mayor Wilson then called for public comment on the proposed amendment.

Mike Strahan questioned the cost of the media filters.

City Manager Knopp stated that the exact cost is unknown which is part of what the evaluation is about. He said the recommendation is to simply remove the item from the scope of work.

Mike Strahan pointed out that if new filters were purchased as backup the filters in use could be sent out without shutting down the system.

Motion was made by Johnson/Garnes to approve the amended scope of the City's Safe Drinking Water State Revolving Fund (SDWRSF) Planning Grant related to Water System

Capital Improvements as proposed. Motion carried 5-0.

Mayor Wilson announced another change in the agenda order and said the next item of discussion will be regulations related to Cannabis Business Taxation.

Introduction and First Reading (by title only) of Ordinance No. 354-2017 Establishing Chapter 5.4 of Title V of the Rio Dell Municipal Code (RDMC) Related to Cannabis Business Taxation

City Manager Knopp provided a staff report and began by pointing out that the City currently does not receive any revenue from any marijuana related activities since there are no dispensaries in town which is typically how other jurisdictions generate revenue through sales taxes. He also noted that the proposed tax will only apply to those who are involved in cannabis related activities.

He provided a general broad overview of what the State is doing and said when the Medical Marijuana Safety and Regulation Act (MMRSA) were signed into law; it reinforced the ability for local governments to tax medical marijuana. Also, with the passage of Proposition 64, the Adult Use Marijuana Act (AUMA) which legalized non-medical marijuana and established a tax structure for marijuana through the State government, it also affirmed the ability for local governments to establish taxes for commercial activities. With that the State applied various taxes including a 15% sales tax in addition to a tax on ounces of leaves and flowers. He commented that the vast majority of the taxes generated from the activities go to the State and in order for them to administer regulatory oversight they will also charge additional fees.

City Manager Knopp explained that in terms of regional taxes, Humboldt County has a tax specifically associated with cultivation which is \$1- \$3 per square foot which is adjusted annually based on the CPI. He noted that Mendocino County however; has a little more complicated system with a tax of 2.5% of gross receipts with a minimum tax level of \$1,250 which is also adjusted annually.

He said in order for this entire industry to succeed and also for some of the bad actors and illegal markets to be out-competed, local governments will need to set reasonable taxes and fees to keep the industry competitive and help drive the black market out.

The proposal before the Council would be for both a cultivation tax set anywhere between zero and \$5.00 per square foot with inspections conducted to verify the size of the operation. The initial tax rate was recommended to be set at \$2.00 per square foot for cultivation and 2% of gross receipts for all other commercial activities.

City Manager Knopp noted that these rates could be modified with amendment of the ordinance and there could be the establishment of subcategories that would be taxed at different rates. He said the tax schedule as proposed is before the Council for consideration and modification as desired. He said it was set up to be as broad as possible so subcategories could be created related to medical versus non-medical marijuana.

City Manager Knopp pointed out that the Council still has plenty of time to discuss the taxation as the final materials don't need to get to the County Board of Supervisors until the end of June.

Community Development Director Caldwell noted that there is a 15% excise tax collected at the sale by the end user and is not a sales tax which will apply to non-medical marijuana but not medical marijuana.

Mayor Wilson stated that the State refers to the flowering stage as part of the cultivation process and asked if the City plans to charge the additional 2% on gross sales after the product is trimmed and processed in addition to the square footage tax for cultivation.

City Manager Knopp explained as the proposed ordinance is written now; there would not be the additional 2% tax on gross sales.

Mayor Wilson indicated that he would like to propose the tax on cultivation as well as the additional 2% on gross sales.

Discussion continued regarding the method in which square footage is defined with regard to cultivation and whether the tax would be charged on a per crop basis or per year.

Staff explained that because a grower can get up to four (4) or more indoor grow cycles in per year the tax is higher but is only charged on an annual basis.

Mayor Wilson commented that if someone is doing multiple grow cycles each year and as the processes get more and more sophisticated, they can afford to pay the City per grow cycle rather than per year.

Community Development Director Caldwell said the Council might want to apply separate fees for indoor grows versus mixed-light operations.

Mayor Wilson commented that the ordinance is a good start but there is a lot to consider and the industry will change dramatically over the next five (5) years. He said if the City is going to make money on this industry, they need to start making it in the beginning and he doesn't want to rush making decisions. He said he also wants to have input from the City's legal counsel.

Community Development Director Caldwell said from what he is hearing from the Mayor is that he would like to discuss two (2) tax options; one for mixed light and one for greenhouses and may want to consider increasing the \$5.00 ceiling.

Mayor Pro Tem Johnson said what he recalls from previous discussions is that there would be a fee for cultivation based on square footage of the canopy area and another fee for extraction

activities. He expressed concern that these developers will potentially be making millions of dollars but he doesn't think anyone wants to have the rules changed in the middle of the game. He said this scheme of taxation has been represented to the developers who will be investing a lot of money and he doesn't think its right to change the rules after they have made the huge commitment to invest in the community based on what they believed to be the City's intent.

Councilmember Garnes agreed.

Councilmember Marks asked if the Council could adopt the tax schedule that was originally proposed.

Community Development Director Caldwell said it's the Council's discretion regarding the tax schedule and said staff originally suggested a tax of \$2.00 or \$3.00 per square foot for cultivation and developers were amenable to that. He said also discussed was a proposed tax of \$5.00 for other cannabis related activities which was acceptable as far as the industry at that time. He noted that the cultivation tax is also consistent with what the County is doing.

He said the Council could consider raising the ceiling from \$5.00 to \$10.00 but it doesn't mean the \$10.00 would have to be enforced but there would be that option.

Councilmember Strahan responded to Councilmember Johnson's comments regarding sticking with the fees as quoted and said it was one of the reasons she thought there should be a master plan before meeting with stakeholders so information wasn't passed on to them that the City wasn't prepared to give. She said that she feels it may be taking a step backwards but the reason the City is allowing medical marijuana in the first place is to make money and be able to do what is best for the City.

Councilmember Garnes stated that what was presented last year did not include a master plan but since then it has been suggested. She said it's not that the Councilmembers are not trying to be good stewards for the City but the tax needs to work for both the developers and the City and that's what the Council is discussing now; a tax method that is fair for everyone.

Community Development Director Caldwell noted that these numbers are the same numbers that were presented to the Council in June when staff was attempting to get the tax measure the November ballot.

Mayor Wilson commented that some of the hesitation to pass a tax schedule is because of some of the unfair regulations and the uncertainty of the developers. He said as this industry evolves, he wants to have enough flexibility in the regulations to make sure the City benefits as technology moves forward in this fast developing industry. He said the Council and staff also need to meet with the stakeholders and have dialog so everything is worked out so everyone wins.

Mayor Pro Tem Johnson commented that discussions on how the rate structure should look took place months ago.

Mayor Wilson reiterated that since that time there was an election so with a different City Council, they need to look at where everyone is today; not two years ago.

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

Dennis Wendt commented that he is not part of the industry but he would have to agree with the developers. He said the tax rate that was presented to them was agreeable to them and some of these folks have spent millions of dollars. He commented that Glen White is probably one of the biggest investors this community has seen in a long time and although he can't speak for him, he is pretty sure he would not like to have the numbers changed at this point in the process. He said the numbers that were passed around were believed to be true and the Council can't simply change them now. He reminded the Council that they don't want to lose these developers.

Mayor Wilson pointed out that Mr. White is not proposing to do cultivation but rather extraction type activities.

Dennis Wendt pointed out that the price for cultivation affects the price of extractions. He said there are a couple of large cultivators that will be spending a lot of money and urged the Council to think carefully about what they are doing. He commented that this has been going on for a couple of years and the Council has sent mixed messages back and forth to the developers. He suggested the Council look back on what was originally presented related to taxes and fees and do the right thing.

Julie Woodall stated that often when developers come in, the cities bend over backwards to help to get them started and it doesn't feel like this is what the Council is doing for these developers. Instead, it sounds like some councilmembers are just trying to get as much money as possible out of them. She agreed with perhaps setting the cap higher to allow for flexibility but otherwise liked the proposed tax schedule. She suggested with the change in Council to maybe take a straw vote to see where everyone stands on the issue.

Mayor Wilson explained that what he is suggesting is that there be a tax schedule based on square footage and gross receipts with a cap to be determined by the Council and to work with stakeholders to understand what they feel is tolerable.

Dennis Wendt interjected that the Council has already done that and they can't keep changing the rules.

Mayor Wilson said that no rules have been established.

Dennis once again pointed out that the rates were suggested and implied and stakeholders agreed.

Community Development Director Caldwell said what he is hearing is that the Mayor would like to establish a tax on cultivation then a percentage of gross sales when the product is sold.

Mayor Wilson reviewed the State cultivation taxes pursuant to the State of California Revenue and Taxation Code at 15% sales tax plus \$9.25 per ounce of flower and \$2.75 per ounce of leaves.

Ryan Plotz, acting as legal counsel for the City explained that those taxes only apply to adult recreational use marijuana as medical marijuana is not taxed by the State and treated like any other pharmaceutical. Mayor Wilson disagreed.

Mayor Wilson commented that once the tax is voted in it is difficult to change so he would like to have the tax schedule broad enough to be taxed appropriately and fairly. He said the idea is not to exploit the developers and "kill the golden goose" but to develop it into something that benefits both the developers and the City.

City Manager Knopp pointed out that there is a range of flexibility within certain taxing categories including the square footage tax as well as the gross receipts tax. He said what the Mayor is saying is to increase the flexibility so there are multiple types of taxing options that can be applied to the various stages. He said beginning with a square footage tax for cultivation with the option to add on a tax based on gross receipts upon sale of the product. He said the actual setting of the tax rate could be dealt with down the road; what the goal is now is to basically set the parameters with a range for flexibility then to set the actual tax rate after meeting with stakeholders.

He explained that staff can structure the rate schedule that way and bring it back to the Council for consideration but noted that it will put additional pressure on the Council down the road because effectively there would be discussions with stakeholders annually to discuss what the tax level will be for the year. He noted that businesses would probably prefer something more stable with a set tax rate. He said if it is the Council's desire for staff to bring back a single silo multi-tax option then direction from the Council is needed to do so.

Councilmember Strahan stated that she would like the rate structure modified with regard to taxing cultivation on an annual basis and said she would like it based on volume and on a per crop basis.

City Manager Knopp said the easiest way to do that would be to have a gross receipts tax because it would cover everything so on the cultivation side there would be a 5% tax on gross receipts. He noted that setting arbitrary numbers like the State is doing is too complicated.

Discussion continued regarding the advantages of a square footage tax, the track and trace program, administration of the business tax, state licensing, timeline for permitting, job creation, the need for a medical cannabis wellness center for the long term, and potential changes in the tax structure from the original proposal.

City Manager Knopp asked for a consensus of the Council to bring the matter back at the next meeting to discuss the Mayor's proposal for the development of a broader tax schedule with a comparison of that with some of the prior tax models for Council to consider. He suggested the stakeholders also be invited to attend.

The consensus of the Council was unanimous.

Discussion of Design Review Regulations, Section 17.25.050 of the Rio Dell Municipal Code (RDMC)

Community Development Director Caldwell provided a brief staff report and explained that the City adopted Design Review Regulations in 2012 for all major residential subdivisions, multi-family, commercial, industrial and public and quasi-public developments. He said the Council directed staff to bring the regulations back to Council for further review with regard to the pending redevelopment of the former Eel River Sawmill site.

He explained that Design Review is a discretionary process established to ensure quality development in accordance with the City's Design Guidelines and to ensure that the appearance of development will be compatible and harmonious with the use and enjoyment of surrounding properties.

He then provided an overview of the three (3) Guiding Principles of Design Review regulations, requirements of the application submittal process, and Design Concepts that apply to commercial, office, industrial and public building designs.

Community Development Director Caldwell noted that one of the things Mayor Wilson requested was that staff includes Design Review applications for Conditional Use Permits in City Council mailboxes so the Council knows early on what is being proposed.

Mayor Wilson commented that he would like the Council to have the opportunity to provide input on proposed project designs and this will allow for better dialog between staff the Planning Commission, and the City Council.

Mayor Wilson called for public comment on the subject.

Dennis Wendt addressed the Council and said that design review for the Industrial Commercial (IC) zone is not the same as the Town Center (TC) or other commercial zones in

the City. He noted that in the IC zone the structures are larger and typically used for manufacturing, fabrication or storage. He said he is not looking at this from the cannabis industry side of it but the guidelines are not going to fit for these structures like they would with structures in the other commercial zones.

He pointed out that in Fortuna he went through two (2) months of the design review process to construct one (1) building and after going through all kinds of issues with the Planning Commission it finally went to the City Council and was approved in 30 minutes. He said he is bringing these points up because the City is looking at different types of buildings and zones. He said the other thing is that there are three parcels at the former Eel River Sawmill site that front on Highway 101, four or five that front on Northwestern Avenue and then a couple in back that don't front any city street or state highway. He said he can understand having certain guidelines for structures with highway frontage but with regard to the rear properties such as the soils business, they can't afford to spend a million or more dollars to keep soils dry. He said there needs to be a little bit of flexibility when looking at the design guidelines for this particular site.

He also noted that Rio Dell's Design Review Guidelines are more restrictive than what the City of Fortuna had and guidelines need to promote development rather than discourage it. He added that the Council needs to realize there should be different regulations within the various zoning districts and provide flexibility when looking at the locations of the parcels and the structures.

Mayor Pro Tem Johnson commented that he thinks Rio Dell has one of the absolute best Planning Commission's in the State regardless of the size of the City and the commissioners are highly qualified people who do a great job and take their responsibilities very seriously. He said the end products they turn out are top-notch and he said he has no doubt they will represent all of the developers fairly when reviewing their project designs.

Mayor Wilson called for public comment on the subject; there were no comments received.

Discussion of Personal Medical Marijuana Regulations Section 17.30.190 of the Rio Dell Municipal Code (RDMC) and an Overview of Adult Use of Marijuana Act (AUMA) Prop 64
Community Development Director Caldwell and said in 2013 the Council adopted Medical Marijuana Regulations in regard to complaints regarding the neighborhood impacts of the cultivation of marijuana in the City.

He provided an overview of the current regulations and said as the Council is aware; dispensaries are prohibited in the City and consistent with the recently adopted Commercial Medical Cannabis regulations. He said with the recent approval of the Adult Use of Marijuana Act (AUMA) under Proposition 64, it legalizes the use of recreational marijuana and creates a State regulatory and licensing system for commercial cultivation, testing, manufacturing and

distribution of nonmedical marijuana. He said the next step is for the City to develop regulations to modify or eliminate the City's existing personal medical marijuana regulations which must be provided to the State by January 1, 2018 which is when the State expects to begin issuing commercial licenses.

He referred to the material provided in the Council packet related to Frequently Asked Questions (FAQ's) on Proposition 64 and said he found the information contained in the document to be very beneficial.

Staff suggested the Council consider forming an adhoc committee to work with staff in crafting some regulations and felt it would be beneficial and hopefully answer questions before bringing it before the Planning Commission and City Council for review.

Mayor Pro Tem Johnson asked if the committee would be developing guidelines regarding indoor cultivation versus outdoor cultivation or recreational marijuana versus medical marijuana.

Community Development Director Caldwell said he sees the committee looking at the existing regulations to see if some of those regulations for personal medical marijuana can be applied to recreational marijuana and perhaps spend some time looking more closely to Prop 64 regulations.

The composition of the committee was then discussed with the idea of having two city council members and two planning commissioners on the committee.

Community Development Director Caldwell said the makeup of the committee is at the discretion of the Council and noted that local governments may reasonably regulate but not prohibit indoor cultivation of up to six (6) plants per residence.

Mayor Pro Tem Johnson said he personally would favor no commercial sales or dispensaries and would prefer the 6 plants be restricted to indoor cultivation.

Councilmember Strahan agreed.

Councilmember Marks also agreed and said that is what the former Eel River Sawmill site is for.

Councilmember Games commented that she thinks dispensaries should also be allowed at the former Eel River Sawmill site although that is not the issue at hand. She said it is unfortunate that jurisdictions that ban outdoor cultivation and dispensaries are not eligible for the grant funds that could be utilized for enhanced police protection, youth programs, substance abuse education and other things specific to marijuana.

Mayor Wilson called for public comment on the subject.

Julie Woodall asked for clarification on grant funding and asked Councilmember Garnes was referring to all grants funding including CDBG funds.

Mayor Wilson clarified that it only applies to the State excise taxes with 20% of the revenue available to local governments in the form of grants for the various programs.

Community Development Director Caldwell noted that 60% is allocated for youth programs, substance abuse education, prevention and treatment; 20% for environmental cleanup and remediation; and 20% to reduce DUI and negative health impacts with the legalization of marijuana.

The consensus of the Council was for staff to draft an ordinance eliminating retail sales of recreational marijuana and restricting cultivation to indoor only.

Community Development Director Caldwell said he wanted to make the Council aware that Glen White indicated as part of his wellness center, that he would like to be able to sell some of their products to patients that come into the wellness center. He noted that Mr. White will be making a presentation to the Council at some point asking for the Council's consideration.

Mayor Wilson asked if the State's excise and sales taxes apply to both medical and recreational marijuana sales.

Community Development Director Caldwell said he was uncertain but could provide clarification at the next meeting.

City Manager Knopp commented that it is his understanding that the tax only applies to medical marijuana.

Julie Woodall asked if the City of Fortuna allows indoor cultivation.

Mayor Wilson responded that they have not allowed any cultivation activities prior to approval of Prop 64.

Consensus of the Council was to schedule a joint meeting with the Planning Commission on March 28, 2017 to create dialog related to Prop 64.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Approve Resolution No. 1324-2017 Budget Amendment for SLESF for Purchase of Police Vehicles

Finance Director Woodcox requested this item be removed from the agenda due to new information regarding the USDA grant funding.

Approve Resolution No. 1326-2017 amending the Wastewater Operating Budget in the Amount of \$15,503 Authorizing the City Manager to Sign a Contract with Pacific EcoRisk (PER) Environmental Consulting and Testing for Toxicity Reduction Evaluation (TRE) Services and (TRE) Action Plan

City Manager Knopp provided a brief staff report and said the City is required to have a Toxicity Reduction Evaluation (TRE) plan in place for the wastewater treatment system and staff is recommending a budget amendment of \$15,503 to engage the services of Pacific EcoRisk Environmental Consulting and Testing for the development of the toxicity reduction evaluation and action plan.

Mayor Wilson called for public comment on the proposed resolution. There were no public comments received.

Motion was made by Johnson/Garnes to adopt Resolution No. 1326-2017 for a budget amendment of \$15,503 and authorizing the City Manager to sign the contract with Pacific EcoRisk for the TRE Work Plan and TRD Action Plan. Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager Knopp distributed a written City Manager update of recent activities and events (Attachment 1 to these minutes) and noted that staff would provide a final Public Works Update at the next meeting.

Councilmember Strahan asked if there would be an agenda item at the next meeting related to naming the former Eel River Sawmill site.

City Manager Knopp commented that there was an agenda item scheduled for the March 21st meeting.

Finance Director Woodcox said she had nothing new to report at this time.

Community Development Director Caldwell reported the his attempt to schedule a Sculpture Committee meeting failed due to a couple of the committee members being out of town. He indicated a meeting would be scheduled as soon as he can get a quorum. He also reported that Whitchurch Engineering completed the design for the ADA porch project and the next step is to issue Request for Proposals (RFP's).

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Johnson announced that he attended the first quarterly meeting of the League

of California Cities in Cloverdale on March 3rd and reported there were 2,500 new pieces of legislation submitted this year; 169 of which are related to housing and the homeless. He said sometime in the near future he will be bringing forward a request authorizing him as the voting delegate for the City to make sure the City has a voice in the decisions.

ADJOURNMENT

Motion was made by Johnson/Garnes to adjourn the meeting at 9:01 p.m. to the March 21, 2017 regular meeting. Motion carried 5-0.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk

The 2017 pavement project is out to bid. Responses are due March 13th and an item should go to the Council on March 21st for award.

The slurry seal project for Davis street is also out to bid through the City of Eureka. Responses are due March 28th and an item is expected to go the council around April 4th.

A traffic impacts assumption memorandum has been drafted and issued to CalTrans to begin discussions on the impact to Highway 101 from potential development at the Eel River Sawmills.

The CCC was in Rio Dell performing street maintenance duties along Wildwood Avenue. There was no cost to the City for the work performed. Work was also performed at the School District properties.

The Rio Dell Community Resource center is looking at different properties in town for a new expanded facility. Staff has been working with the center to identify potential locations.

Due to wet weather conditions, work at the Metropolitan well site has been temporarily suspended, pushing back project completion to September of this year.

The Nuisance Committee will be convened in the next two weeks to discuss the remediation of a major code violation site within City limits.

A potential private buyer for 61 Monument Road is no longer interested in acquiring the parcel from Habitat for Humanity. Staff is working with the City attorney to develop our next steps.


The City was able to hire an entry level Operator for water and wastewater plants. The individual will be on board within the next couple weeks and comes with experience from Ferndale.




675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: cm@riodellcity.com

CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
March 21, 2017

TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager 

FROM: Brooke Woodcox, Finance Director 

DATE: March 21, 2017

SUBJECT: Resolution 1325-2017 – Adoption of Budget Calendar for FY 2017/18

RECOMMENDATION

Adopt Resolution 1325-2017 for the proposed FY 2017/18 Operating and Capital Budget Calendar Item

BACKGROUND AND DISCUSSION

The City's annual Operating and Capital Budget is generally adopted by June 30, prior to the beginning of the fiscal year. The 2017/18 proposed budget calendar reflects this directive with proceedings beginning in February 2017 and completed in June 2017.

ATTACHMENTS:

- FY 2017/18 Budget Calendar
- Resolution 1325-2017 Adoption of Budget Calendar for FY 2017/18



**THE CITY OF RIO
THE FY 2017/18 BUDGET CALENDAR**

| WEEK | TASK |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Feb. 27-Mar. 3 | Development of proposed staffing plan |
| Mar. 6-Mar 10 | Calculate salary and benefits costs; forecast revenues; compile worksheets |
| Mar. 20 | Budget Packets Distributed to Department Heads |
| Mar. 24 | Department Heads turn in budget requests to Finance Director |
| Mar. 31 | Budget presented to City Manager |
| Apr. 1-Apr. 14 | City Manager meets with Department Heads and submits revisions to Finance Director on or before April 10; At the regularly scheduled Council meeting on April 4, 2017 SCHEDULE BUDGET STUDY SESSION for the week of 4/17-21 |
| Apr. 14 | Finance finishes preparing the 2017/18 proposed budget |
| Apr. 17-Apr. 21 | BUDGET STUDY SESSION |
| May 2 | PUBLIC HEARING-The City Manager presents the revised Recommended Budget at a regularly scheduled Council meeting |
| May/June | Special Budget Meetings as Necessary |
| Jun 6 or 20 | SPECIAL PRESENTATION – Finance Director presents the proposed 2017/18 proposed Operating and Capital Budget to Council at a regularly scheduled Council meeting |



**RESOLUTION NO. 1325-2017
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL FOR ADOPTION OF
THE FY 2017/18 BUDGET CALENDAR**

WHEREAS, City Council has appointed the Finance Director to prepare and submit a proposed budget to the governing body at the proper time; and

WHEREAS, it is necessary to establish a calendar for consideration of the City of Rio Dell's 2017/18 Operating and Capital Budget timeline; and

NOW THEREFORE BE IT RESOLVED, the City Council adopts the proposed budget calendar for the FY 2017/18 Budget Cycle:

| WEEK | TASK |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Feb. 27-Mar. 3 | Development of proposed staffing plan |
| Mar. 6-Mar 10 | Calculate salary and benefits costs; forecast revenues; compile worksheets |
| Mar. 20 | Budget Packets Distributed to Department Heads |
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| May 2 | PUBLIC HEARING-The City Manager presents the revised Recommended Budget at a regularly scheduled Council meeting |
| May/June | Special Budget Meetings as Necessary |
| Jun 6 or 20 | SPECIAL PRESENTATION – Finance Director presents the proposed 2017/18 proposed Operating and Capital Budget to Council at a regularly scheduled Council meeting |

PASSED AND ADOPTED by the City Council of the Rio Dell on this 21st day of March, 2017 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Frank Wilson, Mayor

ATTEST:

Karen Dunham, City Clerk

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: cm@riodellcity.com



CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
March 21, 2017

TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager *3*

FROM: Brooke Woodcox, Finance Director *BW*

DATE: March 21, 2017

SUBJECT: Metropolitan Well Project Pay Request #2

Recommendation

Approve Pay Request

Budgetary Impact

Pay Request #2 in the amount of \$111,092.82 will be funded through the State Water Resources Control Board (SWRCB) financing agreement project number 1210012-007C, agreement number D16-02014, totaling \$665,876.

Background and discussion

Pay Request #2 has been approved for payment by the City's Engineering Firm (GHD) and the City Manager.



March 2, 2017

Kyle Knopp
City Manager
City of Rio Dell
675 Wildwood Ave
Rio Dell, CA 95562
(707) 764-3532

RE: Metropolitan Wells Redevelopment Project
Progress Payment Request No. 2 for Wahlund Construction

Dear Kyle,

To date, construction on the Metropolitan Wells Redevelopment Project is generally on schedule. During the pay request period of February 04, 2017 through February 28, 2017, the following items were completed: additional mobilization/demobilization, demolition of the existing building, piping, and miscellaneous concrete, hazardous materials removal/disposal, and equipment fabrication for the filter system. The existing water main at the west end of the site has also been potholed in multiple locations, and it has been determined to be 6-inch asbestos cement pipe (ACP). The existing 1-inch connection that serves ORM (facility to the west of the site) has also been relocated and is currently in service. Weather pending, upcoming work is expected to include grading of the site, construction of the driveway, construction of the foundation for the new building, and installation of underground piping and electrical.

Summary of Change Orders

To date no change orders have been executed for the project. There are two potential change orders in progress:

- Due to poor soil conditions, an additional six inches of class 2 aggregate base will be added underneath the new building slab to provide additional support under the new footings and slab. Some additional aggregate base will also be required underneath the new driveway to match driveway elevations with the new building elevations. The estimated cost provided by the Contractor for this change order is \$6,267.59, with two additional working days also required.
- The existing ACP at the site is old and may not hold up well to the pressure fluctuations that will be caused by the starting and stopping of the new booster pumps at the site (though it should be noted that these pumps will have associated variable frequency drives, which will allow for the slow ramping up and ramping down of the pumps and associated pressures). This existing pipe is proposed to be replaced with new PVC pipe with joint restraints. The estimated cost provided by the Contractor for this change order is \$6,118.02, with two additional working days also added to the total contract time.

GHD is currently reviewing the costs provided by the Contractor for both of these change orders, and after review and GHD's concurrence with the costs, requests for approval will be forwarded on to the State Water Board and USDA for approval. The change order will not be sent to the City for final execution until approval from the State Water Board and USDA is received. A contract extension will also be required for the project due to delays in the manufacturing and delivery of the filter system. There will be no additional construction cost associated with this extension, and the extension will likely be added on to one of the above change orders. The extension will be on the order of 15 working days and will not have a significant effect on the timing of project completion.

Pay Recommendation



Wahlund Construction's Pay Request No. 2 is attached to this memo. A summary table is included with the contractor's submittal which shows the total contract price, approved change orders (none to date), the value of work completed to date, the amount of previous payment requested, and the current payment due which includes subtraction of the required 5% retention. The pay request is based on the bid schedule lump sum breakdown provided by the Contractor and the actual quantities of work completed, as shown on the last pages of the submitted pay request. The accuracy of the percent complete on each item was reviewed by GHD construction management staff.

We recommend payment to Wahlund Construction for Pay Request No. 2 in the amount of \$111,092.82. Payment to the Contractor is due within 30 calendar days of this recommendation for payment (due by April 1, 2017). Please don't hesitate to contact me if you have any questions regarding the project progress or this pay request.

Sincerely,
GHD Inc.

A handwritten signature in black ink, reading 'Rebecca Crow', is positioned below the typed name.

Rebecca Crow, PE
Project Manager
707-267-2244

ATTACHMENTS
Wahlund Construction Pay Request No. 2

CC:
Brooke Woodcox, Rio Dell Finance Director, 675 Wildwood Avenue Rio Dell, CA 95562
Quinn Donovan, USDA Area Specialist 777 Sonoma Avenue, E Street Annex, Santa Rosa, CA 95404;
Kevin Warring, Water Resources Control Engineer, SWRCB



Contractor's Application for Payment No. 2

| | | | |
|---------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|--|
| Application Period: 3-4-2017 - 208/2017 | | Application Date: 2/27/2017 | |
| To (Owner): City of Red Dell | From (Contractor): Bret Reinhart, Wabrand Construction | Via (Engineer): Steve McElroy, PE | |
| Project: Metropolitan Wells Redevelopment Project | | Contract: Metropolitan Wells Redevelopment Project | |
| Owner's Contract No: 60190 | Contractor's Project No: 4316 | Engineer's Project No: 111-09282 | |

**Application For Payment
Change Order Summary**

| Approved Change Orders | | |
|-----------------------------|-----------|------------|
| Number | Additions | Deductions |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| TOTALS | | |
| NET CHANGE BY CHANGE ORDERS | | |

| | |
|-------------------------------------------------------------------------------------------------|-----------------|
| 1. ORIGINAL CONTRACT PRICE | \$ 1,302,900.00 |
| 2. Net change by Change Orders | \$ - |
| 3. Current Contract Price (Line 1 + 2) | \$ 1,302,900.00 |
| 4. TOTAL COMPLETED AND STORED TO DATE (Column F total on Progress Estimates) | \$ 193,556.87 |
| 5. RETAINAGE: | |
| a. 5% X 193,556.87 Work Completed | \$ 9,677.84 |
| b. X \$ - Stored Material | \$ - |
| c. Total Retainage (Line 5.a + Line 5.b) | \$ 9,677.84 |
| 6. AMOUNT ELIGIBLE TO PAY (Line 4 - Line 5.c) | \$ 183,879.03 |
| 7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application) | \$ 72,786.21 |
| 8. AMOUNT DUE THIS APPLICATION | \$ 111,092.82 |
| 9. BALANCE TO FINISH, PLUS RETAINAGE (Column G total on Progress Estimates + Line 5.c above) | \$ 1,119,010.97 |

Contractor's Certification
 The undersigned Contractor certifies, to the best of its knowledge, the following:
 (1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment.
 (2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner on time of payment free and clear of all liens, security interests, and encumbrances (except such as are caused by a bond acceptable to Owner indemnifying Owner against any such liens, security interests, or encumbrances) and
 (3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor Signature: Bret Reinhart Date: 3/2/17

Payment of \$ 111,092.82
 (Line 8 or other - attach explanation of the other amount)

is recommended by [Signature] 3-2-17
 (Engineer) (Date)

Payment of \$ 111,092.82
 (Line 8 or other - attach explanation of the other amount)

is approved by _____
 (Owner) (Date)

Progress Estimate - Unit Price Work

Contractor's Application

| Item No. | Description | Unit | Quantity | Unit Price (\$) | Total Value of Item (\$) | Estimated Quantity Installed | Value of Work Installed (\$) | Material Presently Stored | Total Completed and Stored (\$) | Quantity Installed | Quantity Complete to Date | Value of Work to Date (\$) | Quantity Remaining | Value of Work Remaining (\$) |
|----------------------------------------------------------------------------------------------------------------|------------------------------|------|----------|-----------------|--------------------------|------------------------------|------------------------------|---------------------------|---------------------------------|--------------------|---------------------------|----------------------------|--------------------|------------------------------|
| Application Number: 2 Application Date: 2/27/2017 | | | | | | | | | | | | | | |
| Project Name: City of Red Hill Metropolitan Water Reclamation Project Application Number: 2142017 - 2292017 | | | | | | | | | | | | | | |
| 1 | Mobilization/De-mobilization | LS | 1 | \$ 51,000.00 | \$ 51,000.00 | 1 | \$ 51,000.00 | | | 1 | 100% | \$ 51,000.00 | | \$ - |
| 2 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 3 | Shoring and Trench Safety | LS | 1 | \$ 1,000.00 | \$ 1,000.00 | 1 | \$ 1,000.00 | | | 1 | 100% | \$ 1,000.00 | | \$ - |
| 4 | Erosion and Sediment Control | LS | 1 | \$ 2,000.00 | \$ 2,000.00 | 1 | \$ 2,000.00 | | | 1 | 100% | \$ 2,000.00 | | \$ - |
| 5 | Demolition/Debris Removal | LS | 1 | \$ 12,000.00 | \$ 12,000.00 | 1 | \$ 12,000.00 | | | 1 | 100% | \$ 12,000.00 | | \$ - |
| 6 | Excavation | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 7 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 8 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 9 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 10 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 11 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 12 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 13 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |
| 14 | Construction Staking | LS | 1 | \$ 4,000.00 | \$ 4,000.00 | 1 | \$ 4,000.00 | | | 1 | 100% | \$ 4,000.00 | | \$ - |

Contractor's Application

Progress Estimate - Unit Price Work

| Contract | City of Ben Dell Metropolitan Water Reclamation Project | Application Number | 2 | | | | | | | | | | | | | |
|-----------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------|---------------------------|------------------------------------------|-------------------------------------|----------------------------|----------------------------------------|--------------------------|---------------------------|----------------------------|----------------------|------------------------------|-----------------|-----------------|
| Application Period | 2/4/2017 - 2/28/2017 | Application Date | 2/27/2017 | | | | | | | | | | | | | |
| Bid Item No | Description | Item | Unit | Contract Information | | Estimated Quantity Installed this Period | Value of Work Installed this Period | Materials Presently Stored | Total Completed and Stored this Period | Quantity Previous Period | Quantity Complete to Date | Value of Work to Date (\$) | Quantity Remaining % | Value of Work Remaining (\$) | | |
| | | | | Unit Price (\$) | Total Value of Items (\$) | | | | | | | | | | | |
| A-3 | Equipment Submittals | 1 | LS | \$ 31,012.41 | \$ 31,012.41 | | \$ - | | | | 100% | \$ 31,012.41 | | \$ - | | |
| | Equipment Fabrication | 1 | LS | \$ 72,862.30 | \$ 72,862.30 | 100% | \$ 72,862.30 | | \$ 72,862.30 | | 100% | \$ 72,862.30 | | \$ - | | |
| | Equipment Delivery | 1 | LS | \$ 103,174.71 | \$ 103,174.71 | | \$ - | | | | | \$ - | 100% | \$ 103,174.71 | | |
| | Freight | 1 | LS | \$ 9,137.46 | \$ 9,137.46 | | \$ - | | | | | \$ - | 100% | \$ 9,137.46 | | |
| | Installation | 1 | LS | \$ 80,240.29 | \$ 80,240.29 | | \$ - | | | | | \$ - | 100% | \$ 80,240.29 | | |
| | Storage | 1 | LS | \$ 13,692.83 | \$ 13,692.83 | | \$ - | | | | | \$ - | 100% | \$ 13,692.83 | | |
| | A-4 | CMU Treatment and Controls Building | 1 | EA | \$ 170,000.00 | \$ 170,000.00 | | \$ - | | | | | \$ - | | \$ 170,000.00 | |
| | | Excavation and Subgrade Prep | 1 | LS | \$ 25,000.00 | \$ 25,000.00 | | \$ - | | | | | \$ - | | \$ 25,000.00 | |
| | | Concrete Foundation | 1 | LS | \$ 50,000.00 | \$ 50,000.00 | | \$ - | | | | | \$ - | | \$ 50,000.00 | |
| | | CMU | 1 | LS | \$ 45,000.00 | \$ 45,000.00 | | \$ - | | | | | \$ - | | \$ 45,000.00 | |
| | | Roofers and Vents | 1 | LS | \$ 4,000.00 | \$ 4,000.00 | | \$ - | | | | | \$ - | | \$ 4,000.00 | |
| | | Roof Structure | 1 | LS | \$ 30,000.00 | \$ 30,000.00 | | \$ - | | | | | \$ - | | \$ 30,000.00 | |
| | | Pipes | 1 | LS | \$ 10,000.00 | \$ 10,000.00 | | \$ - | | | | | \$ - | | \$ 10,000.00 | |
| | | Framing | 1 | LS | \$ 6,000.00 | \$ 6,000.00 | | \$ - | | | | | \$ - | | \$ 6,000.00 | |
| | | Clear Well Beater Pump and Motor | 2 | EA | \$ 42,000.00 | \$ 42,000.00 | | \$ - | | | | | \$ - | | \$ 42,000.00 | |
| Clear Well Beater Pump and Motors | | 2 | EA | \$ 36,000.00 | \$ 36,000.00 | | \$ - | | | | | \$ - | | \$ 36,000.00 | | |
| Installation | | 2 | EA | \$ 4,000.00 | \$ 4,000.00 | | \$ - | | | | | \$ - | | \$ 4,000.00 | | |
| Painting | | 2 | EA | \$ 3,000.00 | \$ 3,000.00 | | \$ - | | | | | \$ - | | \$ 3,000.00 | | |
| A-5 | | Site Piping, Valves, and Appurtenances | 1 | LS | \$ 15,000.00 | \$ 15,000.00 | | \$ - | | | | | \$ - | | \$ 15,000.00 | |
| | | Raw Water Piping | 1 | LS | \$ 7,000.00 | \$ 7,000.00 | | \$ - | | | | | \$ - | | \$ 7,000.00 | |
| | | Portable Water Piping | 1 | LS | \$ 5,000.00 | \$ 5,000.00 | | \$ - | | | | | \$ - | | \$ 5,000.00 | |
| | Backwash Piping | 1 | LS | \$ 3,000.00 | \$ 3,000.00 | | \$ - | | | | | \$ - | | \$ 3,000.00 | | |
| | Site Gravel | 1 | LS | \$ 11,000.00 | \$ 11,000.00 | | \$ - | | | | | \$ - | | \$ 11,000.00 | | |
| | Gravel Driveway | 1 | LS | \$ 13,000.00 | \$ 13,000.00 | | \$ - | | | | | \$ - | | \$ 13,000.00 | | |
| | Clear Well Cleaning, Disinfection, and Restowing | 1 | LS | \$ 5,000.00 | \$ 5,000.00 | | \$ - | | | | | \$ - | | \$ 5,000.00 | | |
| | Clear Well Disinfection | 1 | LS | \$ 3,000.00 | \$ 3,000.00 | | \$ - | | | | | \$ - | | \$ 3,000.00 | | |
| | Clear Well Restowing | 1 | LS | \$ 2,000.00 | \$ 2,000.00 | | \$ - | | | | | \$ - | | \$ 2,000.00 | | |
| | Paved Driveway | 1 | LS | \$ 11,000.00 | \$ 11,000.00 | | \$ - | | | | | \$ - | | \$ 11,000.00 | | |
| | A-6 | Double Vented Greenhouse Filter Packaged Water Treatment System at 200 gpm each vessel (different to rest from Rate Bid Item 14) | 1 | EA | \$ 116,000.00 | \$ 116,000.00 | | \$ - | | | | | \$ - | | \$ 116,000.00 | |
| | | Equipment Submittals | 1 | LS | \$ 18,604.85 | \$ 18,604.85 | | \$ - | | | | | \$ - | | \$ 18,604.85 | |
| | | Equipment Fabrication | 1 | LS | \$ 27,077.31 | \$ 27,077.31 | 100% | \$ 27,077.31 | | \$ 27,077.31 | | 100% | \$ 27,077.31 | | \$ - | |
| | | Equipment Delivery | 1 | LS | \$ 38,682.15 | \$ 38,682.15 | | \$ - | | | | | \$ - | | \$ 38,682.15 | |
| | | Freight | 1 | LS | \$ 3,406.54 | \$ 3,406.54 | | \$ - | | | | | \$ - | | \$ 3,406.54 | |
| Installation | | 1 | LS | \$ 30,055.38 | \$ 30,055.38 | | \$ - | | | | | \$ - | | \$ 30,055.38 | | |
| Storage | | 1 | LS | \$ 2,223.77 | \$ 2,223.77 | | \$ - | | | | | \$ - | | \$ 2,223.77 | | |
| A-7 | | Serpentine Chlorine Contact Pipe Piping | 1 | LS | \$ 80,000.00 | \$ 80,000.00 | | \$ - | | | | | \$ - | | \$ 80,000.00 | |
| | | Installation | 1 | LS | \$ 29,000.00 | \$ 29,000.00 | | \$ - | | | | | \$ - | | \$ 29,000.00 | |
| | | Water Genertile Fabric Under Site Gravel and Driveway | 1 | LS | \$ 8,700.00 | \$ 8,700.00 | | \$ - | | | | | \$ - | | \$ 8,700.00 | |
| | | Totals | | | | \$ 1,162,239.81 | \$ 1,162,239.81 | | \$ 116,239.81 | \$ 116,239.81 | \$ 116,239.81 | \$ 116,239.81 | 9.9% | \$ 1,046,000.00 | \$ 1,046,000.00 | \$ 1,046,000.00 |

**STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
REQUEST FOR DISBURSEMENT**

| | | |
|---------------------------------------------------------------------------------|------------------------------|--------------|
| DISBURSEMENT REQUESTED FOR: | (1) DATE: | 03/01/17 |
| <input type="checkbox"/> AGRICULTURAL DRAINAGE PROGRAM | (2) DISBURSEMENT REQUEST NO. | 2 |
| <input type="checkbox"/> CLEAN WATER STATE REVOLVING FUND PROGRAM | (3) PROJECT NO. | 1210012-007C |
| <input checked="" type="checkbox"/> DRINKING WATER STATE REVOLVING FUND PROGRAM | (4) AGREEMENT NO. | D16-02014 |
| <input type="checkbox"/> SMALL COMMUNITY GROUNDWATER PROGRAM | (5) FISCAL PO NO. | |
| <input type="checkbox"/> SMALL COMMUNITY WASTEWATER PROGRAM | (6) PCA CODE(S) | 55704 |
| <input type="checkbox"/> SEAWATER INTRUSION CONTROL PROGRAM | (7) FISCAL SUB TASK NO. | |
| <input type="checkbox"/> WATER RECYCLING FUNDING PROGRAM | | |
| <input type="checkbox"/> LEGAL ENTITY FORMATION ASSISTANCE (LEFA) PROGRAM | | |
| <input type="checkbox"/> PROP 50 DW FUND | | |
| <input type="checkbox"/> PROP 64 DW FUND | | |
| <input type="checkbox"/> PROP 1 DW FUND | | |
| <input type="checkbox"/> IPROP 1 GW FUND | | |

| | |
|----------------------------|---------------------|
| AGREEMENT/GRANT RECIPIENT: | City of Rio Dell |
| STREET/P. O. BOX: | 675 Wildwood Avenue |
| CITY AND ZIP CODE: | Rio Dell, CA 95562 |
| AUTHORIZED REPRESENTATIVE: | Kyle Knopp |
| TITLE: | City Manager |

| DESCRIPTION | AGREEMENT/ GRANT AMOUNT | (3) AMOUNT CLAIMED FOR PAYMENT TO DATE | (4) AMOUNT CLAIMED FOR PAYMENT THIS PERIOD | STATE USE ONLY | | |
|--------------|-------------------------------|----------------------------------------------------|--------------------------------------------------------|----------------------------------------------|------------------------------|----------------------------------------|
| | | | | AMOUNT APPROVED FOR PAYMENT TO DATE | AMOUNT PREVIOUSLY PAID | APPROVED PAYMENT THIS REQUEST |
| Construction | \$665,876 | \$183,879.03 | \$111,092.82 | | | |
| | | | | | | |
| | | | | | | |
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| | | | | | | |
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| | | | | | | |
| | | | | | | |
| TOTAL | \$665,876 | \$183,879.03 | \$111,092.82 | | | |

COMMENTS:

RECIPIENT CERTIFICATION

I certify that the costs shown under Costs Incurred to Date have been incurred and that these costs have been paid or will be paid within 30 days of receipt of the funds requested hereby. If such costs have not been paid within 30 days, funds received under this request will be returned to the State Water Resources Control Board (SWRCB). I certify that all prior funds received from this Finance Agreement/Grant have been disbursed within 30 days of receipt or have been returned to the SWRCB.

I certify that all amounts on this invoice are for costs incurred for the Project and represent only costs directly related to the Project Finance Agreement/Grant and within the approved scope of work. I also certify that overhead or indirect costs rates or surcharges (to account for a reasonable portion of the administrative costs of day-to-day operations such as rent, telephone, fax, copying, computer-related expenses, postage, electricity, human resources) do not exceed 25%. **Note:** If entity chooses to add a surcharge, this surcharge must be supportable and documented by direct costs related to the Project. These records can be requested at any time for auditing purposes to ensure costs are justified and directly related to the Project.

(6) Signature of the Authorized Representative _____ Date _____

STATE USE ONLY: APPROVAL FOR PAYMENT

All Quarterly Reports have been submitted to date.

Draft deliverables submitted for disbursement >70% of total financing amount (Grants only).

Final deliverables submitted for disbursement >90% of total financing amount (Grants only).

Water Code 5103 Compliant Yes, No, N/A

| | | |
|---------------------------|---------------------------|------|
| Project Manager Signature | Project Manager Title | Date |
| Reviewer Signature | Payments Analyst Title | Date |
| Approval Signature | LGA Chief Title | Date |

Form 260 (Revised 11-09-16)



P.O. BOX 65068
 SALT LAKE CITY, UTAH 84165-0068
 Tel: (801) 265-1000
 Fax: 801-265-1080
 ar@westech-inc.com

Invoice No.: 62000
 Invoice Date: 02/23/17
 Customer P.O. No.: 431601
 Customer Job No.:
 Job ID: 23060A -
 Job Name: RIO DELL
 Customer Account No.: WAH020
 Payment Terms: NET 30 DAYS

INVOICE

Bill to: WAHLUND CONSTRUCTION, INC.
 830 HILMA DRIVE
 EUREKA, CA 95503

Ship to: RIO DELL, CITY OF
 RIO DELL, CA - RIO DELL WTP
 675 WILDWOOD AVE
 17-81 HAZEN ST. ATTN: LINDA
 RIO DELL, CA 95562
 UNITED STATES OF AMERICA
 MISC

| Qty | Item No. | Description | Unit Price | Net Amount |
|------|----------|-------------------------------------------------------------------------|--------------|-------------|
| 0.35 | | 35% DUE WITH RELEASE TO FABRICATION FOR VERTICAL PRESSURE FILTER SYSTEM | \$261,254.00 | \$91,438.90 |

CA-HUMBOLDT SALES TAX RATE 8.75%


| | | |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------|
| VIA WIRE TRANSFER WESTECH ENGINEERING, INC C/O WELLS FARGO BANK SALT LAKE CITY, UTAH 84111 | ACCOUNT NO: 4945003200 ABA ROUNTING NO: 121000248 SWIFT: WFBUS6S | Subtotal: \$91,438.90 |
| | | Taxes: \$8,000.90 |
| | | Total: US DOLLARS \$99,439.80 |

All accounts not paid after invoice due date will be charged a finance charge of 1 1/2% per month which is an annual rate of 18%.
 Customer agrees to pay all cost and expenses, including reasonable attorney's fees and court cost incurred in case of default in compliance with terms.
 Any invoices paid by credit card will be charged a credit card processing fee up to the allowable limit, where state law allows.

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



March 21, 2017

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager 
SUBJECT: Discussion and Possible Action Related to Cannabis Tax Measure

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the presentation and give direction to staff.

BACKGROUND AND DISCUSSION

On March 7, 2017, the City Council received a draft Ordinance proposing a tax system for Cannabis Activities in the City of Rio Dell. The proposal was almost identical to Ordinances proposed in 2016. Discussion then moved to different tax options and different methodologies for taxation. Staff was directed to return to the Council on March 21, 2017 to discuss different options and approaches. Some potential options are attached for review. They include:

Option 1: This is the option presented by staff on March 7, 2017. It is almost identical to the options from 2016, except in that this proposal introduces an initial rate of \$2.00 per square feet for cultivation and 2% of gross receipts, as opposed to leaving it up to a future Ordinance to set the initial rate.

Option 2: presents a single method of taxation across all license types – the gross receipts tax up to 10% and initially set at 2%.

Option 3: Option 3 alters option 1 to match the County's cultivation tax levels. Since no outdoor growing is allowed anywhere in Rio Dell, the outdoor cultivation option of \$1.00 Sq. Ft. is not applied for Rio Dell.

Option 4: Option 4 modifies Option 1 to apply the two types of taxation to all license types.

Option 5: Simply exempts laboratory testing's from Option 1's tax of up to 10% of gross receipts, initially set at 2%.

Option 6: Adds a weight tax to cultivation as presented in Option 1, similar to the State's method. ///

| Cannabis Taxes for State, County and Rio Dell by Activity Type, March 2017 | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------------------------------|
| Option 1: Presented on 3/7/2017 & 2016 - Up to 10% gross receipts with up to \$5.00 Sq. Ft. for Cultivation | | | | | | | | |
| State License Types: | Types 1-4 | Types 1-4 | Types 6-7 | Type 11 | Type 12 | Type 8 | Types 10 | Types 10 |
| | Cultivation by Sq. Ft. | Cultivation by weight | Manufacture | Distribution | Transportation | Laboratory Testing | Sales by Special Excise | Regular Sales Tax (medical exempt) |
| State Taxes | N/A | Flowers: \$9.25 oz. Leaves/Trim: \$2.75 oz. | N/A | N/A | N/A | N/A | 15% | 7.5% + |
| County Taxes | \$1.00 Sq. Ft. Outdoors \$2.00 Sq. Ft. Mixed Light \$3.00 Sq. Ft. Indoor | N/A | N/A | N/A | N/A | N/A | N/A | County would receive its Bradley Burns and Measure Z Portion. |
| Rio Dell Taxes | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods | N/A | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | City Would receive its Bradley Burns and Measure U portion. |

Cannabis Taxes for State, County and Rio Dell by Activity Type, March 2017

Option 2: Up to 10% Gross Receipts Across the Board

| State License Types: | Types 1-4 | Types 1-4 | Types 6-7 | Type 11 | Type 12 | Type 8 | Types 10 | Types 10 |
|-----------------------|------------------------------------------|-----------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------------------|
| | Cultivation by Sq. Ft. | Cultivation by weight | Manufacture | Distribution | Transportation | Laboratory Testing | Sales by Special Excise | Regular Sales Tax (medical exempt) |
| Rio Dell Taxes | 0-10% initially set at 2% Gross Receipts | N/A | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | City Would receive its Bradley Burns and Measure U portion. |

Cannabis Taxes for State, County and Rio Dell by Activity Type, March 2017

Option 3: Match County on Cultivation

| State License Types: | Types 1-4 | Types 1-4 | Types 6-7 | Type 11 | Type 12 | Type 8 | Types 10 | Types 10 |
|-----------------------|-------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------------------|
| | Cultivation by Sq. Ft. | Cultivation by weight | Manufacture | Distribution | Transportation | Laboratory Testing | Sales by Special Excise | Regular Sales Tax (medical exempt) |
| Rio Dell Taxes | \$0.00 to \$5.00 initially set at: \$2.00 Sq. Ft. Mixed Light \$3.00 Sq. Ft. Indoor | N/A | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | City Would receive its Bradley Burns and Measure U portion. |

Cannabis Taxes for State, County and Rio Dell by Activity Type, March 2017

Option 4: Apply Both Square Footage and Gross Receipts to all Catagories

| State License Types: | Types 1-4 | Types 1-4 | Types 6-7 | Type 11 | Type 12 | Type 8 | Types 10 | Types 10 |
|----------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| | Cultivation by Sq. Ft. | Cultivation by weight | Manufacture | Distribution | Transportation | Laboratory Testing | Sales by Special Excise | Regular Sales Tax (medical exempt) |
| Rio Dell Taxes | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods & 0-10% initially set at 2% Gross Receipts | N/A | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods & 0-10% initially set at 2% Gross Receipts | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods & 0-10% initially set at 2% Gross Receipts | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods & 0-10% initially set at 2% Gross Receipts | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods & 0-10% initially set at 2% Gross Receipts | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods & 0-10% initially set at 2% Gross Receipts | City Would receive its Bradley Burns and Measure U portion. |

Cannabis Taxes for State, County and Rio Dell by Activity Type, March 2017

Option 5: Exempt Laboratory Testing from Option 1

| State License Types: | Types 1-4 | Types 1-4 | Types 6-7 | Type 11 | Type 12 | Type 8 | Types 10 | Types 10 |
|----------------------|----------------------------------------------------------------------|-----------------------|------------------------------------------|------------------------------------------|------------------------------------------|--------------------|------------------------------------------|-------------------------------------------------------------|
| | Cultivation by Sq. Ft. | Cultivation by weight | Manufacture | Distribution | Transportation | Laboratory Testing | Sales by Special Excise | Regular Sales Tax (medical exempt) |
| Rio Dell Taxes | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods | N/A | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | N/A | 0-10% initially set at 2% Gross Receipts | City Would receive its Bradley Burns and Measure U portion. |

Cannabis Taxes for State, County and Rio Dell by Activity Type, March 2017



Option 6: Add a Weight Tax to Cultivation

| State License Types: | Types 1-4 | Types 1-4 | Types 6-7 | Type 11 | Type 12 | Type 8 | Types 10 | Types 10 |
|----------------------|----------------------------------------------------------------------|------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------------------|
| | Cultivation by Sq. Ft. | Cultivation by weight | Manufacture | Distribution | Transportation | Laboratory Testing | Sales by Special Excise | Regular Sales Tax (medical exempt) |
| Rio Dell Taxes | \$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. all methods | Flowers: \$3.25 oz. Leaves/Trim: \$1.75 oz. | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | 0-10% initially set at 2% Gross Receipts | City Would receive its Bradley Burns and Measure U portion. |

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



For Meeting of: March 21, 2017

To: City Council
From: Kevin Caldwell, Community Development Director 
Through: Kyle Knopp, City Manager 
Date: March 16, 2017
Subject: Glenn White's Request to Sell Medical CBD/THC Infused Products

Recommendation:

That the City Council:

1. Receive staff's report regarding Mr. White's request; and
2. Receive information from Mr. White and his associates; and
2. Open the public hearing, receive public input and deliberate; and
3. Provide direction, if any, to staff.

Discussion

Staff was recently contacted by the Glenn White group regarding the sale of medical CBD/THC infused cannabis products at their proposed Health and Wellness Center. Please see Mr. White's letter which is included as Attachment 1. This type of activity is considered retail sales/dispensing. As the Council is aware dispensaries are not allowed in the City. Of course if the Council is interested in allowing the sale of medical CBD/THC infused cannabis products at their proposed Health and Wellness Center, we would need to amend the Medical Cannabis Land Use Ordinance and Chapter 5.35 of the Rio Dell Municipal Code (RDMC).

Attachments

Attachment 1: Mr. White's request.

March 14, 2017

Rio Dell City Council Members;

We are writing you regarding our proposed development to be located at 220 Northwestern Avenue. Our plans include the construction of three buildings. The northern most building will include a Health and Fitness Spa and a Wellness Center.

We hope to be able to administer and sell Holistic Health and Beauty care products consisting of CBD/THC infused oils, gel tablets, topical lotions, make-ups, creams, sublinguals, etc. All products consisting of CBD/THC infused oils and concentrates will be marketed and packaged for Medical Use Only. There will be NO sales of open Cannabis flowers or edibles.

As this new planned Cannabis Activity Center becomes operational, we believe the Wellness Center located at the Rio Dell Cannabis Activity Center will become a main focal point and tourist attraction. Our goal and understanding would be to bring national media attention to this newly planned Cannabis Activity Center located within the city limits of Rio Dell, with the main focus of health and wellness driven by the Medical Use of Cannabis products and bi-products. The Wellness Center, will cater to the public at a retail level promoting an increased focus on Health and Wellness derived from naturally grown Cannabis cultivated exclusively from the Humboldt County region.

Therefore, we are asking that the Rio Dell City Council amend the Medical Cannabis Ordinance to include dispensing of CBD/THC infused concentrated oils and health products within a "closed loop" medical distribution level to medical club members only.

Thank you for your consideration and we await your timely response.

Glenn, Ryan and Michelle White



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

March 21, 2017

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager 

SUBJECT: Discussion and Possible Action to Rename the Former Eel River Sawmills Site

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Provide direction to staff.

BACKGROUND AND DISCUSSION

At the Request of Councilmember Strahan on March 7, 2017, the City Council requested staff place an item on the agenda related to the renaming of the former Eel River Sawmills site, also known as the Eel River Sawmills Annexation Area.

Historical names associated with the site and its immediate surroundings include but are not limited to: Tokemuk, Eel River, McDiarmid's Prairie, Robinson's Ferry, Metropolitan, Stone, Canyon Park and Eel River Sawmills.

Additional names, words, labels or features that have varying degrees of association include but are not limited to: Rio Dell, Humboldt, Wildwood, Eagle Prairie, Lorenzo Painter, Seth Kinman, Northern California, Fossil, Nanning Creek, Scotia Bluffs, Redwood, North Coast, Northwestern Pacific and Monument.

Based upon initial feedback from stakeholders interested in development at the site, it appears desirable to include the label "business park" as opposed to "industrial park" or "cannabis park" and it also appears desirable to avoid direct usage of the words "Marijuana" or "Cannabis" in the name of the site.

Theoretical name combinations include:

Rio Dell Business Park
Eel River Business Park
Humboldt Rio Dell Business Park
Metropolitan Business Park
Tokemuk Business Park
Canyon Park

Fossil Bluffs Business Park
Wildwood Place
Redwoods Gateway


Once a name is identified, it is recommended that the Council direct staff to develop branding materials associated with the name and site for potential use on the website, correspondence, signage or other materials related to the site. A portfolio of potential designs would return to the Council for formal selection and approval prior to their adoption or use.

///



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

March 21, 2017

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager 
SUBJECT: Authorization to purchase Vactor Trailer for \$44,608.00

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize staff to purchase Vactor Trailer from "Vacmasters" in the amount of \$44,608.00

BACKGROUND AND DISCUSSION

The City currently owns a 1970's era Vactor Truck that does not meet current safety standards, is unreliable and also requires a Class B driver's license to operate. The vactor system has been in need of replacement for many years now and does not require a Class B driver's license since it will be hauled behind the City's maintenance truck.

In the formulation of the FY2016-2017 budget, the Council appropriated \$45,000 towards the purchase of a new vactor trailer that would be reliable. Appropriations for the purchase were approved in equal amounts from the Sewer Fund (\$15,000), Water Fund (\$15,000) and the Gas Tax Fund (\$15,000).

BUDGETARY IMPACT

There isn't an impact on the FY 2016/17 Operating and Capital Budget since appropriations were approved with the adoption of the FY 2016/17 Operating and Capital Budget.

///

NO JOB TOO DIRTY

Top & SpoilVac System

THE ORIGINAL multi-purpose vacuum system and still the best price!

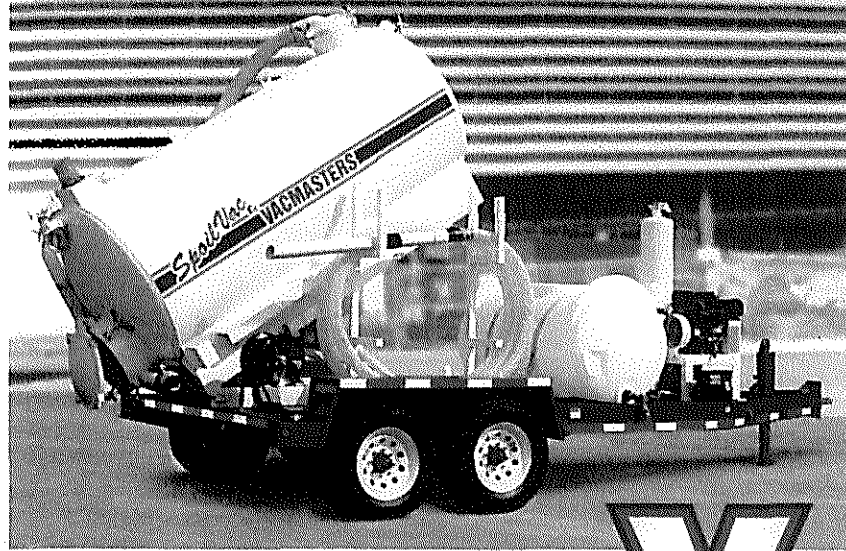
FEATURES:

- Trailer, truck, or skid-mounted
- 200 to 1200 gallon tank sizes
- Gas or diesel power
- 3" or 4" vacuum hose
- Hydraulic dumping
- Fast, simple clean-up
- Posi-seal manway will not leak!

USES:

- Directional boring slurry clean-up
- Potholing to locate utilities
- Valve box cleanout
- Clean out manways, culverts, car wash pits, etc.
- Damage-free sign post installation
- Flood clean-up

You can now buy a SpoilVac factory-direct from us at a price lower than any other hydro-vac system out there.



For more information
or to order online, go to
www.vacmasters.com
or call 1-800-466-7825

5879 West 58th Ave.
Arvada, CO 80002
(303) 467-3801
1-800-466-7825
vacmasters.com





VAGMASTERS A DIVISION OF BARONE, INC.

CONFIRMING SALES ORDER

| BILL TO: CITY OF RIO DELL 675 WILDWOOD AVE. RIO DELL CA 95562 ATTN: RANDY JENSEN | | SALES ORDER # 15407-01 P.O. # DATE: JANUARY 30, 2017 | |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------|
| SHIP TO: SAME | | <u>SPECIAL INSTRUCTIONS:</u> | |
| DELIVERY DATE: STOCK SHIP VIA: TRUCK TAXABLE: TAX EXEMPT OUT OF STATE SALESMAN: CHARLES BELL | | <u>PAYMENT TERMS:</u> 50% DEPOSIT WITH ORDER BALANCE DUE ON DELIVERY | |
| QUANTITY | SYSTEM DESCRIPTION | AMOUNT | |
| (1) | SPOILVAC MODEL # SPV 800 DT4/W 800 GALLON SPOILS TANK TRAILER MOUNTED (SEE BELOW) 36 HP KUBOTA 4 CYLINDER DIESEL ENGINE 4" VACUUM SYSTEM W/780 CFM BLOWER HIGH PRESSURE WATER SYSTEM 2225 PSI @ 3 GPM 200 GALLON TANK 50' HOSE REEL AND WATER WAND | \$ | 34,210.00 |
| | OPTIONS | | |
| (1) | VACUUM HOSE RACK | \$ | 204.00 |
| (1) | WINTERIZING KIT | \$ | 255.00 |
| (1) | EQUIPMENT TRAILER 16,200 GVWR TANDEM AXLE ELECTRIC BRAKES PINTLE HITCH | \$ | 6,252.00 |
| CUSTOMER CONFIRMATION | | SUBTOTAL | \$ 40,921.00 |
| APPROVED SIGNATURE: | | | |
| COMPANY: CITY OF RIO DELL | | FREIGHT | \$ 3,687.00 |
| DATE: | | TOTAL | \$ 44,608.00 |

5879 WEST 58TH AVE. ARVADA, CO 80002 PHONE (303) 467-3801 FAX: (303) 420-3971

SPOILVAC VACUUM SYSTEM (DIESEL ENGINE) TECHNICAL SPECIFICATION TS 108

1.0 Application

1.1 Directional Boring Mud Clean-up and Potholing.

- SpoilVac vacuum systems are used to clean up excess drilling fluid out of pits or off of flat surfaces such as street surfaces or grassy areas.
- SpoilVac vacuum systems , when equipped with an optional high pressure water system, may be used to “pothole” to find and verify the location of utilities, or even the borehead itself, to prevent accidental utility damage.
- General Clean-up of work area and unit.

1.2 Valve Box, Catch Basin, Manway Clean-out.

- SpoilVac vacuum systems are used to remove debris from these areas.
- The optional high pressure water system may be used to loosen hardened deposits.

2.0 SpoilVac Vacuum System

2.1 System Mounting

2.1.1 Trailer mounted (see trailer specs 3.0)

2.1.2 Skid mounted, available as

2.1.2.1 Separate powerhead and spoils tank.

2.1.2.2 Common baseplate

2.2 Powerhead

2.2.1 Single engine driving both vacuum system and optional high pressure water system through V-belt drives.

2.2.2 36 HP Kubota Diesel engine with electric start and 18 gallon fuel tank.

2.2.3 Positive displacement blower rated 780 CFM and 15” Hg.

2.2.3.1 Suitable for use with 4” vacuum hose

2.2.3.2 Variable flow pick-up wand

2.2.3.3 Absorption type silencer

2.2.4 High pressure water system (optional)

2.2.4.1 Triplex plunger pump

2.2.4.2 Pump driven via electromagnetic clutch

2.2.4.3 2250 PSI @ 3 GPM

- 2.2.4.4 200 gallon clear polyethylene water tank
- 2.2.4.5 Low pressure (Adjustable 50-1000 PSI) water washdown wand
- 2.2.4.6 High pressure (Adjustable 500-2250 PSI) water wand
- 2.2.4.7 50' of 3/8" high pressure hose with manual storage reel

2.3 Spoils Tank

- 2.3.1 200,500,800,1000 and 1200 gallon sizes
- 2.3.2 3/16" hot rolled carbon steel with integral anti-slosh baffle.
- 2.3.3 Hydraulically raised for emptying via electric over hydraulic pump.
- 2.3.4 Operators push button station (fixed and remote)
- 2.3.5 Ball float shut-off valve to prevent overfilling.
- 2.3.6 6" wash-out port
- 2.3.7 4" quick disconnect vacuum inlet port
- 2.3.8 Liquid level sight eye
- 2.3.9 19" Posi-Seal™ hatch
- 2.3.10 3" liquid drain valve

2.4 Vacuum Filtration System

- 2.4.1 Cartridge type, washable, polyester filter elements.

2.5 Metal Surface Protection

- 2.5.1 All metal surfaces on powerhead frame, spoils tank and major sub-components to be bead-blasted and painted with polyurethane paint.

2.6 Standard Equipment

- 2.6.1 33' of 4" smooth bore rubber, vacuum hose.
- 2.6.2 Adjustable flow pick-up wand
- 2.6.3 Flashing beacon
- 2.6.4 Lockable water wand storage (500 gallon tank or larger)

2.7 Optional Equipment

- 2.7.1 High pressure water system for potholing
 - 2.7.1.1 2250 PSI @ 3 GPM
 - 200 Gallon water tank
- 2.7.2 Traffic direction board
- 2.7.3 Vacuum hose storage rack
- 2.7.4 Winterizing kit

3.0 Trailer (Note: Trailer specs are for 500 & 800 gal. Systems)

3.1 Gross Vehicle Weight Rating (GVWR)

| <u>Spoils Tank Capacity (gal)</u> | <u>GVWR</u> |
|-----------------------------------|-------------|
| 500, 800 | 16,200 lbs. |
| 1000 | 18,500 lbs. |
| 1200 | 26,000 lbs. |

- 3.2 Trailer Deck Size
- | <u>Spoils Tank Capacity (gal)</u> | <u>Length</u> | <u>Width</u> |
|-----------------------------------|---------------|--------------|
| 500,800 | 14' | 76" |
| 1000 | 14' | 102" |
| 1200 | 14' | 102" |
- 3.3 Tandem Axle
- 3.4 Multi-leaf slipper spring rated for trailer GVW
- 3.5 Wheels & Tires sized for applicable trailer GVWR
- 3.6 Dexter 12" x 2" electric brakes on all wheels.
- 3.7 Deck Structure
- 3.7.1 Floor 1/8" steel deck plate
 - 3.7.2 Main Frame / Tongue – 8" steel channel
 - 3.7.3 Cross members – 3" steel channel on 16" centers.
- 3.8 Lights / Reflectors – ICC /DOT approved, shock mounted, sealed beam
- 3.9 Electrical Connector –standard 7 pole round plug wired to SAE standards.
- 3.10 Hitch – Adjustable height, 2 ½ lunette eye.
- 3.11 Jackstand – (1) 12,000 lb. side crank with drop foot.
- 3.12 Paint – Steel all 100% primed and painted
- 3.13 Safety chains – (2) 3/8" grade 70 chains with slip hook ends.
- 3.14 Breakaway switch / battery.

4.0 Documentation

- 4.1 Owners Manual with operating and maintenance instructions.


5.0 Warranty – 1 Year Limited Warranty on SpoilVac system. 3 Year limited Structural warranty on trailer

11/15/01



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March 21, 2017

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager 
SUBJECT: Update from the Public Works Department

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the presentation.

BACKGROUND AND DISCUSSION

Attached is an update on activities in the Wastewater, Streets and Water functions of the department.

///

Public Works Update

City of Rio Dell

3/21/2017

WASTEWATER SYSTEM

National Pollutant Discharge Elimination System (NPDES) Permit

Every 5-years, the City of Rio Dell is issued a NPDES permit by the Regional Water Quality Control Board for the operation of our wastewater plant. The last permit was issued in 2011-12 and a new regulatory scheme has been proposed by the Water Board. During the term of the prior permit (Order No. R1-2011-0054), Rio Dell upgraded its wastewater treatment facility and greatly improved the quality of treated effluent that is discharged to the Eel River and constructed an irrigation disposal field to replace the percolation pond that was historically used between May and October each year.

Proposed changes to the permit include:

- More stringent ammonia limits to reflect new criteria that were established by U.S. EPA in 2013.
 - The ammonia limits can be met by modifying plant operation. However, modifying the operations will impact the total nitrogen limits. The City can meet these limits but there is no room for error.
- New effluent limitations for chlorine disinfection byproducts
 - Added 1/9/17 to the current permit, the City is required to monitor for CDB. Upon the adoption of the new permit, the City will have to meet Drinking Water Standards for CDB limits. Currently at this time there would have to be significant changes in plant operations to meet the new required limits.
- Total nitrate effluent limitations that were in the 2011 permit have been removed.

- No real added benefit to this other than one less thing the SWCRB can fine the City. But monthly sampling will still be needed, because there is still a Total Nitrogen limit. And to get that result takes both the calculation of this sample and another.
- Effluent limitation for chronic toxicity due to a finding that the discharge from this Facility has the potential to exceed applicable chronic toxicity limits.
- New land discharge requirements to ensure that the irrigation field is being operated in a manner that protects water quality.
 - The new land discharge requirements are currently under review due to variables in data for field design and drought conditions.
- New chlorine residuals and aluminum monitoring requirements.
 - The new chlorine requirement takes away our minimum chlorine residual of a 1.5mg/L at the end of the contact basin. This is a good thing in which that the SWCRB puts it on the City to maintain a chlorine residual at a level that ensures proper disinfection but doesn't limit us to the minimum 1.5mg/L residual. This will help with both chemical dosage and the chlorine disinfection byproducts. Less chlorine= less CDB, with the assumption that no or very low levels of organics are in the water.
 - For the new aluminum monitoring, the SWCRB wants to collect data in order to implement state required limitations that will be added to future Permits. Yearly cost for the aluminum test will be under \$500 through North Coast Labs in Arcata.
- A reduction in monitoring frequency for acute and chronic toxicity
 - As of now in the City's current Permit, the City performs the acute and chronic toxicity testing twice a year. At a cost approximately \$8000 per year. With the adoption of the new permit and the reduction in monitoring this will save the city roughly \$4000.

On the advice of the wastewater plant's licensed Operator, the City has retained consultants from Downey Brand, a law firm that specializes in water and wastewater regulation. This firm has been utilized by other jurisdictions in the

area. The firm is currently assisting the City in its response to the new proposed permit, and the City's licensed Contract Operator is currently reviewing and providing suggestions to staff.

Chronic Toxicity Issues

At the end of November, the City sampled for its Acute and Chronic Toxicity testing as required by the NPDES permit. The toxicity sample failed. Beginning in January, the City began its accelerated testing for additional toxicity issues, passing the first week and failing again the second week. We are working with our partners to develop a toxicity reduction evaluation work plan that was due in 2012. This will assist the city to develop a comprehensive plan to reduce this unknown toxicity. The City of Fortuna has already developed a work plan for their own plant which encountered similar issues in past years.

Top Capital Replacement Priority

Inflow and Infiltration remains a major priority. One of the main concerns is the east end of Painter Street, where there has been a long standing issue of wastewater overflow during major storm events. This is the direct result of I&I intrusions into the system. Staff will work towards a major manhole rehabilitation project during 2017 to help ease this issue. While smoke testing can be helpful, the reality is it takes a large amount of resources to complete the task correctly, and the results are dubious, since it only exposes obvious points of I&I intrusion into the system from open air. The system's I&I issue is more likely related to large numbers of small intrusions into the system, as opposed to a handful of significant points of entry.

Given the limited resources, staff feels the best option at the moment is to move forward with a manhole repair project and also begin the process of upsizing the piping from the end of Painter Street into the Wastewater Plant. As staffing allows, we can revisit the smoke testing process to identify any additional major points of intrusion into the wastewater system.

- At this time there are no known funds allocated. And a future plan will need to be developed to project the overall cost of both the Manhole Rehab and Upsizing Painter St Mainline Projects.

Collection System and Lift Stations

- Serviced both lift station generators
- Replaced Painter St lift station motors 1 and 2, both bearing failures (old motors)
- Videoed and repaired separated and or collapsed sewer laterals on city's side
 - Cherry Ln- Orangeburg pipe, separated and collapsed
 - Belleview Ave- AC pipe, separated offset joints
 - Rigby Ave- Plastic and AC pipe, roots and separated offset joints
- Overseen and signed off on several sewer lateral tests done throughout the city
 - Most requiring cleanouts installed at the property line
 - Few requiring complete new lateral installation on customer's side
- Sewer jetted and cleaned roughly half of the collection system, done by the utility workers
- 1/10/2017- Sanitary Sewer Overflow at the end of Painter St
 - Roughly 82,000 gallons overflowed
 - Collection system at max capacity due to high amount of rain activity

Wastewater Treatment Facility

- 2 visits from our State Water Control Resource Board regulator, Cathleen Goodwin
 - 10/28/16
 - Walk through and inspect the Wastewater Treatment Plant
 - Conversations on the upcoming new NPDES Permit draft
 - 1/25/17
 - Walk through and inspect the Wastewater Treatment Plant
 - Visual inspection of the SO2 analyzer, verifying that the City has one and works properly, showing no chlorine residual is leaving the contact basin
 - Meeting between Cathleen, Kyle, Randy, Cameron talking about the draft permit
- New NPDES Permit for the Wastewater Treatment Plant
 - 11/18/16 The city received a draft of the new permit
 - 30 days for public comments on the permit

- City of Fortuna recommended that the City hire an attorney to go over the draft permit and make comments on it
 - 12/18/2016 Last day to turn in public comments on the draft permit
- Serviced 7 of the 9 'Flygt' pumps by Xylem Inc.
 - all 7 under warranty at no cost
 - 3 headworks pumps
 - 2 contact basin pumps
 - 2 irrigation field recycle pumps
- Rebuilt chlorine pumps and cleaned supply lines and injectors
- Installed new water softener tanks and pump on chlorine generator
- Repaired leaks and piping on chlorine generator
- Rebuilt and reinstalled 75hp blower motor that burnt up due to shaft and bearing issue
 - Industrial Electric, in Arcata, was able to diagnose the problem and come up with a solution to greatly reduce the chances of the issue happening again
 - Keep in mind that there are 2 of these 75hp motors for our WWTP, and The Plant needs them both for proper treatment and operations
- Replaced polyurethane liner on cake pump on the backside of the belt press
 - Pump was taken completely apart, wire wheeled all the old paint and rust off of it then repainted with an anti-rust inhibitor and sealed with a few coats of primer
- Reengineered design and installed new flanges and valves on leaking oil supply lines on sludge dryer
 - New valve and flanges would greatly reduce oil loss when making future repairs on this equipment
 - Fortuna Iron was able to weld in the new valve and flanges for the oil supply lines
 - 7/1/2016 Therma-flite (sludge dryer manufacturer) went out of business
- Repaired and reinforced sludge dryer cooling box
 - Fortuna Iron was able cut out and detach the deteriorated cooling box from the cooling screw and fabricate a new reinforced box out of thicker and more resistant steel
 - With help from the entire Public Works Crew, we were able to install the newly built unit

STREETS

The Streets function in the City has been reduced to basic maintenance, with the exception of the 2017 pavement project. Tax revenues that fund the streets program (Gas Tax and Transportation Development Act (TDA) have been in decline for over a decade, while the cost of labor and materials have gone up.

In the FY 2016-2017 budget, the Council allocated \$80,000 towards repair on city streets. An RFP is currently in circulation for various projects in town, including the preparation for a slurry seal along Davis Street. The cost of the asphalt repair is unknown at this time, but the slurry seal is estimated to cost approximately \$30,000 which leaves \$50,000 to complete the preparation work. Staff will return to the Council as the costs become clearer, and provide the council with the option of allocating additional resources or cutting the project scope.

WATER SYSTEM

BACKGROUND AND DISCUSSION

During the past year, the City's water system has had a few large repairs done on the Water Treatment and Distribution System. Some of the more notable items are as follows:

Distribution System water mains and service line repairs:

1. Water Treatment Facility – Both of the 25hp booster pumps motors were replaced along with new 400gpm pumps.
2. One of the more notable and significant leaks was a 6" AC water main that runs long HWY101 Northbound Bridge at the end of Eeloa Ave. The leak was due to a joint separation and seemed to have be leaking for quite some time. It was discovered this past summer by accident while riding my recreation vehicle on the river bar and noticed a large amount of water running down the hillside and pooling on the river bar by the Hwy101 N Bridge.

3. There were 3 Service lines that were repaired on Ireland Ave. All three repairs were due to the same type of failures located at the Corporation Stop (Where the service line connects to the 6" AC Main line.)
4. Other leaks throughout the city consisted of main line failures due to old and deteriorated 2" steel pipes within the distribution system. Repairs on these water mains were completed by using Stainless Steel leak bands.
5. Along with the main line leaks, there has been many residential side leaks that were addressed and investigated.

Douglas Booster Station and Distribution System Zone 2 projects:

1. Douglas Booster Station Building was repaired due to a large tree falling on to it. Luckily there was no damage was done to any of the 2 pumps or controls, only the building structure itself.
2. Pump #1 at the Douglas Booster station was replaced due to pump failure. The 2 pumps take water from the 500,000 gal Tank at the end of Douglas St and send water up to the 100,000 gal Dinsmore Tank for Zone 2 of the City's Distribution system.
3. The Old Ranch Road Project was awarded to JZ Contracting and the project should start soon as weather permits.
4. There has been multiple repairs on the 2" water main located on Monument Road as well as Old Ranch Road.

Tasks to be completed in 2017 and in the near future:

1. Infiltration Gallery Permits – Reapply for new 5 year permits with regulatory agencies - These Permits are required to allow the City to remove gravels of the top of the Infiltration gallery to allow water to flow into the gallery in low water conditions in the Eel River during the summer months.
2. Back flushing the Infiltration Gallery – This task is performed once a year to remove sediment within the gallery collection pipes located in the river bed.

3. Pump analysis and verify performance on the 3 raw water pumps located in the wet well of the Gallery.
4. Treatment facility maintenance – Filters 1 and 2 are scheduled to be recoated due to coating failures. Filters 3 and 4 are in good shape but will have some exterior touchups as well. The Reliant (Flocculation / Sedimentation) unit is to be recoated as well. This task is scheduled for the summer of 2017 after the City Wells project has been completed since the Filters will need to be offline for a long period of time for the recoating process.
5. Clean and inspect filter media in the 4 filters. Replace filter media (Anthracite) in all 4 of the Filter units.
6. Replace and Install new Chlorine Residual and Turbidity analyzers. Along with Recalibrate per manufactures recommendations.
7. Water storage tank cleaning and interior / exterior inspections are due. Exterior inspections are completed annually. Interior cleaning and inspection is done every 3 to 5 years. This is done by using a Certified Dive team to visually inspect and to use vacuum equipment to perform the cleaning. This allows for the water tank to remain in operation while the inspection and cleanings are completed.
8. Possible paint Exterior of the Painter Street Steel tank. Plus fix any deficiencies such as screens and surface corrosion.
9. Leak detection program – investigate and locate leaks throughout the distribution system utilizing a Specialty company.
10. Update Distribution and Hydrant flushing program.

Other Notable items include:

1. City of Rio Dell Metropolitan Wells Project
2. Purchase Multipurpose Backup Generator for Wells Project and Infiltration Gallery
3. Update Hardware components on Water / Wastewater Scada System.
4. Coordinate with GHD and prepare grant for pre-1950's water distribution replacement, Painter Street tank replacement and others.

5. Water meter replacement program. (Current meters have been in use since January 2004) Typical life expectancy is around 15 years.
6. Engineer a plan for Treatment of Rinse and Backwash water prior to entering the Wastewater plant using unused components of the old wastewater plant.
7. Re-Advertise for Water / Wastewater Operator I or II
8. Training Water/Sewer/Streets

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City of Rio Dell
Staff Report
City Council Agenda
March 21, 2017

To: Honorable Mayor Wilson and Members of the City Council

From: Kyle Knopp, City Manager

Date: March 21, 2017

Subject: Resolution 1327-2017 Budget Amendment for additional General Fund Streets Subsidy for Streets Repairs and Maintenance

RECOMMENDATION

It is recommended that the City Council approve Resolution No. 1327-2017 amending the Operating and Capital budget for an additional \$20,000 in General Fund appropriations to go towards City streets repairs and maintenance.

BACKGROUND

The 2016/17 fiscal year Operating and Capital budget was adopted with an \$80,000 subsidy funded out of the General Fund (000) for priority streets and roads repairs and maintenance projects.

The City went through the bidding process and an additional \$20,000 is being requested to fund the projects that have been determined to be high priority. Staff is requesting an additional allocation of \$20,000 out of the General Fund.

BUDGETARY IMPACT

General Fund appropriations will be increased \$20,000. 2015/16 Audited Financial Statements show the General Fund balance at July 1, 2016 was \$1,181,662, an increase of \$173,801 from the July 1, 2015 balance.



RESOLUTION NO. 1327-2017
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL
BUDGET AMENDMENT FOR GENERAL FUND
SUBSIDY FOR STREETS REPAIRS AND MAINTENANCE

WHEREAS, the City adopted Resolution 1288-2016 establishing the City’s Operating and Capital Budget for the Fiscal-Year 2016/17; and

WHEREAS, the City has approved and adopted its 2016/17 fiscal year Operating and Capital Budget and identified an additional transfer that should be included to update the 2016/17 fiscal-year budget; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby amend the City of Rio Dell 2016/17 Operating and Capital Budget with the following transaction:

Transfer an additional amount of \$20,000 from the General Fund amending the Capital Project budget to go towards streets repairs and maintenance.

| <u>FUND</u> | <u>AMOUNT</u> |
|------------------------------|---------------|
| 000 General Fund Reserves | \$ 20,000 |

PASSED AND ADOPTED by the City Council of the Rio Dell on this 21st day of March, 2017 by the following vote:

- Ayes:
- Noes:
- Abstain:
- Absent:

Frank Wilson, Mayor

ATTEST:

Karen Dunham, City Clerk



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March 21, 2017

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager 

SUBJECT: Discussion and Possible Action to Approve Resolution No. 1328-2017 Awarding the Bid for the 2017 Asphalt Pavement Repair & Crack Sealing Project

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Approve of Resolution 1328-2017 Awarding the Bid for the 2017 Asphalt Pavement Repair & Crack Sealing Project to Parker & Son in the amount of \$55,977.00 and waive as immaterial the bid irregularity.
2. Authorize the City Manager to sign the Notice of Award and Contract Agreement for up to \$55,977.00 and further authorize the City Manager to authorize any change orders during the project within the approved budget amount.
3. Establish the budget amount as \$100,000 (as amended through Resolution 1327-2017) which includes \$55,977.00 for this 2017 Asphalt Pavement Repair & Crack Sealing Project, \$32,700.00 for Slurry Sealing (not related to this particular bid or Resolution), and \$11,323.00 as a contingency.

Alternatives:

- A. Direct staff to reject all bids and reissue the bid. This will likely result in a 1-2 year delay in the Slurry Seal portion of the overall pavement repair project.
- B. Reject the bid from Parker & Sons and award the contract to GRSundberg in the Amount of \$89,688 and direct staff to return at the next Council meeting with appropriate budget adjustments.

BACKGROUND AND DISCUSSION

In adopting the FY 2016-2017 budget, the City Council appropriated \$80,000 towards pavement rehabilitation projects. The City received two bids on March 13, 2017 for a project entitled the 2017 Asphalt Pavement Repair & Crack Sealing. The Bids included \$55,977.00 from Parker & Sons and \$89,688.00 from GRSundberg.

In the bid package, Parker & Sons was required to submit documents under the section entitled "Qualifications of the Bidder." The bid received on March 13th did not include this information. On March 15, 2017 the City received a bid protest from GRSundberg protesting this omission by Parker & Sons. On March 17, 2017 the City received the documents required in bid package.

According to the City Attorney, the City has the right to waive inconsequential deviations in a bid. A deviation is considered inconsequential *only if* the deviation did not give the bidder an unfair advantage over other bidders. Failing to include the information required under "Qualifications of the Bidder" does not affect the amount of the bid.

Staff has reviewed the qualifications of the bidder, Parker & Sons, and determined them to be the lowest responsible and responsive bidder. Please see the attached memorandum from the City's Engineering firm. Therefore, it is requested that the Council also waive the deviation through adoption of Resolution 1328-2017.

This project helps set up a regional slurry seal project that will begin work around May 1, 2017. That work, on Davis Street, is anticipated to cost \$32,700.00 (not related to this bid award), and combined with this pavement project, the overall pavement rehabilitation work in Rio Dell is estimated to cost \$88,677.00 in 2017. Today's agenda also includes Resolution 1327-2017 which requests a budget adjustment to cover this work.

A copy of Resolution 1328-2017 was still under review by the City Attorney and not ready by agenda publication. It will be provided during the meeting.

///



Memorandum

March 17, 2017

To Kyle Knopp, City of Rio Dell

From David Caisse, PE Tel 707.267.2271

Subject 2017 Asphalt Pavement Repair & Crack Sealing Project Job no.

Kyle,

As you are aware, we opened bids on March 13, 2017 at 4:30 pm. at Rio Dell City Hall for the 2017 Asphalt Pavement Repair & Crack Sealing Project.

Bid Results

The following two bids were received:

| Bidder | Base Bid |
|--------------------|--------------|
| Parker & Son, Inc. | \$ 55,977.00 |
| GR Sundberg, Inc. | \$ 89,688.00 |

Parker & Son, Inc. was the lowest bidder and provided all of the required documents at the time of bid except their qualifications. Once received, we reviewed their qualifications/past projects and based on their submittal, appear to be capable of performing the work for this project.

We have confirmed on the Contractors State License Board website that Parker & Son's contractor license is current and active. We have also checked the State Department of Industrial Relations Division of Labor Standards Enforcement website and determined that Parker & Son is not currently debarred from public bidding. Therefore, we consider Parker & Son the lowest responsible and responsive low bidder.

Recommendation

GHD recommends that the City of Rio Dell award the Bid for the 2017 Asphalt Pavement Repair & Crack Sealing Project to Parker & Son in the amount of **\$55,977.00**.

We are available to discuss this recommendation at your convenience.

Thank you,

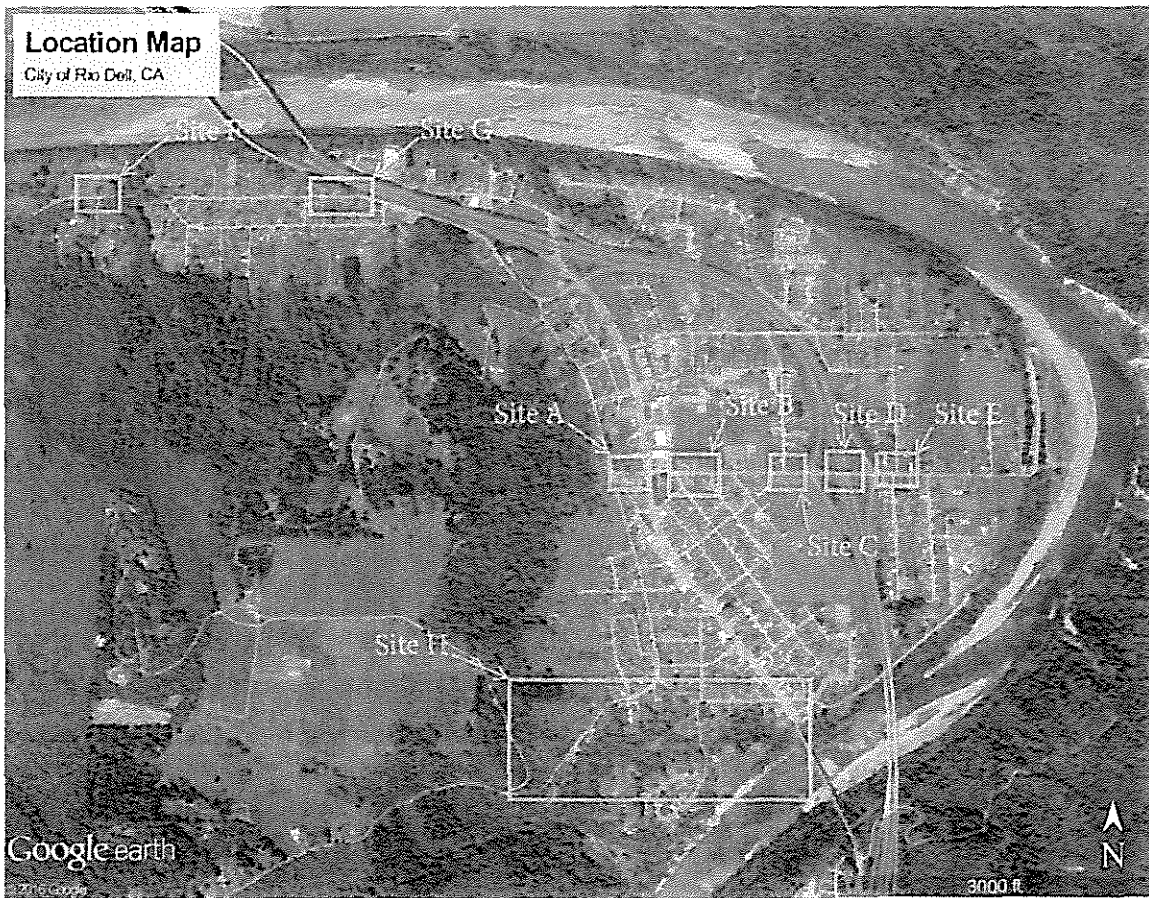


 David Caisse, P.E.
 Project Manager

City of Rio Dell



ATTACHMENT B: PROJECT LOCATION MAPS





Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location A - Davis Street | Square Foot |
|-------------------------------|-------------|
| Area 1 – Asphalt Patch Repair | 200 |
| Area 2 – Asphalt Patch Repair | 144 |
| Area 3 – Asphalt Patch Repair | 176 |
| Area 4 – Asphalt Patch Repair | 88 |
| Area 5 – Asphalt Patch Repair | 280 |



Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location B - Davis Street | Square Foot |
|-------------------------------|-------------|
| Area 1 – Asphalt Patch Repair | 120 |
| Area 2 – Asphalt Patch Repair | 320 |
| Area 3 – Asphalt Patch Repair | 320 |
| Area 4 – Asphalt Patch Repair | 480 |



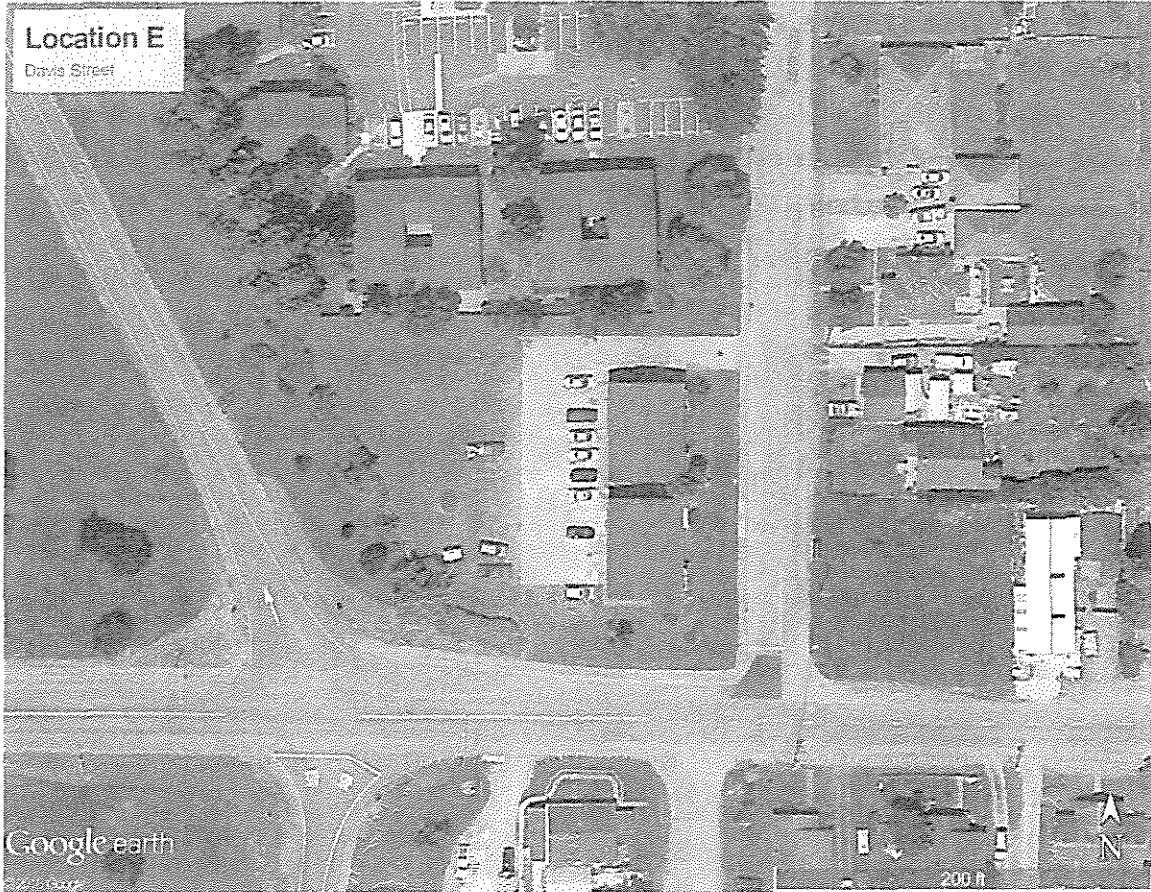
Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location C - Davis Street | Square Foot |
|-------------------------------|-------------|
| Area 1 – Asphalt Patch Repair | 120 |
| Area 2 – Asphalt Patch Repair | 315 |



Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location D - Davis Street | Square Foot |
|-------------------------------|-------------|
| Area 1 – Asphalt Patch Repair | 390 |
| Area 2 – Asphalt Patch Repair | 780 |



Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location E - Davis Street | Square Foot |
|---------------------------|-------------|
| Asphalt Patch Repair | 450 |



Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location F - Bellevue Avenue | TON |
|------------------------------|-----|
| 0.1' Asphalt Overlay | 24 |



Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location G - Belleview Avenue | Square Foot |
|-------------------------------|-------------|
| Area 1 – Asphalt Patch Repair | 168 |
| Area 2 – Asphalt Patch Repair | 168 |
| Area 3 – Asphalt Patch Repair | 400 |



Note: Areas shown above are approximate. Actual areas will be painted prior to bidding and construction.

| Location H - Monument Road | Linear Foot |
|----------------------------|-------------|
| Area 1 – Crack Seal | 1,000 |
| Area 2 – Crack Seal | 500 |



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City of Rio Dell
Staff Report
City Council Agenda
March 21, 2017

To: Honorable Mayor Wilson and Members of the City Council

Through: Kyle Knopp, City Manager

From: Graham Hill, Chief of Police

Date: March 21, 2017

Subject: Update on purchase of police vehicles

RECOMMENDATION

Authorize expenditure of previously approved funds for purchase of police vehicle prior to receiving final approval from USDA for an additional \$20,000.00 in grant funding. The expenditure would not exceed the cost of the vehicle purchase and installation of emergency equipment.

BACKGROUND

Near the beginning of our fiscal year we made application to USDA for grant funding to assist with the purchase of two police vehicles. While there was recently some question as to whether or not we would receive USDA funding, we have been informed we will likely receive notification in April. Apparently, a new round of funding will be released in April and the person we are working with believes we have a good chance of being funded.

The total cost of the vehicles is \$66,747. Allocations of \$40,000 from the General Fund and \$7,000 from the Realignment Grant fund have already been approved by Council and constitutes the required match funding to receive the USDA grant funding. The additional cost (\$20,000.00) is anticipated to be funded through USDA.

Because at this point we are in need of replacing our older vehicles immediately we inquired with USDA if we could expend our matching funds prior to receiving funding approval, and if that expenditure would still be considered the required match if the USDA funding were in fact approved. We were informed we could make the vehicle purchase now and it would count as the required match.

It would be my intent, if the USDA funding were not approved for us to come back to the City Council at a later date and seek authorization expend SLESF funding to complete the purchase of the second vehicle.

BUDGETARY IMPACT

There would be no additional impact on the budget at this time and only previously authorized funds are intended to be used.



**RESOLUTION NO. 1324-2017
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL
BUDGET AMENDMENT FOR SLESF FUNDS
FOR THE PURCHASE OF POLICE VEHICLES**

WHEREAS, the City adopted Resolution 1288-2016 establishing the City's Operating and Capital Budget for the Fiscal-Year 2016/17; and

WHEREAS, the City has approved and adopted its 2016/17 fiscal year Operating and Capital Budget and identified an additional transfer that should be included to update the 2016/17 fiscal-year budget; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby amend the City of Rio Dell 2016/17 Operating and Capital Budget with the following transaction:

Transfer an additional amount of \$20,000 from the SLESF fund amending the Capital Project budget to go towards the purchase two (2) police vehicles.

| <u>FUND</u> | <u>AMOUNT</u> |
|--------------------|---------------|
| 040 SLESF Reserves | \$ 20,000 |

PASSED AND ADOPTED by the City Council of the Rio Dell on this 7th day of March, 2017 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Frank Wilson, Mayor

ATTEST:

Karen Dunham, City Clerk