

**CITY COUNCIL**  
**TUESDAY, MARCH 18, 2008 - 6:30 P.M.**  
**CALISTOGA COMMUNITY CENTER**  
**CLOSED SESSION**

**CALL TO ORDER**

**Mayor Jack Gingles** called the Closed Session to order at 6:30 p.m. In attendance were the following: Councilmember Placido Garcia, Councilmember Gary Kraus, and Councilmember Karen Slusser, Vice Mayor Michael Dunsford and Mayor Gingles. Also present was City Manager James McCann.

1. Conference with Legal Counsel, Anticipated Litigation

Significant exposure to litigation pursuant to subdivision (b) Government Code Section 54956.9: One potential case.

**ADJOURNMENT**

**Mayor Gingles** adjourned the **Closed Session** at 7:00 p.m. to the Regular Meeting of the Calistoga City Council, Tuesday, March 18, 2008, 7:00 p.m., Calistoga Community Center, 1307 Washington Street.

Respectfully submitted:

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Prepared by: Raquel Cantillon, Deputy City Clerk

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Approved by: Jack Gingles, Mayor

**MINUTES**  
**CITY COUNCIL – REGULAR MEETING**  
**TUESDAY, MARCH 18, 2008 - 7:00 P.M.**  
**CALISTOGA COMMUNITY CENTER**

**CALL TO ORDER**

**Mayor Gingles called the Regular Session to order at 7:00 PM**

In attendance were the following: Councilmember Placido Garcia, Councilmember Gary Kraus, Councilmember Karen Slusser, Vice Mayor Michael Dunsford and Mayor Jack Gingles.

Also present were, City Manager James McCann, Administrative Services Director David Spilman, Director of Public Works Dan Takasugi, Senior Civil Engineer James Smith, and Deputy City Clerk Raquel Cantillon.

**ACTION OUT OF CLOSED SESSION**

**Mayor Gingles** announced that there was no action out of the Closed Session held this evening.

**ORAL COMMUNICATION**

**Lydia Ruiz, 4 View Road** stated that she wanted to make an appeal for more recycling bins throughout the City, especially in parks. Additionally, she wanted to let the City Council and the public know that Calistoga Earth Day, April 26<sup>th</sup> 11 a.m. – 3 p.m., is in the works as a day of celebration and education and she asked for the City's involvement.

**Mayor Gingles** asked that she leave her information with the Deputy City Clerk so the City can follow-up with her in regards to the recycle bins and Earth Day.

**City Manager McCann** stated that he would follow up with her in regards to the recycle bins.

## **ADOPTION OF MEETING AGENDA**

**It was MOVED by Councilmember Kraus and SECONDED by Councilmember Slusser to approve the Council Meeting Agenda as presented. The Motion was carried unanimously.**

## **PRESENTATION**

- 1. Presentation by Guy Kay, Napa County Regional Park and Open Space District President, regarding an update on the Oat Hill Mine Road Trail and various projects within Napa County.**

**Guy Kay, Napa County Regional Park and Open Space District President** gave an overview of the Napa County Regional Park and Open Space District Year One Report highlighting three main points. First, they are working on creating a river trail that will connect the City of American Canyon to the City of Napa and that this project has required them to deal with nine different agencies. Second, they will have a work party of 180 (maximum) May 16, 17, and 18 working on the Oat Hill Mine Trail. And third, they plan on working on a Napa River Ecological Reserve at Yountville Crossroads.

**Vice Mayor Dunsford** asked Mr. Kay to explain the nature of the work that will be done on the Oat Hill Mine Trail and if the shale will be preserved.

**Chino Yipp, Napa County Regional Park and Open Space District President** stated that the work they will be doing is to take care of two spots of erosion which has narrowed down the trail to 18 inches, and they will only be widening in those areas. Additionally, they will place about 20-23 signs to remind hikers that they need to stay on the trail and they will be removing of poison oak.

**Guy Kay, Napa County Regional Park and Open Space District President** stated that the event held on the weekend of May 16<sup>th</sup> will include camping out on Calistoga Mineral Waters property, serving the trail workers meals, offering portable showers and outhouses, and local musicians will also be playing. They are trying to make it a fun event for volunteers and the Calistoga community has the first opportunity to sign up.

**City Manager McCann** stated that the City will put a link on their website for the event.

**Chino Yipp, Napa County Regional Park and Open Space District President** added that he provided City Manager McCann with a picture of a kiosk and that in the future they would like to have parking spaces at the trail head.

## **CONSENT CALENDAR**

2. Accounts payable for the period ending Thursday, March 13, 2008 (Total amount of \$680,588.30).
3. Minutes of the regular City Council Meeting on March 04, 2008.
4. Adoption of Resolution No. 2008-020 authorizing the City Manager to grant a 2-year extension to the Diamond Hills Estates Subdivision Improvement Agreement No. 289
5. Adoption of Resolution No. 2008-021 approving a Consultant Services Agreement No. 290 with EGS, Inc. in an amount not to exceed \$16,000 for services associated with a Feasibility Study for Geothermal Heating at the Calistoga Community Pool.
6. Adoption of Resolution No. 2008-022 approving a Consultant Services Agreement No. 291 with Green Valley Consulting Engineers for Engineering Development Review and Inspection services.
7. Adoption of Resolution No. 2008-023 approving a Consultant Services Agreement No. 292 with TRS Consultants, Inc. in an amount not-to-exceed \$286,232 for Construction Management/Inspection services for the Calistoga Community Pool Facility

It was **MOVED** by Vice Mayor Dunsford and **SECONDED** by Councilmember Garcia to approve Items No. 2, 3, 4, 5, 6 and 7 on the Consent Agenda.

The Motion was carried unanimously.

**Mayor Gingles** stated that he is hoping that Diamond Hill by granting a two year extension to the Subdivision Agreement this project will be winding down as it has been going on roughly 20 years.

## **PUBLIC HEARING**

8. Consideration of a Resolution approving the processing of an amendment to the Centre Court Subdivision Affordable Housing Agreement.

**City Manager McCann** introduced this item and noted that the Staff Report states that staff requests additional time to request a formal response by Mr. Turner regarding the recommendations of the Planning Commission.

**Mayor Gingles** stated that he wanted to bring to the attention of the City Council that this item came before the Planning Commission and Mr. Turner has moved his business out of state and according to his letter that went to the Planning Commission indicated that he could not comply with the three units required by the City to build. Additionally, a lien is filed against the lots totaling \$450,000 and Mr. Turner wishes to be relieved of his responsibilities for \$450,000. He stated he would like to see the City have Mr. Turner pay off the 3 liens, dedicate them to the City, then the City can sell the lots and utilize the monies for housing needs.

**Councilmember Slusser** stated that she was disappointed in the acceptance of that as an alternative to the affordable housing obligation that they had and in the event that the City did take those lots she would assume those funds would go towards affordable housing.

**Vice Mayor Dunsford** stated that as he has only the Staff Report provided, which is one page, he wants to wait until April 1<sup>st</sup> to have the discussion so everyone can be informed.

**Mayor Gingles** stated that the only reason he brought it up is because the Staff Report states they are waiting for a response from Mr. Turner and he was trying to let him know the Council may be leaning in a particular direction, but they will need to wait until April 1<sup>st</sup> to make a decision.

**City Manager McCann** stated that he will express the discussion to Mr. Turner and have him consider it in his correspondence.

**Councilmember Kraus** stated that he will not be partaking in the discussion as he lives within 500 feet of the subdivision and it would be a conflict of interest.

**The item is continued to the April 1, 2008 City Council Meeting.**

## **GENERAL GOVERNMENT**

**9) Consideration of a Resolution regarding completion of USDA financing for Kimball Water pipeline, Kimball Water Treatment Plant Upgrade and related costs by approving forms and authorizing the execution of an installment purchase agreement and a trust agreement in connection with the execution and delivery of 2008 Certificates of Participation, not to exceed, \$2,511,170 (USDA Water Facilities Loan) and authorizing and directing certain actions.**

**Administrative Services Director Spilman** introduced this item. He reviewed that in 2002 USDA awarded the City a \$2.5 million loan and a \$1

million grant for water facility improvements. Since that time, the improvements have been designed and parts have been completed. The grant and loan for the Kimball and Myrledale Transmission pipeline was completed in December 2005, a water facility study done was in 2000, and projects that are still to be done are the improvements to the Kimball reservoir and the water treatment plant. The USDA provides financing to eligible communities. The City was eligible to receive this low cost financing from the federal government along with a \$1 million grant and the USDA has requested that the City close out the loan which will allow the City to start drawing down on the grant funds. This action is very typical of loan packages the City has done and will be a Certificate of Participation. The term of the loan is for 40 years, the interest rate was originally authorized by USDA at 4.5% but we are currently eligible for an interest rate of 4.375%, and the annual payment will be around \$134,000 a year. The funds for that repayment will be coming from the water fund.

**Councilmember Slusser** questioned if these are ready to be signed immediately or if there is a possibility that the interest rate will come down.

**Administrative Services Director Spilman** stated that this needs to be executed immediately and that interest rates are scheduled to increase to 4.75% after April 1<sup>st</sup>. These documents are designed to close this loan by the end of this month so the City will be eligible for the lower interest rate.

**Councilmember Garcia** questioned if there will be any increases in the water rates.

**Administrative Services Director Spilman** stated that staff will be coming back to Council later in the Spring on a water rate study and make recommendations to the Council for increases in the water rates over the next 5-7 years. This will not directly cause the water rates to increase, but this financing plus projected financing that we will need for a new water tank, plus the on going operating costs of the water system will be included in the recommendations that will be presented to Council later this Spring.

**Councilmember Slusser** questioned if the water rate study has been started.

**Administrative Services Director Spilman** stated that it has not begun yet. But he and Public Works Director Takasugi will start working on it soon.

**Mayor Gingles** stated that a lot of the neighboring cities are being hit heavily with their water rates.

It was **MOVED** by Councilmember Kraus and **SECONDED** by Councilmember Garcia to adopt Resolution No. 2008-024 authorizing the execution of an Installment Purchase Agreement No.293 and a Trust

**Agreement No. 294** in connection with the execution and delivery of 2008 Certificates of Participation, not to exceed, \$2,511,170 (USDA Water Facilities Loan) and authorizing and directing certain actions.

The Motion was carried unanimously.

**Administrative Services Director Spilman** stated that this action is half of the action, and that Calistoga Public Facilities Corporation will finish the action in the following meeting.

### **CITY MANAGER REPORTS**

- He has learned that Caltrans will be undertaking some work out on Highway 29 and Fairway on a failed drainage facility next week, during the day.
- Napa County Transportation Planning Agency (NCTPA) will be having a Strategic Transportation Planning Public Meeting in Calistoga at the Community Center, 1307 Washington Street, on April 2<sup>nd</sup> at 5:30 p.m.
- The City signed the contract for the HOME Grant Award last week and received a check for \$3.24 million which will be part of the financing for Workforce Housing.

**Councilmember Kraus** questioned if the NCTPA meeting will be televised.

**City Manager McCann** confirmed that it will be televised.

### **COUNCIL REQUESTS AND IDEAS FOR DISCUSSION**

**Councilmember Slusser** stated that she would like to see more recycle bins on Lincoln Avenue and in the City's parks.

**Mayor Gingles** stated that he would like to honor Lauren Hunt for excelling academically by presenting her with a Proclamation at the April 1<sup>st</sup> City Council Meeting. He also stated that he will be attending an ABAG (Association of Bay Area Governments) meeting on Wednesday night. He received a letter from Senator Alex Padilla and effective January 1, 2008 Senate Bill 624 regarding alcohol and tobacco enforcement has gone back to local control. Additionally, the high school drama and art class will be doing walk-a-thons and would like people to donate money and/or computers, the contact information is 942-6872 x102 ask for Mariah Fisher. Calistoga Think Tank is looking for volunteer tutors for Calistoga school children. Also, Mike Kenney is retiring from the Napa County Fairgrounds as the Chief Executive Officer and his replacement will be Patty Sereni. The last item is that he has inquired to the status of the water tank and would like it to be brought up at a future council meeting as to where we stand, what we're doing, etc.

**CITY COUNCIL ADJOURNMENT**

**Mayor Gingles adjourned the meeting at 7:50 p.m. to the next scheduled regular meeting of the Calistoga City Council, on Tuesday, April 1, 2008, Calistoga Community Center, 1307 Washington Street, 7:00 p.m.**

**Respectfully submitted:**

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**Prepared by: Raquel Cantillon, Deputy City Clerk**

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**Approved by: Jack Gingles, Mayor**