



RIO DELL CITY COUNCIL  
**VIRTUAL MEETING AGENDA**  
**REGULAR MEETING - 6:30 P.M.**  
**TUESDAY, APRIL 6, 2021**  
CITY COUNCIL CHAMBERS  
675 WILDWOOD AVENUE, RIO DELL

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***WELCOME** - 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 and available on the City's website at [cityofriodell.ca.gov](http://cityofriodell.ca.gov). Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*

**SPECIAL PUBLIC HEALTH EMERGENCY ALTERATIONS TO MEETING FORMAT  
CORONAVIRUS (COVID-19)**

Due to the unprecedented public health threats posed by COVID-19 and the resultant need for social distancing, changes to the City Council meeting format are required. Executive Order N-25-20 and N-29-20 from Governor Gavin Newsom allow for telephonic Council meetings of the City Council and waives in-person accessibility for Council meetings, provided that there are other means for the public to participate. Therefore, and effective immediately, and continuing only during the period in which state or local public health officials have imposed or recommended social distancing measures, the Rio Dell City Council will only be viewable via livestreaming through our partners at Access Humboldt via their YouTube channel or Suddenlink channels on Cable TV.

**Public Comment by Email:**

In balancing the health risks associated with COVID-19 and need to conduct government in an open and transparent manner, public comment on agenda items can be submitted via email at [publiccomment@cityofriodell.ca.gov](mailto:publiccomment@cityofriodell.ca.gov). Please note the agenda item the comment is directed to (example: Public Comments for items not on the agenda) and email no later than one hour prior to the start of the Council meeting. Your comments will be read out loud, for up to three minutes.

Meeting can be viewed on Access Humboldt's website at <https://www.accesshumboldt.net/>. Suddenlink Channels 10, 11 & 12 or Access Humboldt's YouTube Channel at <https://www.youtube.com/user/accesshumboldt>.

**Zoom Public Comment:**

When the Mayor announces the agenda item that you wish to comment on, call the conference line and turn off your TV or live stream. Please call the toll-free number **1-888-475-4499**, enter meeting **ID 987 154 0944** and press star (\*) 9 on your phone – this will raise your hand. You will continue to hear the meeting on the call. When it is time for public comment on the item you wish to speak on, the Clerk will unmute your phone. You will hear a prompt that will indicate your phone is unmuted. Please state your name and begin your comment. You will have 3 minutes to comment.

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

*This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not allowed under the Ralph M. Brown Act. 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 2/3 of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.*

F. CONSENT CALENDAR

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

- 1) 2021/0406.01 - Approve Minutes of the March 16, 2021 Regular Meeting **(ACTION)** 1
- 2) 2021/0406.02 - Approve Minutes of the March 25, 2021 Special Meeting **(ACTION)** 18
- 3) 2021/0406.03 - Authorize Mayor to Sign Letter of Opposition to SB 556 Related to Wireless Broadband **(ACTION)** 20
- 4) 2021/0406.04 - Approve Recommendation from Rio Dell Sculpture Committee Denying Mr. McCauley's Offer Regarding an Annual Visit and Completion of Two Sculptures **(ACTION)** 24
- 5) 2021/0406.05 - Approve Resolution No. 1485-2021 Designating the City Manager as the Authorized Representative to File for Financial Assistance with the State Water Resources Control Board for Water Distribution System Upgrades **(ACTION)** 27



6) 2021/0406.06 - Approve Resolution No. 1486-2021 Authorizing the Purchase of New Public Refuse and Recycling Cans and Adjusting Budget Accordingly **(ACTION)** 31

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. REPORTS/STAFF COMMUNICATIONS

1) 2021/0406.07 - City Manager/Staff Update **(RECEIVE & FILE)** 39

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

1) 2021/0406.08 - Presentation by JJA, Inc. on the City's Audited Financial Statements and Accompanying Information for Fiscal Year 2019-2020 **(RECEIVE & FILE)** 45

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

1) 2021/0406.09 - Provide Staff Direction Related to 2020 CalOES PSPS Resiliency Allocation **(DISCUSSION/POSSIBLE ACTION)** 145

2) 2021/0406.10 - Discussion of Cost Recovery for the Abatement of 483 Fourth Ave. **(DISCUSSION/POSSIBLE ACTION)** 148

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

1) 2021/0406.11 - Introduction/First Reading (by title only) of Ordinance No. 384-2021 Amending the Existing Street Dedication and Improvement Regulations, Section 17.30.310(2) and (6) of the Rio Dell Municipal Code (RDMC) **(DISCUSSION/POSSIBLE ACTION)** 151

2) 2021/0406.12 - Introduction/First Reading (by title only) of Ordinance No. 385-2021 Amending Section/Table 17.20.070 of the Rio Dell Municipal Code and Resolution No. 1484-2021 Amending Table 1-2 of the Land Use Plan to exclude agricultural structures in the Lot Coverage Calculation provided the applicant executes a Surety Bond to ensure the removal of all abandoned greenhouses on concrete slabs so as not to exceed the 10% Lot Coverage within two years of the cessation of Commercial use of the structures **(DISCUSSION/POSSIBLE ACTION)** 162

- 3) 2021/0406.13 - Introduction/First Reading (by title only) of Ordinance No. 386-2021 Establishing Industrial Hemp Regulations Banning the Cultivation of Industrial Hemp in the City, Section 17.30.180 of the Rio Dell Municipal Code and Renumbering General Provisions and Exceptions, Sections 17.30.010-17.30.370 to Accommodate the Proposed Industrial Hemp Regulations **(DISCUSSION/POSSIBLE ACTION)** 182

L. COUNCIL REPORTS/COMMUNICATIONS

M. ADJOURNMENT

*The next regular City Council meeting is scheduled for  
Tuesday, April 20, 2021 at 6:30 p.m.*

**RIO DELL CITY COUNCIL  
REGULAR MEETING MINUTES  
MARCH 16, 2021**

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

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

Others Present: City Manager Knopp, Chief of Police Conner, Finance Director Dillingham, Water/Roadways Superintendent Jensen, Wastewater Superintendent Taylor and City Clerk Dunham

Absent: Community Development Director Caldwell

**CEREMONIAL MATTERS**

Proclamation Recognizing City Employees for their Service and Dedication to the Citizens of Rio Dell throughout the COVID-19 Pandemic

Mayor Garnes began by thanking all essential workers including the Fire Department and read the Proclamation expressing the City Council's thanks and gratitude to City staff for their service and dedication to the citizens of Rio Dell throughout the COVID-19 pandemic.

**PUBLIC PRESENTATIONS**

Mayor Garnes asked if there were any public comments received.

City Clerk Dunham said that there was one public comment received unrelated to an agenda item which she then read. The comment was from Bruce Cattle, 570 Gunnerson Lane and read as follows:

*Artist Dan McCauley’s request for an open-ended yearly visit to Rio Dell, financed by the City, to make metal sculptures is interesting. If the City decides it needs more sculptures they can be commissioned and purchased. Consider surveying the residents. I doubt there will be much support.*

**CONSENT CALENDAR**

Mayor Garnes asked if any councilmember, staff or member of the public, would like to remove any item from the consent calendar for separate discussion. No items were removed.



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Motion was made by Woodall/Carter to approve the Consent Calendar including approval of Minutes of the March 2, 2021 Regular meeting, approval of Minutes of the March 8, 2021 Special meeting, approval of appointment of Jim Brickley to the Nuisance Advisory Committee, approval of Resolution No. 1483-2021 approving the placement of informational kiosks on City property, and to receive and file the Check Register for February 2021. Motion carried 5-0.

**REPORTS/STAFF COMMUNICATIONS**

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and said that the request for bids on the 2021 Street Projects were issued, and the Ad Hoc Committee for the garbage receptacles would be presenting a proposal to the Council, hopefully at the April 6th regular meeting.

Mayor Pro Tem Johnson asked for the date of the bid opening for the street projects.

City Manager Knopp indicated that it would take place on April 2<sup>nd</sup> or 3<sup>rd</sup>.

Councilmember Carter referred to the Police Department Update and the new stop data presented related to gender and race and asked what the police department would be doing with that data.

Chief of Police Conner explained that the Department has started collecting stop data as required by the Race and Identity Profiling Act of 2015 and will be supplying the data to the Department of Justice (DOJ) beginning next year. The information will be available on DOJ's website and police departments would be studied to determine any potential problems with regard to identity profiling.

Councilmember Wilson commended Chief Conner for providing police updates that are entertaining and pleasurable to read.

Councilmember Woodall asked when the new police vehicles would be arriving.

Chief Conner responded that two (2) new Ford Explorers were picked up today and were sitting in the City Hall parking lot.

Councilmember Woodall said that she noticed three (3) public works workers mowing the triangle with push mowers and asked if there was a problem with the City's riding lawnmower.

Water/Roadways Superintendent Jensen explained that the push mowers were used to avoid tearing up the ground with the riding mower due to the ground being wet.

Mayor Garnes asked for an update on replacement of the Gateway Sign.

City Manager Knopp explained that the replacement of the sign started last year but the sign company doing the work had trouble replicating the exact design so staff is now working with the artist that originally designed it and another sign company to do the work.

### **SPECIAL PRESENTATIONS/STUDY SESSIONS**

#### Public Workshop – Discussion on Solid Waste and Opportunity for Mandatory Universal Collection - Presentation by Recology Eel River

City Manager Knopp began with an introduction of the proposed program and said that at the March 2, 2021 regular meeting, the Council approved a calendar of meeting dates to move forward with the consideration of Mandatory Universal Collection. As suggested by the Council, staff sent out an Every Door Direct Mailing (EDDM) to all residents notifying them of tonight's public workshop so they could participate in the process. He said that the idea is to gather information and input from the Council and the community and come back at the next public workshop with answers to any questions received.

He pointed out that Universal Collection would aid the community in meeting and exceeding State recycling/waste diversion mandates, reduce illegal dumping, nuisance conditions and public health concerns in the City. He pointed out that the number one complaint in the City is related to nuisance abatement and litter impacting neighborhoods and creating public health and safety concerns.

In 2019, the Rio Dell Nuisance Advisory Committee received a briefing from Recology Eel River on the implementation of Universal Collection and was supportive of the idea. He explained that the major hurdle with Universal Collection is related to cost since significant investment must be made by Recology in order to execute the program including new trucks and standardized garbage and recycling receptacles. He said that with Rio Dell's small subscriber base of approximately 1,400 subscribers, it would not be economically feasible to adopt the program on its own and participation of Ferndale and Fortuna would dramatically increase the subscriber base thereby spreading out fixed costs and creating a potentially viable option for Rio Dell to consider moving in the direction of Universal Collection.

City Manager Knopp noted that Linda Wise, General Manager of Recology Eel River was present to provide a power point presentation on Universal Collection.

He began the presentation with the Overview of Universal Collection and Overview of Services with a comparison between current services and proposed services. The proposed services included the required subscription of Municipal Solid Waste (MSW), every other week (EOW) recycling, two (2) free bulky item pickups, a 96-gallon recycling container, every other week optional green waste pickup, a 20% discount for seniors or low-income subscribers, and clean-up bins for river bar clean-ups.

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Linda Wise continued with review of Impact of Proposed Rate Adjustments. She said that the first question usually asked is what the service is going to cost the customer. She explained that certain key customers would actually see a decrease in monthly rates while current self-haul customers would not only save time with weekly collection but would pay \$2.68 less per month on average. Customers moving from a 32-gallon garbage can to a 20-gallon can would save approximately \$4.25 per month. The proposed residential rate for a 32-gallon can went from \$28.59/month to \$30.48/month representing an increase of \$1.89. She noted that rates would not become effective until the service actually begins.

She asked everyone to keep in mind that the current recycling containers are 64-gallon and the new recycling containers would be 96-gallon. The other advantage to subscribers is the two (2) free bulky item pickups.

Linda continued with review of the Humboldt County Rate Comparison of residential and commercial rates and franchise fee percentages between Eureka, Arcata and Rio Dell. She pointed out the difference in franchise fees with Eureka at 9%, Arcata at 10% and Rio Dell at only 5% which is added into the rates. She commented that the proposed rates are based on the assumptions that both Ferndale and Fortuna would be moving forward with universal collection along with Rio Dell.

Mayor Garnes called for questions from the Council on this portion of the presentation.

Councilmember Wilson asked Linda if the discussion would include SB 1383 legislation.

Linda said that SB-1383 would be discussed later on in the presentation along with other regulatory drivers.

Mayor Pro Tem Johnson commented that the estimated rates are based on certain additions in Recology's rolling stock and asked how many new articulating arm trucks are being proposed over the next ten years.

Linda commented that they would eventually purchase four new trucks and that the cost of the truck for Rio Dell alone is \$350,000. She said that the larger fixed costs such as trucks would be spread out over 10 years.

Mayor Garnes asked if the second employee on the route emptying garbage cans into the truck would be out of a job or if he would be trained to drive the truck.

Linda indicated that they would be offering those employees training to obtain a commercial license or placement in other positions if available.



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City Manager Knopp continued with review of Drivers Toward Universal Collection and said that Nuisance Abatement is a main driver and one of the City Council's highest priorities and investment in nuisance and code enforcement issues. He said that creating an attractive community leads to more investment, higher community pride, lower crime and a generally safer, cleaner environment. He said that universal mandatory collection also significantly reduces issues with illegal dumping and eliminates the reason to accumulate trash. The City's Community Services Officer's main focus has been on nuisance issues. The public works staff was recently pulled off of their regular duties to clean up a property that was issued an abatement warrant which is not only time consuming but costly.

City Manager Knopp said that with regard to Regional Efficiencies, Rio Dell has an opportunity to realize cost savings by implementing universal collection in a collaborative effort with Fortuna and Ferndale. Current subscribers pay for the City's public bins and other solid waste programs and universal collection would mean that community related garbage expenses would be paid for by all properties, making the program more equitable.

Discussion continued regarding Regulatory Drivers including AB 341, AB 1826, AB 939 and SB 1383.

City Manager Knopp commented that the goal over the past years has been to get non-trash items out of the landfill. One of the main issues that communities have been grappling over is AB 939 which required that each city or county achieve 50% diversion by 2000. SB 1383 establishes targets to achieve a 75% reduction in landfilled organic waste by 2025.

Under Cal Recycle's numbers, Rio Dell is required to achieve a diversion of 2.1 pounds of waste per day per household and according to the last report in 2019, the average amount diverted was 2.2 which is just under the threshold. If the City goes below that, it risks the chance of being fined which drives the cost up for everyone. The 75% diversion target is a goal now but is expected to become a mandate for all cities and counties in California. He noted that California tends to go over and beyond Federal guidelines so Rio Dell is obligated to develop an efficient strategy to meet that goal/mandate.

Linda continued with review of SB 1383 Key Implementation Dates. She explained that the dates apply to Fortuna and that they have a tighter timeline than Rio Dell or Ferndale due to the size of the city. She said that SB 1383 regulations take effect on January 1, 2022 and the State begins enforcement followed by the requirement for local governments to take enforcement by January 1, 2024. January 1, 2025 was the date set for compliance with 75% reduction in organics disposal and 20% increase in edible food recovery. She said that those compliance dates will eventually trickle down to the smaller jurisdictions.

Next was a 3-minute U-Tube video on SB 1383 followed by an overview of requirements for Organic Waste Collection Services under SB 1383.

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The last portion of the presentation included a review of the Universal Collection timeline for Rio Dell with the next public workshop scheduled for April 20, 2021, followed by the first public hearing on the draft ordinance on June 1, 2021, the second public hearing on June 15, 2021 and potential program implementation scheduled for January 1, 2023.

Linda said that once the public hearings are over and amendments to the franchise agreement and rates are approved, they will have the green light to order trucks.

City Manager Knopp said the considerations for Council include the term of the contract (10 years or more), a senior vs. low-income discount (currently at 20% but can go higher), and other considerations such as Street Sweeping Services or possible exclusions. He noted that it may be beneficial for all of the cities to have contracts expire around the same time. He recommended taking a look at Fortuna's timeline and adopt a similar timeline for the City's term of contract.

Mayor Garnes opened the public hearing to receive public comment and asked if there were any hands raised to speak or any public comments received via email.

City Clerk Dunham announced that there were three (3) emails received which she then read.

The first comment was from Ranada Laughlin in support of Universal Collection (included with these minutes as Attachment 1).

The second comment was from Doug Dinsmore expressing his concerns (included with these minutes as Attachment 2).

The third comment was from "A Proud Rio Dell River Rat" also expressing concerns about the program as proposed (included with these minutes as Attachment 3).

Alice Millington said that universal collection was a great idea but was initially concerned about the financial impact to residents during the pandemic. Since it was explained that the program wouldn't start until January 2023, she supported moving forward with implementation of the program.

There being no further public comment, the public hearing closed. Mayor Garnes then called for comments from the Council.

Councilmember Carter thanked everyone who provided public comment and said that this is something that impacts the entire community and that she appreciated the input.

Councilmember Woodall said that she watched a video with Humboldt Waste Management Authority (HWMA) on SB 1383 and noted that the requirements are really overwhelming. She commented that one of the things pointed out in the video was that having universal

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collection would check off some of the requirements for Rio Dell. She mentioned the waivers for small cities concerning AB 1383 and mandatory organics recycling and asked at what point those waivers would no longer be granted.

Linda explained that in regard to the smaller populated areas, the State has already identified Fortuna, Ferndale, Rio Dell, Blue Lake and Trinidad as cities qualified for waivers but somebody in the City would need to apply for the waiver. The waivers are for two (2) years and they are looking at allowing two waivers for each of the smaller communities. At the end of that time, the State would put the agencies on a Corrective Action Plan and require compliance over a certain amount of time. The City would basically have six (6) years before being forced to comply, although that is not guaranteed.

Councilmember Woodall then referred to the ordinance and said that she understands that each residence would be billed for service but asked what happens when someone fails to pay and whether they have services discontinued or not, and if the responsibility to collect would be up to the City or Recology.

Linda explained that the way it currently runs with the Cities of Eureka and Arcata is that they bill in 3-month cycles so the subscriber has the entire 3 months to pay. If the bill is not paid, it then becomes delinquent and if a bill is not paid for an entire year, they send a notice (if it applies to a tenant) that they would be notifying the property owner. Their ability to collect delinquent bills is through the lien process. A list of delinquent accounts is then sent to the City Manager and reviewed by the City Council before the list is forwarded to the County Recorder for collection. At this point customers are given the opportunity to dispute the charges. In her experience, they are able to settle approximately 75% of the problems before it gets to that point and the liens are only put on property taxes as a last resort.

She noted that they are not allowed to stop service unless the City directs them to do so. She said that there are instances when a resident moves, or is on vacation and fails to notify Recology and is billed for services they did not receive, they will reverse those charges. She clarified that the property owners are ultimately responsible for the charges and they encourage landlords to include those charges in the rent.

Councilmember Woodall said that she had read in one of the other City's ordinances that a customer could notify the garbage company when their house was to be unoccupied for two months or more and they would receive a waiver of fees for those months. She asked if the City would need to verify that the residence was vacant for those months.

Linda said that the driver keeps a log of what cans get picked up and ones that don't and if a property appears to be vacant.



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Councilmember Woodall asked if the program would start with all three (3) receptacles or if a customer could choose which service they wanted, and if all cans would be the same size.

Linda explained that each residence would have either a 32-gallon or 20-gallon can for garbage and a 96-gallon recycling receptacle with an option for green waste collection.

Councilmember Woodall then asked a question on behalf of a local resident and asked why rates would increase with a 50% increase in the subscriber base.

Linda explained that the economy of scale was factored into the proposed rates and that they would be really transparent on how they arrive at the rate and would line out what the costs are in providing the program which the City Manager and City Council will be able to look at. The proposed rates are based on the assumptions outlined earlier and they would line out the costs to show exactly how much margin Recology would be making. She explained that approximately 40% of the garbage bill goes toward disposal and that's just how much they have to pay to take it to the landfill outside the county. They are suggesting about a 10% margin for Recology on collection but they are not charging that on disposal or on the recycling processing fee. As it turns out, they are only making about 6% return. She wanted to make that clear for the residents of Rio Dell so they can see where the costs are derived from.

Councilmember Woodall asked for confirmation that residents are required to dispose of their trash every 7 days.

Linda responded that State law requires removal of trash every 7 days.

Mayor Garnes asked for clarification that if a tenant moves out and a residence is vacant for 3 months or so, the fees can be waived for that time.

Linda said that the service could be put on hold and again, they fall back on the driver to verify that no cans were picked up during that time in the event the customer forgets to notify them.

Councilmember Wilson asked if organic food waste (under SB 1383) would be put in the same receptacle as garbage.

Linda explained that once organic food waste collections begin, all food waste would be included as green waste.

Councilmember Wilson commented that the ordinance needs to include adequate language to allow for legitimate exemptions for properties that are hard to access by Recology vehicles or where customers would have to cart trash receptacles long distances to a collection point.

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With regard to discount rates for seniors or low-income residents, he suggested waiting to see what the other cities do to see how it weighs in with the overall costs.

Mayor Pro Tem Johnson commented that he has lived in Rio Dell for 42 years and has always had garbage service. He also has a rental unit next to his residence and they combine their garbage and recycling and pays for one service. He asked if that would change with the Universal Collection Program.

Linda explained that this is not uncommon and that they would typically look at whether the residence is on the same parcel or a separate parcel and bill by parcel. Issues with regard to services would likely be straightened out during the first year of the program.

Mayor Pro Tem Johnson noted that the City would enter into a new franchise agreement for a minimum of 10 years and that he looked forward to working out the financial inequities so that the City does not create hardships on seniors or low-income residents.

Mayor Garnes asked for clarification on discounts related to seniors and/or low-income residents.

Linda explained that some seniors are well-off financially so low-income is not necessarily related to age.

Mayor Garnes asked if there were any additional public comments.

Patrick Knight addressed the Council in support of Mandatory Universal Collection. He said he believes it would help to clean up some of the nuisance properties in town and had the experience of living next to a nuisance property himself. He said that they burned trash and had multiple abandoned vehicles on the property and he ended up with a rodent problem and got headaches from breathing the toxic fumes from burning trash. Anything the City can do to minimize blight will encourage new businesses and home buyers in the community.

Michelle, a Rio Dell homeowner said that she currently rents out her home and asked if someone requests the recycling bin, whether the tenant or the property would be billed for that service, assuming that the recycling bin was optional.

Linda explained that garbage collection and recycling is a bundled service and green waste is optional.

Mayor Woodall noted that the City's franchise agreement is due to expire in 2026 and asked at what point would renegotiation of the contract begin.

City Manager Knopp referred to the timeline as presented which reflected contract

negotiations to begin prior to July 1, 2021.

Councilmember Woodall commented that with regard to senior discounts, thought it would be better to only allow discounts for low-income seniors or other low-income residents to avoid it being a gift of public funds.

Mayor Garnes thanked Linda for providing the presentation and being available to answer questions.

City Manager Knopp announced that the power point presentation and other information on Universal Collection was available on the City's website for any interested viewers.

There being no further public comments from the community or the Council, the public hearing was closed at 8:32 p.m. followed by a 5-minute recess.

The meeting reconvened at 8:38 p.m.

Presentation/Update on the Eel River Sustainable Groundwater Management Plan

City Manager Knopp provided a staff report and said that staff has been monitoring the situation since 2015 and has participated in a series of meetings with Humboldt County Public Works and various stakeholders to discuss compliance with the new laws related to the Sustainable Groundwater Management Act (SGMA). He stated that Summer Daugherty from Humboldt County Public Works along with Jack Rice, the County's consultant with Western Resources Strategies were on the line to provide a presentation on the Eel River Valley Groundwater Sustainability Plan and to answer questions.

Summer Daugherty began by providing an outline of the presentation which included Background, Current, and Next Steps for completing the Eel River Valley Groundwater Sustainability Plan.

She said that as the City Manager stated, the City has been engaged in this process for several years and more recently Randy Jensen, the City's Water Superintendent has been working with them to provide information on groundwater pumping and data collection to support the project.

Jack Rice provided a brief update on the geography of the Eel River Valley Groundwater Basin and background on the law. He said that the law was passed by the legislature in 2014 and the purpose is to make sure than groundwater maintains sustainable and groundwater pumping is not causing unreasonable results. The goal is to implement it locally but there is a State backstop if the local efforts are not sufficient.

He reviewed the process and said that step 1 is to form a Groundwater Sustainability Agency; Step 2 is to develop a Groundwater Sustainability Plan; and Step 3 is to implement a



Groundwater Sustainability Plan (GSP). He said for the first five years (2014-2019), the County established a Humboldt County working group, and received a grant from Department of Water Resources to collect data. He noted that the County submitted an alternative plan which was ultimately not approved but it did establish a basis to develop the GSP. He said that as of now, the GSP agency has been formed and the County received a \$1.9 million grant to develop a full GSP.

Summer Daugherty continued with an overview of the current work in progress and said that the project team is conducting stakeholder outreach and engagement to provide information about the Sustainable Groundwater Management Act (SGMA) and the process for completing the Eel River Valley Groundwater Sustainability Plan (GSP). She noted that the intent of the data collection is to fill data gaps and support development of a basin water budget. This includes installing 23 groundwater monitoring wells entirely within County road right-of-way, installing flow meters on 6 irrigation wells to understand applied groundwater volume to the basin, installation of the Department of Water Resources weather station which was installed in central Ferndale valley. She said that they would also be monitoring groundwater elevations, water quality, salt water content, and measuring stream flows throughout the year.

She explained that they are looking at the lower reaches of the Eel River and Van Duzen River to identify sensitive areas that could be vulnerable to excessive groundwater pumping. In addition, the project team is developing a sophisticated computer model to describe the movement of groundwater, to describe surface water and groundwater interactions and to describe how these interactions change throughout the year under different circumstances.

She said that they would be sharing more information as it's developed. She said in looking at the big picture, there are three big questions that frame their work. First, does pumping affect river flows during the summer and fall? If the answer is yes, we need to understand how much. She said that they also need to know if pumping causes a significant and unreasonable adverse impact on the beneficial uses of interconnected surface water. The other question is whether pumping causes significant and unreasonable seawater intrusion and how much groundwater can be pumped annually without causing an undesirable result.

Jack Rice continued with next steps and reviewed the timeline for completing the Groundwater Sustainability Plan (GSP). He said that they are continuing to collect data and technical work thanks to the City for allowing them access to the wells to measure flows and waste discharge. He said that they will continue with the technical work and continue the stakeholder engagement and outreach and to develop the Groundwater Sustainability Plan itself.

Councilmember Carter thanked them for the presentation and said that she was very interested in the subject and would research the website for information.

Councilmember Woodall said in addition to the City's wells, the City has a water intake system and receives its drinking water from the Eel River. She asked if the water from the river is considered groundwater.

Summer explained that in the modeling and data collection, they will be able to better understand how surface water and groundwater connect and how groundwater affects surface water.

Mayor Garnes called for public comment. No public comment was received.

Councilmember Wilson asked if existing wells would be used for monitoring or if additional monitoring wells would be needed.

Summer explained that they have been working with Randy Jensen and the Public Works Department and twice yearly the County conducts groundwater elevation monitoring and during those months (April and October) each City provides their groundwater elevation data. She said that they have asked for additional information this year to support the Groundwater Sustainability Plan. They will be out again next month to do additional monitoring of wells.

#### **SPECIAL CALL ITEMS/COMMUNITY AFFAIRS**

##### Approve Council Appointment to the Wildwood Ave. Sculpture Committee

Mayor Garnes said that there was a vacancy on the Wildwood Ave. Sculpture Committee and called for volunteers. Since there were no volunteers from the Council, she volunteered to fill the vacancy as alternate on the committee. Council concurred.

#### **ORDINANCES/SPECIAL RESOLUTIONS**

##### Introduction/First Reading (by title only) of Ordinance No. 384-2021 amending the existing Street Dedication and Improvement Regulations, Section 17.30.310(2) and (6) of the Rio Dell Municipal Code (RDMC)

City Manager Knopp said that this item would be continued to the next regular meeting on April 6, 2021.

#### **COUNCIL REPORTS/COMMUNICATIONS**

Mayor Pro Tem Johnson reported on his attendance at a recent Last Chance Grade Stakeholders "Zoom" meeting where they set metrics to decide which options to move forward on and which options to set aside. He said that it was a very productive meeting and that they will have an all four groups meeting in April. What came out of the meeting was that the tunnel option is looking much more attractive while other options are looking much less attractive. They are hoping to be able to get rid of a few options and maybe narrow it down to a couple of options.

**MARCH 16, 2021 MINUTES**  
**Page 13**

Councilmember Carter said that she had not attended any big committee meetings since the last Council meeting but did have a couple of Ad Hoc meetings; one for the trash containers and one for the Chamber kiosks. She reported that she did go on a ride-along with Community Service Officer Matthews which she said was fun and very telling at the same time. She commended her for doing a great job and looked forward to another ride-along. She also reminded everyone of the next Nuisance Advisory Committee meeting to be held the following day at 3:00 p.m.

Councilmember Woodall reported that she attended the monthly Fire Department meeting for the first time since being appointed as the City's representative. She said that the Fire Department keeps really busy and reviewed the following statistics for January for a total of 69 calls:

- Medical Aid - 35
- False Alarms - 9
- Fire Debris - 1
- Public Arrest - 5
- Fires - 1
- Fire in Vehicle - 1
- Hazard Condition - 9
- Traffic Collision - 3
- Traffic Collision Assist - 1
- Pet Rescue - 1
- Meetings and Drills - 2

She said they also talked about looking into an Emergency Response Team.

She also reported that she attended a Nuisance Advisory Committee meeting last month which went well and was happy with the progress toward nuisance abatement. She extended a thank you to Jim Brickley for volunteering to serve on the committee.

Councilmember Wilson reported on his attendance at the last Humboldt Waste Management Authority (HWMA) meeting and said that they talked about the draft budget and one of the points in the budget was that they are going to retire one of their long-term debts which allow them to keep tipping fees the same as they have been for 5 years so as a result, the rates will not go up for household rates.

Mayor Garnes reported that she attended a CA Cities Division League meeting on Friday and one thing that she learned was that the City of Fortuna will be holding community workshops to consider approval of commercial cannabis and had recently toured some sites in Eureka and Arcata.

She also expressed thanks to the Nuisance Advisory Committee and the Community Service Officer for doing a great job on nuisance abatement and said that their efforts are very much appreciated.

**ADJOURNMENT**

Motion was made by Johnson/Wilson to adjourn the meeting at 9:02 p.m. to the April 6, 2021 Regular meeting. Motion carried 5-0.

\_\_\_\_\_  
Debra Garnes, Mayor

Attest:

\_\_\_\_\_  
Karen Dunham, City Clerk

## Public Comment

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**From:** Ranada Laughlin <ranadariodell@att.net>  
**Sent:** Friday, March 12, 2021 5:29 PM  
**To:** Public Comment  
**Subject:** In Favor of Mandatory/Universal Collection

I support Mandatory Universal Garbage and Recycling for the City of Rio Dell.

Illegal Dumping plagues the local river bar and rural roads around Rio Dell. Rodents are attracted to improperly secured waste; this proposal could help to alleviate both problems. It will benefit the health and safety of this community and beyond.

There may need to be exemptions for property that cannot be serviced/reached by Recology vehicles and for those vacant homes undergoing remodeling.

Thank you for asking for input, this proposal benefits the community, in my view.

Ranada Laughlin, Home/Property Owner  
Rio Dell, CA



March 12, 2021

To: The City of Rio Dell  
675 Wildwood Ave  
Rio Dell, CA 95562

Re: Mandatory Universal Garbage & Recycling Collection Program

Dear City of Rio Dell and City Council Members,

I am reaching out to you to express my concerns regarding the probable implementation of a mandatory across the board garbage and recycling program. I know there are problems at certain properties within the city where owners/tenants allow garbage and other debris to accumulate in mass. Not only does this take away from the aesthetic value of the city, it can also lead to health and environmental issues and public safety concerns. Many municipalities throughout the county and other areas of the country are trying to find solutions to this ongoing problem. I do not have a solution and commend you on your efforts to try and correct this problem.

That said I would like to remind you that this problem only occurs with a small percentage of the properties in the city, whereas many residents/property owners already have solid waste pickup or have found alternative means of managing their garbage. What concerns me is the financial hardship or other hardships this program is likely to put on a portion of the residents/property owners who already have another program in place. To illustrate, I am referring to those already on a tight budget, or those who are in a low income bracket, or those who live alone and may only generate a small amount of trash per week. Another potential problem pertains to those living in the most remote, rural areas of the city (i.e., Monument Rd, Blue Slide Rd and similar neighborhoods). There are many cases where such households will have to cart trash receptacles long distances to pickup points and run the risk of having them knocked over and contents strewn around by scavenging dogs, bear, and other opportunistic wildlife.

Our individual situation is unique in itself. Although my wife and I maintain a home in Rio Dell and have for 38 years, most of our retirement time is spent at our second residence in Southern Trinity County. Trinity County has in place an annual solid waste tax, plus we pay an exorbitant per bag fee when we visit the county transfer site. Why should we be required to participate in the Rio Dell mandatory garbage collection program when the minimal amount of trash we generate in Rio Dell gets disposed of in Trinity County?

In all fairness I hope when the City implements this program and I know that is your intention, that you will take my concerns into consideration and include a mechanism to exempt qualifying homeowners/tenants on a case by case basis.

Thank you and best regards,

*Doug Dinsmore*

Doug Dinsmore  
707.499.8485

**P.S.** I have written you today because we have limited internet at our home in Trinity County and will be unable to participate in a virtual meeting from this location.

**ATTACHMENT 2**

To the Rio Dell City Counsel;

I am a concerned citizen of Rio Dell, I grew up here and came back after going away to school. I do have garbage pickup, but my mother and father, both retired senior citizens, do not. My mother has my brother haul her garbage to the dump every other month, or depending on the season every three months; when she did the math, it turned out she is only paying around \$5 a month for trash disposal.

If I understood last meeting right this is mostly to get a head of California laws down the way. I get that, and am all for this; but not in helping the owners of Eel River become the new Rockefeller, Carnegie, and Vanderbilt, or for Humboldt reference the new Arkley, Pierson or Carson.

There are between 1,200 and 1,600 individual homes and business in the City of Rio Dell and if you charge between \$25 and \$35 a month that's \$30,000 to \$56,000—an average of \$43,000 – in just one month and just in the City of Rio Dell alone. An average of 516 thousand dollars a year for anywhere from 10 to 15 years—if I understand average lengths for these types of contracts— that is 5.16 to 7.74 million dollars made in just Rio Dell over the length of their contract. I did not do the math for overhead costs, due to the fact that there was talk of Fortuna being part of this, if that's the case they are larger and anything that's needed for overhead, payroll or otherwise would be covered there easily.

If they're buying new, more automated, trucks then they'll either keep their employee numbers about the same, or add/subtract a small number of people. I do not find it reasonable for the people of Rio Dell to be paying higher rates then they already due, seeing as how we are guaranteeing them a lot of new customers, nor do I find it reasonable to be paying their startup costs. I understand they might need some help with collecting the money at the very beginning—it is most likely a lot—but if our Council is going to help with that, we citizens should not be paying more and there should be some kind of once a month option for those that cannot come up with, even a small, can of garbage every other week.

I understand that this is something that needs to happen, but Rio Dell already has to pay for an expensive and complicated Water and Sewage system – that the State demanded— we don't need to add even more cost on top of a poor community's shoulders. I am all for going forward, but I beg the Council to not let Eel River Recology walk all over them and to be tough negotiators for the people who have put their trust in you. If anyone thinks that Rio Dell doesn't have options just remember we've been here since Humboldt County was born, sure not as a 'legally' recognized city, but we've been through floods and earthquakes and we'll be here even if California and Eel River Recology don't like us.

River Rats stick together and take care of their own. Keep this town's trust! Don't roll over for some company who thinks they can make a fortune off of bleeding us dry.

Proud Rio Dell River Rat

**ATTACHMENT 3**

**RIO DELL CITY COUNCIL  
SPECIAL MEETING MINUTES  
MARCH 25, 2021**

Mayor Garnes called the Special "Virtual" Meeting of the Rio Dell City Council to order at 4:00 p.m.

**ROLL CALL:** Present: Mayor Garnes, Councilmembers Carter and Woodall

Absent: Mayor Pro Tem Johnson and Councilmember Wilson

Others Present: City Manager Knopp and City Clerk Dunham

**PUBLIC PRESENTATIONS**

No public comments were received.

**SPECIAL MEETING MATTERS**

Authorize the City Manager to to Sign Cal OES FY 2020-21 Community Power Resiliency Allocation Agreement

City Manager Knopp explained that the City received notification from Cal OES on the approval of a \$295,000 Community Power Resiliency allocation grant which appears to have very little strings attached.

He said that there was a request to return the signed allocation agreement to PSPS at Cal OES within 20 days upon receipt. The reason for the Special meeting is for the City Council to authorize the City Manager to sign and return the agreement. He explained that there is a fairly tight timeline with regard to spending the money and that staff would return to Council at a subsequent meeting to discuss how to spend the funding.

City Manager Knopp reviewed the eligible activities under the allocation including such things as generators, solar, or other alternative backup power sources and pointed out that funds cannot be used for professional services such as engineered designs. Essentially the City would be purchasing the materials and hiring a contractor to do the work. He noted that eligible activities must occur at essential facilities, with City Hall, the Police Department and the Public Works Corporation yard all qualifying as essential facilities.

He further reported that Redwood Coast Energy Authority (RCEA) did a feasibility study in 2019 on potential solar projects and battery backup systems for the City so there are some rough costs available. He said the total cost outlined in the feasibility study was over a million dollars but the City could make pretty significant headway with the \$295,000 allocation.

He reviewed some of the viable options such as solar arrays for City Hall and the Public Works Corporation Yard and power walls. He said that staff would bring back a series of

**MARCH 25, 2021 MINUTES**  
**Page 2**

options for the Council to consider. He noted that staff is also working with Redwood Coast Energy Authority (RCEA) and they have agreed to help with project management and perhaps the Request for Proposals once a project is defined.

Councilmember Woodall commented that she had discussed the grant with the City Manager earlier and that he mentioned that the funds could be utilized for the purchase of a generator, solar and battery backups but said that it sounds like there may be more flexibility with use of the money.

City Manager Knopp said that there is nothing in the notification letter that says that funds shall be used on the items identified in the scope but he would get clarification and report back to the Council.

He noted that City Hall does need work on energy resiliency and there are a series of options covered under the program.

Councilmember Woodall asked for a timeline to complete the projects.

City Manager Knopp indicated that a Progress Report must be submitted on the expenditure of funds no later than November 30, 2021, identifying how the funds were used.

He said that an electrical panel upgrade for City Hall has already been designed which is a start.

Councilmember Woodall said that this is great news and that there is no lack of projects to consider.

Councilmember Carter agreed.

Motion was made by Woodall/Carter authorizing the City Manager to sign Cal OES FY 2020-21 Community Power Resiliency Allocation Agreement. Motion carried 5-0

**ADJOURNMENT**

Motion was made by Carter/Woodall to adjourn the meeting at 4:18 p.m. to the April 6, 2021 regular meeting.

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Debra Garnes, Mayor

Attest:

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Karen Dunham, City Clerk



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

April 6, 2021

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Authorize the Mayor to Sign a letter of Opposition to SB 556 Related to Wireless Broadband

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the Mayor to sign the attached letter, or

Take no action.

BACKGROUND AND DISCUSSION

In 2018, the Federal Communications Commission (FCC) voted to limit the authority and standards that states and local governments can require for the installation and/or deployment of small cell wireless facilities. However, the FCC regulations explicitly protect the ability of local governments to ensure that such installations meet appearance and design standards, maintain traffic safety, protect historical resources' integrity, and safeguard citizens' quality of life.

Additionally, local governments can continue to charge fees that are a reasonable approximation of the local government's actual and direct costs, including costs to maintain a structure within the right-of-way, process an application or permit, and review a siting application.

SB 556 (Dodd) is in direct conflict with the FCC's regulations. According to CalCities, SB 556 is an attempt by the telecommunications industry to undermine local authority while making no meaningful progress towards closing the digital divide in California's unserved and underserved communities.

What Does SB 556 Specifically Do to Conflict with Federal Law?

Requires local governments to make space available on street light poles, traffic signal poles, utility poles, and other public infrastructure to telecommunications providers without recognizing local authority to manage the public right-of-way preserved in federal law; and



Creates ambiguity in the fees local governments can charge for access to their infrastructure. SB 556 chooses not to incorporate federal conditions for valid fees, further restricting fees to "actual cost" and "reasonable actual cost" which conflicts with federal law.

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Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov



April 6, 2021

The Honorable Ben Hueso  
Chair, Senate Energy, Utilities, and Communications Committee  
State Capitol Building, Room 4035  
Sacramento, CA 95814

**RE: SB 556 (Dodd) Street Light Poles, Traffic Signal Poles, Utility Poles, and Support Structures: Attachments.**  
**Notice of OPPOSITION** *(As Amended 03/16/21)*

Dear Senator Hueso,

The City of Rio Dell must respectfully oppose SB 556 (Dodd), related to wireless broadband infrastructure deployment.

SB 556 directly conflicts with the Federal Communications Commission's (FCC) adopted regulations on wireless services deployment, which cities and counties across the nation are actively implementing. This measure requires local governments to make space available to telecommunications providers without recognizing local authority to manage the public right-of-way preserved in federal law. FCC regulations explicitly enable local governments to ensure that such installations meet appearance and design standards, maintain traffic safety, protect historical resources' integrity, and safeguard citizens' quality of life. To protect the public's investment, the control of the public rights-of-way must remain local.

Additionally, SB 556 creates ambiguity in the fees local governments can charge for access to their infrastructure. Federal law explicitly outlines conditions for valid fees, limiting fees to a "reasonable approximation of the local government's actual and direct costs," including costs to maintain a structure within the right-of-way, process an application or permit, and review a siting application. SB 556, on the other hand, chooses not to incorporate these federal standards, further restricting fees to "actual cost" and "reasonable actual cost." If the goal of SB 556 is to implement the existing FCC orders into state law, there should be no added ambiguity created by changes from what was already decided at the federal level.

SB 556 is an attempt by the telecommunications industry to undermine local authority while making no meaningful progress towards closing the digital divide in California's unserved and underserved communities. As previously mentioned, cities and counties across the nation are implementing the FCC's orders. If California is to close the digital divide, legislative efforts should focus on encouraging and incentivizing telecommunications companies to service areas that for too long have not had access to reliable and affordable internet.

While the City of Rio Dell stands ready to work with the Legislature to further the state's broadband goals, these efforts do not inherently conflict with the appropriate local authority to manage the right-of-way and comply with existing FCC decisions. For these reasons, the City of Rio Dell opposes SB 556 (Dodd).

Sincerely,

Debra Garnes  
Mayor  
City of Rio Dell

cc: The Honorable Bill Dodd  
Senator McGuire & Assembly Member Wood  
Sara Sanders, CalCities  
League of California Cities, [cityletters@cacities.org](mailto:cityletters@cacities.org)

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



**For Meeting of: April 6, 2021**

Consent Item;  Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager

Date: March 28, 2021

Subject: Sculpture Committees recommendation regarding artists' Dan McCauley's request regarding the possibility of an annual visit and the completion of two sculptures.

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**Recommendation:**

That the City Council:

1. Receive and file the Sculpture Committees recommendation regarding artists' Dan McCauley's request regarding the possibility of an annual visit and the completion of two sculptures.
2. The Sculpture Committee recommends that the City not accept Mr. McCauley's offer at this time. The Committee recommends that once the current contract runs out in October of 2022, that the City request proposals from local artists, including Mr. McCauley, for possible additional sculptures.

**Discussion**

As the Council is aware, the City has a contract for creation and placement of sculptures along Wildwood Avenue with local artist Dan McCauley.

Under the current agreement with Mr. McCauley which remains in place for 5 years (expiring October 4, 2022), he is responsible for providing a total of 4 sculptures. The City paid Mr.

McCauley \$4,000 with the agreement that at the end of the term of the contract, the four sculptures on display at that time would then remain as property of the City.

Mr. McCauley recently informed the City that he will be moving to Pennsylvania to help his family. Mr. McCauley and the City have had a beneficial mutual agreement for the past few years calling for the creation of a number of metal sculptures. Mr. McCauley created a number of sculptures for display, including the great horned owl, mountain lion, bull elk, grizzly bear, ibex, bald eagle, little goat, and the bison.

Mr. McCauley proposed to come out to the area once a year and create two additional structures. His original offer was for \$2,000. Upon further consideration, his offer was increased to \$3,500. Below is a copy of his two offers to the City.

**Original Request:**

*I'm moving back to Pa near where I grew up at to help out with family. Moving back there allows me to continue sculpting with relieving my financial worries and stress also. Unfortunately living out here is too costly for my earnings to be able get ahead. I have an idea though. I'd like to come out every year for a two week visit during your Arts Festival and sculpt two pieces for the city to display. The city could keep the present sculptures as well as the new ones created during the events to rotate whenever you choose to do so. I'm asking for an allowance of \$2,000 which would cover travel, lodging, and items used to sculpt with, tools, etc. I'm really grateful for the city of Rio Dell offering me the opportunity to share my work, passion, and life with the community. By coming up with this plan it allows me to continue to be a part of the community which I don't want to ever lose. I love you Rio Dell because you took a chance on me and believed in me, and I wanna keep making beautiful art for you.*

**Follow-up Request:**

*Hi sculpture committee, I'm leaving the morning of the 10th and have nothing to zoom meet on. I've gone over numbers again and have made a mistake in budget. Sorry to have made one but my head is filled with moving. I could do \$3500 a year and let you rotate them out but still would like to sell the pieces if anyone inquired about them. Sorry again for the confusion and misinformation.*

The Sculpture Committee met on March 24<sup>th</sup> to consider and discuss Mr. McCauley's request. Although the Committee expressed support for Mr. McCauley's art, they felt that Mr. McCauley complete the terms of the existing contract and once expired, reach out to other local, including Mr. McCauley, for possible additional sculptures.



It should be noted that the Committee received a public comment from local resident Bruce Cattle. Below is Mr. Cattle's comments regarding Mr. McCauley's request.

*Artist Dan McCauley's request for an open ended, yearly visit to Rio Dell, financed by the city, to make metal sculptures is interesting. If the City decides it needs more sculptures they can be commissioned and purchased. Consider surveying the residents. I doubt there will be much support.*

*Bruce Cattle  
570 Gunnerson Lane*



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

April 6, 2021

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action to Approve Resolution No. 1485-2021  
Designating the City Manager as the Authorized Representative to File for  
Financial Assistance with the State Water Resources Control Board for Water  
Distribution System Upgrades

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution No. 1485-2021

BACKGROUND AND DISCUSSION

City staff in conjunction with the City Engineer, GHD, are closing in on the full submission of a grant application to the Drinking Water State Revolving Fund (DWSRF). Under submission is a grant application for \$9,672,770 of water system improvements. The actual award and project is likely to be smaller. The attached Resolution is required in order to submit the grant.

During 2015 the City underwent a water rate analysis and rate adjustment in order to correct a long standing deficit in the water fund and also to provide funding for capital replacement of aged and failing sections of the water system. During the rate setting process, the City Council prioritized the objective to begin setting aside funds for major capital replacement of the system with the intention to leverage State grant funds in order to save ratepayers money while moving the needed projects forward. The new rates became effective in January of 2016.

In March of 2016 the City's Engineer (GHD) submitted a Drinking Water Planning Grant to the State Water Resources Control Board. The work associated with this grant is a necessary precursor in order to apply for further grants. The scope of the grant and future projects was revised on March 7, 2017 to include:

- Evaluation of the distribution system.
- Evaluation of SCADA improvements.
- Evaluation of Painter Street storage tank and Douglas Redwood Tank # 2.

Staff and the City Engineer have been working since that time to complete the work under the planning grant in order to make the current grant application eligible for consideration. ///



**RESOLUTION NO. 1485-2021**  
**A RESOLUTION OF THE CITY COUNCIL OF**  
**THE CITY OF RIO DELL DESIGNATING THE CITY MANAGER**  
**AS THE AUTHORIZED REPRESENTATIVE TO FILE A FINANCIAL ASSISTANCE**  
**APPLICATION WITH THE STATE WATER RESOURCES CONTROL BOARD FOR A**  
**WATER DISTRIBUTION SYSTEM UPGRADE**

**WHEREAS**, the City of Rio Dell’s Water distribution infrastructure is aged and prone to leaks; and

**WHEREAS**, much of the City’s water distribution system predates the incorporation of the City in 1965 and has exceeded its useful life span; and,

**WHEREAS**, the City of Rio Dell is pursuing state funds for needed water system improvements.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Rio Dell as follows:

The City Manager (the “Authorized Representative”) is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of a Water Distribution System Upgrade (the “Project”).

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

**PASSED AND ADOPTED** by the City of Rio Dell on this 6th day of April 2021, by the following vote:

AYES:  
NOES:

ABSENT:  
ABSTAIN:

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Debra Garnes, Mayor

ATTEST:

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Karen Dunham, City Clerk



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

April 6, 2021

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Resolution No. 1486-2021 Authorizing the Purchase of New Public Refuse and Recycling Cans and Adjusting the Budget Accordingly.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution No. 1486-2021, or

Take no action or re-refer to the Ad Hoc Committee

BACKGROUND AND DISCUSSION

The current year budget includes approximately \$12,000 for replacement of the existing garbage and recycling bins in various locations throughout town. On January 19, 2021 the City Council appointed Members Woodall and Carter to work with staff on selection of bin replacement.

Since January, the Ad Hoc has met several times to go over options and has selected the attached bins for the consideration and approval of the Council. Total cost is estimated at \$25,000 for a total of 36 bins (18 Landfill and Recycling combinations).

Attachments:

Resolution No. 1486-2021  
Max-R Bin Quote

///





**RESOLUTION NO. 1486-2021  
A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF RIO DELL  
AMENDING THE ADOPTED BUDGET  
FOR FISCAL YEAR 2020-21**

**WHEREAS**, the City adopted Resolution 1453-2020 establishing the City’s Operating and Capital Budget for Fiscal Year (FY) 2020-21 and any adjustment that increases appropriations in a fund must be approved by the City Council; and

**WHEREAS**, additional appropriations are necessary to cover costs for the replacement of the garbage and recycling cans throughout the City of Rio Dell; and

**WHEREAS**, it is anticipated that grant funds from the Cal Recycle City/County Payment Program will be received to offset some of the expenses of the new garbage and recycling cans.

**NOW THEREFORE BE IT RESOLVED**, that the City of Rio Dell City Council does hereby amend the City of Rio Dell FY 2020-21 Operating and Capital Budget to increase revenue estimates and appropriations for the replacement of trash and recycling cans as follows:

\$ 9,000	4700 04 027	Grant Revenue
\$ 9,000	5102 04 027	Solid Waste Operational Supplies
<u>\$ 4,000</u>	<u>5102 04 000</u>	<u>Solid Waste Operational Supplies</u>
\$13,000	TOTAL INCREASED APPROPRIATIONS	

Further, that the City Manager is authorized to purchase 36 waste and recycling bins as quoted by vendor Max-R in the attached April 6, 2021 City Council Agenda.

**PASSED AND ADOPTED** by the City Council of the Rio Dell on this 6<sup>th</sup> day of April, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
Debra Garnes, Mayor

ATTEST:

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Karen Dunham, City Clerk



QUOTE: 23686 - Waste and Recycle Bins (154907)

<b>Account Name</b> City of Rio Dell <b>Contact Name</b> Kyle Knopp <b>Phone</b> 7077643532 <b>Email</b> knoppk@cityofriodell.ca.gov		<b>City of Rio Dell</b> 675 Wildwood Avenue Rio Dell, California 95562 United States		<b>Ship Via</b> - <b>Terms</b> Net 30 <b>PO Number</b> - <b>Tracking Email</b> -		<b>Rep</b> TGOV1 <b>Created By</b> Ryn Soper <b>Created Date</b> 3/2/21 <b>Expiration Date</b> 4/1/21	
<b>Bill To:</b> knoppk@cityofriodell.ca.gov City of Rio Dell 675 Wildwood Avenue Rio Dell, California 95562 United States		<b>Ship To:</b> City of Rio Dell Public Works 475 Hilltop Drive Rio Dell, California 95562 United States		<b>Shipping Contact Information:</b> Full Name Kyle Knopp Phone Number 7077643532			
Qty.	Product	Short Description - Full details outlined on product spec sheets when applicable		Unit Price	Line Total		
18	SLAT WASTE	[X-55306] CUSTOM SLAT WASTE		\$600.50	\$10,809.00		
18	SLAT WASTE	[X-55307] CUSTOM SLAT WASTE		\$600.50	\$10,809.00		
		BUG BARRIER TO NOT HAVE FLAP- PART NUMBER S8340-02-092					
		BUG BARRIER TO NOT HAVE FLAP- PART NUMBER S8340-02-092					
<b>Subtotal</b>					\$21,618.00		
	M/R-Disc	CUSTOMER DISCOUNT (CONTINGENT ON MEETING THE PAYMENT TERMS)			-\$1,080.90		
	S/H	SHIPPING & HANDLING - **ADDITIONAL SERVICES AVAILABLE UPON REQUEST (CHARGES MAY APPLY)**			\$2,430.00		
	TAX	ESTIMATED SALES TAX			\$2,009.64		
<b>Grand Total</b>					\$24,976.74		

**Per US tax law, we're required to collect sales tax in the majority of states. If applicable, sales tax will be applied upon invoice.**

My signature on this quote verifies that I have approved this order and all information is accurate

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

Company Address  
 W248N5499 Executive Drive  
 Sussex, Wisconsin 53089  
 USA

Phone (800) 505-7926  
 Organization (Fax) 888-868-7184



**Spec Sheet For Slat Waste X-55333**

City of Rio Dell | Qty: 18 | \$600.50 Each | \$10,809.00 Total

**Custom Request: BUG BARRIER TO NOT HAVE FLAP- PART NUMBER S8340-02-092**

Construction	Material	Capacity	Mounting Style	Top Style
Riveted	Recycled Plastic	35	Free Standing	Molded - Bug Barrier
Product Tag	Slat Color	Top Color	Secure Lid	
Max R	Black	Black	Included	

**Section 1**

Slat Opening ID: Text Landfill

Slat Opening ID: Type - Color Overlaid - Text Only - White / Black



**Spec Sheet For Slat Waste X-553v1**

City of Rio Dell | Qty: 18 | \$600.50 Each | \$10,809.00 Total

**Custom Request: BUG BARRIER TO NOT HAVE FLAP - PART NUMBER S8340-02-092**

Construction	Material	Capacity	Mounting Style	Top Style
Riveted	Recycled Plastic	35	Free Standing	Molded - Bug Barrier
Product Tag	Slat Color	Top Color	Secure Lid	
Max R	Blue	Black	Included	

**Section 1**

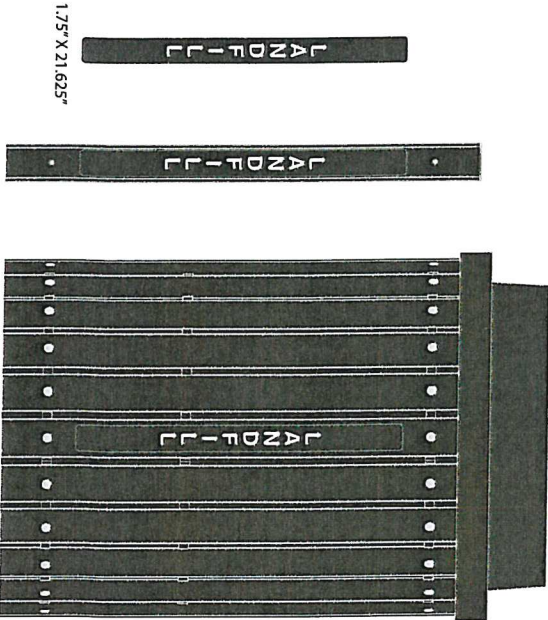
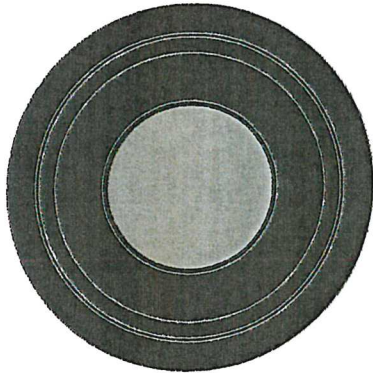
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**CUSTOMER NAME** CITY OF RIO DELL  
**SALES ORDER NUMBER:** PBO  
**SALES EXECUTIVE:** RVN  
**ORDER DATE:** 3/2/21  
**PROOF DATE:** 3/19/21

**COLOR OF PRODUCT:** BLACK SLATS  
**ITEM:** [X-55306] CUSTOM SLAT WASTE - 35 GAL  
**RESIN POURED:** NO  
**RESIN COLORS:** N/A  
**SPECIAL INSTRUCTIONS:**



**CUSTOMER APPROVAL**  
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 post & panel design    signature panel designs  
 two-tone colors    arched accents

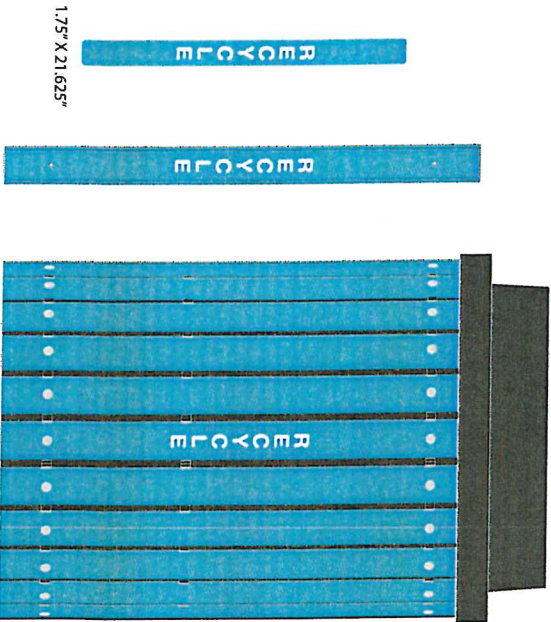
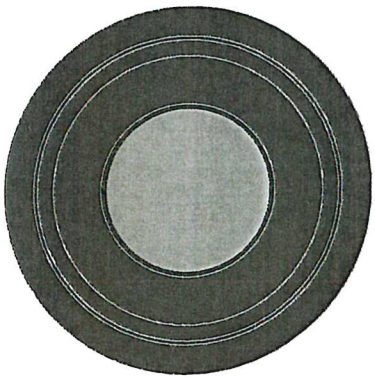




**CUSTOMER NAME** CITY OF RIO DELL  
**SALES ORDER NUMBER:** PBO  
**SALES EXECUTIVE:** RYN  
**ORDER DATE:** 3/2/21  
**PROOF DATE:** 3/19/21

**COLOR OF PRODUCT:**  
**ITEM:**  
**RESIN Poured:**  
**RESIN COLORS:**  
**SPECIAL INSTRUCTIONS:**

BLUE SLATS  
 [X-55307] CUSTOM SLAT WASTE  
 NO  
 N/A



**CUSTOMER APPROVAL**

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**THE MAX-R SIGNATURE LOOK**

- post & panel design
- signature panel designs
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## **Staff Highlights – 2021-04-06**

---

### **City Council**

#### **City Manager**

Attended an all-day interview process for the HWMA Executive Director.

Continued work on Universal Collection proposal.

Attended the City's risk group Board Meeting. The City is a member of Small Cities Organized Risk Effort (SCORE).

Conferred with other municipal and county staff regarding regional slurry seal program. The group agreed to target summer of 2022 for the next regional project.

Held a special meeting related to CalOES PSPS Allocation Letter for \$295,000 towards energy resiliency.

Discussions with artist Marian Brady on Rio Dell Gateway sign and City Hall lawn sign.

Forwarded the latest information on access to vaccines to all City Staff.

Attended Local Solid Waste Task Force meeting.

Interviews and hiring for OIT position at Public Works.

#### **City Clerk**

Processed four (4) Building Permits:

100 Davis St. – Water Heater

1150 Dinsmore Ranch Road – Electrical to Hoop Houses

95 Belleview Ave. – Re-Roof Church

230 Ogle Ave. – Furnace

#### **Misc:**

Submitted Monthly Unemployment Report for March

Sent address verification/change letters – 625 Dinsmore Ranch Road

#### **City Attorney**



**Human Resources, Risk & Training**

**Finance Department**

**Public Works Water**

**Staff Update – 3/31/2021**

---

**City Council**

**City Manager**

**City Clerk**

**City Attorney**

**Human Resources, Risk & Training**

**Finance Department**

**Public Works Water**

Replaced failed registers and ERT's for next month's meter read.

Repaired leak on Martin Dr.

Repaired leak on Belleview Ave

Removed trench plate from Birch St. Leak repair.

Repair Chlorine line

Fix Filters 3 and 4 Control panel level controllers

Monthly monitoring report to SWRCB

Completed Water Rights Annual Reports to Division of Drinking Water

**Public Works Wastewater**

**Public Works Streets, Buildings and Grounds**

Monday weekly safety meetings.

Mowed North Gateway and South Gateway.



Mowed Rio Dell Metro Well Site

Mowed City Hall, Blue Star Park and Memorial Park.

Refilled Dog waste bags as needed.

Weeded and mowed all other city owned lots.

Asphalt patched on Ogle St, the avenues, Riverside Dr, Gunnerson Ln and Southside of Rigby.

### **Public Works City Engineer**

### **Public Works Capital Projects**

### **Police Department**

### **Community Development Department**

Plan check Solar 539 First Avenue

Plan Check Solar 182 Third Avenue

Plan Check Solar 377 Douglas Street

Attended virtual Sculpture Committee

Staff Report Industrial Hemp, correspondence with the County Ag Commissioner, review Delta 8 information

Staff Report Rural Designation Lot coverage

Staff Report Revision Street Dedication

Attended virtual Climate Action Plan Meeting

Continue to work with Baird Engineering regarding Cortazar subdivision, conditions of approval, Deferred Improvement Agreement.

Review FEMA agricultural building flood regulations, Variance process, Smart Vent data, contact Merced County regarding Foster Farms variance.

Review PMD files, approvals, extension, letter to PMD.

Correspondence with Timberland Consultants regarding Timberland Conversion Permits.



Sent City Attorney requested information regarding cell tower lease and amendment for additional 63 square feet.

Sent Interwest information regarding FEMA’s Technical Bulletin for agriculture building flood regulations.

Work on Annual Progress Report for Housing Element.

**Intergovernmental**

**Humboldt-Rio Dell Business Park**

**Public Works Wastewater**

**Public Works Streets, Buildings and Grounds**

**Public Works City Engineer**

**Public Works Capital Projects**

**Police Department**

The Department had the following statistics for the period of March 10, 2021 to March 30, 2021. This period of time saw an above average number of calls for service across all of the metrics. One reason for this is Officer Johnson has completed his field training and is operating on his own, giving us additional police presence. The summation of Calls for Service may be greater than the total as multiple officers can now be assigned to the same call for service. There may also be administrative calls for service that are not documented below.

Officer	Calls for Service	Reports	Arrests
Conner	45	5	1
Beauchaine	50	5	2
Landry	42	5	7
Mitchell	71	6	2
Burns	71	6	2
Johnson	117	13	8
Fielder	27	4	0
Matthews	46	1	N/A
Totals	407	45	22
Averages	19.4 per day	15 per week	7.3 per week
2020 Yearly Average	14.2 per day	12.2 per week	5.3 per week

**Calls for Service at 355 Center Street**

Type	Date	Time	Location	Primary Unit	Case #
------	------	------	----------	--------------	--------



417*	03/21/2021	22:15:30	355 CENTER ST	R615	
415	03/23/2021	20:45:07	355 CENTER ST	R618	
ANIMAL	03/24/2021	11:38:21	355 CENTER ST	6X2	
415	03/25/2021	11:03:51	355 CENTER ST	6R9	
PATROL	03/26/2021	11:35:11	355 CENTER ST	6A1	
RJ	03/26/2021	15:07:10	355 CENTER ST	6A1	21-0000177

417\* – Brandishing a dangerous weapon  
ANIMAL – Animal control issue  
Patrol – Check the area for suspicious activity  
RJ- Runaway juvenile  
415 - Disturbance

R615 – Officer Liam Burns  
R618 – Officer Russell Johnson  
6A1 – Chief Jeff Conner  
6R9 – Officer Charlie Fielder  
6X2 – Community Services Officer Jolene Matthews

During the period March 10, 2021, to March 30, 2021, there were twenty-four calls for service related to animal control issues. Three dogs and two cats were transported to Mirandas. CSO Matthews dealt with two dogs that were caught in the act of killing a neighbor's chicken. She located the residence associated with the dogs and found that they had a propensity to kill chickens at that location also. Apparently, the dogs belonged to a relative of the occupant and she was trying to have the dogs moved to a more appropriate location.

Officers Landry and Mitchell attended a 40-hour Field Training Officer course offered at College of the Redwoods. They are both qualified to train newly hired police officers.

Officer Landry and Chief Conner testified in the jury trial of Michael Flowers. He is accused of rape and several other crimes and faces spending the rest of his life in prison if convicted. The trial is still ongoing.

On March 8, 2021, the Department received information from the Sheriff's Department that a device had uploaded child pornography from a location in Rio Dell. This case was assigned to Officer Landry. She prepared a search warrant, which was served on March 15, 2021. Only one person was home. Eight phones and a tablet were seized pursuant to the warrant. Shortly after the warrant was served, the resident of the house threatened to commit suicide and he was detained for a mental health evaluation.

On March 26, 2021, Chief Conner took a missing person report. A 13-year-old-girl left her home at about 2300 hours and has not been seen since. She may be in the company of a seventeen-year-old boy who is also a runaway with a warrant for his arrest. The Police Department has run down several leads, but so far, there is no credible information to her location. The Department will seriously consider filling charges against those who are assisting her.





### **Code Enforcement**

During the period March 10, 2021 to March 30, 2021, the Department opened eight new cases dealing with junk vehicles and closed seven. five of the vehicles were towed by the City. The remaining two vehicles were moved by the owners. There were ten open cases at the end of this reporting period.

During the period of March 10, 2021 to March 30, 2021, the Department opened one new case and closed one case. The new case is on Berkeley and deals with solid waste. The closed case was on Second Avenue and dealt with excessive vegetation. The owner of the property cut back the grass and blackberry briars to an acceptable level. There were forty-seven open cases as of March 30, 2021.

### **Community Development Department**

#### **Intergovernmental**

#### **Humboldt-Rio Dell Business Park**

---

675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
(707) 764-5480 (fax)



April 6, 2021

TO: Rio Dell City Council

THROUGH: Kyle Knopp, City Manager

FROM: Cheryl Dillingham, Interim Finance Director *CD*

SUBJECT: Fiscal Year 2019-20 Audited Financial Statements

---

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive presentation by JJA CPA, Inc. on the City's audited financial statements and accompanying information.

BACKGROUND AND DISCUSSION:

Each year an independent auditing firm audits and prepares financial statements for the City of Rio Dell in accordance with Generally Accepted Accounting Principles (GAAP) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that an audit be performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The City received an unqualified opinion and no material weaknesses were identified. An unqualified opinion means that the auditor has concluded the financial statements present fairly the results of the City's operations and its financial position according to generally accepted accounting principles. A material weakness is one or more deficiencies in internal control where a reasonable possibility exists that a material misstatement will not be prevented, detected, or corrected in a timely manner. The auditor found no such weaknesses.

The auditing firm of JJA CPA, Inc. will present to Council the Fiscal year 2019-20 audited Financial Statements and accompanying information.

ATTACHMENTS:

Annual Financial Report for the fiscal year ended June 30, 2020



CITY OF RIO DELLE, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2020



Prepared by:

**Cheryl Dillingham**  
Finance Director

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**City of Rio Dell, California  
 Basic Financial Statements  
 For the year ended June 30, 2020**

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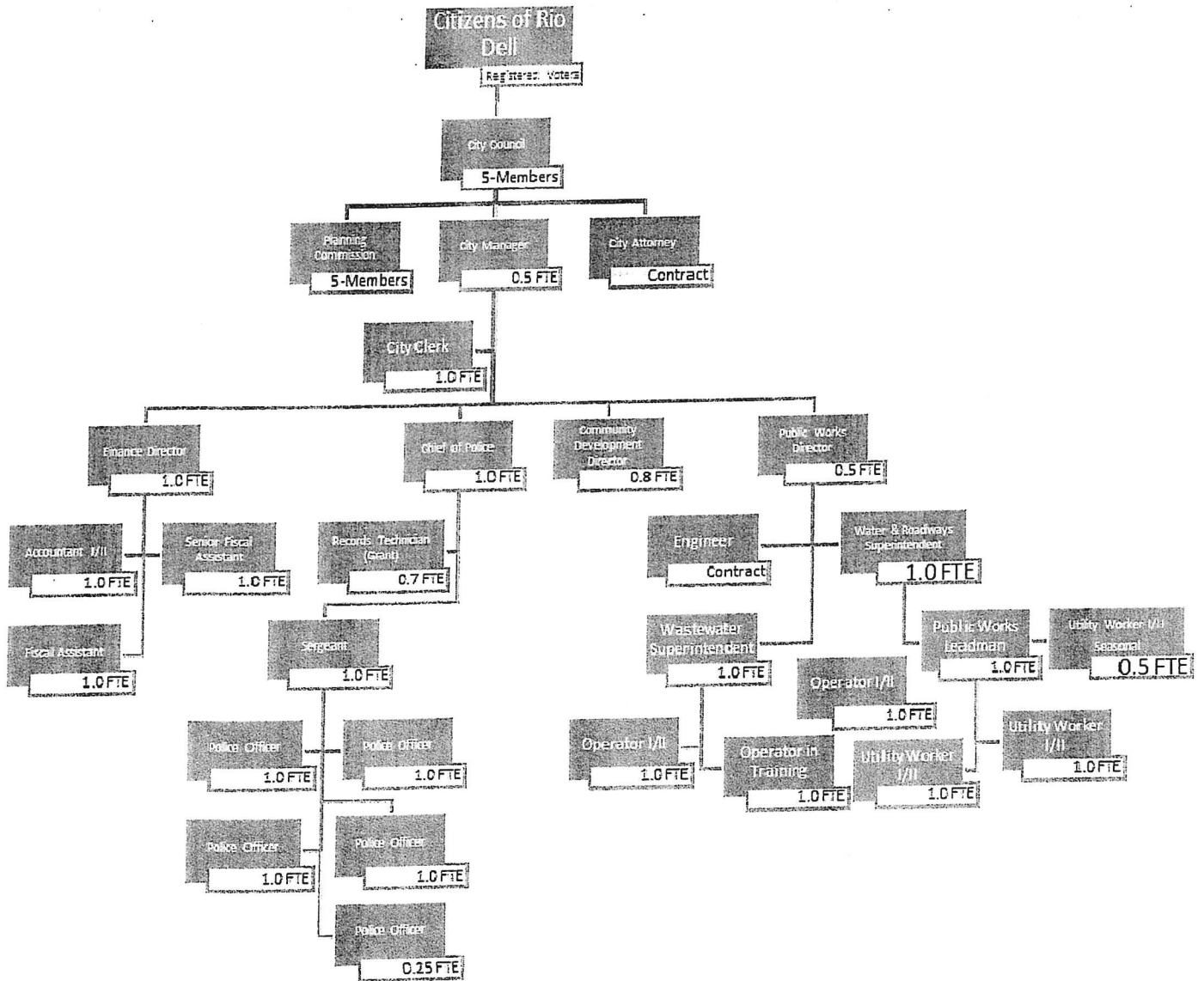
**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Organization Chart**



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**List of Officials**

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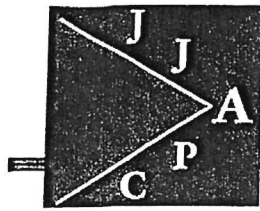
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***CITY COUNCIL***

- Debra Garnes, Mayor
- Julie Woodall, Mayor Pro Tem
- Frank Wilson, Council Member
- Gordon Johnson, Council Member
- Sue Strahan, Council Member

***CITY OFFICIALS***

- Kyle Knopp, City Manager
- Keren Dunham, City Clerk
- Cheryl Dillingham, Finance Director
- Kevin Caldwell , Community Development Director
- Jeff Conner, Chief of Police



JJACPA, Inc.

A Professional Accounting Services Corp.

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Rio Dell  
Rio Dell, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Rio Dell, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and City Council  
The City of Rio Dell  
Rio Dell, California  
Page 2

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

March 17, 2021

*JJACPA, Inc.*  
JJACPA, Inc.  
Dublin, CA

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

---

This section provides a narrative overview and analysis of the financial activities of the City of Rio Dell (City) for the fiscal year ended June 30, 2020. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

This section of the annual financial report provides a narrative overview and analysis of the financial activities of the City of Rio Dell (City) for the fiscal year ended June 30, 2020. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

The following outlines the financial highlights for the year:

- ◆ At June 30, 2020, the City's net position (excess of assets and deferred outflows of resources of the City over liabilities and deferred inflows of resources) was \$30,022,728, an increase of \$1,686,826 from the prior year. Of the total net position, \$21,594,191 was invested in capital assets (net of related debt) and \$436,569 had restrictions in their use leaving \$7,991,968 as unrestricted.
- ◆ Overall City-wide revenues from all governmental and business-type activities increased by \$912,121 compared to FY 2018-19. The increase is primarily due to revenue received for the sidewalk and bike lane construction project funded through the Active Transportation Program (ATP). The City's total expenses for all programs in FY 2019-20 increased by \$103,842 or 2.6%.
- ◆ Overall the City's total net position increased by \$1,686,826 (\$1,403,411 and \$283,415 for governmental activities and business-type activities, respectively). Total city-wide assets increased \$2,225,517. This primarily was the result of an increase in cash, with the remainder being accounts receivable (asset) that was offset with accounts payable (liability) for the ATP project.
- ◆ The General Fund reported a fund balance of \$2,224,862 at the end of the 2020 fiscal year, an increase of \$203,941. This change was the result of new Cannabis revenues and additional sales tax revenues.
- ◆ The City also ended the fiscal year with \$4,256,143 reported in the proprietary enterprise funds (the amount of net position available for use, including unrestricted net position, but excluding the investment in capital assets net of related debt). This is an increase of \$785,983 from 2019 and is a result of unrestricted water funds increasing by \$599,786 to \$2,275,694 and unrestricted sewer funds increasing by \$186,197 to \$1,980,449.



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

---

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT**

**The Basic Financial Statements**

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

**Government-wide Financial Statements**

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and are comprised of the Statement of Net position and the Statement of Activities. The Statement of Net position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by private sector entities. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

Government-wide financial statements, prepared on the accrual basis, measure the flow of all economic resources of the City. There are two basic statements presented here: the Statement of Net Position and Statement of Activities. These statements present information about the following activities.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, parks and recreation, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.
- ◆ **Business-type activities** – All the City's enterprise activities are reported here, including Water and Sewer. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

---

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2020, the City's major funds are as follows:

**GOVERNMENTAL FUNDS:**

- ◆ General Fund
- ◆ CDBG Special Revenue Fund

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

---

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**Fund Financial Statements, Continued**

**PROPRIETARY FUNDS:**

- ◆ Water Enterprise Fund
- ◆ Sewer Enterprise Fund

For the fiscal year ended June 30, 2020, the City adopted annual appropriated budgets for all governmental funds.

*Proprietary funds.* The City maintains Enterprise-type funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water and Sewer activities. The proprietary fund financial statements provide separate information for all of these operations.

**Fiduciary Statements**

The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations. The fiduciary statements provide financial information about the activities of special deposits for which the City acts solely as an agent. They provide information about the cash balances and activities of these funds.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 41-72 of this report.

**Combining and Individual Fund Financial Statements and Schedules**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 76-89 of this report.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$30,022,728 as of June 30, 2020. The Summary of Net position as of June 30, 2020, and 2019, follows:

	Summary of Net Position					
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 5,136,662	\$ 4,856,441	\$ 9,993,103	\$ 3,775,656	\$ 4,063,188	\$ 7,838,844
Noncurrent assets	5,690,687	22,481,753	28,172,440	4,801,171	23,300,011	28,101,182
Total assets	10,827,349	27,338,194	38,165,543	8,576,827	27,363,199	35,940,026
Current and other liabilities	931,185	564,215	1,495,400	8,447	560,790	569,237
Long-term liabilities	33,083	6,614,332	6,647,415	32,710	6,926,177	6,958,887
Total liabilities	964,268	7,178,547	8,142,815	41,157	7,486,967	7,528,124
Net position:						
Net invested in						
Capital Assets	5,690,687	15,903,504	21,594,191	4,801,171	16,406,072	21,207,243
Restricted	436,569	-	436,569	350,064	-	350,064
Unrestricted	3,735,825	4,256,143	7,991,968	3,308,435	3,470,160	6,778,595
Total net position	\$ 9,863,081	\$ 20,159,647	\$ 30,022,728	\$ 8,459,670	\$ 19,876,232	\$ 28,335,902

The City's total net position increased by \$1,686,826 (\$1,403,411 for governmental activities and \$283,415 for business-type activities). Total city-wide assets increased \$2,225,517. This was mostly the result of an increase in cash and accounts receivable for the ATP streets project. Total current city-wide liabilities increased by \$926,163, primarily due to accounts payable for construction costs on the ATP streets project. Debt service principle (long-term liabilities) for the wastewater treatment plant and the water system infiltration gallery decreased \$315,690. Total city-wide liabilities, not including deferred outflows and inflows of resources increased by \$614,691.

About 1.5% or \$436,569 of City-wide net position represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of \$8 million may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$3,735,825 is held by governmental activities and \$4,256,143 is held by business-type activities.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Revenues**

The City's total revenues for governmental and business-type activities were \$5,777,047 for the fiscal year ended June 30, 2020, an increase of \$912,121. Significant revenues for the City for FY 2019-20 were derived from taxes (27%), operating grants and contributions (24%), and charges for services (42%).

The following discusses variances in key revenues from the prior fiscal year:

- ◆ **Charges for Services** - Annual receipts for business-type activities decreased \$98,625, or 4%. Governmental activities decreased \$72,674, primarily due to one-time building fees for a new multi-unit housing project received last fiscal year.
- ◆ **Grants and Contributions** - Annual receipts increased by \$833,107. This was due to funding received for the ATP streets construction project.
- ◆ **Other Taxes** - Annual receipts increased \$159,236. This represents revenues from the new cannabis tax.

**Expenses**

Governmental and business-type activity expenses of the City for the year totaled \$4,090,221. This is an increase of \$103,842 from the prior fiscal year. Governmental activity expenses totaled \$1,539,115, or 38% of total expenses. Business-type activities incurred \$2,551,106 of expenses during the fiscal year, a decrease of \$91,710 due mainly to reduced capital project costs. Public safety - Police costs represented 51% of total governmental activities expenses, General Government activities were (20%) and Public Works was (21%). The remaining 8% were Planning and Building and Recycling costs.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The change in net position for the fiscal years ended June 30, 2020, and 2019, follows:

	Changes in Net Position			2019		
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 91,745	\$ 2,341,216	\$ 2,432,961	\$ 164,419	\$ 2,439,841	\$ 2,604,260
Grants and contributions:						
Operating	188,624	64,765	253,389	359,377	-	359,377
Capital	1,020,625	115,357	1,135,982	8,851	188,036	196,887
General revenues:						
Property taxes, levied for general purposes	137,848	-	137,848	127,913	-	127,913
Sales taxes	573,424	-	573,424	486,594	-	486,594
Transient occupancy tax	11,797	-	11,797	9,328	-	9,328
Gas taxes	141,699	-	141,699	144,878	-	144,878
Franchise taxes	87,139	-	87,139	88,045	-	88,045
Other taxes	193,104	-	193,104	33,868	-	33,868
Motor vehicle in lieu	409,738	-	409,738	384,193	-	384,193
Use of money and property	70,089	54,438	124,527	64,031	44,130	108,161
Contributed capital	-	211,300	211,300	-	207,471	207,471
Other general	16,694	47,445	64,139	46,149	67,802	113,951
Total revenues	2,942,526	2,834,521	5,777,047	1,917,646	2,947,280	4,864,926
<b>Expenses:</b>						
Governmental activities:						
General government	302,068	-	302,068	391,694	-	391,694
Public safety - Police	786,994	-	786,994	669,547	-	669,547
Public works	319,966	-	319,966	214,838	-	214,838
Planning and building	121,821	-	121,821	59,994	-	59,994
Recycling	8,266	-	8,266	7,490	-	7,490
Business-type activities:						
Sewer	-	1,639,983	1,639,983	-	1,542,953	1,542,953
Water	-	911,123	911,123	-	1,099,863	1,099,863
Total expenses	1,539,115	2,551,106	4,090,221	1,343,563	2,642,816	3,986,379
Excess (Deficiency) of revenues over expenditures before transfers	1,403,411	283,415	1,686,826	574,083	304,464	878,547
Transfers	-	-	-	5,834	(5,834)	-
Change in net position	1,403,411	283,415	1,686,826	579,917	298,630	878,547
<b>Net position:</b>						
Beginning of year	8,459,670	19,876,232	28,335,902	7,879,753	19,577,602	27,457,355
End of year	\$ 9,863,081	\$ 20,159,647	\$ 30,022,728	\$ 8,459,670	\$ 19,876,232	\$ 28,335,902

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management’s Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Governmental Activities**

The following table shows the cost of each of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2020, and 2019, are as follows:

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 302,068	\$ 252,452	\$ 391,694	\$ 272,427
Public safety - Police	786,994	604,126	669,547	520,800
Public works	319,966	(702,169)	214,838	(49,795)
Planning and building	121,821	84,679	59,994	59,994
Recycling	8,266	(967)	7,490	7,490
Total	<u>\$ 1,539,115</u>	<u>\$ 238,121</u>	<u>\$ 1,343,563</u>	<u>\$ 810,916</u>

Total expenses for governmental activities were \$1,539,115 which was \$195,552 or 15% more than the prior year. Public Works had a negative “Net Cost of Services” due to the addition of infrastructure funded by a grant from the State through the Active Transportation Program (ATP).



City of Rio Dell, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

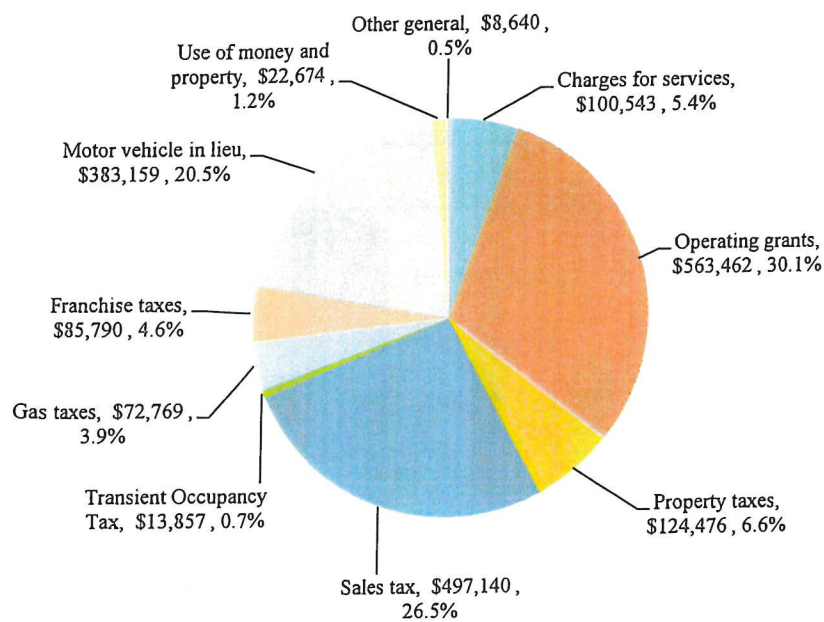
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

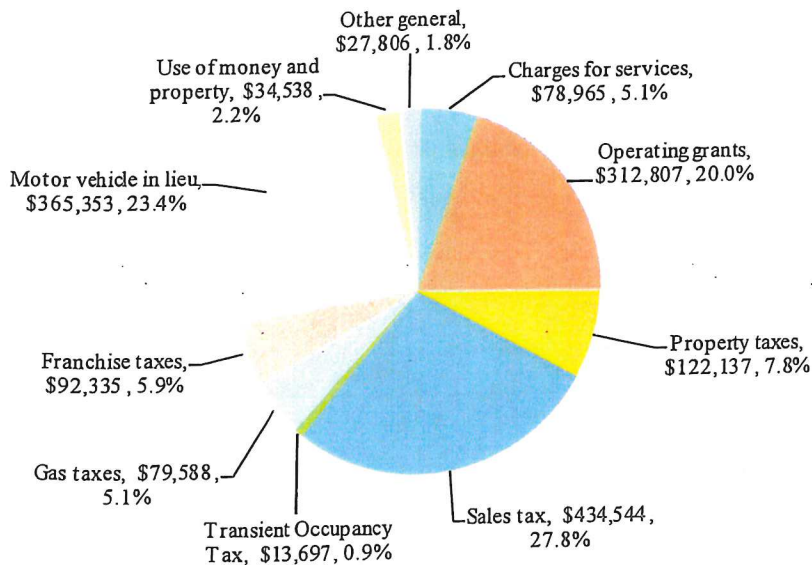
Governmental Activities, continued

Revenues by source for the fiscal years ended June 30, 2018, and 2017, are as follows:

Revenues by Source - Governmental Activities 2018



Revenues by Source - Governmental Activities 2017



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2018**

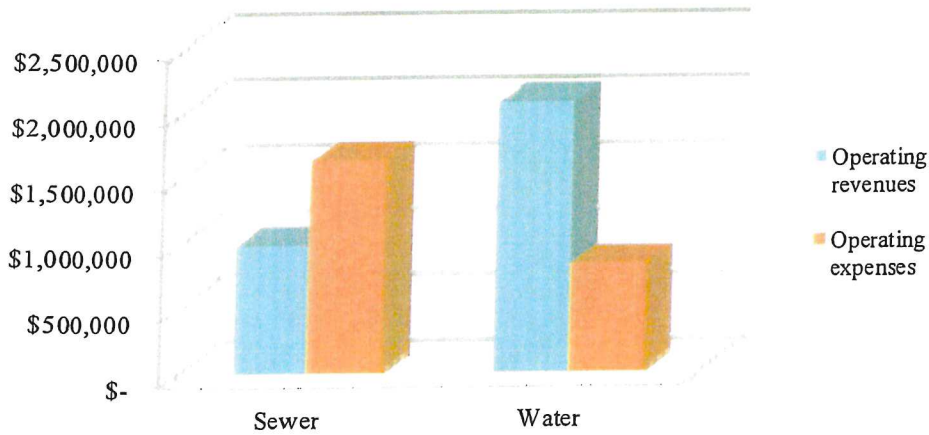
**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

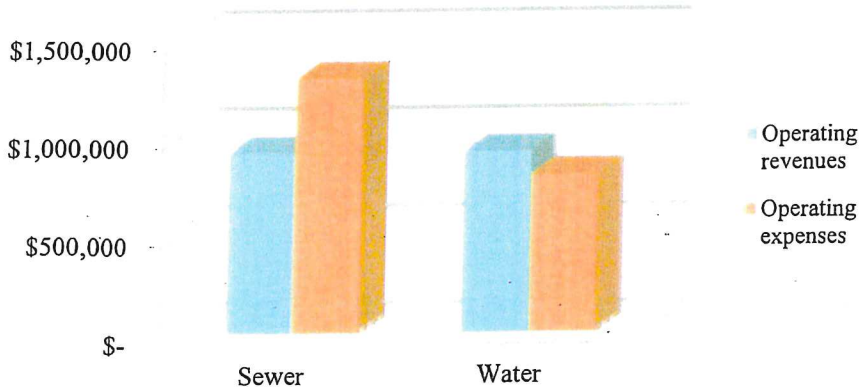
**Business-type Activities**

Business-type activities have increased the City's net position by \$1,124,647. The City has two business-type activities: Sewer and Water Operations. The operating revenues and expenses for the business-type activities for the fiscal years ended June 30, 2018, and 2017, are as follows:

**Operating Revenues and Expenses  
 Business-type Activities  
 2018**



**Operating Revenues and Expenses  
 Business-type Activities  
 2017**



City of Rio Dell, California  
 Basic Financial Statements  
 For the year ended June 30, 2018

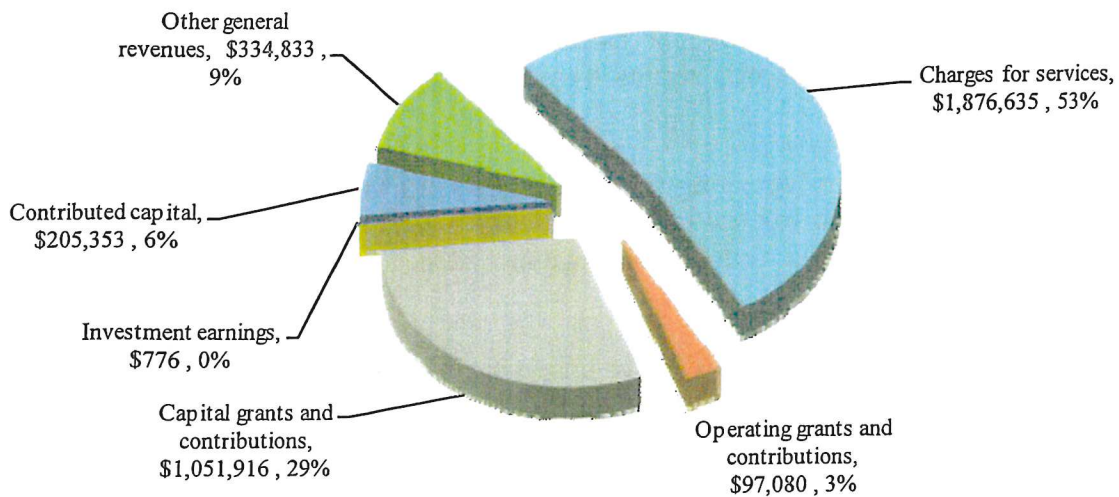
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

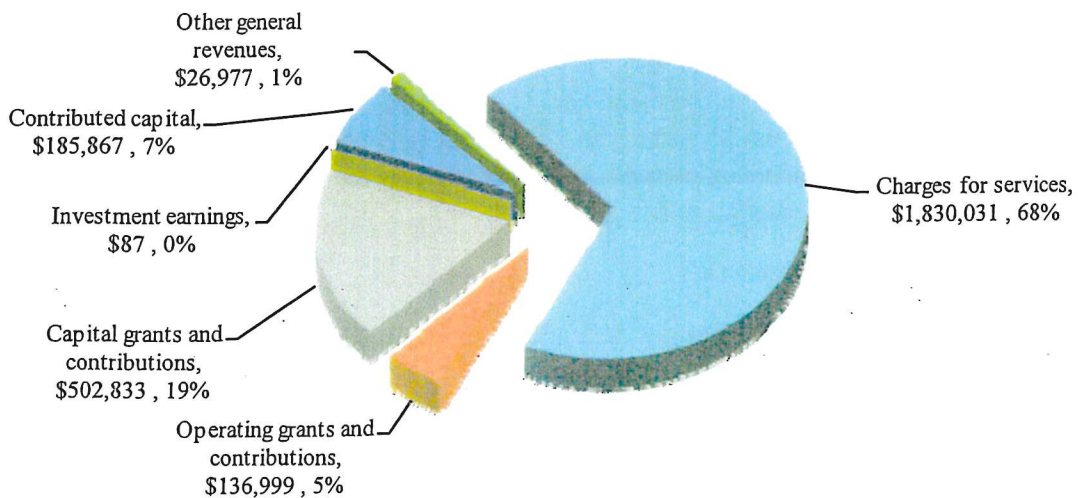
Business-type Activities, continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2018, and 2017, are as follows:

Revenues by Source - Business-type Activities 2017



Revenues by Source - Business-type Activities 2017



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2018**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Financial Analysis of the Government's Funds**

The City of Rio Dell uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

**Governmental funds.** The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2018, the City's governmental funds reported combined fund balances of \$2,131,706. This is an increase of \$102,585 or 5% from last year. This primarily results from revenues exceeding expenditures in the various governmental funds.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2018, General Fund unassigned fund balance totaled \$1,573,748. This is an increase of \$200,589 from the prior year. This increase resulted from higher than anticipated sales tax revenues, as well as significant budgetary savings.

The governmental funds allowed the City to undertake several capital and special projects in FY 2017/18. This included Community Services Block Grant (CDBG) funds for ADA access to City Hall with a new front entrance and walkways. The State provided funds through the Active Transportation Program (ATP) which will enhance non-motorized user safety on City streets. ATP funding is meant to encourage increased use of active modes of transportation. General fund monies were spent towards a lawn mower for Public Works, street striping, and a drainage survey in the area of Belleview and Ogle. The governmental funds projects totaled \$449,800 towards capital improvements and special projects in FY 2017/18.

**Proprietary funds.** The City ended the fiscal year with \$2,973,399 reported in the proprietary enterprise funds (the amount of net position available for use, including unrestricted net position, but excluding the investment in capital assets net of related debt). This is an increase of \$283,320 from 2017. The increase is a result of the change in net position in the water funds. The sewer funds on the other hand reflect a negative change in net position.

**General Fund Budgetary Highlights**

The difference between the final budget and actual revenues differs favorably by \$182,488, or 18% over budgeted amounts. This was mainly due to increased retail sales tax and Measure U revenue. The difference between the final budget and actual expenditures differs favorably by \$279,082. A large portion is from budgeted capital outlay expenditures that were unspent. In particular, capital outlay for the City's upgraded entrance was budgeted at \$332,273. Actual expenditures were \$289,158, for budgetary savings of \$43,115.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

There was a \$2,132,234 difference between the total original expenditure budget and the total final amended budget. Actual expenditures in comparison to the final budget were \$1,572,831 under budget (24% under budget). This resulted primarily from unspent capital outlay appropriations for several projects.

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amount to \$28,172,440. This investment in capital assets includes land, construction in progress, streets, medians, sidewalks, buildings, water and sewer infrastructure, machinery, equipment, and vehicles.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 627,945	\$ 627,945	\$ 507,859	\$ 507,859	\$ 1,135,804	\$ 1,135,804
Construction in progress	1,107,729	183,295	-	-	1,107,729	183,295
Buildings and structures	290,970	302,953	11,896	18,283	302,866	321,236
Equipment	68,469	19,683	233,422	249,355	301,891	269,038
Vehicles	36,310	17,833	45,677	95,084	81,987	112,917
Streets and roads	1,712,651	1,754,723	-	-	1,712,651	1,754,723
Infrastructures	1,846,613	1,894,739	21,682,899	22,429,430	23,529,512	24,324,169
Total	\$ 5,690,687	\$ 4,801,171	\$ 22,481,753	\$ 23,300,011	\$ 28,172,440	\$ 28,101,182

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 49 for significant accounting policies and Note 5 on pages 59 – 60 for other capital asset information.

**Long-Term Debt**

At June 30, 2020, the City had \$6,970,791 in long-term liabilities. Additional information about the City's long-term debt can be found in Note 7 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 36,759	\$ 36,344	\$ 40,092	\$ 35,820	\$ 76,851	\$ 72,164
Safe Drinking Water Loan	-	-	1,292,000	1,428,000	1,292,000	1,428,000
FMHA Special Assessment Bonds	-	-	-	-	-	-
State of California Water Resources Control Board	-	-	5,601,940	5,777,762	5,601,940	5,777,762
Total	\$ 36,759	\$ 36,344	\$ 6,934,032	\$ 7,241,582	\$ 6,970,791	\$ 7,277,926



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

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**Economic Outlook and Next Year's Budget and Rates**

The budget for Fiscal Year 2020-21, was adopted on June 16, 2020, is balanced and the economic outlook for the near term is uncertain but considered stable. The overall stabilization is a result of a diverse tax base due the passage of Measure J (1% sales tax) and Measure X (cannabis tax), a lack of pension debt and utility rates that currently meet operating and capital costs. Additionally, the City has made efforts over the past several years to contain and control expenditures.

Tax revenues, particularly property and sales taxes, continue to be steady through economic cycles which provides stability to the City's financial position. These revenues have increased modestly and have seen minimal impacts from the pandemic. In addition, the City's tax revenue base was broadened with the passage of Measure U in 2014, the City's 1% add-on tax. Measure U expired in 2020 and thanks to community support Measure J was passed and extends the sales tax through 2024.

The City's business tax on medical and recreational marijuana, Measure X was voted in on November 7, 2017. Measure X taxes approved and permitted commercial cannabis activity within the City limits. Estimated cannabis tax revenues exceed property tax revenues for the first time in the FY 2020-21 budget. Maintaining and growing the City's revenue base continues to be a high priority.

The City's traditional revenue base is not keeping up with expenses. Salary and benefits costs are the largest expense category and it has become a challenge to provide salaries that are competitive enough to recruit and retain qualified employees. Additionally, costs for other services continue to rise such as dispatch, information systems and animal control. It is anticipated that the cost of doing business will continue to increase.

It has been over five years since a rate study has been done for sewer and water services. The budget contains funding for a new rate study. Regulatory oversight, capital planning and replacement and employee retention are factors contributing to the need for a rate review and update. The City must go through the Proposition 218 process to continue to add an annual inflation factor to rates because the authority expires after five years.

In summary, the City enters FY 2020-21 in a strong financial position due to past efforts made to stabilize both revenues and expenditures. The budget for FY 2020-21 reinvests in the city, maintains services and reserves and creates a path forward to recover from the economic impacts of the pandemic. While vulnerabilities exist, some within the City's control and some not, the City believes it has taken, and will continue to take, the actions necessary to create a sustainable financial future.

**Requests for Information**

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, or need additional financial information contact the City of Rio Dell Finance Department, 675, Rio Dell, CA 95562.

**BASIC FINANCIAL STATEMENTS**



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**City of Rio Dell, California**  
**Statement of Net Position**  
**June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 2,673,276	\$ 4,320,752	\$ 6,994,028
Receivables:			
Accounts	635,507	298,919	934,426
Intergovernmental	807,746	158,768	966,514
Interest	6,871	10,002	16,873
Loans/Notes receivable	981,950	-	981,950
Prepaid items	31,312	68,000	99,312
<b>Total current assets</b>	<u>5,136,662</u>	<u>4,856,441</u>	<u>9,993,103</u>
<b>Noncurrent assets:</b>			
Capital assets:			
Nondepreciable	1,735,674	507,895	2,243,569
Depreciable	3,955,013	21,973,858	25,928,871
<b>Total noncurrent assets</b>	<u>5,690,687</u>	<u>22,481,753</u>	<u>28,172,440</u>
<b>Total assets</b>	<u>\$ 10,827,349</u>	<u>\$ 27,338,194</u>	<u>\$ 38,165,543</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 927,509	\$ 75,018	\$ 1,002,527
Interest payable	-	82,162	82,162
Deposits payable	-	87,335	87,335
Compensated absences - current portion	3,676	4,009	7,685
Due within one year	-	315,691	315,691
<b>Total current liabilities</b>	<u>931,185</u>	<u>564,215</u>	<u>1,495,400</u>
<b>Noncurrent liabilities:</b>			
Long-term liabilities:			
Compensated absences	33,083	36,083	69,166
Due after one year	-	6,578,249	6,578,249
<b>Total noncurrent liabilities</b>	<u>33,083</u>	<u>6,614,332</u>	<u>6,647,415</u>
<b>Total liabilities</b>	<u>964,268</u>	<u>7,178,547</u>	<u>8,142,815</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,690,687	15,903,504	21,594,191
Restricted	436,569	-	436,569
Unrestricted	3,735,825	4,256,143	7,991,968
<b>Total net position</b>	<u>9,863,081</u>	<u>20,159,647</u>	<u>30,022,728</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 10,827,349</u>	<u>\$ 27,338,194</u>	<u>\$ 38,165,543</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Rio Dell, California**  
**Statement of Activities**  
**For the year ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 302,068	48,860	756	\$ -
Public safety - Police	786,994	-	182,868	-
Public works	319,966	1,510	-	1,020,625
Planning and building	121,821	37,142	-	-
Recycling	8,266	4,233	5,000	-
Total governmental activities	<u>1,539,115</u>	<u>91,745</u>	<u>188,624</u>	<u>1,020,625</u>
Business-type activities:				
Sewer	1,639,983	1,321,702	64,765	-
Water	911,123	1,019,514	-	115,357
Total business-type activities	<u>2,551,106</u>	<u>2,341,216</u>	<u>64,765</u>	<u>115,357</u>
<b>Total primary government</b>	<u>\$ 4,090,221</u>	<u>\$ 2,432,961</u>	<u>\$ 253,389</u>	<u>\$ 1,135,982</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Sales taxes
- Transient occupancy taxes
- Gas taxes
- Franchise taxes
- Other taxes

Intergovernmental:

- State motor vehicle in-lieu tax (MVLFF)
- Use of money and property
- Contributed capital
- Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position:

- Beginning of year
- End of year

The accompanying notes are an integral part of these basic financial statements.

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (252,452)	\$ -	\$ (252,452)
(604,126)	-	(604,126)
702,169	-	702,169
(84,679)	-	(84,679)
967	-	967
<u>(238,121)</u>	<u>-</u>	<u>(238,121)</u>
-	(253,516)	(253,516)
-	223,748	223,748
<u>-</u>	<u>(29,768)</u>	<u>(29,768)</u>
<u>(238,121)</u>	<u>(29,768)</u>	<u>(267,889)</u>
137,848	-	137,848
573,424	-	573,424
11,797	-	11,797
141,699	-	141,699
87,139	-	87,139
193,104	-	193,104
409,738	-	525,095
70,089	54,438	124,527
-	211,300	211,300
16,694	47,445	64,139
<u>1,641,532</u>	<u>313,183</u>	<u>1,954,715</u>
-	-	-
<u>1,641,532</u>	<u>313,183</u>	<u>1,954,715</u>
1,403,411	283,415	1,686,826
8,459,670	19,876,232	28,335,902
<u>\$ 9,863,081</u>	<u>\$ 20,159,647</u>	<u>\$ 30,022,728</u>

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**FUND FINANCIAL STATEMENTS  
MAJOR FUNDS**

<b>Fund</b>	<b>Description</b>
<b>Governmental Funds:</b>	Governmental funds are used for taxes and grants.
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
CDBG Housing Special Revenue	Accounts for activities related to housing and the related CDBG funding.

**City of Rio Dell, California**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<u>Major Funds</u>			<u>Totals</u>
	<u>General Fund</u>	<u>CDBG Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	
<b>ASSETS</b>				
Cash and investments	\$ 1,699,210	\$ 173,261	\$ 800,805	\$ 2,673,276
Receivables:				
Interest	5,195	408	1,268	6,871
Intergovernmental	-	-	807,746	807,746
Loans/Notes receivable	-	981,950	-	981,950
Other receivable	514,695	-	120,812	635,507
Due from other funds	87,758	-	-	87,758
Prepaid items	31,312	-	-	31,312
<b>Total assets</b>	<b>\$ 2,338,170</b>	<b>\$ 1,155,619</b>	<b>\$ 1,730,631</b>	<b>\$ 5,224,420</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 113,308	\$ -	\$ 814,201	\$ 927,509
Due to other funds	-	-	87,758	87,758
<b>Total liabilities</b>	<b>113,308</b>	<b>-</b>	<b>901,959</b>	<b>1,015,267</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	981,950	-	981,950
<b>Total deferred inflows of resources:</b>	<b>-</b>	<b>981,950</b>	<b>-</b>	<b>981,950</b>
<b>Total Liabilities and deferred inflows</b>	<b>113,308</b>	<b>981,950</b>	<b>901,959</b>	<b>1,997,217</b>
<b>Fund balances:</b>				
Nonspendable	31,312	-	-	31,312
Restricted	-	173,669	262,900	436,569
Assigned	-	-	568,163	568,163
Unassigned (Deficit)	2,193,550	-	(2,391)	2,191,159
<b>Total fund balances</b>	<b>2,224,862</b>	<b>173,669</b>	<b>828,672</b>	<b>3,227,203</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 2,338,170</b>	<b>\$ 1,155,619</b>	<b>\$ 1,730,631</b>	<b>\$ 5,224,420</b>

The accompanying notes are an integral part of these basic financial statements.



**City of Rio Dell, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2020**

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**Total fund balances - total governmental funds** \$ 3,227,203

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 5,690,687

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences (36,759)

Governmental funds notes receivable from various loan programs are deferred under the current financial resources measurement focus. The notes receivable are recognized in the government-wide Statement of Net Position under the accrual basis of accounting. 981,950

**Net Position of governmental activities** \$ 9,863,081

The accompanying notes are an integral part of these basic financial statements.

# City of Rio Dell, California

## Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

### Governmental Activities

June 30, 2020

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>Current assets:</b>				
Cash and investments	\$ 2,673,276	\$ -	\$ -	\$ 2,673,276
Receivables:				
Interest	6,871	-	-	6,871
Intergovernmental	807,746	-	-	807,746
Loans/Notes receivable	981,950	-	-	981,950
Other receivable	635,507	-	-	635,507
Due from other funds	87,758	(87,758)	-	-
Prepaid items	31,312	-	-	31,312
<b>Total current assets</b>	<u>5,224,420</u>	<u>(87,758)</u>	<u>-</u>	<u>5,136,662</u>
<b>Noncurrent assets:</b>				
Capital assets, net	-	-	5,690,687	5,690,687
<b>Total noncurrent assets</b>	<u>-</u>	<u>-</u>	<u>5,690,687</u>	<u>5,690,687</u>
<b>Total assets</b>	<u>5,224,420</u>	<u>(87,758)</u>	<u>5,690,687</u>	<u>10,827,349</u>
<b>Deferred outflows of resources:</b>				
Pension Plan	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<u>\$ 5,224,420</u>	<u>\$ (87,758)</u>	<u>\$ 5,690,687</u>	<u>\$ 10,827,349</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$ 927,509	\$ -	\$ -	\$ 927,509
Due to other funds	87,758	(87,758)	-	-
Compensated absences - current portion	-	-	3,676	3,676
<b>Total current liabilities</b>	<u>1,015,267</u>	<u>(87,758)</u>	<u>3,676</u>	<u>931,185</u>
<b>Noncurrent liabilities:</b>				
Long-term liabilities:				
Compensated absences	-	-	33,083	33,083
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>33,083</u>	<u>33,083</u>
<b>Total liabilities</b>	<u>1,015,267</u>	<u>(87,758)</u>	<u>36,759</u>	<u>964,268</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	981,950	-	(981,950)	-
<b>Total liabilities and deferred inflows of resources:</b>	<u>1,997,217</u>	<u>(87,758)</u>	<u>(945,191)</u>	<u>964,268</u>
<b>FUND BALANCES/NET POSITION</b>				
<b>Fund balances:</b>				
Nonspendable	31,312	(31,312)	-	-
Restricted	436,569	(436,569)	-	-
Assigned	568,163	(568,163)	-	-
Unassigned (deficit)	2,191,159	(2,191,159)	-	-
<b>Net position:</b>				
Net investment in capital assets	-	-	5,690,687	5,690,687
Restricted	-	-	436,569	436,569
Unrestricted	-	3,227,203	508,622	3,735,825
<b>Total fund balances/net position</b>	<u>3,227,203</u>	<u>-</u>	<u>6,635,878</u>	<u>9,863,081</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 5,224,420</u>	<u>\$ (87,758)</u>	<u>\$ 5,690,687</u>	<u>\$ 10,827,349</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Rio Dell, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Governmental Funds**

**For the year ended June 30, 2020**

	Major Funds			Totals
	General Fund	CDBG Special Revenue	Other Governmental Funds	
<b>REVENUES:</b>				
Property taxes	\$ 330,952	\$ -	\$ -	\$ 330,952
Sales taxes	573,424	-	-	573,424
Occupancy taxes	11,797	-	-	11,797
Gas tax	-	-	141,699	141,699
Intergovernmental	409,738	26,168	1,208,493	1,644,399
Licenses, permits, and franchise fees	138,509	-	39,826	178,335
Interest and use of property	51,226	12,825	6,166	70,217
Miscellaneous	13,357	-	3,886	17,243
<b>Total revenues</b>	<b>1,529,003</b>	<b>38,993</b>	<b>1,400,070</b>	<b>2,968,066</b>
<b>EXPENDITURES:</b>				
Current:				
General government	234,397	2,986	16,145	253,528
Public safety - Police	600,458	-	164,471	764,929
Public works	63,146	-	240,252	303,398
Planning and building	39,186	-	82,635	121,821
Recycling	-	-	8,266	8,266
Capital outlay	87,875	-	888,399	976,274
<b>Total expenditures</b>	<b>1,025,062</b>	<b>2,986</b>	<b>1,400,168</b>	<b>2,428,216</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>503,941</b>	<b>36,007</b>	<b>(98)</b>	<b>539,850</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	300,000	300,000
Transfers out	(300,000)	-	-	(300,000)
<b>Total other financing sources (uses)</b>	<b>(300,000)</b>	<b>-</b>	<b>300,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>203,941</b>	<b>36,007</b>	<b>299,902</b>	<b>539,850</b>
<b>FUND BALANCES:</b>				
Beginning of year	2,020,921	137,662	528,770	2,687,353
End of year	\$ 2,224,862	\$ 173,669	\$ 828,672	\$ 3,227,203

The accompanying notes are an integral part of these basic financial statements.

**City of Rio Dell, California**

**Reconciliation of Fund Basis Statements to Government-wide Statement of Activities**

**For the year ended June 30, 2020**

Functions/Programs	Fund Based Totals	Compensated	Depreciation	Capital	Government- wide Totals
		Absences/ Debt Service		Asset (Additions)/ Retirements	
<b>Governmental activities:</b>					
General government	\$ 253,528	\$ 415	\$ 48,125	\$ -	\$ 302,068
Public safety - Police	764,929		22,065	-	786,994
Public works	303,398	-	58,040	(41,472)	319,966
Planning and building	121,821	-	-	-	121,821
Recycling	8,266	-	-	-	8,266
Capital outlay	976,274	-	-	(976,274)	-
<b>Total governmental activities</b>	<b>\$ 2,428,216</b>	<b>\$ 415</b>	<b>\$ 128,230</b>	<b>\$ (1,017,746)</b>	<b>\$ 1,539,115</b>

The accompanying notes are an integral part of these basic financial statements.

**City of Rio Dell, California**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the year ended June 30, 2020**

---

**Net change in fund balances - total governmental funds** \$ 539,850

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$ 977,202	
Disposal of capital assets	40,544	
Depreciation expense	<u>(128,230)</u>	889,516

Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued.

(25,540)

**Change in Net Position of governmental activities**

\$ 1,403,411

The accompanying notes are an integral part of these basic financial statements.

**City of Rio Dell, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget to Actual - Major Funds**

**For the year ended June 30, 2020**

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Property taxes	146,669	146,669	330,952	\$ 184,283
Sales taxes	458,158	458,158	573,424	115,266
Occupancy taxes	13,152	13,152	11,797	(1,355)
Intergovernmental	387,346	387,346	409,738	22,392
Licenses, permits, and franchise fees	133,503	133,503	138,509	5,006
Interest and use of property	22,445	22,445	51,226	28,781
Miscellaneous	1,200	1,200	13,357	12,157
<b>Total revenues</b>	<b>1,162,473</b>	<b>1,162,473</b>	<b>1,529,003</b>	<b>366,530</b>
<b>EXPENDITURES:</b>				
Current:				
General government	252,582	249,627	234,397	15,230
Public safety - Police	682,058	682,058	600,458	81,600
Planning and public works	207,709	267,184	63,146	204,038
Building	53,928	53,928	39,186	14,742
Capital outlay	135,000	85,000	87,875	(2,875)
<b>Total expenditures</b>	<b>1,331,277</b>	<b>1,337,797</b>	<b>1,025,062</b>	<b>312,735</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(168,804)</b>	<b>(175,324)</b>	<b>503,941</b>	<b>679,265</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(300,000)	(300,000)	(300,000)	-
<b>Total other financing sources (uses)</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(468,804)</b>	<b>(475,324)</b>	<b>203,941</b>	<b>679,265</b>
<b>FUND BALANCES:</b>				
Beginning of year	2,020,921	2,020,921	2,020,921	-
End of year	<u>\$ 1,552,117</u>	<u>\$ 1,545,597</u>	<u>\$ 2,224,862</u>	<u>\$ 679,265</u>

The accompanying notes are an integral part of these basic financial statements.

<b>CDBG Special Revenue Fund</b>			
<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance w/Final Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
-	-	-	\$ -
-	-	-	-
-	-	-	-
-	-	26,168	26,168
-	-	-	-
-	-	12,825	12,825
-	-	-	-
-	-	38,993	38,993
2,461	2,461	2,986	(525)
-	-	-	-
-	-	-	-
-	-	-	-
2,461	2,461	2,986	(525)
(2,461)	(2,461)	36,007	38,468
-	-	-	-
-	-	-	-
(2,461)	(2,461)	36,007	38,468
137,662	137,662	137,662	-
\$ 135,201	\$ 135,201	\$ 173,669	\$ 38,468



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**ENTERPRISE FUNDS**

<b>Fund</b>	<b>Description</b>
<b>Major Funds:</b>	
Sewer Fund	Accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.
Water Fund	Accounts for the operation and maintenance of the City's water treatment and distribution system.

**City of Rio Dell, California**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 2,164,922	\$ 2,155,830	\$ 4,320,752
Receivables:			
Accounts	152,173	146,746	298,919
Assessments	-	-	-
Intergovernmental	43,411	115,357	158,768
Interest	4,549	5,453	10,002
Prepaid	-	68,000	68,000
<b>Total current assets</b>	<u>2,365,055</u>	<u>2,491,386</u>	<u>4,856,441</u>
<b>Noncurrent assets:</b>			
Capital assets, net	12,978,612	9,503,141	22,481,753
<b>Total noncurrent assets</b>	<u>12,978,612</u>	<u>9,503,141</u>	<u>22,481,753</u>
<b>Total Assets</b>	<u>\$ 15,343,667</u>	<u>\$ 11,994,527</u>	<u>\$ 27,338,194</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 51,124	\$ 23,894	\$ 75,018
Interest payable	82,162	-	82,162
Deposits payable	52,737	34,598	87,335
Compensated absences - current portion	2,005	2,004	4,009
Due within one year	179,691	136,000	315,691
<b>Total current liabilities</b>	<u>367,719</u>	<u>196,496</u>	<u>564,215</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	16,887	19,196	36,083
Due after one year	5,422,249	1,156,000	6,578,249
<b>Total noncurrent liabilities</b>	<u>5,439,136</u>	<u>1,175,196</u>	<u>6,614,332</u>
<b>Total liabilities</b>	<u>5,806,855</u>	<u>1,371,692</u>	<u>7,178,547</u>
<b>Net Position:</b>			
Net investment in capital assets	7,556,363	8,347,141	15,903,504
Unrestricted	1,980,449	2,275,694	4,256,143
<b>Total net position</b>	<u>9,536,812</u>	<u>10,622,835</u>	<u>20,159,647</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 15,343,667</u>	<u>\$ 11,994,527</u>	<u>\$ 27,338,194</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Rio Dell, California**

**Statement of Revenues, Expenses, and Changes in Fund Net Position**

**Proprietary Funds**

**For the year ended June 30, 2020**

	Sewer Fund	Water Fund	Totals
<b>OPERATING REVENUES:</b>			
Charges for service	1,266,954	965,092	\$ 2,232,046
Connection fees	27,295	18,900	46,195
Late fees	27,453	35,522	62,975
<b>Total operating revenues</b>	<u>1,321,702</u>	<u>1,019,514</u>	<u>2,341,216</u>
<b>OPERATING EXPENSES:</b>			
Current operations:			
General government	280,567	210,735	491,302
Public works	663,824	440,461	1,104,285
Depreciation	571,060	259,927	830,987
<b>Total operating expenses</b>	<u>1,515,451</u>	<u>911,123</u>	<u>2,426,574</u>
<b>OPERATING INCOME</b>	<u>(193,749)</u>	<u>108,391</u>	<u>(85,358)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Miscellaneous	4,733	40,660	45,393
Intergovernmental revenues (expenses)	64,765	115,357	180,122
Bad debt recovery (expense)	574	1,478	2,052
Interest revenue	26,105	28,333	54,438
Interest expense	(124,532)	-	(124,532)
Contributed capital	-	211,300	211,300
<b>Total non-operating revenues, net</b>	<u>(28,355)</u>	<u>397,128</u>	<u>368,773</u>
<b>NET INCOME BEFORE TRANSFERS</b>	<u>(222,104)</u>	<u>505,519</u>	<u>283,415</u>
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>(222,104)</u>	<u>505,519</u>	<u>283,415</u>
<b>NET POSITION:</b>			
Beginning of year	9,758,916	10,117,316	19,876,232
End of year	<u>\$ 9,536,812</u>	<u>\$ 10,622,835</u>	<u>\$ 20,159,647</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Rio Dell, California**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2020**

	Sewer Fund	Water Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers/users for services provided	\$ 1,259,558	\$ 1,075,852	\$ 2,335,410
Cash payments to suppliers for goods and services	(505,162)	(307,597)	(812,759)
Cash payments to employees for services	(389,736)	(387,112)	(776,848)
Net cash provided by operating activities	<u>364,660</u>	<u>381,143</u>	<u>745,803</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Receipts from miscellaneous	4,733	40,660	45,393
Other non-operating payments	574	116,835	117,409
Net cash used by noncapital financing activities	<u>5,307</u>	<u>157,495</u>	<u>162,802</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital grants received	64,765	211,300	276,065
Acquisition and construction of capital assets	16,931	(29,660)	(12,729)
Principal paid on long term debt	(175,822)	(136,000)	(311,822)
Interest paid on long term debt	(127,110)	-	(127,110)
Net cash (used) by capital and related financing activities	<u>(221,236)</u>	<u>45,640</u>	<u>(175,596)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income received	28,190	28,383	56,573
Net cash provided by investing activities	<u>28,190</u>	<u>28,383</u>	<u>56,573</u>
Net increase (decrease) in cash and cash equivalents	176,921	612,661	789,582
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	1,988,001	1,543,169	3,531,170
End of year	<u>\$ 2,164,922</u>	<u>\$ 2,155,830</u>	<u>\$ 4,320,752</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>			
Operating income	\$ (193,749)	\$ 108,391	\$ (85,358)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	571,060	259,927	830,987
(Increase) decrease in current assets:			
Accounts receivable	(18,733)	(2,700)	(21,433)
Intergovernmental receivables	(43,411)	59,038	15,627
Increase (decrease) in liabilities:			
Accounts payable	43,963	(45,108)	(1,145)
Deposits payable	3,337	(484)	2,853
Compensated absences	2,193	2,079	4,272
Net cash provided by operating activities	<u>\$ 364,660</u>	<u>\$ 381,143</u>	<u>\$ 745,803</u>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2020.

The accompanying notes are an integral part of these basic financial statements.

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## FIDUCIARY ACTIVITIES

Fund	Description
Agency Fund	Used to account for assets held for distribution by the City as an agent for another entity.



**City of Rio Dell, California**  
**Statement of Fiduciary Net Position**  
**Fiduciary Activities**  
**June 30, 2020**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 31,202
Interest receivable	<u>70</u>
<b>Total assets</b>	<u>31,272</u>
<b>LIABILITIES</b>	
Deposits in trust - due to others	<u>31,272</u>
<b>Total Liabilities</b>	<u>\$ 31,272</u>

The accompanying notes are an integral part of these basic financial statements.

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**NOTES TO BASIC FINANCIAL STATEMENTS**

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Index to Notes to Basic Financial Statements**

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**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Rio Dell (the City) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

***Financial Reporting Entity***

The City is a general law City incorporated in the State of California on February 26, 1965. The City is governed by an elected, five-member City Council. The following services are provided by the City to its citizens: public safety (police); highways and streets; drinking water; wastewater collection, treatment and disposal; public improvements; parks and recreation; planning and zoning; and general administrative services.

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. These component units are reported on a blended basis. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The financial statements of the individual component units, if applicable as indicated below, may be obtained by writing to the City of Rio Dell, Finance Department, 675 Wildwood Ave., Rio Dell, CA 95562.

***Description of Joint Powers Agreements***

The City participates in several joint power agreements (JPAs) as described in Note 11. The financial activities of the JPAs are not included in the accompanying basic financial statements because JPAs are administered by governing boards that are separate from and independent of the City.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

***Basis of Presentation***

***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The City reports the following major funds:

- General Fund
- CDBG Special Revenue Fund

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

***Basis of Presentation, Continued***

Descriptions of these funds are included on the divider page preceding the Governmental Funds Balance Sheet.

The funds of the financial reporting entity are described below:

**Governmental Funds**

***General Fund***

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

***Special Revenue Funds***

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

***Capital Project Funds***

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

**Proprietary Funds**

***Enterprise Funds***

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

**Fiduciary Funds**

***Agency Funds***

Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

***Measurement Focus***

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net position, which serves as an indicator of financial position.

In the fund financial statements, the "current financial resources" measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The enterprise funds and private purpose trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund and private purpose trust funds equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

***Basis of Accounting***

The government-wide, proprietary and fiduciary funds financial statements required by GASB Statement No. 34 are reported using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

The governmental fund financial statements are accounted for on a spending or "current financial resources" measurement focus, and the modified accrual basis of accounting. Accordingly, only current assets and liabilities (except for long-term advances from the City) are included in the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

***Basis of Accounting, Continued***

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after fiscal year end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, intergovernmental revenues, other taxes and investment earnings. Fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost- reimbursement grants, categorical block grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving value in exchange, include taxes, grants, entitlements and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

***Assets, Liabilities, and Equity***

**Cash Deposits and Investments**

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The City's investment policy and section 53601 of the California Government Code allow the following investments:

- a) Certificates of Deposit;
- b) Obligations of the State of California.

The City does not enter into reverse repurchase agreements.

The City's investments are carried at fair value instead of cost, as required by U.S. generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end if material, and it includes the effects of these adjustments in income for that fiscal year.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

***Assets, Liabilities, and Equity, Continued***

The City places certain funds with the State of California's Local Agency Investment Fund (LAIF). The City is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the City's investment in this pool is reported in the accompanying financial statements based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hours' notice. Included in LAIF's investments are collateralized mortgage obligations, mortgage backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. Financial statements for LAIF can be obtained from the California State Treasurer's Office: State Treasurer's Office, 915 Capitol Mall, Suite 110, Sacramento, CA 95814.

**Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, utility user taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, utility user tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

***Assets, Liabilities, and Equity, Continued***

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The loans receivable are recorded in the fund statements, but are deferred to indicate they do not represent current financial resources. The loans are recognized when advanced in the government-wide statements. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

**Inventory**

The City does not record and maintain inventory records of unused materials and supplies for the various funds. Inventories are considered immaterial and materials and supplies are currently expensed.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are offset with a reservation of fund balance for long-term assets to indicate they do not constitute current resources available for appropriation.

**Capital Assets**

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

***Government-Wide Statements***

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. No depreciation is recorded in the year of acquisition or in the year of disposition.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

*Assets, Liabilities, and Equity, Continued*

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	5 – 50 years	Landscaping	30 years
Roadway improvements	50 years	Signage	25 years
Sidewalks, curbs, and gutters	50 years	Leasehold improvements	5 years
Storm drain pipes/structures	50 years	Machinery and equipment	3 – 5 years
Traffic signal devices	5 – 40 years	Vehicles	3 years

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

**Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, deferred inflows on the City’s CDBG loans reported in the governmental funds balance sheet.

**Compensated Absences**

Full time employees accumulate earned vacation, holiday and compensated leave of varying amounts dependent upon length of service with the City. These amounts are deemed fully vested with the employee when earned. The City also provides full time employees with sick leave that generally must be used for sickness and injury-related leave time.

The City does not currently provide post-employment benefits.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

*Assets, Liabilities, and Equity, Continued*

**Unearned Revenues**

Unearned revenues in governmental funds arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues in enterprise funds and the statement of net position arise when resources are received by the City before it has legal claim to them, (i.e., when grant monies are received prior to the incurrence of qualifying expenses).

**Equity Classification**

*Government-Wide Statements*

Equity is classified as net position and is displayed in three components:

- a. *Invested in capital assets, net of related debt* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or bylaws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

***Nonspendable Fund Balance –***

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**Equity Classification, Continued**

*Fund Financial Statements, continued*

***Restricted Fund Balance –***

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

***Committed Fund Balance –***

- Self imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council resolution is required to be taken to establish, modify or rescind a fund balance commitment

***Assigned Fund Balance –***

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- Assigned amounts for a specific purpose are as authorized by the City's Finance Director through its fund balance policy.

***Unassigned Fund Balance –***

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

*Revenues, Expenditures, and Expenses*

**Property Tax**

The County of Humboldt (the County) assesses properties, bills for, collects, and distributes property taxes for the City per the following schedule:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10, April 10	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

Since the passage of California Proposition 13, beginning with fiscal year 1978-79, taxes are based either on a 1% rate applied to the 1975-76 assessed value of the property, or on 1% of the sales price of the property on sales transactions and construction which occur after the 1975-76 assessment. Assessed values on properties (exclusive of increases related to sales transactions and improvements) can rise at a maximum of 2% per year. The amount collected by the County is distributed in accordance with State law to the various public agencies. Therefore, the City does not levy a specific tax rate but receives a share of the property tax revenue based on a State formula. The City's tax rate is \$1.00/\$100 of assessed value, the maximum allowable under Proposition 13.

During fiscal year 1993-94, the State passed legislation which permanently shifted an additional amount of property taxes from cities to schools. This amount was partially offset by one-time payments by the State to cities from the State "Transportation Planning and Development" allocation. Also during 1993- 94, an alternate method of property tax allocation (the "Teeter Plan") was adopted. Under this plan, the City receives 100 percent of the secured property tax levied to which it is entitled, whether or not collected.

Unsecured delinquent taxes are considered fully collectible and no allowance for uncollectible taxes is provided. Property tax revenues are recognized when they become available. "Available" means due, or past due, and receivable within the current period and collected or expected to be collected soon enough thereafter to be used to pay liabilities for the current period. This period is 60 days from the end of the fiscal year.



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**Interfund Transfers**

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

***Budgetary Accounting***

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval. The City Manager is authorized to increase expenditures in relation to revenues in funds receiving assigned revenues without approval by the City Council.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2020. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

**Reclassifications**

Certain amounts have been reclassified to provide for comparable results on a year to year basis.



**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**2. CASH AND INVESTMENTS**

Pooled Cash and Investments

The City pools cash from all sources and funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

Categorization of Credit Risk of Securities Instruments

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as custodian of all City managed investments, regardless of their form.

At June 30, 2020, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	Maturities (in years)			Deposits	Fair Market Value
	<1	1 to 3	3 to 5		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value					
Cash in bank	\$ -	\$ -	\$ -	\$ 2,380,955	\$ 2,380,955
Petty cash	-	-	-	1,250	1,250
Total pooled items	-	-	-	2,382,205	2,382,205
<u>Pooled investments, at fair value</u>					
State of California Local Agency Investment Fund	4,643,025	-	-	-	4,643,025
Total pooled investments - interest obligations	4,643,025	-	-	-	4,643,025
Total cash equivalents and investments pooled	\$ 4,643,025	\$ -	\$ -	\$ 2,382,205	\$ 7,025,230
<b>Amounts reported in:</b>					
Governmental activities					\$ 2,673,276
Business-type activities					4,320,752
Fiduciary activities					31,202
Total					\$ 7,025,230

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
State of California Local Agency Investment Fund	\$ 4,643,025	-
Total fair value	\$ 4,643,025	
Portfolio weighted average maturity		-

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**2. CASH AND INVESTMENTS, *continued***

*Interest rate risk* – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

*Credit risk* – Custodial credit risk for investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments in LAIF and the fiscal agent money market funds are not evidenced by specific securities and, therefore, are not subject to custodial credit risk.

*Concentration of credit risk* – The City’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government’s total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City’s Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 3.37% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

*Custodial credit risk – deposits.* For deposits, this is the risk that, in the event of a bank failure, the City’s deposits may not be returned. The City’s Investment Policy addresses custodial credit risk, which follows the Government Code.

At June 30, 2020, the carrying amount of the City’s deposits was \$2,380,955 and the balances in financial institutions were \$2,382,705. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$2,132,705 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2020, the City’s investments were held by the City’s custodial agent, but not in the City’s name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the City's name and places the City ahead of general creditors of the institution.

**City of Rio Dell, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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**2. CASH AND INVESTMENTS, continued**

*Custodial credit risk – investments.* For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

**Investment in LAIF**

The City is a voluntary participant in California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute and is chaired by the State Treasurer who is responsible for day to day administration of LAIF. The total amount invested by all public agencies as of June 30, 2020 was \$32,075,372,647 of which the City had a balance of \$4,643,025. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2020 has a portfolio with market valuation of \$101,788,256 thousand. Of the total invested, 96.63% was invested in non-derivative financial products and 3.37% in structured notes and asset-backed securities. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**City of Rio Dell, California**  
**Basic Financial Statements**  
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**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2020:

	<u>Receivables</u>
Governmental Activities	
Accounts receivable	\$ 635,507
Intergovernmental	807,746
Interest	6,871
	<u>\$ 1,450,124</u>
Business-type activities	
Accounts receivable	\$ 298,919
Intergovernmental	158,768
Interest	10,002
	<u>\$ 467,689</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	50.66%
Individuals/Business	48.98%
Financial Institutions	0.36%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

**4. LOANS AND NOTES RECEIVABLE**

The City engages in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms.

Loans and notes receivable for the year ended June 30, 2020, consisted of the following:

	<u>Beginning</u>			<u>Ending</u>
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Housing Rehabilitation and Affordable Housing Notes	\$ 1,008,117	\$ -	\$ (26,167)	\$ 981,950
Total loans receivable	<u>\$ 1,008,117</u>	<u>\$ -</u>	<u>\$ (26,167)</u>	<u>\$ 981,950</u>

**Housing Rehabilitation, Business Enterprise and Affordable Housing**

The City has provided loans to various homeowners and businesses for rehabilitation. The maximum loan amount is \$100,000, carrying various interest rates and payment dates. Although these notes are expected to be repaid in full, their balance has been offset by deferred revenue. Governmental funds report a deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

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**5. CAPITAL ASSETS**

Governmental capital asset activity for the year ended June 30, 2020, was as follows:

	Balance 6/30/2019	Additions	Retirements	Balance 6/30/2020
Capital assets (Not Depreciated)				
Land	\$ 627,945	\$ -	\$ -	\$ 627,945
Construction in progress	183,295	924,434	-	1,107,729
Total capital assets (not depreciated)	<u>811,240</u>	<u>924,434</u>	<u>-</u>	<u>1,735,674</u>
Capital assets (being depreciated)				
Buildings and improvements	356,422	-	-	356,422
Equipment	531,914	52,768	-	584,682
Vehicles	187,811	-	-	187,811
Streets and roads	2,103,640	-	-	2,103,640
Infrastructures	2,406,317	-	-	2,406,317
Total capital assets (being depreciated)	<u>5,586,104</u>	<u>52,768</u>	<u>-</u>	<u>5,638,872</u>
Less accumulated depreciation:				
Buildings and improvements	53,469	11,985	(2)	65,452
Equipment	512,231	3,982	-	516,213
Vehicles	169,978	22,065	(40,542)	151,501
Streets and roads	348,917	42,072	-	390,989
Infrastructure	511,578	48,126	-	559,704
Total accumulated depreciation	<u>1,596,173</u>	<u>128,230</u>	<u>(40,544)</u>	<u>1,683,859</u>
Governmental activities capital assets, net	<u>\$ 4,801,171</u>			<u>\$ 5,690,687</u>

Depreciation expense for capital assets was charged to functions as follows:

<u>Governmental-Type Activities</u>	
General Government	\$ 48,125
Public Safety	22,065
Planning and public works	58,040
Total Governemental Activities	<u>\$ 128,230</u>

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**5. CAPITAL ASSETS, *continued***

Business-type capital asset activity for the year ended June 30, 2020, was as follows:

	Balance 6/30/2019	Additions	Retirements	Adjustments	Balance 6/30/2020
Capital assets (Not Depreciated)					
Land	\$ 507,859	\$ -	\$ -	\$ -	\$ 507,859
Construction in progress	-	-	-	-	-
Total capital assets (not depreciated)	<u>507,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,859</u>
Capital assets (being depreciated)					
Infrastructure	27,359,638	16,605	-	-	27,376,243
Buildings and Improvements	206,508	-	-	-	206,508
Equipments	1,272,729	7,007	-	29,660	1,309,396
Vehicles	186,469	-	-	(40,543)	145,926
Total capital assets (being depreciated)	<u>29,025,344</u>	<u>23,612</u>	<u>-</u>	<u>(10,883)</u>	<u>29,038,073</u>
Less accumulated depreciation:					
Infrastructure	4,930,208	763,136	-	-	5,693,344
Buildings and Improvements	188,225	6,387	-	-	194,612
Equipments	1,023,374	52,600	-	-	1,075,974
Vehicles	91,385	8,864	-	-	100,249
Total accumulated depreciation	<u>6,233,192</u>	<u>830,987</u>	<u>-</u>	<u>-</u>	<u>7,064,179</u>
Net depreciable assets	<u>22,792,152</u>	<u>(807,375)</u>	<u>-</u>	<u>(10,883)</u>	<u>21,973,894</u>
Total net capital assets	<u>\$ 23,300,011</u>	<u>\$ (807,375)</u>	<u>\$ -</u>	<u>\$ (10,883)</u>	<u>\$ 22,481,753</u>

Depreciation expense for Business-type capital assets was charged to functions and programs based on their usage of related assets. The amount allocated to each function on program are as follows:

<u>Business-Type Activities</u>	
Sewer	\$ 571,060
Water	259,927
Total Business-Type Activities	<u>\$ 830,987</u>

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**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2020:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 880,933	\$ 75,018	\$ 955,951
Accrued payroll and related liabilities	46,576	-	46,576
Total	<u>\$ 927,509</u>	<u>\$ 75,018</u>	<u>\$ 1,002,527</u>

These amounts resulted in the following concentrations in payables:

Vendors	95%
Employees	5%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

**7. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Original Issue Amount	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
<b>Governmental Activities:</b>						
Compensated absences	\$ -	\$ 36,344	\$ 415	\$ -	\$ 36,759	\$ 3,676
<b>Total governmental activities</b>	<u>\$ -</u>	<u>\$ 36,344</u>	<u>\$ 415</u>	<u>\$ -</u>	<u>\$ 36,759</u>	<u>\$ 3,676</u>
<b>Business-type activities</b>						
Safe Drinking Water Loan	\$ 2,720,000	\$ 1,428,000	\$ -	\$ (136,000)	\$ 1,292,000	\$ 136,000
State of California Water						
Resources Control Board	6,980,359	5,777,762	-	(175,822)	5,601,940	179,691
<b>Total business-type activity debt</b>	<u>10,236,159</u>	<u>7,205,762</u>	<u>-</u>	<u>(311,822)</u>	<u>6,893,940</u>	<u>315,691</u>
Compensated absences	-	35,820	4,272	-	40,092	4,009
<b>Total business-type activities</b>	<u>\$ -</u>	<u>\$ 7,241,582</u>	<u>\$ 4,272</u>	<u>\$ (311,822)</u>	<u>\$ 6,934,032</u>	<u>\$ 319,700</u>



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**7. LONG-TERM LIABILITIES, *continued***

***Governmental Activities***

**Compensated Absences**

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences. Compensated absences had a balance of \$36,759 at June 30, 2020, of that amount \$3,676 is expected to be paid within a year. The net changes of the compensated absences are allocated to the public safety department on the Statement of Activities.

***Business-type Activities***

**Safe Drinking Water State Revolving Fund Loan**

In August 2005, the City entered into a loan agreement with the California Department of Health Services, Drinking Water and Environmental Services Division, for a loan in an amount up to \$2,720,000. The loan was subsequently funded by the Safe Drinking Water State Revolving Fund. The proceeds from the loan were used to assist in financing construction of a project that will enable the City to meet safe drinking water standards established under the Health and Safety Code and California Code of Regulations. The non-interest-bearing loan calls for 50 equal semiannual payments due in July and January of each year, beginning in July 2009. At June 30, 2020, the balance of the note was \$1,292,000.

**State of California Water Resources Control Board**

The City has obtained a loan from the California Department of Water Resources to finance an upgrade of the wastewater treatment plant to comply with State wastewater standards. The debt is required to be serviced through wastewater system user charges. The maximum loan amount is \$6,980,359. Principal and interest are payable annually on October 31. The rate of interest is 2.20%. The annual principal and interest payments are \$302,933 and continue through the fiscal year 2044.

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**7. LONG-TERM LIABILITIES, *continued***

**Debt Service**

Future debt service for Business-Type Activities at June 30, 2020, is as follows for all debt except compensated absences and claims liabilities:

Year Ending June 30,	Business-type Activities					
	Safe Drinking Water Loan		State of California Water Resources Control Board		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 136,000	\$ -	\$ 179,691	\$ 123,243	\$ 315,691	\$ 123,243
2022	136,000	-	183,644	119,289	319,644	119,289
2023	136,000	-	187,684	115,249	323,684	115,249
2024	136,000	-	191,813	111,120	327,813	111,120
2025	136,000	-	196,033	106,900	332,033	106,900
2025 - 2029	612,000	-	1,046,785	467,882	1,658,785	467,882
2030 - 2034	-	-	1,167,111	347,556	1,167,111	347,556
2035 - 2039	-	-	1,301,267	213,400	1,301,267	213,400
2040 - 2044	-	-	1,147,912	63,822	1,147,912	63,822
2045 - 2049	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,292,000</b>	<b>\$ -</b>	<b>\$ 5,601,940</b>	<b>\$ 1,668,461</b>	<b>\$ 6,893,940</b>	<b>\$ 1,668,461</b>
Due within one year	\$ 136,000	\$ -	\$ 179,691	\$ 123,243	\$ 315,691	\$ 123,243
Due after one year	1,156,000	-	5,422,249	1,545,218	6,578,249	1,545,218
<b>Total</b>	<b>\$ 1,292,000</b>	<b>\$ -</b>	<b>\$ 5,601,940</b>	<b>\$ 1,668,461</b>	<b>\$ 6,893,940</b>	<b>\$ 1,668,461</b>

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**8. NET POSITION/ FUND BALANCES**

**Net position**

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 5,690,687	\$ 15,903,504	\$ 21,594,191
Restricted	436,569	-	436,569
Unrestricted	3,735,825	4,256,143	7,991,968
Total	<u>\$ 9,863,081</u>	<u>\$ 20,159,647</u>	<u>\$ 30,022,728</u>

- Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

**Fund Balance**

Nonspendable and Restricted fund balance consisted of the following at June 30, 2020:

Nonspendable:	
Prepaid items	\$ 31,312
<b>Total Nonspendable</b>	<u>\$ 31,312</u>
Restricted:	
Governmental Funds:	
CDBG	\$ 173,669
Gas Tax	237,235
ISTEA	25,665
<b>Total Restricted</b>	<u>\$ 436,569</u>

The following describe the purpose of each nonspendable, restricted, and committed category used by the City:

**Nonspendable**

- **Prepaid Items** – represents nonspendable amounts classified as prepaid items.

**Restricted**

- **CDBG**– represents amounts restricted for the City’s CDBG housing activities as these programs are supported by specific grants requiring the restriction.
- **Gas Tax** – represents amounts restricted for street maintenance purposes as defined in Sections 2105, 2106, 2107 and 2107.5 of the Streets and Highway Code.
- **ISTEA** – represents amounts restricted in accordance with the Intermodal Surface Transportation Efficiency Act.

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**8. NET POSITION/ FUND BALANCES, continued**

**Fund Balance Deficits**

Deficit fund balances consisted of the following:

	<u>As of</u> <u>June 30, 2020</u>
Nonmajor Special Revenue Funds:	
STIP	\$ 2,391
Total Nonmajor Funds	<u>2,391</u>
Total Fund Balance Deficits	<u>\$ 2,391</u>

The above deficit fund balances have occurred due to the spending of funds prior to the receipt of revenues (cost reimbursements). The Fund balances will be restored in the near future as revenues are received.

**Excess of Expenditures and Transfers over Appropriations:**

Expenditures and transfers exceeded appropriations for the year ended June 30, 2020, for the following funds:

<u>Fund</u>	<u>Final</u> <u>Appropriations</u>	<u>Expenditures and</u> <u>Transfers</u>	<u>Excess</u>
<u>Major Funds</u>			
<u>Special Revenue Funds</u>			
CDBG	\$ 2,461	\$ 2,986	\$ (525)

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**9. INTERFUND TRANSACTIONS**

Due to and from balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Due to and due from other funds consisted of the following as of June 30, 2020:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b><u>Governmental Funds</u></b>		
<b>Major Funds:</b>		
General Fund	\$ 87,758	\$ -
Total Major Funds	<u>87,758</u>	<u>-</u>
<b>Nonmajor Funds:</b>		
ISTEA	-	13,939
Measure Z	-	16,806
STIP	-	57,013
Total Nonmajor Funds	<u>-</u>	<u>87,758</u>
Total Governmental Funds	<u>87,758</u>	<u>87,758</u>
Total	<u>\$ 87,758</u>	<u>\$ 87,758</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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**9. INTERFUND TRANSACTIONS, CONTINUED**

Transfers consisted of the following at June 30, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><u>Governmental Funds</u></b>		
<b>Major Funds:</b>		
General Fund	\$ -	\$ 300,000
Total Major Funds	<u>-</u>	<u>300,000</u>
<b>Nonmajor Funds:</b>		
<b>Special Revenue Funds</b>		
Economic Development	<u>300,000</u>	<u>-</u>
Total Nonmajor Funds	<u>300,000</u>	<u>-</u>
Total Governmental Funds	<u>300,000</u>	<u>300,000</u>
<b>Total</b>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

**10. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Small Cities Organized Risk Effort Joint Powers Authority (SCORE). SCORE provides insurance coverage for general liability, property, and workers' compensation claims under the terms of a joint-powers agreement with the City and several other governmental municipalities.

SCORE is insured up to \$500,000 per general liability and \$1,000,000 per property claim and has purchased excess of loss insurance policies providing coverage above the self-insurance limit to a maximum of \$25,000,000. The City has a \$2,500 - \$50,000 deductible per claim for general liability, property and workers' compensation cases. When the deductible is met, SCORE becomes responsible for payment of the excess claim.

Payments for insurance claims are recorded as expenditures in the funds in which the liabilities were incurred. In accordance with GASB Statement No. 10, if the third party administrator, SCORE, does not insure the loss occurrence then the City shall accrue a loss, if probable and reasonably estimable. As of June 30, 2020, the City has no uninsured occurrences. The City has not used an actuary in determining the liability reserve if needed. Because the actual claim liabilities depend on such complex factors as inflation and changes in legal doctrines and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claims are evaluated periodically to take into account recently settled claims, the frequency of claims and other economic and social factors.

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**11. JOINT POWERS AGREEMENTS**

The City is a member of various joint powers authorities, which provide goods or services to the City and other authority members. Under the criteria established by GASB Statement No. 14, the City does not have sufficient authority, influence or accountability over these entities to incorporate them in this annual report. Additionally, the City has determined that it has no ongoing financial interest in or responsibility for any of these organizations as defined by GASB Statement No. 14. The names and general functions of these joint powers are as follows:

Humboldt Transit Authority

Humboldt Transit Authority (HTA) was created as a separate legal entity by a joint powers agreement between Humboldt County and the Cities of Fortuna, Eureka, Arcata, Trinidad, and Rio Dell. The governing board consists of a city council member and an alternate member appointed from each participating city, as well as two board members and up to two alternate members appointed by the Humboldt County Board of Supervisors. HTA is responsible for adopting its own budget and has the power to incur debts, liabilities, or other obligations. On commencement of operations of HTA, the County contributed 50 percent of the initial equity, and the participating cities jointly contributed 50 percent based upon population data. The participants do not have an ongoing equity interest in HTA.

However, the participants do share operating costs of HTA, and the current share of the City of Rio Dell is 2.8 percent. During the year ended June 30, 2020, the City paid HTA \$40,646. At termination of the agreement, all surplus monies will be returned to the participants in proportion to the amounts received and property shall be divided in a manner agreed upon by the parties. Complete financial statements for Humboldt Transit Authority may be obtained at the offices of the Authority at 133 V Street, Eureka, California 95501.

Hazardous Materials Response Authority

Hazardous Materials Response Authority (HMRA) was created as a separate legal entity by a joint powers agreement between the County of Humboldt, the County of Del Norte, and Cities of Eureka, Crescent City, Arcata, Blue Lake, Fortuna, Trinidad, and Rio Dell. (The City of Ferndale withdrew from the agreement during 1994-1995). The purpose of this joint venture is to pool resources of the participants to provide a united, coordinated, orderly, positive, and more effective means of aiding and assisting in the formulation, administration, implementation and maintenance of an area-wide hazardous materials response team.

HMRA is governed by a board of directors comprised of one member and an alternate appointed by each participant. It adopts its own budget and has the powers to incur debts, liabilities, or obligations. The City of Eureka is responsible for directing the operations of Hazardous Materials Response Teams and for the accounting of HMRA, and in return HMRA reimburses the City of Eureka for the costs of operation and accounting services.

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**11. JOINT POWERS AGREEMENTS, CONTINUED**

Upon commencement of HMRA, the participants agreed to contribute a proportionate share of the cost of operations based on population. The participants do not have an ongoing equity interest in HMRA. However, the participants do share the operating costs of HMRA, and the current share of the City of Rio Dell is 1.9 percent, based on population. During the year ended June 30, 2020, the City paid HMRA \$717. At termination of the agreement, all surplus monies will be returned to the participants in proportion of the amounts received by HMRA; property shall be divided in a manner agreed upon by the participants. Complete financial statements of HMRA are on file at the offices of the City of Eureka at 531 K Street, Eureka, California 95501.

Redwood Region Economic Development Commission

Redwood Region Economic Development Commission (RREDC) was established on November 1, 1977, under a Joint Exercise of Powers Agreement among the nineteen public agencies within Humboldt County, including the City of Rio Dell. RREDC is a separate public entity created to aid, assist, and coordinate the formulation, administration, and implementation of the Economic Development Action Plan and Strategy for Humboldt County, and to assist in the implementation of economic development projects and programs to improve the quality of life in the area. RREDC is governed by one member and an alternate appointed by each participant. Complete financial statements for RREDC are on file at the offices of RREDC at 520 E Street, Eureka, California 95001.

Humboldt Waste Management Authority (HWMA)

A JPA formed to administer solid waste, recycling and other material diversion programs and services. Formed in 1999 and comprised of the County of Humboldt, Arcata, Blue Lake, Eureka, Ferndale and Rio Dell.

Humboldt County Association of Governments (HCAOG)

A local JPA formed for regional transportation planning, responsible for programming State highway, local street and road improvements and public transportation resources. All seven cities and the County are participants.

Redwood Coast Energy Authority (RCEA):

A JPA formed to develop and implement regional measures that reduce energy demand, increase energy efficiency and advance the use of clean efficient renewable resources. Members include the County of Humboldt; the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad; and the Humboldt Bay Municipal Water District.



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**12. DEFERRED COMPENSATION PLAN**

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. As explained previously, the City has adopted the provisions of GASB Statement No. 32 and, therefore, assets and liabilities of these plans have been excluded from the accompanying financial statements. For the fiscal year ended June 30, 2020, the City made contributions totaling \$137,439 to the plan.

**13. COMMITMENTS AND CONTINGENCIES**

*Litigation*

The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

*Grants and Allocations*

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

*Commitments*

The City had no significant unexpended contractual commitments as of June 30, 2020.

**14. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 87, "Leases." The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

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**14. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED**

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

The GASB has issued Statement No. 91, "*Conduit Debt Obligations.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

The GASB has issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities.*

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**14. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED**

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in *each* pronouncement as originally issued.

**15. PANDEMIC EFFECTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The City is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the City's employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City's financial position and changes in net position, fund balance and cash flows is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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## NON-MAJOR SPECIAL REVENUE FUNDS

Fund	Description
Gas Tax	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2103, 2105, 2106, 2107, 2107.5 and 2032 (SB1) of the Streets and Highway Code.
TDA	Accounts for funds received and expended for transit, street, pedestrian and bike purposes in Accordance with the Transportation Development Act.
RSTP	Accounts for funds received and expended in accordance with the Regional Surface Transportation Act.
Solid Waste	Accounts for the City's portion of the Humboldt Waste Management Authority's tipping fees.
SLESF	Accounts for funds received to be used for public safety purposes.
Measure Z	Accounts for funds received and expended for Measure Z.
STIP	Accounts for funds received and expended in accordance with the State Transportation Improvement Program, a multi-year capital improvement program of transportation projects on and off the State Highway System.
Building	Accounts for funds received and expended for building maintenance inspection and permitting purposes.
Recycling	Accounts for funds received and expended for recycling purposes.
Economic Development	Accounts for funds received or designated by the City Council and expended for economic development purposes.

**City of Rio Dell, California**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**

	Gas Tax	TDA	RSTP	Solid Waste
<b>ASSETS</b>				
Cash and investments	\$ 256,783	\$ 39,748	\$ -	\$ 34,275
Receivables:				
Interest	557	188	-	86
Intergovernmental	-	-	-	-
Other receivable	8,908	34,859	55,022	2,137
<b>Total assets</b>	<b>\$ 266,248</b>	<b>\$ 74,795</b>	<b>\$ 55,022</b>	<b>\$ 36,498</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 29,013	\$ 16,492	\$ 15,418	\$ 8
Due to other funds	-	-	13,939	-
<b>Total liabilities:</b>	<b>29,013</b>	<b>16,492</b>	<b>29,357</b>	<b>8</b>
<b>Fund Balances:</b>				
Restricted	237,235	-	25,665	-
Assigned	-	58,303	-	36,490
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>237,235</b>	<b>58,303</b>	<b>25,665</b>	<b>36,490</b>
<b>Total liabilities deferred inflows and fund balances</b>	<b>\$ 266,248</b>	<b>\$ 74,795</b>	<b>\$ 55,022</b>	<b>\$ 36,498</b>

SLESF	Measure Z	STIP	Building	Recycling	Economic Development	Totals
\$ 87,890	\$ -	\$ -	\$ 52,223	\$ 29,886	\$ 300,000	\$ 800,805
227	-	-	136	74	-	1,268
-	-	807,746	-	-	-	807,746
3,080	16,806	-	-	-	-	120,812
<u>\$ 91,197</u>	<u>\$ 16,806</u>	<u>\$ 807,746</u>	<u>\$ 52,359</u>	<u>\$ 29,960</u>	<u>\$ 300,000</u>	<u>\$ 1,730,631</u>
\$ -	\$ -	\$ 753,124	\$ 146	\$ -	\$ -	\$ 814,201
-	16,806	57,013	-	-	-	87,758
-	16,806	810,137	146	-	-	901,959
-	-	-	-	-	-	262,900
91,197	-	-	52,213	29,960	300,000	568,163
-	-	(2,391)	-	-	-	(2,391)
91,197	-	(2,391)	52,213	29,960	300,000	828,672
<u>\$ 91,197</u>	<u>\$ 16,806</u>	<u>\$ 807,746</u>	<u>\$ 52,359</u>	<u>\$ 29,960</u>	<u>\$ 300,000</u>	<u>\$ 1,730,631</u>



**City of Rio Dell, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2020**

	Gas Tax	TDA	RSTP	Solid Waste
<b>REVENUES:</b>				
Gas tax	\$ 141,699	\$ -	\$ -	\$ -
Intergovernmental	-	154,657	28,315	-
Licenses, permits, and franchise taxes	1,500	-	-	4,233
Interest and use of property	2,887	523	-	515
Miscellaneous	642	553	-	34
<b>Total revenues</b>	<u>146,728</u>	<u>155,733</u>	<u>28,315</u>	<u>4,782</u>
<b>EXPENDITURES:</b>				
Current:				
General government	9,334	6,811	-	-
Public safety - Police	-	-	-	-
Public works	62,940	160,347	16,965	-
Planning and building	-	-	-	-
Recycling	-	-	-	8,266
Capital outlay	49,621	-	-	-
<b>Total expenditures</b>	<u>121,895</u>	<u>167,158</u>	<u>16,965</u>	<u>8,266</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>24,833</u>	<u>(11,425)</u>	<u>11,350</u>	<u>(3,484)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>24,833</u>	<u>(11,425)</u>	<u>11,350</u>	<u>(3,484)</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	212,402	69,728	14,315	39,974
End of year	<u>\$ 237,235</u>	<u>\$ 58,303</u>	<u>\$ 25,665</u>	<u>\$ 36,490</u>

SLESF	Measure Z	STIP	Building	Recycling	Economic Development	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,699
159,426	23,442	837,653	-	5,000	-	1,208,493
-	-	-	34,093	-	-	39,826
922	-	-	960	359	-	6,166
1,632	-	-	1,025	-	-	3,886
<u>161,980</u>	<u>23,442</u>	<u>837,653</u>	<u>36,078</u>	<u>5,359</u>	<u>-</u>	<u>1,400,070</u>
-	-	-	-	-	-	16,145
141,524	22,947	-	-	-	-	164,471
-	-	-	-	-	-	240,252
-	-	-	82,635	-	-	82,635
-	-	-	-	-	-	8,266
-	-	838,778	-	-	-	888,399
<u>141,524</u>	<u>22,947</u>	<u>838,778</u>	<u>82,635</u>	<u>-</u>	<u>-</u>	<u>1,400,168</u>
<u>20,456</u>	<u>495</u>	<u>(1,125)</u>	<u>(46,557)</u>	<u>5,359</u>	<u>-</u>	<u>(98)</u>
-	-	-	-	-	300,000	300,000
-	-	-	-	-	-	-
-	-	-	-	-	300,000	300,000
20,456	495	(1,125)	(46,557)	5,359	300,000	299,902
70,741	(495)	(1,266)	98,770	24,601	-	528,770
<u>\$ 91,197</u>	<u>\$ -</u>	<u>\$ (2,391)</u>	<u>\$ 52,213</u>	<u>\$ 29,960</u>	<u>\$ 300,000</u>	<u>\$ 828,672</u>

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Gas Tax Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Gas Tax	\$ 150,360	\$ 150,360	\$ 141,699	\$ (8,661)
Licenses, permits, and franchise taxes	-	-	1,500	1,500
Use of money and property	-	-	2,887	2,887
Miscellaneous	-	-	642	642
<b>Total revenues</b>	<b>150,360</b>	<b>150,360</b>	<b>146,728</b>	<b>(3,632)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	13,963	13,963	9,334	4,629
Public works	88,200	64,968	62,940	2,028
Capital outlay	-	53,232	49,621	3,611
<b>Total expenditures</b>	<b>102,163</b>	<b>132,163</b>	<b>121,895</b>	<b>10,268</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>48,197</b>	<b>18,197</b>	<b>24,833</b>	<b>6,636</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>48,197</b>	<b>18,197</b>	<b>24,833</b>	<b>6,636</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	212,402	212,402	212,402	-
End of year	<u>\$ 260,599</u>	<u>\$ 230,599</u>	<u>\$ 237,235</u>	<u>\$ 6,636</u>

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**TDA Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 164,343	\$ 164,343	\$ 154,657	\$ (9,686)
Interest and use of property	523	523	523	-
Miscellaneous	-	-	553	553
<b>Total revenues</b>	<b>164,866</b>	<b>164,866</b>	<b>155,733</b>	<b>(9,133)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	10,743	10,616	6,811	3,805
Public works	124,499	167,858	160,347	7,511
Capital outlay	43,232	-	-	-
<b>Total expenditures</b>	<b>178,474</b>	<b>178,474</b>	<b>167,158</b>	<b>11,316</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,608)</b>	<b>(13,608)</b>	<b>(11,425)</b>	<b>2,183</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(13,608)</b>	<b>(13,608)</b>	<b>(11,425)</b>	<b>2,183</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	69,728	69,728	69,728	-
End of year	\$ 56,120	\$ 56,120	\$ 58,303	\$ 2,183

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**RSTP Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 24,500	\$ 24,500	\$ 28,315	\$ 3,815
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>24,500</b>	<b>24,500</b>	<b>28,315</b>	<b>3,815</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	24,342	24,342	16,965	7,377
<b>Total expenditures</b>	<b>24,342</b>	<b>24,342</b>	<b>16,965</b>	<b>7,377</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>158</b>	<b>158</b>	<b>11,350</b>	<b>11,192</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>158</b>	<b>158</b>	<b>11,350</b>	<b>11,192</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	14,315	14,315	14,315	-
End of year	\$ 14,473	\$ 14,473	\$ 25,665	\$ 11,192

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Solid Waste Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits, and franchise taxes	\$ 9,000	\$ 9,000	\$ 4,233	\$ (4,767)
Use of money and property	-	-	515	515
Miscellaneous	-	-	34	34
<b>Total revenues</b>	<b>9,000</b>	<b>9,000</b>	<b>4,782</b>	<b>(4,218)</b>
<b>EXPENDITURES:</b>				
Current:				
Recycling	14,600	14,600	8,266	6,334
<b>Total expenditures</b>	<b>14,600</b>	<b>14,600</b>	<b>8,266</b>	<b>6,334</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,600)</b>	<b>(5,600)</b>	<b>(3,484)</b>	<b>2,116</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(5,600)</b>	<b>(5,600)</b>	<b>(3,484)</b>	<b>2,116</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	39,974	39,974	39,974	-
<b>End of year</b>	<b>\$ 34,374</b>	<b>\$ 34,374</b>	<b>\$ 36,490</b>	<b>\$ 2,116</b>

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**SLESF Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 143,000	\$ 143,000	\$ 159,426	\$ 16,426
Use of money and property	-	-	922	922
Miscellaneous	-	-	1,632	1,632
<b>Total revenues</b>	<b>143,000</b>	<b>143,000</b>	<b>161,980</b>	<b>18,980</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety - Police	155,877	155,877	141,524	14,353
<b>Total expenditures</b>	<b>155,877</b>	<b>155,877</b>	<b>141,524</b>	<b>14,353</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,877)</b>	<b>(12,877)</b>	<b>20,456</b>	<b>33,333</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(12,877)</b>	<b>(12,877)</b>	<b>20,456</b>	<b>33,333</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	70,741	70,741	70,741	-
End of year	\$ 57,864	\$ 57,864	\$ 91,197	\$ 33,333

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Measure Z Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 28,694	\$ 28,694	\$ 23,442	\$ (5,252)
Use of money and property	-	-	-	-
<b>Total revenues</b>	<b>28,694</b>	<b>28,694</b>	<b>23,442</b>	<b>(5,252)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety - Police	28,694	28,694	22,947	5,747
<b>Total expenditures</b>	<b>28,694</b>	<b>28,694</b>	<b>22,947</b>	<b>5,747</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>495</b>	<b>495</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>495</b>	<b>495</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(495)	(495)	(495)	-
End of year	<b>\$ (495)</b>	<b>\$ (495)</b>	<b>\$ -</b>	<b>\$ 495</b>



**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**STIP Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 1,297,000	\$ 837,653	\$ (459,347)
<b>Total revenues</b>	<u>-</u>	<u>1,297,000</u>	<u>837,653</u>	<u>(459,347)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	36,000	-	36,000
Capital outlay	-	1,261,000	838,778	422,222
<b>Total expenditures</b>	<u>-</u>	<u>1,297,000</u>	<u>838,778</u>	<u>458,222</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(1,125)</u>	<u>(1,125)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>(1,125)</u>	<u>(1,125)</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(1,266)	(1,266)	(1,266)	-
<b>End of year</b>	<u>\$ (1,266)</u>	<u>\$ (1,266)</u>	<u>\$ (2,391)</u>	<u>\$ (1,125)</u>

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Building Special Revenue Fund Budget**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits, and franchise taxes	\$ 45,735	\$ 45,735	\$ 34,093	\$ (11,642)
Interest and use of property	-	-	960	960
Miscellaneous	-	-	1,025	1,025
<b>Total revenues</b>	<b>45,735</b>	<b>45,735</b>	<b>36,078</b>	<b>(9,657)</b>
<b>EXPENDITURES:</b>				
Current:				
Planning and building	100,206	100,206	82,635	17,571
<b>Total expenditures</b>	<b>100,206</b>	<b>100,206</b>	<b>82,635</b>	<b>17,571</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(54,471)</b>	<b>(54,471)</b>	<b>(46,557)</b>	<b>7,914</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(54,471)</b>	<b>(54,471)</b>	<b>(46,557)</b>	<b>7,914</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	98,770	98,770	98,770	-
End of year	\$ 44,299	\$ 44,299	\$ 52,213	\$ 7,914

**City of Rio Dell, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Recycling Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 5,000	\$ 5,000
Interest and use of property	-	-	359	359
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,359</b>	<b>5,359</b>
<b>EXPENDITURES:</b>				
Current:				
Recycling	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>5,359</b>	<b>5,359</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>5,359</b>	<b>5,359</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	24,601	24,601	24,601	-
End of year	\$ 24,601	\$ 24,601	\$ 29,960	\$ 5,359

**City of Rio Dell, California**

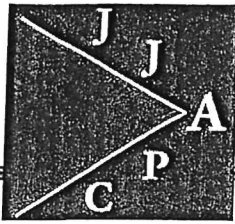
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Economic Development Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and use of property	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
General government	46,400	46,400	-	46,400
<b>Total expenditures</b>	<u>46,400</u>	<u>46,400</u>	<u>-</u>	<u>46,400</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(46,400)</u>	<u>(46,400)</u>	<u>-</u>	<u>46,400</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	300,000	300,000	300,000	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<b>Net change in fund balances</b>	253,600	253,600	300,000	46,400
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ 253,600</u>	<u>\$ 253,600</u>	<u>\$ 300,000</u>	<u>\$ 46,400</u>

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JJACPA, Inc.

A Professional Accounting Services Corp.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Independent Auditor's Report**

The Honorable City Council  
City of Rio Dell  
Rio Dell, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Rio Dell, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 17, 2021

*JJACPA, Inc.*

**JJACPA, Inc.**

**Dublin, CA**



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

April 6, 2021

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Related to 2020 CalOES PSPS Resiliency Allocation.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the report, provide feedback if any.

BACKGROUND AND DISCUSSION

The City Manager will provide a preliminary update and seek input or direction from the Council.

The Council met at a special meeting on March 25, 2021 to authorize the City Manager to sign an allocation letter for a \$295,000 PSPS resiliency program.

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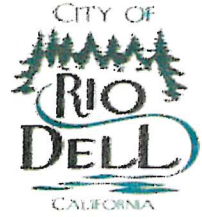


# City of Rio Dell CalOES Resilience Grant Scope of Work

PRELIMINARY DRAFT

1. **Base Bid:** Provide, Install and Commission a Grid-tied Solar PV System with integrated Battery Energy Storage System and Generator Set at Rio Dell City Hall
  - a. Install 22.5 kW Grid Tied Solar array
  - b. Install 20 kW/40 kWh Battery Energy Storage System
  - c. Install one 13 kW natural gas generator
  - d. Update City Hall electrical box
2. **Additive Alternate A:** Provide, Install and Commission a Grid-tied Solar PV System at the Wastewater Treatment Plant.
  - a. Install 24 kW Grid Tied Solar array
3. **Additive Alternate B:** Provide all design, labor, and materials for a turnkey, code compliant installation of emergency power back-up systems at the Fern and Painter Lift Stations.
  - a. Install one natural gas generator (13 kW or equivalent) and one Battery Energy Storage System (13 kWh or equivalent) at the Fern Lift Station.
  - b. Install one natural gas generator (13 kW or equivalent) and one Battery Energy Storage System (13 kWh or equivalent) at the Painter Lift Station.
4. **Additive Alternate C (in place of B):** Provide all design, labor, and materials for a turnkey, code compliant installation of emergency power back-up systems at the Fern and Painter Lift Stations.
  - a. Install one natural gas generator (13 kW or equivalent) with onsite propane storage // alternate: Diesel or gas.
  - b. Install one natural gas generator (13 kW or equivalent) with onsite propane storage // alternate: Diesel or gas.

<b>Draft Cost Scenario 1</b>	
Allocation	-\$295,000
5% Contingency	\$14,750
<b>City Hall</b>	
Solar Array 22.4 Kw	\$78,400
City Hall Electrical	\$30,000
N. Gas Generator	\$12,000
Public Charge Station	\$6,000
3 Powerwalls	\$36,000
<b>Corp Yard</b>	
Solar Array 24 Kw	\$84,000
Wiring	\$45,000
<b>Lift Stations</b>	
2 Powerwalls	\$24,000
2 Generators	\$24,000
sub-total	\$354,150
Other Fund Match	\$59,150



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

**For Meeting of: April 6, 2021**  
■ Consent Item; □ Public Hearing Item

To: City Council  
From: Jeff Conner, Chief of Police  
Through: Kyle Knopp, City Manager  
Date: March 31, 2021  
Subject: Discussion of Cost Recovery for the Abatement of 483 Fourth Avenue

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**Recommendation:**

That the City Council discuss the cost recovery for the abatement that took place on September 2, 2020, including any public comment. The cost of the abatement was \$2,727.06.

**Background and Discussion**

On February 13, 2019, a Notice of Violation was served on Jeanie Spier, the owner of 483 4<sup>th</sup> Avenue. There was some initial progress in removing the trash and garbage stored in the front yard of that property. However, the situation soon reverted and Administrative Citations were issued to the property owner on November 24, 2019 and on June 1, 2020. There was minimal response to these citations and they have not been paid. On July 7, 2020, Jeanie Spier was served with a Notice of Nuisance and Order to Abate. When there was no action in response to this document, an abatement warrant was sought from the court. On September 2, 2020, the Public Works Department conducted the abatement, removing the solid waste and trash from the front yard. The City's costs for the abatements were determined to be \$2,727.06. This cost assessment was sent via certified mail to the property owner on December 15, 2020. She has not made any attempt to pay or make a plan with the City for this debt.

Rio Dell Municipal Code (RDMC) Sections 8.10.310 through 8.10.330 cover the cost recovery process. RDMC Section 8.10.330 references the California Government Code Section 38773.5 which spells out the process for establishing taxes and assessments. This process requires two meetings, a public meeting followed by a public hearing. The public hearing is anticipated to be held on June 1, 2021.

Attachment(s): Cost recovery assessment

Rio Dell Police Department  
 675 Wildwood Avenue, Rio Dell, California 95562  
 [707] 764-5642

# ***COST RECOVERY ASSESSMENT***

**Name:** Jeanie Spier  
**Address:** 483 4th Avenue  
 Rio Dell, California 95562  
**A.P.#** 053-075-007  
**File #** CE18-15  
**Location:** 483 4th Avenue  
 Rio Dell, California

<i>Date</i>	<i>Staff/ Vendor</i>	<i>Staff Time Description</i>	<i>Hours/10ths</i>	<i>Cost</i>
2/15/2019	JC	Draft Notice of Violation	1.00	\$78.03
2/19/2019	SL	Mail Notice of Violation	0.25	\$6.77
7/6/2020	JC	Draft Notice of Nuisance and Order to Abate	1.00	\$78.03
7/6/2020	SL	Mail Notice of Nuisance	0.25	\$6.77
8/26/2020	JC	Obtain Abatement Warrant	1.50	\$117.05
<b>SUB-TOTAL - Staff Time</b>				<b>\$286.64</b>

## ***Contractors and Other Agencies/Departments***

**CONTRACTORS:**

9/2/2020                      Recology - 30 yard dumpster                      \$1,755.18

**OTHER AGENCIES/DEPARTMENTS**

9/2/2020                      Public Works Cleanup Crew                      \$671.80

**SUB-TOTAL - Contractors and Other Agencies                      \$2,426.98**

<i>Date</i>	<i>Office Costs Description</i>	<i>Amount</i>
2/19/2020	Certified Mail for Notice of Violation	\$6.72
7/6/2020	Certified Mail for Notice of Nuisance and Order to Abate	\$6.72
<b>SUB-TOTAL - Office Cost</b>		<b>\$13.44</b>

**TOTAL**

**\$2,727.06**



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



**For Meeting of: April 6, 2021**

Consent Item;  Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager

Date: March 28, 2021

Subject: Ordinance No. 384-2021 amending the existing Street Dedication and Improvement Regulations, Section 17.30.310(2) and (6), of the Rio Dell Municipal Code

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**Recommendation:**

That the City Council:

1. Receive staff's presentation introducing for the first reading Ordinance No. 384-2021 amending the existing Street Dedication and Improvement Regulations, Section 17.30.310(2) and (6), of the Rio Dell Municipal Code; and
2. Open public hearing and receive public comment; and
3. Close public hearing, deliberate and continue the item to your meeting of April <sup>20</sup>6, 2021 for the second reading, approval and adoption.

**Background and Discussion - This item was continued from your meeting of April 16, 2021.**

Staff recently discovered that the City's Street Dedication and Improvement Regulations, Section 17.30.310 of the Rio Dell Municipal Code (RDMC), apply to private streets as well as public streets. The regulations are included as Attachment 1.

The regulations require the irrevocable dedication of land and construction of street, curb, gutter and sidewalk improvements. Under the current regulations, the Planning Commission or City Council may waive the dedication and required improvements. See recommended changes below.

*(2) Requirement – Private Streets. The provisions of subsection (1)(a)(ii) of this section shall apply to lots or parcels abutting a private street or road right-of-way established by recorded document or easement, with the exception that the ~~City Planning Commission or City Council~~ Public Works Director may, in lieu of requiring a dedication as hereinafter provided, require an irrevocable offer of dedication which shall be recorded and shall not become a part of the City street system until therefore accepted into the City’s street system by resolution of the City Council. The ~~Commission or City Council~~, Public Works Director as the case may be, may waive the dedication requirement of this section where it is found and determined that there is little likelihood that the remaining right-of-way adjacent to other lots or parcels in the area will be acquired for the public use and that the acquisition of said right-of-way in connection with the proposed improvements to any given parcel would be of no public benefit*

*(6) Waiver. The ~~Planning Commission~~ Public Works Director may approve ~~recommend to the City Council~~, upon determination of hardship, other than financial hardship, by reason of unusual circumstances applicable to the owner of any parcel of property subject to the provisions of this section, a waiver of any and all provisions of this section.*

Apparently, the Public Works Director has actually waived dedication and/or improvement requirements and/or has required that the owners enter into a Deferred Improvement Agreement. The proposed amendment will reflect the process that has historically been in place.

Staff is supportive of the amendment because it streamlines the process for the property owner in terms of time and cost. In addition, historically the Council or Commission would defer to the Public Works Director for their recommendation. It should be noted an “Appeal” provision to the City Council is currently in place.

### **Procedures for Zoning Ordinance Amendments**

Pursuant to Section 17.35.010 of the City of Rio Dell Municipal Code, the following City procedures are required to amend the Ordinance:

- An amendment may be initiated by one or more owners of property affected by the proposed amendment, as set out in Section 17.35.010(3), or by action of the Planning Commission, or the City Council.

- The application of one or more property owners for the initiation of an amendment shall be filed in the office of the City Clerk on a form provided, accompanied by a filing fee.
- Subject only to the rules regarding the placing of matters on the Planning Commission agenda, the matter shall be set for a public hearing.
- Notice of hearing time and place shall be published once in a newspaper of general circulation at least ten calendar days before the hearing or by posting in at least three public places.
- At the public hearing, the Planning Commission shall hear any person affected by the proposed amendment. The hearing may be continued from time to time.
- Within 40 days of the conclusion of the hearing, the Planning Commission shall submit to the City Council a written report of recommendations and reasons therefore.
- Subject only to the rules regarding the placing of matters on its agenda, the City Council, at its next regular meeting following the receipt of such report, shall cause the matter to be set for a public hearing. Notice of the time and place of the hearing shall be given as provided in Section 17.35.010(5), hereof.
- At the public hearing, the City Council shall hear any person affected by the proposed amendment. The hearing may be continued to a specified future date, but shall be concluded within 60 days of the commencement thereof.
- The City Council shall not make any substantive change in the proposed amendment until the proposed change has been referred to the Planning Commission for a report, and the Planning Commission report has been filed with the City Council.

**Zone Amendment Required Findings:**

**1. The proposed amendment is in the public interest.**

Staff believes the recommended changes are in the public interest for the following reasons:

- The property owner would not have to make application, including the \$250 filing fee to the Planning Commission or City Council requesting an exception; and
- The proposed amendment will reflect the process that has historically been in place; and
- Historically the Council or Commission would defer to the Public Works Director for their recommendation.



**2. The proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected.**

Staff is not aware of any General Plan policies that are contrary to the recommended amendment.

**3. The proposed amendments have been processed in accordance with the California Environmental Quality Act (CEQA).**

The primary purpose of the California Environmental Quality Act (CEQA) is to inform the decision makers and the public of potential environmental effects of a proposed project.

Based on the nature of the project, staff has determined that the project is Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations. Pursuant to Section 15061(b) (3) of the CEQA Guidelines this exemption is covered by the general rule that CEQA applies only to projects which have the potential for causing a *significant* effect on the environment. Where it can be seen with certainty that there is no possibility that the project in question may have a significant effect on the environment, the project is not subject to CEQA. Based on the nature of the proposed amendment, staff believes there is no evidence to suggest that the amendment to the sign regulations will have a significant effect on the environment.

**Attachments:**

Attachment 1: Existing Street and Dedication Regulations, Section 17.30.310 Rio Dell Municipal Code.

Attachment 2: Ordinance No. 384-2021 amending the existing Street Dedication and Improvement Regulations.

*Community Development Department  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532*



**Street Dedication and Improvement  
Section 17.30.310 Rio Dell Municipal Code**

**17.30.310 Street Dedication and Improvement.**

(1) Requirement. No building or structure shall be erected or relocated, or expanded or altered in an amount exceeding 50 percent of the value of the existing structures or improvements on said premises, and no building permit shall be issued therefore, on any lot unless such dedication and improvements have been assured to the satisfaction of the Director of Public Works, subject to the following limitations:

(a) In any zone other than TC, the maximum area of land required to be dedicated shall not exceed 25 percent of any lot area, and in no event shall such dedication reduce the lot below the required minimum lot sizes, widths and areas specified in this title unless lesser area, width or depth is approved by the City Council. In no case, however, shall such dedication be required if:

(i) Lot depth is reduced to less than 50 feet;

(ii) Lot width is reduced to less than 25 feet;

(iii) Lot area is reduced to 4,800 square feet, or to less than 80 percent of the area size of any lot that:

(A) Is less than 6,000 square feet on the date the ordinance codified in this title was adopted by the City Council;

(B) Is not required to be merged with another lot by the provisions of Section 66424.2 of the Government Code.

(b) No such dedication may be required with respect to the portion of a lot occupied by a main building, although an irrevocable offer of dedication, not to be exercised by the City while the main building exists on the land to be dedicated, may be required of the owner.

(c) No additional improvement shall be required on any lot where all of the following exist within the present dedication contiguous thereto and on the block: complete roadway, curb, gutter, and sidewalk improvements.

(2) Requirement – Private Streets. The provisions of subsection (1)(a)(ii) of this section shall apply to lots or parcels abutting a private street or road right-of-way established by recorded document or easement, with the exception that the City Planning Commission or City Council may, in lieu of requiring a dedication as hereinafter provided, require an irrevocable offer of dedication which shall be recorded and shall not become a part of the City street system until therefore accepted into the City's street system by resolution of the City Council. The Commission or City Council, as the case may be, may waive the dedication requirement of this section where it is found and determined that there is little likelihood that the remaining right-of-

way adjacent to other lots or parcels in the area will be acquired for the public use and that the acquisition of said right-of-way in connection with the proposed improvements to any given parcel would be of no public benefit.

(3) Dedication Standards. Said street right-of-way shall be dedicated to and in accordance with the width, standards and right-of-way lines of the general plan.

(4) Dedication in UR and SR Zone. Dwellings or accessory buildings in the UR and SR zone shall be subject to the provisions of this subsection, where in addition the following conditions exist:

(a) The maximum area of land required to be dedicated shall not exceed 20 feet of lot depth and 25 percent of lot area and in no event shall said lot be reduced to less than 80 percent of the minimum required lot size of this title; and

(b) The right-of-way line to which dedication is required is consistent with the minimum right-of-way widths required by the City Council in the circulation element of the general plan in effect on the date of application for said building permit; or

(c) The right-of-way line to which dedication is required is not shown on any general or specific plan element, but has been established on adjoining properties on the same side of the block by the construction of street improvements, including curbs, gutters, and sidewalks, in which event dedication shall be to the greater established right-of-way line created by the reason of such street improvements, or any lesser width thereof as established by the Public Works Director or the Planning Commission if ratified by the City Council, in applying the principles of this section, and subject to subsection (4)(a) of this section.

(5) Improvements. Before a building or structure subject to the provisions of this section may be occupied or utilized, curbs, gutters, sidewalks, streets, and private drainage structures shall be constructed at the grade and location specified by the Director of Public Works, unless there already exists within the present right-of-way, on the property the owner has agreed to dedicate, curbs, gutters, sidewalks or drainage structures and streets which shall be in accordance with City standards and RDMC Title 16, if applicable.

(6) Waiver. The Planning Commission may recommend to the City Council, upon determination of hardship, other than financial hardship, by reason of unusual circumstances applicable to the owner of any parcel of property subject to the provisions of this section, waiver of any and all provisions of this section.

(7) Appeal. Any person required to dedicate land or make improvements under the provisions of this section may appeal any determination or decision made hereunder to the City Council. Such appeal shall be in writing and shall be accompanied by any appeal fee established or set by the City Council. The appeal shall state in clear and concise language the grounds thereof. In addition, any member of the City Council may appeal any decision or determination made under this section to the City Council for hearing thereof.

The City Council may make such modifications in the requirements of this section or may grant such waivers or modification of the determinations required or made hereunder as it shall determine is required to prevent an unreasonable hardship under the facts of any case and as long as each such modification or waiver is in conformity with the general spirit and intent of this section.

(8) Improvement and Dedication in Connection with the Granting of a Zone Change, Variance or Conditional Use Permit. In addition to the provisions of this section, the Commission or Council granting any change of zone, conditional use permit or variance may, as a condition of the same, require the dedication and improvement of street rights-of-way beyond that designated on any general or specific plan element of the City, where the granting of such zone change, variance or conditional use permit would otherwise be detrimental to the public peace, health and safety by reason of increased parking, traffic congestion, or other reason occasioned by the improvement of such property under such a proposed zone change, variance, or conditional use permit.

(9) Agreement to Dedicate and Improve. In lieu of dedication, where required by this section, an owner may, subject to the discretion of the officer, board or agency authorized to accept said dedication, enter into an agreement with the City to dedicate, signed by all persons having any right, title, interest or lien in the property, or any property, or any portion thereof to be dedicated. The signatures on such agreement shall be acknowledged and the agreement shall be prepared for recordation.

In lieu of any required improvement under this section, the officer, board or agency authorized or required to accept the same may in its discretion enter into an agreement with the owner, secured by cash or surety bond to the approval of the City Attorney, guaranteeing the installation of said improvements.

(a) Failure to Dedicate or Improve. In any case where dedication or improvement is required pursuant to any provision of this section and such dedication or improvement is not made or installed within the time specified in the issuance of any permit, motion, resolution, order or ordinance by any officer, the Commission or Council, any authority to construct any building, or to receive or have a conditional use permit, variance or zone change granted or approved on the condition of such dedication or improvement shall terminate automatically unless the time to dedicate or improve is extended by the City Council, or the improvement or dedication, as the case may be, is accomplished as follows:

(i) In any case where dedication or improvement as required by this section is not made or installed within the time specified in any agreement made and entered into pursuant hereto, the Director of Public Works may forfeit any bond or security given therefor and cause said work to be performed, remitting to the owner any balance remaining after deducting the cost of said work, plus all engineering and overhead expenses. Should the cost exceed the amount of security supplied by the owner, the owner shall pay the difference upon demand, or through a tax lien upon the property.

(ii) In lieu of completing said dedication or improvement, the Director of Public Works may recommend to the City Council that the City improve and cancel and revoke all permits issued pursuant to this section.

In the event of termination, as hereinbefore provided, all rights, privileges, permits, variances, or zone changes granted pursuant to this permit are automatically rescinded and of no legal force or effect.

(10) Maintenance and Repair of Sidewalks. Anything in this chapter to the contrary notwithstanding, the maintenance and repair of sidewalk areas and the making, confirming and collecting of assessments for the cost and expenses of said maintenance and repair may be done and the proceedings therefor may be had and taken in accordance with this chapter and



the procedure therefor provided in Chapter 22 of Division 7, Part 3, of the Streets and Highways Code of the State as the same is now in effect or may hereafter be amended. In the event of any conflict between the provisions of said Chapter 22 of Division 7, Part 3, of the Streets and Highways Code of the State and this chapter, the provisions of chapter shall control.

The owners of lots or portions of lots adjacent to or fronting on any portion of a sidewalk area between the property line of the lots and the street line, including parking strips, sidewalks, curbs and gutters, and persons in possession of such lots by virtue of any permit or right shall repair and maintain such sidewalk areas and pay the costs and expenses therefor, including a charge for the City of Rio Dell's cost of inspection and administration whenever the city awards a contract for such maintenance and repair and including the costs of collection of assessments for the costs of maintenance and repair, the first paragraph of this subsection, or handling of any lien placed on the property due to failure of the property owner to promptly pay such assessments.

For the purposes of this section, maintenance and repair of sidewalk area shall include, but not be limited to, maintenance and repair of surfaces including grinding, removal and replacement of sidewalks, repair and maintenance of curb and gutters, removal and filling or replacement of parking strips, removal of weeds and/or debris, supervision and maintenance of signs, tree root pruning and installing root barriers, trimming of shrubs and/or ground cover and trimming shrubs within the area between the property line of the adjacent property and the street pavement line, including parking strips and curbs, so that the sidewalk area will remain in a condition that is not dangerous to property or to persons using the sidewalk in a reasonable manner and will be in a condition which will not interfere with the public convenience in the use of said sidewalk area. Notwithstanding the provisions of Section 5614 of the state Streets and Highways Code, the Director of Streets and Parks may, in his or her discretion and for sufficient cause, extend the period within which required maintenance and repair of sidewalk areas must commence by a period of not to exceed ninety days from the time the notice referred to in said Section 5614 is given.

The property owner required by this section to maintain and repair the sidewalk area shall owe a duty to members of the public to keep and maintain the sidewalk area in a safe and nondangerous condition. If, as a result of the failure of any property owner to maintain the sidewalk area in a nondangerous condition as required by this section, any person suffers injury or damage to person or property, the property owner shall be liable to such person for the resulting damages or injury. [Ord. 264, 2009; Ord. 252 § 6.18.5, 2004.]

**ORDINANCE NO. 384-2021**



**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL AMENDING THE EXISTING STREET DEDICATION AND IMPROVEMENT REGULATIONS, SECTION 17.30.310(2) AND (6), OF THE RIO DELL MUNICIPAL CODE.**

**WHEREAS**, staff recently discovered that the City's Street Dedication and Improvement Regulations, Section 17.30.310 of the Rio Dell Municipal Code (RDMC), apply to private streets as well as public streets; and

**WHEREAS**, these regulations require the irrevocable dedication of land and construction of street, curb, gutter and sidewalk improvements; and

**WHEREAS**, under the current regulations, the Planning Commission or City Council may waive the dedication and required improvements; and

**WHEREAS**, historically the Public Works Director has actually waived dedication and/or improvement requirements and/or has required that the owners enter into a Deferred Improvement Agreement; and

**WHEREAS**, the proposed amendment will reflect the process that has historically been in place; and

**WHEREAS**, the City has reviewed and processed the proposed text amendment in conformance with Sections 65350 – 65362 of the California Government Code; and

**WHEREAS**, the City has reviewed and processed the proposed amendments in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

**WHEREAS**, the City finds that based on evidence on file and presented in the staff report that the proposed amendments are in the public interest and consistent and compatible with the General Plan and any implementation programs that may be affected; and

**WHEREAS** the proposed amendments have been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

**WHEREAS**, based on the minor nature of the text amendments, staff believes that the text amendments are Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations. Pursuant to Section 15061(b) (3) of the CEQA Guidelines this exemption is covered by the general rule that CEQA applies only to projects which have the potential for causing a *significant* effect on the environment. Where it can be seen with certainty that there is no possibility that the project in question may have a significant effect on the environment, the project is not subject to CEQA.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Rio Dell finds that:

1. The proposed amendments are in the public interest and consistent with the General Plan and any applicable specific plan; and
2. Based on the minor nature of the text amendments, the proposed amendments are Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations.

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

**Section 1. Sections 17.30.310(2) and (6) are hereby amended as follows:**

*(2) Requirement – Private Streets. The provisions of subsection (1)(a)(ii) of this section shall apply to lots or parcels abutting a private street or road right-of-way established by recorded document or easement, with the exception that the ~~City Planning Commission or City Council~~ Public Works Director may, in lieu of requiring a dedication as hereinafter provided, require an irrevocable offer of dedication which shall be recorded and shall not become a part of the City street system until therefore accepted into the City's street system by resolution of the City Council. The ~~Commission or City Council~~, Public Works Director as the case may be, may waive the dedication requirement of this section where it is found and determined that there is little likelihood that the remaining right-of-way adjacent to other lots or parcels in the area will be acquired for the public use and that the acquisition of said right-of-way in connection with the proposed improvements to any given parcel would be of no public benefit*

*(6) Waiver. The ~~Planning Commission~~ Public Works Director may approve ~~recommend to the City Council~~, upon determination of hardship, other than financial hardship, by*

*reason of unusual circumstances applicable to the owner of any parcel of property subject to the provisions of this section, a waiver of any and all provisions of this section.*

**Section 2. Severability**

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

**Section 3. Limitation of Actions**

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

**Section 4. Effective Date**

This ordinance becomes effective thirty (30) days after adoption.

**I HEREBY CERTIFY** that the forgoing Resolution was PASSED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on April 6, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 384-2021 which was adopted by the Planning Commission of the City of Rio Dell on April 6, 2021.


\_\_\_\_\_  
Karen Dunham, City Clerk, City of Rio Dell



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



**For Meeting of: April 6, 2021**  
 Consent Item;  Public Hearing Item

To: City Council  
From: Kevin Caldwell, Community Development Director   
Through: Kyle Knopp, City Manager  
Date: March 29, 2021  
Subject: Text Amendment; Maximum Lot Coverage in the Rural Designation

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**Recommendation:**

That the City Council:

1. Receive staff's presentation introducing for the first reading of Ordinance No. 385-2021 amending Section/Table 17.20.070, of the Rio Dell Municipal Code and Resolution No. 1484-2021 amending Table 1-2 of the Land Use Plan, to exclude agricultural structures in the lot coverage calculation. Owners/operators of commercial cannabis greenhouses with concrete slab floors will be required to execute a Surety Performance Bond for the removal of all but one of the approved greenhouses after two years of no commercial use of the structures; and
2. Open public hearing and receive public comment; and
3. Close public hearing, deliberate and continue the item to your meeting of April 20, 2021 for the second reading, approval and adoption.

**Background and Discussion**

Staff recently discovered that the City's Rural (R) zoning and land use designation limits lot coverage to 10%. **See Attachment 1.** Staff believed the allowable lot coverage of the Rural designation was identical to the Natural Resource (NR) designation. The Natural Resource

designation requires a minimum open space of 10%, equating to maximum lot coverage of 90%.  
**See Attachment 2.**

It should be noted that the County's Agriculture Exclusive (AE) and Agriculture General (AG) designations limit lot coverage to 35%.

It's staff's opinion that the intent of the 10% maximum lot coverage was likely intended for residential buildings on the property and not intended to apply to agricultural structures including greenhouses, barns, covered riding arenas, etc. However, because it is not clear, staff is recommending that the language be amended.

As the Commission is aware commercial cannabis activities are allowed up on the Dinsmore Plateau with a Conditional Use Permit (CUP). The vast majority of the Dinsmore Plateaus is designated Rural. Open field, outdoor cultivation is not allowed. All commercial cannabis activities must occur in a greenhouse or indoors. There are a number of commercial cannabis famers interested in permitting mixed-light greenhouse commercial cultivation up on the Dinsmore Plateau.

The Dinsmore Plateau flat comprises approximately 80 acres. A five-acre (217,800 square feet) average minimum parcel size is required for the Rural designation. The 10% maximum lot coverage limits the lot coverage to 21,780 square feet. Furthermore, assuming one developed a 2,400 square foot house, a 720 square foot garage and 720 square foot shop, which totals 3,840 square feet, the available area for agricultural structures would be further be reduced to approximately 17,940 square feet.

The required setbacks, 20 feet all around, reduce the lot coverage or buildable area by about 18%.

Applying the 10% maximum lot coverage would limit the Plateau to somewhere between 6 and 7 acres of commercial cannabis cultivation, horticulture/floriculture once the drying/processing facilities and potential residences and accessory structures are built.

Of course, the primary reason the City chose to allow commercial cannabis cultivation on the Dinsmore Plateau was to generate tax revenue.

The Planning Commission deliberated on this issue at their meeting of March 23,2021 and recommends your Council approve modifying the allowable lot coverage to exclude agricultural structures in the lot coverage calculation. The Planning Commission's recommendation is qualified to require owners/operators of commercial cannabis greenhouses with concrete slab floors will be required to execute a Surety Performance Bond for the removal of all but one of the approved greenhouses after two years of no commercial use of the structures

## **Procedures for Zoning Ordinance Amendments**

Pursuant to Section 17.35.010 of the City of Rio Dell Municipal Code, the following City procedures are required to amend the Ordinance:

- An amendment may be initiated by one or more owners of property affected by the proposed amendment, as set out in Section 17.35.010(3), or by action of the Planning Commission, or the City Council.
- The application of one or more property owners for the initiation of an amendment shall be filed in the office of the City Clerk on a form provided, accompanied by a filing fee.
- Subject only to the rules regarding the placing of matters on the Planning Commission agenda, the matter shall be set for a public hearing.
- Notice of hearing time and place shall be published once in a newspaper of general circulation at least ten calendar days before the hearing or by posting in at least three public places.
- At the public hearing, the Planning Commission shall hear any person affected by the proposed amendment. The hearing may be continued from time to time.
- Within 40 days of the conclusion of the hearing, the Planning Commission shall submit to the City Council a written report of recommendations and reasons therefore.
- Subject only to the rules regarding the placing of matters on its agenda, the City Council, at its next regular meeting following the receipt of such report, shall cause the matter to be set for a public hearing. Notice of the time and place of the hearing shall be given as provided in Section 17.35.010(5), hereof.
- At the public hearing, the City Council shall hear any person affected by the proposed amendment. The hearing may be continued to a specified future date, but shall be concluded within 60 days of the commencement thereof.
- The City Council shall not make any substantive change in the proposed amendment until the proposed change has been referred to the Planning Commission for a report, and the Planning Commission report has been filed with the City Council.

### **Zone Amendment Required Findings:**

#### **1. The proposed amendment is in the public interest.**

Staff believes the recommended changes are in the public interest for the following reasons:

- General agriculture, including horticulture and floriculture are desired principally permitted uses; and
- The proposed amendments will facilitate additional agricultural activities; and
- The proposed amendments will not convert prime agricultural lands from agricultural uses to non-agricultural uses; and
- The proposed amendments will facilitate additional cannabis cultivation activities, including the generation of taxes. These taxes are used for capital projects, including street and drainage improvements, police services, code enforcement economic development and other uses as determined by the City Council.

**2. The proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected.**

As previously indicated the Table 1-2 of the Land Use Element of the General Plan must be amended as well. See below:

Designation	Permitted Uses	Minimum Lot Size	Open Space	Density	Building Height
Rural (R)	<ul style="list-style-type: none"> <li>● Agricultural uses including crop production and animal grazing.</li> <li>● Residential uses including detached residential units and live-work units.</li> <li>● Limited commercial uses including retail sales of items produced on the property and nurseries and greenhouses as accessory uses.</li> <li>● Limited office uses including professional services in a residential building.</li> <li>● Limited lodging uses including bed and breakfast inns and rooming houses in a residential unit or in an accessory building.</li> <li>● Civic and cultural uses including parks.</li> </ul>	5 acres average	90% <sup>1</sup>	.2 units per net acre plus 1 secondary dwelling unit per lot	Maximum 3 stories, or 45 feet.

<sup>1</sup> *Open space requirements are not intended to apply to agricultural structures including greenhouses, barns, covered riding arenas, etc. All commercial cannabis cultivators will be required to submit a Surety Bond to ensure the removal of all abandoned greenhouses on concrete slabs so as not to exceed the 10% lot coverage within two years of the cessation of commercial cannabis activities.*

The proposed amendment is consistent with the following Land Use Element Policies of the General Plan:

*LU-17 Strengthen and diversify the local economy and maintain and improve property values;*

The proposed text amendment will certainly enhance and diversify the local economy by giving the investors a reasonable return on their investment. The value of the property is currently limited by the 10% lot coverage. For example, a five-acre parcel is currently limited to 21,780 square feet of lot coverage. About 18,000 square feet would be available for cultivation. If the proposed amendment is approved the cultivation potential increase to about 175,000 square feet. This would certainly increase property values.

*LU-21 Encourage the creation and retention of employment opportunities that provide sustainable wages and benefits for Rio Dell residents by promoting a thriving local retail, personal services and commercial sector.*

As previously indicated without the proposed amendment, the 10% maximum lot coverage would limit the Plateau to somewhere between 6 and 7 acres of cultivation and support facilities. The recommended amendment may increase the cultivation area to around 50 acres, creating approximately eight-times more jobs. Half-acre grows typically employ 2 full time employees. As such it is estimated that 6 or 7 acres of cultivation would employ approximately 12-15 people. If the amendment were approved and 50+/- acres were ultimately cultivated, those operations could provide around 100 full-time jobs, provided the operations were year-round mixed-light.

These jobs will not only increase local employment opportunities, but will also contribute to our local retail sector (i.e. stores, restaurants, bars, gas stations, etc.)

The only General Plan Conservation/Open Space Element contains the following Goal and Policy:

**Goal CO 5.3-1**

*Conserve and protect working agricultural lands within and adjacent to the City.*

**Policy CO 5.3-1**

*Encourage clustered development on the Dinsmore Plateau and consider density bonuses for development on or adjacent to prime agricultural lands.*



The recommended option to not include agricultural structures in the lot coverage calculation will actually increase agricultural activities on the Dinsmore Plateau.

Staff is not aware of any General Plan policies that are contrary to the recommended amendment.

### **3. The proposed amendments have been processed in accordance with the California Environmental Quality Act (CEQA).**

The primary purpose of the California Environmental Quality Act (CEQA) is to inform the decision makers and the public of potential environmental effects of a proposed project.

Based on the nature of the project, staff has determined that the project is Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations. Pursuant to Section 15061(b) (3) of the CEQA Guidelines this exemption is covered by the general "Common Sense" rule that CEQA applies only to projects which have the potential for causing a *significant* effect on the environment. Based on the nature of the proposed amendment, staff believes there is no evidence that the project will result in a significant, substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. Findings in support of the determination include:

- General agriculture, including horticulture and floriculture are desired principally permitted uses; and
- The proposed amendments will facilitate additional agricultural activities; and
- The proposed amendments will not convert prime agricultural lands from agricultural uses to non-agricultural uses; and
- The proposed amendments do not exempt potential projects from the City's Environmentally Sensitive Habitat Area (ESHA) regulations; and
- There are no mapped Streamside Management Areas on the Dinsmore Plateau flat; and
- There are two mapped wetlands on-site. One mapped wetland is actually a man-made rain catchment pond. The other mapped wetland is subject to the City's Environmentally Sensitive Habitat Area (ESHA) regulations; and
- All cannabis activities are required to obtain a Conditional Use Permit; and
- Commercial uses including retail sales of items produced on the property, nurseries and greenhouses are required to obtain a Conditional Use Permit; and

- A Cultural Resource Study (CRS) was conducted on the flat and one artifact was found. Future development may require an addendum to the CRS depending on the location and comments from the local tribes; and
- All commercial cannabis cultivators will be required to submit a Surety Bond to ensure the removal of all abandoned greenhouses on concrete slabs so as not to exceed the 10% lot coverage within two years of the cessation of commercial cannabis activities.

**Attachments:**

Attachment 1: Rural (R) Designation Development Standards.

Attachment 2: Natural Resource (NR) Designation Development Standards.

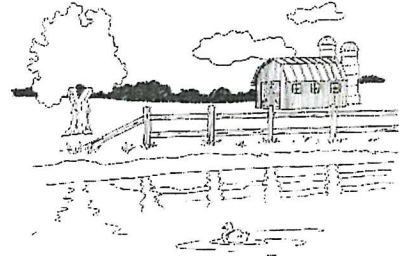
Attachment 3: Ordinance No. 385-2021 amending Section/Table 17.20.070, of the Rio Dell Municipal Code, to exclude agricultural structures in the lot coverage calculation, provided owners/operators of commercial cannabis greenhouses with concrete slab floors will be required to execute a Surety Performance Bond for the removal of all but one of the approved greenhouses after two years of no commercial use of the structures.

Attachment 4: Resolution No. 1484-2021 amending Table 1-2 of the Land Use Plan to exclude agricultural structures in the lot coverage calculation, provided owners/operators of commercial cannabis greenhouses with concrete slab floors will be required to execute a Surety Performance Bond for the removal of all but one of the approved greenhouses after two years of no commercial use of the structures

## Rio Dell Municipal Code

### 17.20.070 Rural or R zone.

The Rural or R zone is intended to provide for agricultural and very low density residential uses. The following regulations shall apply in all Rural or R zones:



- (1) Principal Permitted Uses.
  - (a) General agricultural uses, including crop production and animal grazing;
  - (b) Farm dwellings, including detached residential dwelling units.
- (2) Uses Permitted with a Use Permit.
  - (a) Commercial uses, including retail sales of items produced on the property, nurseries and greenhouses;
  - (b) Lodging uses, including bed and breakfast inns and rooming and boarding houses in a residential unit or in accessory building;
  - (c) Animal feed yards and sales yards;
  - (d) Agricultural products processing plants;
  - (e) Rental and sales of irrigation equipment and storage incidental thereto;
  - (f) Animal hospitals;
  - (g) Civic and cultural uses, including parks.
  - (h) Uses not specifically identified, but similar to and compatible with the uses permitted in the zone.
- (3) Other Regulations. See Table 17.20.070 for development standards in the Rural (R) zone.



Table 17.20.070  
Development Standards in the Rural or R Zone

<b>Site Development Standard</b>	<b>Zone Requirement</b>
Minimum Lot Area:	5 acres
Maximum Ground Coverage:	10%
Minimum Lot Width:	100 ft.
Minimum Yard	
Front:	20 ft.
Rear:	20 ft.
Side:	20 ft.
Maximum Building Height:	3 stories or 45 feet [Ord. 252 § 4.15, 2004.]



**Development Standards  
Natural Resource or NR zone.  
Section 17.20.120 RDMC**

The primary purpose of the natural resource zone is to provide natural resource protection.

(1) Principal Permitted Uses.

- (a) Resource protection;
- (b) Public recreation where compatible with resource management and protection;
- (c) Management for fish and wildlife habitat; and
- (d) Wetland/watershed restoration.

(2) Uses Permitted with a Use Permit.

- (a) Timber production (with TPZ overlay zone);
- (b) Aggregate resources production;
- (c) Visitor-serving use; and
- (d) Renewable energy development.

(3) Other Regulations. See Table 17.20.120 for development standards for the natural resource (NR) zone.

Table 17.20.120 Development Standards in the  
Natural Resource or NR Zone

<b>Site Development Standard</b>	<b>Zone Requirement</b>
Minimum Lot Area:	Not applicable
Maximum Ground Coverage:	Not applicable
Floor Area Ratio (FAR):	Not applicable
Minimum Lot Width:	Not applicable
Minimum Open Space:	10%
Minimum Yard	
Front:	25 feet
Rear:	25 feet
Side:	10 feet
Maximum Building Height:	2 stories or 35 feet

[Ord. 256 § 1 (Att. B), 2008; Ord. 252 § 4.13, 2004.]

**ORDINANCE NO. 385-2021**



**A ORDINANCE OF THE CITY COUNCIL AMENDING THE RURAL DESIGNATION DEVELOPMENT STANDARDS, SECTION/TABLE 17.20.070, OF THE RIO DELL MUNICIPAL CODE TO EXCLUDE AGRICULTURAL STRUCTURES IN THE LOT COVERAGE CALCULATION, PROVIDED THAT THE APPLICANT EXECUTES A SURETY BOND TO ENSURE THE REMOVAL OF ALL ABANDONED GREENHOUSES ON CONCRETE SLABS SO AS NOT TO EXCEED THE 10% LOT COVERAGE WITHIN TWO YEARS OF THE CESSATION OF COMMERCIAL CANNABIS ACTIVITIES.**

**WHEREAS**, staff recently discovered that the City's Rural (R) zoning and land use designation limits lot coverage to 10%; and

**WHEREAS**, staff believed the allowable lot coverage of the Rural designation was identical to the Natural Resource (NR) designation; and

**WHEREAS**, the Natural Resource designation requires a minimum open space of 10%, equating to maximum lot coverage of 90%; and

**WHEREAS**, it's staff's opinion that the intent of the 10% maximum lot coverage was likely intended for residential buildings on the property and not intended to apply to agricultural structures including greenhouses, barns, covered riding arenas, etc.; and

**WHEREAS**, commercial cannabis activities are allowed up on the Dinsmore Plateau with a Conditional Use Permit (CUP); and

**WHEREAS**, the vast majority of the Dinsmore Plateaus is designated Rural; and

**WHEREAS**, open field, outdoor cannabis cultivation is not allowed; and

**WHEREAS**, all commercial cannabis activities must occur in a greenhouse or indoors; and

**WHEREAS**, the Dinsmore Plateau flat comprises approximately 80 acres. A five-acre (217,800 square feet) average minimum parcel size is required for the Rural designation. The 10% maximum lot coverage limits the lot coverage to 21,780 square feet; and

**WHEREAS**, assuming one developed a 2,400 square foot house, a 720 square foot garage and 720 square foot shop, which totals 3,840 square feet, the available area for agricultural structures would be further be reduced to approximately 17,940 square feet; and

**WHEREAS**, the required setbacks, 20 feet all around, reduce the lot coverage or buildable area by 39,600 square feet or about 18% on a five-acre parcel; and

**WHEREAS**, applying the 10% maximum lot coverage would limit the Plateau to somewhere between 6 and 7 acres of commercial cannabis cultivation, horticulture/floriculture once the drying/processing facilities and potential residences and accessory structures are built; and

**WHEREAS**, the primary reason the City chose to allow commercial cannabis cultivation on the Dinsmore Plateau was to generate tax revenue; and

**WHEREAS** the City has reviewed and processed the proposed text amendment in conformance with Sections 65350 – 65362 of the California Government Code; and

**WHEREAS** the City has reviewed and processed the proposed amendments in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

**WHEREAS** the City finds that based on evidence on file and presented in the staff report that the proposed amendments are in the public interest and consistent and compatible with the General Plan and any implementation programs that may be affected; and

**WHEREAS** the proposed amendments have been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Rio Dell finds that:

1. The proposed amendments are in the public interest and consistent with the General Plan and any applicable specific plan; and

2. The proposed amendments are Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations because:

- General agriculture, including horticulture and floriculture are desired principally permitted uses; and
- The proposed amendments will facilitate additional agricultural activities; and
- The proposed amendments will not convert prime agricultural lands from agricultural uses to non-agricultural uses; and
- The proposed amendments do not exempt potential projects from the City's Environmentally Sensitive Habitat Area (ESHA) regulations; and
- There are no mapped Streamside Management Areas on the Dinsmore Plateau flat; and
- There are two mapped wetlands on-site. One mapped wetland is actually a man-made rain catchment pond. The other mapped wetland is subject to the City's Environmentally Sensitive Habitat Area (ESHA) regulations; and
- All cannabis activities are required to obtain a Conditional Use Permit; and
- Commercial uses including retail sales of items produced on the property, nurseries and greenhouses are required to obtain a Conditional Use Permit; and
- A Cultural Resource Study (CRS) was conducted on the flat and one artifact was found. Future development may require an addendum to the CRS depending on the location and comments from the local tribes; and
- All agricultural operators, including cannabis cultivators will be required to submit a Surety Bond to ensure the removal of all but one of the abandoned greenhouses on concrete slabs so as not to exceed the 10% lot coverage within two years of the cessation of commercial cannabis activities.

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

**Section 1.**

Section 17.20.070, Table 17.20.020 of the Rio Dell Municipal Code is hereby amended as follows:

Table 17.20.070  
Development Standards in the Rural or R Zone

Site Development Standard	Zone Requirement
Minimum Lot Area:	5 acres
Maximum Ground Coverage:	10% <sup>1</sup>
Minimum Lot Width:	100 ft.
Minimum Yard	
Front:	20 ft.
Rear:	20 ft.
Side:	20 ft.
Maximum Building Height:	3 stories or 45 feet [Ord. 252 § 4.15, 2004.]

*<sup>1</sup> Open space requirements are not intended to apply to agricultural structures including greenhouses, barns, covered riding arenas, etc. All commercial cannabis cultivators will be required to submit a Surety Bond to ensure the removal of all but one of the abandoned greenhouses on concrete slabs so as not to exceed the 10% lot coverage within two years of the cessation of commercial cannabis activities.*

**Section 2. Severability**

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

**Section 3. Limitation of Actions**

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

**Section 4. Effective Date**

This ordinance becomes effective thirty (30) days after adoption.

**I HEREBY CERTIFY** that the forgoing Ordinance was PASSED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on April 20, 2021 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 385-2021 which was approved and adopted by the City Council of the City of Rio Dell on April 20, 2021.

---

Karen Dunham, City Clerk, City of Rio Dell



**RESOLUTION NO. 184-2021**



**A RESOLUTION OF THE CITY COUNCIL AMENDING THE EXISTING RURAL GENERAL PLAN LAND USE DESIGNATION TABLE 1-2 OF THE LAND USE PLAN, TO EXCLUDE AGRICULTURAL STRUCTURES IN THE LOT COVERAGE CALCULATION, PROVIDED THAT THE APPLICANT EXECUTES A SURETY BOND TO ENSURE THE REMOVAL OF ALL ABANDONED GREENHOUSES ON CONCRETE SLABS SO AS NOT TO EXCEED THE 10% LOT COVERAGE WITHIN TWO YEARS OF THE CESSATION OF COMMERCIAL CANNABIS ACTIVITIES.**

**WHEREAS**, staff recently discovered that the City's Rural (R) zoning and land use designation limits lot coverage to 10%; and

**WHEREAS**, staff believed the allowable lot coverage of the Rural designation was identical to the Natural Resource (NR) designation; and

**WHEREAS**, the Natural Resource designation requires a minimum open space of 10%, equating to maximum lot coverage of 90%; and

**WHEREAS**, it's staff's opinion that the intent of the 10% maximum lot coverage was likely intended for residential buildings on the property and not intended to apply to agricultural structures including greenhouses, barns, covered riding arenas, etc.; and

**WHEREAS**, commercial cannabis activities are allowed up on the Dinsmore Plateau with a Conditional Use Permit (CUP); and

**WHEREAS**, the vast majority of the Dinsmore Plateaus is designated Rural; and

**WHEREAS**, open field, outdoor cannabis cultivation is not allowed; and



**WHEREAS**, all commercial cannabis activities must occur in a greenhouse or indoors; and

**WHEREAS**, the Dinsmore Plateau flat comprises approximately 80 acres. A five-acre (217,800 square feet) average minimum parcel size is required for the Rural designation. The 10% maximum lot coverage limits the lot coverage to 21,780 square feet; and

**WHEREAS**, assuming one developed a 2,400 square foot house, a 720 square foot garage and 720 square foot shop, which totals 3,840 square feet, the available area for agricultural structures would be further be reduced to approximately 17,940 square feet; and

**WHEREAS**, the required setbacks, 20 feet all around, reduce the lot coverage or buildable area by 39,600 square feet or about 18% on a five-acre parcel; and

**WHEREAS**, applying the 10% maximum lot coverage would limit the Plateau to somewhere between 6 and 7 acres of commercial cannabis cultivation, horticulture/floriculture once the drying/processing facilities and potential residences and accessory structures are built; and

**WHEREAS**, the primary reason the City chose to allow commercial cannabis cultivation on the Dinsmore Plateau was to generate tax revenue; and

**WHEREAS** the City has reviewed and processed the proposed text amendment in conformance with Sections 65350 – 65362 of the California Government Code; and

**WHEREAS** the City has reviewed and processed the proposed amendments in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

**WHEREAS** the City finds that based on evidence on file and presented in the staff report that the proposed amendments are in the public interest and consistent and compatible with the General Plan and any implementation programs that may be affected; and

**WHEREAS** the proposed amendments have been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Rio Dell finds that:

1. The proposed amendments are in the public interest and consistent with the General Plan and any applicable specific plan; and

2. The proposed amendments are Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations because:

- General agriculture, including horticulture and floriculture are desired principally permitted uses; and
- The proposed amendments will facilitate additional agricultural activities; and
- The proposed amendments will not convert prime agricultural lands from agricultural uses to non-agricultural uses; and
- The proposed amendments do not exempt potential projects from the City's Environmentally Sensitive Habitat Area (ESHA) regulations; and
- There are no mapped Streamside Management Areas on the Dinsmore Plateau flat; and
- There are two mapped wetlands on-site. One mapped wetland is actually a man-made rain catchment pond. The other mapped wetland is subject to the City's Environmentally Sensitive Habitat Area (ESHA) regulations; and
- All cannabis activities are required to obtain a Conditional Use Permit; and
- Commercial uses including retail sales of items produced on the property, nurseries and greenhouses are required to obtain a Conditional Use Permit; and
- A Cultural Resource Study (CRS) was conducted on the flat and one artifact was found. Future development may require an addendum to the CRS depending on the location and comments from the local tribes; and
- All agricultural operators, including cannabis cultivators will be required to submit a Surety Bond to ensure the removal of all but one of the abandoned greenhouses on concrete slabs so as not to exceed the 10% lot coverage within two years of the cessation of commercial cannabis activities.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City Council of the City of Rio Dell hereby amends the Rural General Plan Land Use designation, Table 1-2 of the Land Use Plan as shown, to exclude agricultural structures in the lot coverage calculation, provided that the applicant executes a Surety Bond to ensure the removal of all abandoned greenhouses on

concrete slabs so as not to exceed the 10% lot coverage within two years of the cessation of commercial cannabis activities.

**Table 1-2 of the Land Use Element of the General Plan**

Designation	Permitted Uses	Minimum Lot Size	Open Space	Density	Building Height
Rural (R)	<ul style="list-style-type: none"> <li>● Agricultural uses including crop production and animal grazing.</li> <li>● Residential uses including detached residential units and live-work units.</li> <li>● Limited commercial uses including retail sales of items produced on the property and nurseries and greenhouses as accessory uses.</li> <li>● Limited office uses including professional services in a residential building.</li> <li>● Limited lodging uses including bed and breakfast inns and rooming houses in a residential unit or in an accessory building.</li> <li>● Civic and cultural uses including parks.</li> </ul>	5 acres average	90% <sup>1</sup>	.2 units per net acre plus 1 secondary dwelling unit per lot	Maximum 3 stories, or 45 feet.

<sup>1</sup> *Open space requirements are not intended to apply to agricultural structures including greenhouses, barns, covered riding arenas, etc. All commercial cannabis cultivators will be required to submit a Surety Bond to ensure the removal of all but one of the abandoned greenhouses on concrete slabs so as not to exceed the 10% lot coverage within two years of the cessation of commercial cannabis activities.*

**BE IT FURTHER RESOLVED** that the amendment will become effective 30 days after approval and adoption of Ordinance No. 385-2021.

**I HEREBY CERTIFY** that the forgoing Resolution was PASSED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on April 6, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 184-2021 which was adopted by the City Council of the City of Rio Dell on April 6, 2021.

---

Karen Dunham, City Clerk, City of Rio Dell


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



**For Meeting of: April 6, 2021**

Consent Item;  Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager

Date: March 29, 2021

Subject: Establishment of Industrial Hemp Regulations banning the cultivation of Industrial Hemp in the City, Section 17.30.180 of the Rio Dell Municipal Code and Renumbering General Provisions and Exceptions, Sections 17.30.010 – 17.30.370 to Accommodate the Proposed Industrial Hemp Regulations.

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**Recommendation:**

That the City Council:

1. Receive staff's presentation introducing for the first reading Ordinance No. 386-2021 establishing Industrial Hemp Regulations, banning the cultivation of Industrial Hemp in the City, Section 17.30.180 of the Rio Dell Municipal Code and Renumbering General Provisions and Exceptions, Sections 17.30.010 – 17.30.370 to accommodate the proposed Industrial Hemp Regulations; and
2. Open public hearing and receive public comment; and
3. Close public hearing, deliberate and continue the item to your meeting of April 20, 2021 for the second reading, approval and adoption.

**Background and Discussion**

New Federal law allowing cultivation of Industrial Hemp in 2018 was viewed by many locally as a potential new market for cannabis farmers to participate in, particularly small legacy cannabis



farmers who opted out of the commercial cannabis industry due to the regulatory burdens and high costs of permitting.

The County of Humboldt recently adopted a ban on industrial hemp, primarily due to cannabis farmer's concerns regarding cross pollination and the introduction of new pests and pathogens.

Apparently, James Cortazar made application and received approval from the County's Agricultural Department, which regulates industrial hemp, for twenty (20) acres of cultivation of industrial hemp on the Dinsmore Plateau. Staff reached out to the owners of the one permitted farm, Rio's Diamond Farms and others who were either in the permitting process, were about to make application or were/are considering pursuing commercial cannabis permits on the Dinsmore Plateau. All expressed concerns regarding the possibility of cross pollination and the introduction of new pests and pathogens.

The County's Agricultural Department recently informed staff of a loophole in the Federal hemp regulations regarding Delta 8. Delta-8-Tetrahydrocannabinol is a *psychoactive* cannabinoid found in the cannabis plant. It is an isomer of Delta-9-Tetrahydrocannabinol, the compound commonly known as THC. Apparently, Mr. Cortazar is processing and selling Delta 8 hemp products through their website, icannbe.com. See **Attachment 1**. Staff has included two recent articles regarding Dealta8, one from the New York Times and one from POLITICO. See **Attachments 2 and 3**.

As indicated above, cross-pollination is major issue to cannabis farmers. Staff has attached a recent article from the March 2021 Marijuana Business Magazine. See **Attachment 4**. In addition, to our local farmers expressing concern, the Humboldt County Growers Alliance (HCGA) has expressed concerns regarding hemp cultivation in the City.

As the City Council is aware, commercial cannabis cultivation is having a very positive impact on the City's financial resources. Staff shares the same concerns regarding cross pollination and the introduction of new pests and pathogens. An accidental cross pollination or the introduction of new pests and pathogens could have a tremendous negative impact on our local farmers, likely affecting their ability to pay their taxes. In addition, given the apparent loophole regarding Delta 8, staff is recommending that the City adopt a ban on industrial hemp.

**The Planning Commission recommended unanimously that the City adopt a ban on Industrial Hemp at this time.**

### **Procedures for Zoning Ordinance Amendments**

Pursuant to Section 17.35.010 of the City of Rio Dell Municipal Code, the following City procedures are required to amend the Ordinance:

- An amendment may be initiated by one or more owners of property affected by the proposed amendment, as set out in Section 17.35.010(3), or by action of the Planning Commission, or the City Council.

- The application of one or more property owners for the initiation of an amendment shall be filed in the office of the City Clerk on a form provided, accompanied by a filing fee.
- Subject only to the rules regarding the placing of matters on the Planning Commission agenda, the matter shall be set for a public hearing.
- Notice of hearing time and place shall be published once in a newspaper of general circulation at least ten calendar days before the hearing or by posting in at least three public places.
- At the public hearing, the Planning Commission shall hear any person affected by the proposed amendment. The hearing may be continued from time to time.
- Within 40 days of the conclusion of the hearing, the Planning Commission shall submit to the City Council a written report of recommendations and reasons therefore.
- Subject only to the rules regarding the placing of matters on its agenda, the City Council, at its next regular meeting following the receipt of such report, shall cause the matter to be set for a public hearing. Notice of the time and place of the hearing shall be given as provided in Section 17.35.010(5), hereof.
- At the public hearing, the City Council shall hear any person affected by the proposed amendment. The hearing may be continued to a specified future date, but shall be concluded within 60 days of the commencement thereof.
- The City Council shall not make any substantive change in the proposed amendment until the proposed change has been referred to the Planning Commission for a report, and the Planning Commission report has been filed with the City Council.

**Zone Amendment Required Findings:**

**1. The proposed amendment is in the public interest.**

Staff believes the recommended changes are in the public interest for the following reasons:

- A ban would protect our cannabis farmers from potential of cross pollination and the introduction of new pests and pathogens that would adversely impact our farmers crops and investments; and
- An accidental cross pollination or the introduction of new pests or pathogens could have a tremendous negative impact on our local farmers, likely affecting their ability to pay their taxes, affecting the City's expected tax revenue.

- The apparent loophole in the 2018 Federal Farm Bill regarding Delta 8, and its psychoactive compound.

**2. The proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected.**

There are no policies which are in conflict with the recommended ban on cultivation of industrial hemp in the City.

**3. The proposed amendments have been processed in accordance with the California Environmental Quality Act (CEQA).**

The primary purpose of the California Environmental Quality Act (CEQA) is to inform the decision makers and the public of potential environmental effects of a proposed project. This project is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Sections 15050(c)(2) and 15060(c)(3) of the CEQA Guidelines, which states an activity is not subject to CEQA when it will not result in a physical change to the environment either directly or indirectly.

**Attachments**

Attachment 1: Snip of ICANNBE.com website page offering for sale Delta 8 products.

Attachment 2: New York Times Delta 8 article dated February 27, 2021.

Attachment 3: POLITICO Delta 8 article dated March 27, 2021.

Attachment 4: Cannabis – Hemp article from the March 2021 Marijuana Business Magazine.

Attachment 5. Ordinance No. 386-2021 establishing Industrial Hemp Regulations, banning the cultivation of Industrial Hemp in the City, Section 17.30.180 of the Rio Dell Municipal Code and Renumbering General Provisions and Exceptions, Sections 17.30.010 – 17.30.370 to accommodate the proposed Industrial Hemp Regulations.





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★★★★★  
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★★★★★  
\$44.00

**iCannBe Heavyweight T-shirt**  
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## New York Times



Hemp buds at the Hometown Hero CBD manufacturing facility in Austin, Texas. Credit... Tamir Kalifa for The New York Times

# This Drug Gets You High, and Is Legal (Maybe) Across the Country

A once-ignored derivative of hemp has become a hot seller for people looking for a loophole around marijuana laws.

By [Matt Richtel](#)

- Feb. 27, 2021

Texas has one of the most restrictive medical marijuana laws in the country, with sales allowed only by prescription for a handful of conditions.

That hasn't stopped Lukas Gilkey, chief executive of [Hometown Hero CBD](#), based in Austin, Texas. His company sells joints, blunts, gummy bears, vaping devices and tinctures that offer a recreational high. In fact, business is booming online as well, where he sells to many people in other states with strict marijuana laws.

*New York times Article on Delta 8 February 27, 2021*



But Mr. Gilkey says that he is no outlaw, and that he's not selling marijuana, just a close relation. He's offering products with a chemical compound — Delta-8-THC — extracted from hemp. It is only slightly chemically different from Delta 9, which is the main psychoactive ingredient in marijuana.

And that small distinction, it turns out, may make a big difference in the eyes of the law. Under federal law, psychoactive Delta 9 is explicitly outlawed. But Delta-8-THC from hemp is not, a loophole that some entrepreneurs say allows them to sell it in many states where hemp possession is legal. The number of customers “coming into Delta 8 is staggering,” Mr. Gilkey said.

“You have a drug that essentially gets you high, but is fully legal,” he added. “The whole thing is comical.”

The rise of Delta 8 is a case study in how industrious cannabis entrepreneurs are pulling apart hemp and marijuana to create myriad new product lines with different marketing angles. They are building brands from a variety of potencies, flavors and strains of THC, the intoxicating substance in cannabis, and of CBD, the nonintoxicating compound that is often sold as a health product.

With Delta 8, entrepreneurs also believe they have found a way to take advantage of the country's fractured and convoluted laws on recreational marijuana use. It's not quite that simple, though. Federal agencies, including the Drug Enforcement Administration, are still considering their options for enforcement and regulation.

“Dealing in any way with Delta-8 THC is not without significant legal risk,” said Alex Buscher, a Colorado lawyer who specializes in cannabis law.

Still, experts in the cannabis industry said Delta 8 sales had indeed exploded. Delta 8 is “the fastest growing segment” of products derived from hemp, said Ian Laird, chief financial officer of New Leaf Data Services, which tracks the hemp and cannabis markets. He estimated consumer sales of at least \$10 million, adding, “Delta 8 has really come out of nowhere over the past year.”

Marijuana and hemp are essentially the same plant, but marijuana has higher concentrations of Delta-9 THC — and, as a source of intoxication, it has been a main focus of entrepreneurs, as well as state and federal lawmakers. Delta 8, if discussed at all, was an esoteric, less potent byproduct of both plants.

That changed with the [2018 Farm Bill](#), an enormous piece of federal legislation that, among other things, [legalized widespread hemp farming and distribution](#). The law also specifically allowed the sale of the plant's byproducts — the only exception was Delta 9 with a high-enough level of THC to define it as marijuana.

Because the legislation made no mention of Delta 8, entrepreneurs leapt into the void and began extracting and packaging it as a legal edible and smokable alternative.

Precisely what kind of high Delta 8 produces depends on whom you ask. Some think of it as “marijuana light,” while others “are pitching it as pain relief with less psychoactivity,” said David Downs, senior content editor for [Leafly.com](https://www.leafly.com), a popular source of news and information about cannabis.

Either way, Delta 8 has become “extremely ascendant,” Mr. Downs said, reflecting what he calls “prohibition downfall interregnum,” where consumer demand and entrepreneurial activity are exploiting the holes in rapidly evolving and fractured law.

“We’re getting reports that you can walk into a truck stop in prohibition states like Georgia where you’re looking at what looks like a cannabis bud in a jar,” Mr. Downs said. The bud is hemp sprayed with high-concentration Delta 8 oil.

Joe Salome owns the [Georgia Hemp Company](https://www.georgiahempcompany.com), which in October started selling Delta 8 locally and shipping nationally — about 25 orders a day, he said. “It’s taken off tremendously.”

His website heralds Delta 8 as “very similar to its psychoactive brother THC,” giving users the same relief from stress and inflammation, “without the same anxiety-producing high that some can experience with THC.”

Mr. Salome said that he didn’t need to buy an expensive state license to sell medical marijuana because he felt protected by the farm bill.

“It’s all right there,” he said, explaining it’s now legal to “sell all parts of the plant.”

The legal landscape is contradictory at best. Many states are more permissive than the federal government, which under the Controlled Substances Act considers marijuana an illegal and highly dangerous drug. In [36 states](#), marijuana is legal for [medicinal use](#). In [14 states](#), it’s legal for recreational use.

But in a flip, under the farm bill, the federal government opened the door for the sale of hemp products even in states that haven’t legalized the recreational use of marijuana. Only a few states, like Idaho, ban hemp altogether, but in others, entrepreneurs of Delta 8 are finding a receptive market.

Lawyers for Mr. Gilkey believe the farm bill is on their side. “Delta 8, if it is derived from hemp, or extracted from hemp, that is considered hemp,” said Andrea Steel, co-chair of the cannabis business group at Coats Rose, a Houston law firm. She emphasized that the legality also depends on whether Delta 9 exceeds legal limits.

Ms. Steel noted that when making a Delta 8 product, it can be hard, if not impossible, to filter out all the Delta 9 from hemp.

“Adding another wrinkle,” she said, “a lot of labs do not have the capability of delineating between Delta 8 and Delta 9.”



Lisa Pittman, the other co-chair of the cannabis business group at Coats Rose, said that in her reading of the issue, the authors of the farm bill may not have contemplated the consequences of the law.

Ms. Pittman said that the ultimate question of a product's legality may be dependent on other factors, including how the Delta 8 is produced and sourced. Specifically, the lawyers said, the D.E.A.'s rule on the issue seems to suggest that Delta 8 could be illegal if it is made "synthetically" rather than derived organically.

There are currently lawsuits pending over interpretation of the D.E.A. rule.

Mr. Gilkey said he had paid upward of \$50,000 in legal fees to make sure that he will not run afoul of the law. A veteran of the U.S. Coast Guard, Mr. Gilkey worked in a counternarcotics unit on boats out of San Diego. He "saw some really tough stuff," he said, and "wasn't happy about the war on drugs."

He wound up running a business in Austin that sold e-liquid for vaping devices. Then in 2019, he started his current business focused on selling CBD. Late last spring, he said, he started getting calls from customers about Delta 8.

"I said, please explain to me what that is," he recalled. Mr. Gilkey, whose company supplies other retail shops around the country with products, saw a huge opportunity. After checking with the lawyers, he started full-scale packaging gummies and vape pens and other products using Delta 8 he said he got from a major hemp supplier.

"It's about to go mainstream," he said. And it's just the beginning. "There's a Delta 10 in the works."

*Matt Richtel is a best-selling author and Pulitzer Prize-winning reporter based in San Francisco. He joined The Times staff in 2000, and his work has focused on science, technology, business and narrative-driven storytelling around these issues. [@mrichtel](#)*

*A version of this article appears in print on March 1, 2021, Section A, Page 1 of the New York edition with the headline: Not Quite Pot, This High Slips Past Most Bans. [Order Reprints](#) | [Today's Paper](#) | [Subscribe](#)*

# POLITICO

Cannabis

## High anxiety over federal weed loophole

A seeming loophole in federal law is allowing people to buy products designed to get them high.



While many industry observers posit that Delta-8's rise can be attributed to consumers in states that haven't legalized marijuana, hemp businesses see a lot of sales even in states that are home to adult-use marijuana markets. | Susan Montoya Brya/AP Photo

By MONA ZHANG

03/27/2021 07:00 AM EDT

Paul ImOberstag's small hemp farm in Banner, Ill., survived the bottoming out of prices in the CBD market and the pandemic.

Then, Delta-8 THC came along.

In the span of a few months, Banner Harvest went from selling about 15 pounds of CBD-rich hemp flower a month to "basically zero" pounds. The reason: All of the wholesale customers were now stocking Delta-8 THC, a close cousin of the chief psychoactive compound in marijuana, Delta-9 THC.

Delta-8's meteoric rise is reminiscent of the early days of the CBD boom. Seemingly overnight, the products were on the shelves of gas stations, vape shops and numerous e-commerce outlets.



But there's one big difference: Delta-8 products are being marketed as a "legal" way for people to get stoned.

The cannabinoid's rise has deeply divided the hemp industry and its advocates. Some hemp producers are staying away, fearful that a crackdown is imminent. Others are hoping to exploit the regulatory gray area to rake in cash.

Entrepreneurs like Jeff Gray and Josh Wurzer of SC Labs, a cannabis testing facility in California, worry that the Delta-8 trend is another vaping crisis waiting to happen. Starting in 2019, nearly 3,000 people were hospitalized and 68 died due to lung illnesses that were largely connected to illegal marijuana vaping products.

"States are behind the eight ball on this one," Wurzer said. "This is taking the CBD and synthesizing a new compound using other chemicals that can introduce contamination and byproducts that are harmful."

### **What exactly is Delta-8?**

Delta-8 THC is an isomer of Delta-9 THC, the compound responsible for marijuana's intoxicating effects. That means the two are largely the same compound, with slight atomic differences. The vast majority of Delta-8 products aren't extracted from cannabis. Instead, producers convert plant-derived CBD into Delta-8 THC using a chemical process called isomerization. The process combines CBD with a solvent, acid and heat to cause the reaction that turns CBD into THC.

"Cannabis is cleaner than the water you drink, it's so heavily tested," said Gray, referring to California's regulated marijuana market. But Delta-8 is a "highly unregulated industry. There aren't clear requirements."

When Congress passed the 2018 farm bill legalizing hemp, it was eager to distinguish the crop from marijuana. Hemp and marijuana are the same species of plant, *cannabis sativa* L., but hemp can't contain more than 0.3 percent THC. The distinction is legal, not scientific.

"It's not clear whether [Delta-8 THC products] are illegal under the 2018 farm bill," said Jonathan Miller, general counsel for the U.S. Hemp Roundtable. "It is clear that it violates the spirit of the law."

Hemp proponents in Congress like Senate Minority Leader Mitch McConnell "support hemp but do not support intoxicating products," Miller said.

McConnell's office did not respond to a request for comment.

The compound might run afoul of the DEA's interim final rule on hemp, meant to address the 2018 farm bill removing the crop as a federally controlled substance. The rule emphasizes that "synthetically derived tetrahydrocannabinols" remain controlled substances. But there's no agreed upon definition of what "synthetically derived" means.



The DEA declined to comment on the legality of Delta-8 until it finalizes its hemp interim final rule. "We are in the process of reviewing thousands of comments and do not speculate on what could happen as a result," a spokesperson for the DEA said.

## **Market expansion**

The CBD boom of last year led to plummeting prices and a huge glut of CBD isolate in the hemp industry. The Delta-8 trend is giving "processors an outlet for large inventories of CBD isolate they built up," said Ian Laird, chief financial officer at Hemp Benchmarks.

It's attractive for processors and retailers alike as the compound is more profitable than CBD. In January, Delta-8 cost about \$1,400 per kilogram, while CBD isolate was selling for about \$550 per kilogram.

While it's hard to determine the size of the market since much of Delta-8 sales occur online through untracked channels, Hemp Benchmarks estimates at least \$10 million in sales during the last six months.

"It is the fastest growing segment," Laird said.

While many industry observers posit that Delta-8's rise can be attributed to consumers in states that haven't legalized marijuana, hemp businesses see a lot of sales even in states that are home to adult-use marijuana markets.

The reasons are numerous: State-licensed marijuana businesses are highly regulated and subject to taxes. Delta-8 products do not have that same level of regulatory oversight or tax burden, reducing costs for consumers. People can order products online and get them shipped by mail — off limits for marijuana

While some hemp retailers are seeing minimal effects of the rise in Delta-8 on their CBD sales, small hemp farmers like ImOberstag and Heath Scott are taking much bigger hits. ImOberstag started making Delta-8 products after nearly all of his wholesale customers said they were only interested in purchasing them. Scott, who runs 7 Point Farm & Apothecary in Tennessee, said he's seen a 50 percent drop in sales of CBD products.

Scott is staying away from the compound for now. He has struggled with bank account closures and payment processing issues, and fears that getting into Delta-8 will only exacerbate those challenges.

Then, there's the regulatory uncertainty. The hemp industry must deal with ever-shifting regulations, and Scott is worried that a regulatory change is imminent.

"How do you invest in something that is so shaky?" he wondered. "It's legal, until it's not."

Still, he believes that Delta-8 is more than a passing fad.

“I think it has benefits,” he said. “Give us some rules that we can work with.”

### **A challenge for regulators**

The call for regulations is a familiar refrain in the CBD industry, which has been begging the FDA to offer regulatory clarity. But it’s not an easy task for regulators: There’s still much unknown about the chemical process of turning CBD into Delta-8.

“It isn’t just a clean one-to-one conversion,” said Steven Crowley, compliance specialist at the Oregon Liquor Control Commission. “Fifteen to 30 percent is unknown byproducts.”

And not only are there unknown byproducts, producers who cut corners or who simply don’t know better may introduce impurities from the solvents and acids used in the process.

Another issue is the addition of flavoring additives or diluents, said TJ Sheehy, director of data and analytics for the OLCC.

The agency issued new rules around additives in the wake of the vaping crisis, which take effect in April. “None of that affects corner store sales of Delta-8 products,” Sheehy explained. “It’s a black box that is being filled with anecdotal user experiences as opposed to actual science.”

Then, there is the issue of a lack of standardization of lab tests. “If I took [a hemp product] to 16 different labs, I’m probably going to get 16 different results,” ImOberstag said.

Lab shopping occurs in both the hemp and state-regulated marijuana industries, industry officials say, with producers choosing labs that are more likely to give favorable results.

“If I got a [certificate of analysis] from Colorado, what happens if someone here [in Illinois] buys it and gets arrested... and the police test it?” he said.

ImOberstag recently found a DEA-licensed lab in Florida in hopes that the stringent requirements will result in the most accurate results for his Delta-8 products. “I’m trying to find some way to be as legit as I possibly can,” he said.

### **What’s next?**

The issue has regulators worried about not only consumer safety for adults, but also sales to minors. The OLCC initiated rulemaking for Delta-8 THC last week. The details are still up in the air, but regulators want to ensure at least some level of purity in these products.

Regulated marijuana producers are also expressing concerns about a product that competes with their industry, but lacks lab testing requirements. The Michigan Cannabis Manufacturers Association on Monday called for marijuana regulators to oversee Delta-8 products, describing their sales as “an immediate health threat to all Michiganders.”

Delta-8 will likely prompt a “new iteration of the patchwork of state hemp laws,” said Shawn Hauser, chair of the hemp and cannabinoids practice at the law firm Vicente Sederberg.

Lawmakers in several states are starting to turn their attention to such products.

In Oklahoma, for example, there’s a bill that would include Delta-8 THC under the definition of “marijuana.” A Florida bill would regulate the sale of Delta-8 products and provide age limits and other restrictions. A California bill proposes taxes and labeling requirements on products that are psychoactive and not naturally extracted from the cannabis plant.

But if history serves as any lesson, restrictions on Delta-8 THC can only lead to one thing: a boom in producing its nearly identical cousin — Delta-10 THC.

# Catch My Drift?

States must take the lead in researching pollen transfer between marijuana and hemp

**H**emp entrepreneurs have made an art of talking up the plant to people who hate high-THC marijuana. They're great at explaining how hemp is nonintoxicating and can accomplish great things for the planet, winning over even the biggest cannabis critics.

But the hemp industry needs a little help when it comes to communicating with state-legal marijuana operators. It's a challenge that threatens to derail hemp's renaissance before it really gets going.

We all know that new states join the marijuana industry every year. That's great news for those looking to cash in on business opportunities in new markets and climates.

But the growth of cannabis production at all THC levels—both marijuana and hemp—is causing an increasing number of conflicts that only states can solve.

## The Pollen Problem

Most members of the industry know that pollen is a mortal enemy for anyone producing flower rich in cannabinoids such as THC or CBD. Cannabis plants are the lonely hearts club of the plant world; they crank out the most cannabinoids and terpenes when people remove the male plants and leave the females unpollinated.

Because of this, it is crucial for any flower producer to ensure his

or her crops won't be exposed to unwanted pollen.

This problem is not unique to cannabis. Many crops can be damaged by unwanted pollen or pesticide drift, and the nation's land-grant universities have spent decades conducting great research on commodities such as corn and soybeans.

But when it comes to cannabis, there is precious little information about how far pollen travels. Some say 10 miles. Others say 3 miles. Some insist that pollen can travel 100 miles, depending on wind and geography.

## States in the Dark

Agronomists at Michigan State University noted the scanty research on the subject in a 2019 report that called on state regulators to be more forthcoming about farm locations in order to reduce hemp-marijuana conflicts.

Too many jurisdictions still shield the locations of marijuana producers in the name of security. However, decades of state-legal marijuana cultivation have shown that growers face nuisance thefts but not the invasions by drug cartels some predicted at the outset of legalization. It's frankly silly for a state agriculture department to have no idea where marijuana is growing when it licenses hemp cultivation.

The U.S. Department of Agriculture helped fund an ongoing research

project about hemp pollen drift at Virginia Tech. But the federal government is unlikely to throw serious research firepower at cannabis pollen drift when it can instead focus on the development of low-THC cultivars.

This is where states need to step up. Instead of leaving it to private industry to develop cannabis cultivars that won't produce as much pollen—or keep guesstimating on setbacks needed between male hemp plants and female flower producers—state research institutions should prioritize pollen drift.

States will find that, by doing so, they're helping nurture two industries at once: hemp operators and state-legal marijuana growers. <https://www.hempindustrydaily.com>

*Kristen Nichols is editor of Hemp Industry Daily. She can be reached at [kristen.nichols@hempindustrydaily.com](mailto:kristen.nichols@hempindustrydaily.com).*

Instead of leaving it to private industry to develop cannabis cultivars that won't produce as much pollen, state research institutions should prioritize pollen drift.





**ORDINANCE NO. 386-2021**



**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
ESTABLISHING INDUSTRIAL HEMP REGULATIONS, BANNING THE CULTIVATION  
OF INDUSTRIAL HEMP IN THE CITY, SECTION 17.30.180 OF THE RIO DELL  
MUNICIPAL CODE AND RENUMBERING GENERAL PROVISIONS AND EXCEPTIONS,  
SECTIONS 17.30.010 – 17.30.370 TO ACCOMMODATE THE PROPOSED  
INDUSTRIAL HEMP REGULATIONS.**

**WHEREAS**, a new Federal law allowing cultivation of Industrial Hemp in 2019 was viewed by many locally as a potential new market for cannabis farmers to participate in, particularly small legacy cannabis farmers who opted out of the commercial cannabis industry due to the regulatory burdens and high costs of permitting; and

**WHEREAS**, the County of Humboldt recently adopted a ban on industrial hemp, primarily due to cannabis farmer's concerns regarding cross pollination and the introduction of new pests and pathogens; and

**WHEREAS**, a local property owner made application and received approval from the County's Agricultural Department, which regulates industrial hemp, for twenty (20) acres of cultivation of industrial hemp on the Dinsmore Plateau; and

**WHEREAS**, staff reached out to the owners of the one permitted farm, Rio's Diamond Farms and others who were either in the permitting process, were about to make application or were/are considering pursuing commercial cannabis permits on the Dinsmore Plateau; and

**WHEREAS**, all expressed concerns regarding the possibility of cross pollination and the introduction of new pests and pathogens; and

**WHEREAS**, commercial cannabis cultivation is having a very positive impact on the City's financial resources; and

**WHEREAS**, staff shares the same concerns regarding cross pollination and the introduction of new pests and pathogens; and

**WHEREAS**, an accidental cross pollination or the introduction of new pests and pathogens could have a tremendous negative impact on our local farmers, likely affecting their ability to pay their taxes; and

**WHEREAS**, the City has reviewed and processed the proposed text amendment in conformance with Sections 65350 – 65362 of the California Government Code; and

**WHEREAS**, the City has reviewed and processed the proposed amendments in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

**WHEREAS** the proposed amendments have been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Rio Dell finds that:

**1. The proposed amendment is in the public interest.**

- A ban would protect our cannabis farmers from potential of cross pollination and the introduction of new pests and pathogens that would adversely impact our farmers crops and investments; and
- An accidental cross pollination or the introduction of new pests or pathogens could have a tremendous negative impact on our local farmers, likely affecting their ability to pay their taxes, affecting the City's expected tax revenue.

**2. The proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected.**

There are no policies which are in conflict with the recommended ban on cultivation of industrial hemp in the City.

**3. The proposed amendments have been processed in accordance with the California Environmental Quality Act (CEQA).**

The proposed amendments are exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Sections 15050(c)(2) and 15060(c)(3) of the CEQA Guidelines, which states an activity is not subject to CEQA when it will not result in a physical change to the environment either directly or indirectly.

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

**Section 1.**

**Purpose of the Zoning Regulation Amendments**

The Rio Dell Municipal Code is hereby amended to establish Industrial Hemp regulations and renumbers Chapter 17.30, General Provisions and Exceptions, to accommodate the Industrial Hemp regulations.

**Section 2. Industrial Hemp Land Use Regulations**

Section 17.30.180, Industrial Hemp regulations, of the Rio Dell Municipal Code is hereby established as follows:

**17.30.180 Industrial Hemp Land Use Regulations**

**(1) Purpose and Intent**

The purpose of this Section is to establish land use regulations for the cultivation of Industrial Hemp and registration of Industrial Hemp cultivation sites within the Inland Area of the County of Humboldt which reduce negative impacts of Industrial Hemp Cultivation on our community and environment.

**(2) Applicability and Interpretation**

All facilities and activities involved in the cultivation of Industrial Hemp and registration of Industrial Hemp cultivation sites within the jurisdiction of the City of Rio Dell.

**(3) Definitions**



“Industrial Hemp”: A crop agricultural product, whether growing or not, that is limited to types of the plant *Cannabis sativa Linnaeus* and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9 tetrahydrocannabinol (THC) concentration of no more than 0.3 percent on a dry weight basis.

**(4) General Provisions Applicable to Industrial Hemp Cultivation and Registration of Industrial Hemp Cultivation Sites**

(a) Cultivation of Industrial Hemp by any person or entity for any purpose is expressly prohibited in all zoning districts in the City of Rio Dell. Additionally, "Established Agricultural Research Institutions" as defined in Food and Agriculture Code section 81000, are similarly prohibited from cultivating Industrial Hemp for agricultural or academic research purposes.

(b) Acceptance of any application for or issuance of a registration, permit or entitlement, or approval of any type, that authorizes the establishment, operation, maintenance, development or construction of any facility or use for the purpose of the cultivation of Industrial Hemp is expressly prohibited in all zoning districts in the City of Rio Dell.

**Section 3. Sections 17.30.010 – 17.30.350 are hereby renumbered and amended as follows:**

**Chapter 17.30  
GENERAL PROVISIONS AND EXCEPTIONS**

Section	Existing Provision	Section	Changes Provision
17.30.010	Applicability	17.30.010	Applicability
17.30.020	Accessory dwelling units	17.30.020	Accessory dwelling units
17.30.030	Accessory uses and buildings.	17.30.030	Accessory uses and buildings.
17.30.040	Adult entertainment.	17.30.040	Adult entertainment.
17.30.050	Airports.	17.30.050	Airports.
17.30.060	Animals and animal shelters.	17.30.060	Animals and animal shelters.
17.30.070	Assemblages of persons and vehicles.	17.30.070	Assemblages of persons and vehicles.
17.30.080	Camping.	17.30.080	Camping.
17.30.090	Commercial cannabis land use regulations.	17.30.090	Commercial cannabis land use regulations.
17.30.100	Cottage industry.	17.30.100	Cottage industry.
17.30.110	Density bonus.	17.30.110	Density bonus.

17.30.120	Emergency shelter/transitional housing regulations	17.30.120	Emergency shelter/transitional housing regulations
17.30.130	Environmentally sensitive habitat areas (ESHAs)	17.30.130	Environmentally sensitive habitat areas (ESHAs)
17.30.140	Fences, walls and screening.	17.30.140	Fences, walls and screening.
17.30.150	Flag lots.	17.30.150	Flag lots.
17.30.160	Flood zone regulations.	17.30.160	Flood zone regulations.
17.30.170	Home occupation businesses and address of convenience.	17.30.170	Home occupation businesses and address of convenience.
<del>17.30.180</del>	<del>Lot size modifications.</del>	17.30.180	Industrial hemp.
<del>17.30.190</del>	<del>Manufactured/mobile homes on individual lots.</del>	17.30.190	Lot size modifications.
<del>17.30.200</del>	<del>Manufactured/mobile home park development standards.</del>	17.30.200	Manufactured/mobile homes on individual lots.
<del>17.30.210</del>	<del>Nonconforming uses.</del>	17.30.210	Manufactured/mobile home park development standards.
<del>17.30.220</del>	<del>Parking regulations.</del>	17.30.220	Nonconforming uses.
<del>17.30.230</del>	<del>Parkland dedication.</del>	17.30.230	Parking regulations.
<del>17.30.240</del>	<del>Personal cannabis cultivation regulations.</del>	17.30.240	Parkland dedication.
<del>17.30.250</del>	<del>Public uses.</del>	17.30.250	Personal cannabis cultivation regulations.
<del>17.30.260</del>	<del>Public utility buildings and uses.</del>	17.30.260	Public uses.
<del>17.30.270</del>	<del>Quasi-public uses.</del>	17.30.270	Public utility buildings and uses.
<del>17.30.280</del>	<del>Recreational vehicle park development standards.</del>	17.30.280	Quasi-public uses.
<del>17.30.290</del>	<del>Removal of natural materials.</del>	17.30.290	Recreational vehicle park development standards.
<del>17.30.300</del>	<del>Second dwelling units.</del>	17.30.300	Removal of natural materials.
<del>17.30.310</del>	<del>Signs and nameplates.</del>	17.30.310	Second dwelling units.
<del>17.30.320</del>	<del>Street dedication and improvement.</del>	17.30.320	Signs and nameplates.
<del>17.30.330</del>	<del>Swimming pools.</del>	17.30.330	Street dedication and improvement.
<del>17.30.340</del>	<del>Tract offices.</del>	17.30.340	Swimming pools.
<del>17.30.350</del>	<del>Vacation dwelling units.</del>	17.30.350	Tract offices.
<del>17.30.360</del>	<del>Yards.</del>	17.30.360	Vacation dwelling units.
		17.30.370	Yards.

**Section 4. Severability**

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

**Section 5. Limitation of Actions**

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

**Section 6. Effective Date**

This ordinance becomes effective thirty (30) days after adoption.

**I HEREBY CERTIFY** that the forgoing Resolution was PASSED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on April 6, 2021 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 384-2021 which was adopted by the Planning Commission of the City of Rio Dell on April 6, 2021.




\_\_\_\_\_  
Karen Dunham, City Clerk, City of Rio Dell



**SHEET GENERAL NOTES**

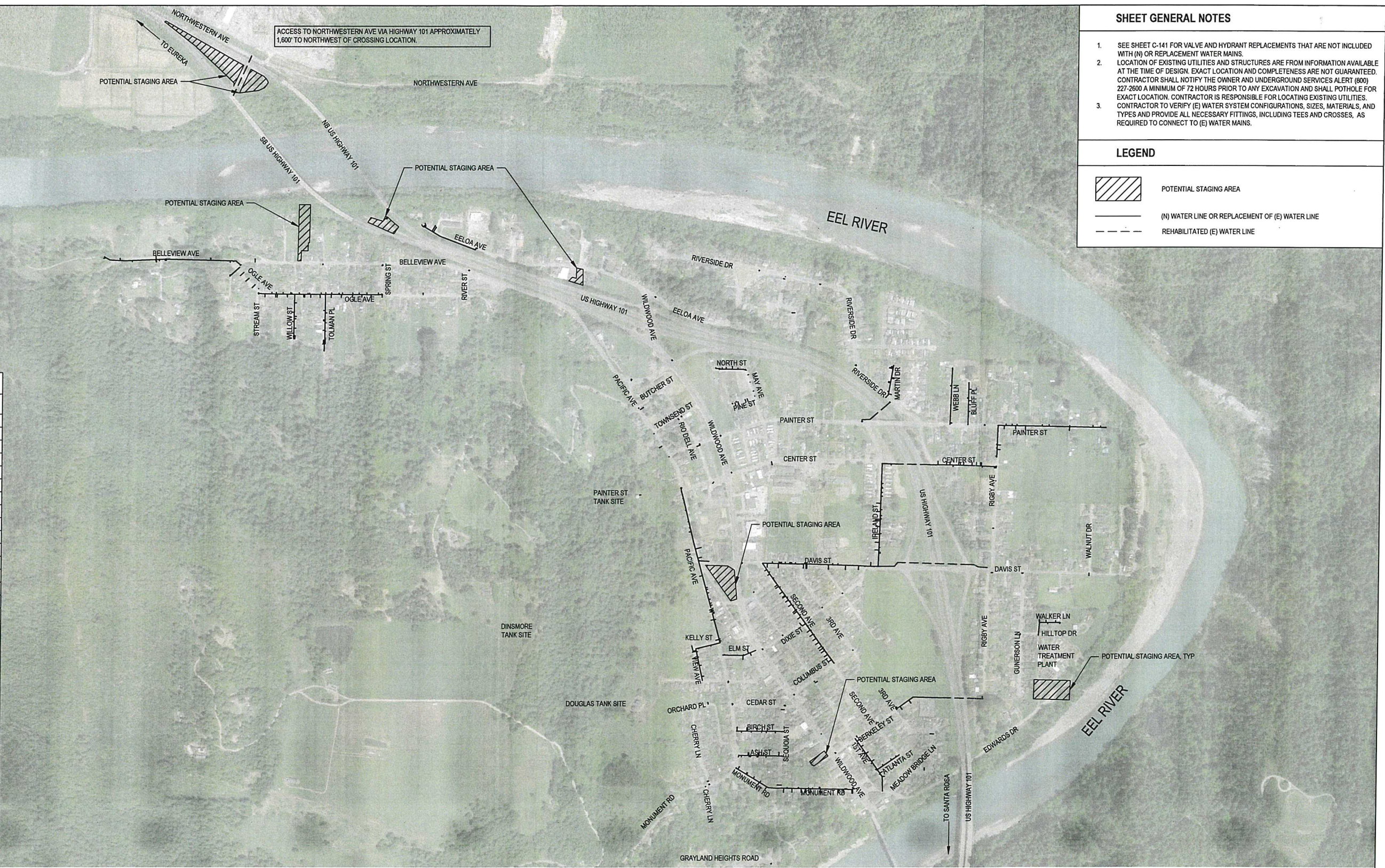
- SEE SHEET C-141 FOR VALVE AND HYDRANT REPLACEMENTS THAT ARE NOT INCLUDED WITH (N) OR REPLACEMENT WATER MAINS.
- LOCATION OF EXISTING UTILITIES AND STRUCTURES ARE FROM INFORMATION AVAILABLE AT THE TIME OF DESIGN. EXACT LOCATION AND COMPLETENESS ARE NOT GUARANTEED. CONTRACTOR SHALL NOTIFY THE OWNER AND UNDERGROUND SERVICES ALERT (800) 227-2600 A MINIMUM OF 72 HOURS PRIOR TO ANY EXCAVATION AND SHALL POthOLE FOR EXACT LOCATION. CONTRACTOR IS RESPONSIBLE FOR LOCATING EXISTING UTILITIES.
- CONTRACTOR TO VERIFY (E) WATER SYSTEM CONFIGURATIONS, SIZES, MATERIALS, AND TYPES AND PROVIDE ALL NECESSARY FITTINGS, INCLUDING TEES AND CROSSES, AS REQUIRED TO CONNECT TO (E) WATER MAINS.

**LEGEND**

-  POTENTIAL STAGING AREA
-  (N) WATER LINE OR REPLACEMENT OF (E) WATER LINE
-  REHABILITATED (E) WATER LINE

**WATER LINE INDEX**

SHEET NO	STREET NAME
C-101	PAINTER ST (1 OF 2)
C-102	PAINTER ST (2 OF 2)
C-103	RIGBY AVE
C-104	CENTER ST
C-105	WEBB LN
C-106	BLUFF PL
C-107	IRELAND ST (1 OF 2)
C-108	IRELAND ST (2 OF 2)
C-109	DAVIS ST (1 OF 2)
C-110	DAVIS ST (2 OF 2)
C-111	NORTH ST
C-112	WILLOW ST
C-113	FIRST AVE AND ATLANTA ST
C-114	SECOND AVE (1 OF 2)
C-115	SECOND AVE (2 OF 2)
C-116	MONUMENT RD (1 OF 2)
C-117	MONUMENT RD (2 OF 2)
C-118	ASH ST AND BIRCH ST
C-119	ELM ST
C-120	VIEW AVE AND KELLY ST
C-121	PACIFIC AVE (1 OF 2)
C-122	PACIFIC AVE (2 OF 2)
C-123	BELLEVIEW AVENUE (1 OF 2)
C-124	BELLEVIEW AVENUE (2 OF 2)
C-125	OGLE AVE (1 OF 2)
C-126	OGLE AVE (2 OF 2)
C-127	WILLOW ST AND TOLMAN PL
C-128	EELOA AVE
C-129	MARTIN DR AND WALKER LN
C-131	US101 CROSSING - BERKELEY ST TO RIGBY AVE
C-131	US101 CROSSING - DAVIS ST
C-132	US101 CROSSING - CENTER ST
C-132	US101 CROSSING - PAINTER ST TO RIVERSIDE DR
C-133	US101 CROSSING - SOUTH BANK EEL RIVER TO EELOA AVE
C-133	US101 CROSSING - NORTH BANK EEL RIVER TO NORTHWESTERN AVE



**PRELIMINARY**

	Bar is one inch on original size sheet 		 <p>GHD Inc. 718 Third Street Eureka California 95501 USA T 1 707 443 8326 F 1 707 444 8330 W www.ghd.com</p>	Drawn <b>D. SAUCEDO</b> Designer <b>D. SAUCEDO</b> Drafting Check <b>L. HALONEN</b> Design Check <b>R. CROW</b> Project Manager <b>R. CROW</b> Date <b>3/19/2021</b>	Client <b>CITY OF RIO DELL</b> Project <b>DRINKING WATER INFRASTRUCTURE IMPROVEMENT PROJECT</b> Title <b>PROJECT OVERVIEW</b> Project No. <b>11121530</b> Original Size <b>ANSI D</b> Scale <b>AS SHOWN</b>																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No.</th> <th>Issue</th> <th>Drawn</th> <th>Approved</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>B</td> <td>95% DESIGN REVIEW</td> <td>DS</td> <td>LH</td> <td>3/19/2021</td> </tr> <tr> <td>A</td> <td>60% DESIGN</td> <td>DS</td> <td>LH</td> <td>8/14/2020</td> </tr> </tbody> </table>	No.	Issue	Drawn	Approved	Date	B	95% DESIGN REVIEW	DS	LH	3/19/2021	A	60% DESIGN	DS	LH	8/14/2020	Reuse of Documents The document and the ideas and designs incorporated herein, as an instrument of professional service, is the property of GHD and shall not be reused in whole or in part for any other project without GHD's written authorization. © 2021 GHD		This document shall not be used for construction unless signed and sealed for construction.			Sheet No. <b>G-004</b> Sheet 4 of 39
No.	Issue	Drawn	Approved	Date																	
B	95% DESIGN REVIEW	DS	LH	3/19/2021																	
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