

**MINUTES  
CITY COUNCIL  
TUESDAY, SEPTEMBER 21, 2010 - 6:30 P.M.  
CALISTOGA COMMUNITY CENTER  
CLOSED SESSION**

**CALL TO ORDER**

**Mayor 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 Jack Gingles. Also present was Interim City Manager William Norton.

**CLOSED SESSION**

1. **Conference with Legal Counsel, Existing Litigation pursuant to Government Code Section 54956.9(a):**  
**City of Calistoga v. Grant Reynolds, Napa County Superior Court Case No. 26-46826.**

**ACTION OUT OF CLOSED SESSION**

**Mayor Gingles** announced that there was no reportable action out of tonight's Closed Session.

**ADJOURNMENT**

**Mayor Gingles** adjourned the Closed Session at 7:00 p.m. to the regular Meeting of the Calistoga City Council, on Tuesday, September 21, 2010 Calistoga Community Center, 1307 Washington Street, 7:00 p.m.

Respectfully submitted:

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**Prepared by: Susan Sneddon, City Clerk**

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**Approved by: Jack Gingles, Mayor**

**MINUTES**  
**CITY COUNCIL – REGULAR MEETING**  
**TUESDAY, SEPTEMBER 21, 2010 - 7:00 P.M.**  
**CALISTOGA COMMUNITY CENTER**

1 **CALL TO ORDER**

2  
3 **Mayor Gingles called the Regular Session to order at 7:00 p.m.**

4  
5 In attendance were the following: Councilmember Placido Garcia,  
6 Councilmember Gary Kraus, Councilmember Karen Slusser, Vice Mayor  
7 Dunsford, and Mayor Jack Gingles.

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9 Also present were Planning and Building Director Charlene Gallina, Senior  
10 Planner Ken MacNab, Interim City Manager Bill Norton, Assistant City Attorney  
11 Donald Davis, Consultant David Spilman, and City Clerk Susan Sneddon.

12  
13 **ORAL COMMUNICATION**

14  
15 **Larry Elliot, 4410 Lake County Highway (former City employee)**, stated  
16 there was an incident in March 2010 at the City's wastewater treatment plant  
17 when a fallen tree was being cut and split by City employees during working  
18 hours and using the wood for personal use. He cited poor management and  
19 suggested privatization. He also stated his concerns regarding a 15%  
20 surcharge for water meter readings. He stated that there is a "gravy route" to  
21 read one meter outside of City limits.

22  
23 **Kurt Becker, 1715 Michael Way**, stated that there is a conflict in that the water  
24 rate increases are tied to the costs of the current Grant Reynolds lawsuit  
25 against the City. He stated that the City should pay into the Enterprise Fund for  
26 the various City departments' water and sewer (**Administrative Services**  
27 **Director Mushallo** clarified that the General Fund is paying for the City's sewer  
28 and water).

29  
30 **Gayle Keller, owner of Hydro Bar and All Seasons Bistro**, claimed that  
31 there is a disparity caused by the proposed reduction of the sewer rates, such  
32 as for the winery/brewery and restaurant category. She stated that many  
33 restaurants help serve as public restrooms to visitors resulting in an increase in  
34 water and sewer use.

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**Dennis McNay, 2653 Foothill Blvd**, asked why the City's payables are no longer included in the Council agenda packet (**Administrative Services Director Mushallo** stated that the payables are available on the City's website).

## **ADOPTION OF MEETING AGENDA**

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

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

**Mayor Gingles** stated a City employee recently experienced a tragic loss when her son past away.

## **CONSENT CALENDAR**

**Councilmember Kraus** requested that **Item No. 2** be pulled from the Consent Calendar.

**Mayor Gingles** requested that **Item No. 5** be pulled from the Consent Calendar to allow for discussion regarding an amendment to the Memorandum of Understanding with the Calistoga Professional Firefighter's Association.

- 1. Minutes of the August 31, 2010 Special Closed Session and the September 7, 2010 Special Closed Sessions of the City Council.**
- 2. Consideration of a Resolution authorizing the acceptance of a donation in the amount of \$35,500 from the Felgenhauer Trust for the Calistoga Police Department for the purchase of the replacement police vehicle.**
- 3. Adoption of Resolution No. 2010-087 confirming the Interim City Manager's Declaration of a Public Emergency to repair a water line leak on Foothill Boulevard at Lincoln Avenue.**
- 4. Adoption of Resolution No. 2010-088 authorizing the Interim City Manager to execute Memorandum of Understanding with the Calistoga Police Officer's Association.**
- 5. Consideration of a Resolution authorizing the Interim City Manager to execute Memorandum of Understanding with the Calistoga Professional Firefighter's Association.**

76 6. Adoption of Resolution No. 2010-089 approving a Subdivision  
77 Improvement Agreement and Final Parcel Map for Vincent and Marjorie  
78 Arroyo located on Grant Street.

79 7. Adoption of Resolution No. 2010-090 authorizing the Public Works  
80 Director to establish a Clear Zone Traffic Marking on Foothill Boulevard  
81 at Pine Street.

82 8. Adoption of Resolution No. 2010-091 rescinding Resolution No. 2010-  
83 086 regarding the creation of a sub-committee regarding the recruitment  
84 of a new City Manager, and confirming the Councils' appointments  
85 thereto with the addition of the appointment of the City Clerk.

86  
87 It was MOVED by Vice Mayor Dunsford and SECONDED by  
88 Councilmember Kraus to approve Items No. 1, 3, 4, 6, 7 and 8 on the  
89 Consent Calendar. The Motion was carried unanimously.

90  
91 2. Consideration of a Resolution authorizing the acceptance of a donation in  
92 the amount of \$35,500 from the Felgenhauer Trust for the Calistoga Police  
93 Department for the purchase of the replacement police vehicle.

94  
95 Councilmember Kraus recognized the Felgenhauer Trust for their generous  
96 donation to the Calistoga Police Department for the purchase of the  
97 replacement police vehicle.

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99 It was MOVED by Councilmember Kraus and SECONDED by Mayor  
100 Gingles to adopt Resolution No. 2010-092 authorizing the acceptance of  
101 a donation in the amount of \$35,500 from the Felgenhauer Trust for the  
102 Calistoga Police Department for the purchase of the replacement police  
103 vehicle. The motion was carried by the following vote:

104 AYES: Councilmembers Kraus, Mayor Gingles, Councilmember Garcia,  
105 Councilmember Slusser, and Vice Mayor Dunsford

106 NOES: None

107 ABSTAIN/ABSENT: None

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109 5. Consideration of a Resolution authorizing the Interim City Manager to  
110 execute Memorandum of Understanding (MOU) with the Calistoga  
111 Professional Firefighter's Association.

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113 Interim City Manager Norton stated that an amendment has been added to  
114 the draft MOU; the change is in Article 27 Work Schedule of the MOU: *It is*  
115 *understood by all parties that the firefighters can be ordered back on duty or*  
116 *mandated back to work in the case of an emergency or the vacancy of*  
117 *another firefighter.*

118

119       **It was MOVED by Mayor Gingles and SECONDED by Councilmember**  
120       **Garcia to adopt Resolution No. 2010-093 authorizing the Interim City**  
121       **Manager to execute Memorandum of Understanding with the Calistoga**  
122       **Professional Firefighter's Association. The motion was carried by the**  
123       **following vote:**  
124       **AYES: Mayor Gingles, Councilmembers Garcia, Kraus, Slusser**  
125               **and Vice Mayor Dunsford**  
126       **NOES: None**  
127       **ABSTAIN/ABSENT: None**

## 128 129 **PUBLIC HEARING**

### 130 131 **9. Public Hearing to get citizen input regarding water and wastewater rate** 132       **recommendations.**

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134       **Administrative Services Director Mushallo** introduced this item and provided  
135       a brief summary of the water and wastewater rate setting process. He stated  
136       that the Water and Wastewater Revenue Advisory Committee (Committee)  
137       concluded their work after 21 public meetings; the Committees main goals  
138       included review the cost of operations, meet the debt coverage ratio, ensure  
139       adequate resources, and simplify the process. He stated that the Committee  
140       wanted everyone to pay the true cost of water, with penalties for the higher  
141       tiers. He stated that the rates would be escalated year to year by the  
142       construction cost index. He stated that the City's legal fees associated with the  
143       Grant Reynolds lawsuit will not be included in the proposed water rates. He  
144       stated that the long range water supply reliability will be examined in the  
145       system master plan update. He stated that the Lifeline rates will be available for  
146       those that qualify under the PG&E Lifeline Rate Plan. He stated that the sewer  
147       flows have changed dramatically for different types of businesses.

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149       **Mayor Gingles** opened the public hearing.

150  
151       **Don Williams, Water and Wastewater Revenue Advisory Committee**  
152       **Member**, recommended that the proposed rates be approved by Council, and  
153       suggested an "apprentice" program for the treatment plant operators to save  
154       costs. He also suggested a citizen subcommittee be formed to review any  
155       inequities in the rate structure, and to look into the treatment plant personnel  
156       budget.

157  
158       **Linda Hansen, 3141 Highway 128**, stated that she is a former Department of  
159       Fish and Game employee who has worked with water systems. She stated  
160       that the City should be conforming to state mandates of tiered water rates to  
161       encourage conservation. She suggested that the City monitor conservation  
162       data and make future adjustments. She stated that she hopes the City does  
163       not privatize, as it will eventually result in higher water rates.

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**Norma Tofanelli, 1001 Dunaweal Lane**, read three protest letters from citizens regarding the proposed increase in water and wastewater rates.

**Gayle Keller, owner of Hydro Bar and All Seasons Bistro**, stated she does not have a problem with rate increases; however she is concerned with the disparity in charges at the various tiers.

**Michael Quast, 1300 Washington Street**, complimented the Committee and staff for their work in preparing the proposed rate structure. He commented that there are no subsidies in the new rate structure, and noted that the Committee set aside funds for conservation.

**Karen Chang, 3667 Myrtledale Road**, stated that she never knew that she was being charged the 15% surcharge rate for being an out-of-the-City water customer. She stated that the surcharge is neither fair nor equitable.

**Buddy Barberis, 3033 Myrtledale Road**, stated his concerns regarding the proposed rates, also his concerns regarding the City's development fees for new residential construction.

**Lula Palmer, 1401 Cedar**, stated that her property (with a small residence and cabin) uses minimal water but she is charged \$229 for wastewater even when her water use was zero (**Mayor Gingles** stated that he will contact Ms. Palmer to follow up with her concerns).

**Julie Kaplan, 1323 Foothill Blvd**, stated that she owns three vacant cottages at 1313 Foothill Blvd with zero water usage, and she is being charged high amounts for wastewater.

**Dennis McNay, 2653 Foothill Blvd**, stated that the Committee worked very hard and did a good job.

**Mayor Gingles** closed the public hearing.

**Council discussion ensued regarding residential unit connection fees.**

**Mayor Gingles** noted that utility rates are going up everywhere in the state; he noted that with conservation, prices will go higher.

**Councilmember Kraus** stated his concern regarding the 1.5-inch meter for hillside residents. He suggested that the City's water billing be allowed to be paid one-half in the first month and one-half in the second month of the rate structure.

209 **Mayor Gingles** requested that staff look into an “apprentice” program,  
210 investigate out-of-town surcharges, and follow up with forming a citizen  
211 subcommittee to repair inequities.

212  
213 **It was MOVED by Mayor Gingles and SECONDED by Councilmember**  
214 **Kraus to adopt Resolution No. 2010-094 adopting the updated water and**  
215 **wastewater rate proposals and directing staff to bring the updated**  
216 **ordinances back to Council on October 5, 2010. The motion was carried**  
217 **by the following vote:**

218 **AYES: Mayor Gingles, Councilmembers Kraus, Garcia, Slusser**  
219 **and Vice Mayor Dunsford**

220 **NOES: None**

221 **ABSTAIN/ABSENT: None**

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## 223 **GENERAL GOVERNMENT**

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225 **10. Consideration of a Resolution authorizing a Professional Services**  
226 **Agreement with Clay Moorhead of CDA Consulting Group, Inc. for**  
227 **assistance with the preparation and development of a fee analysis and**  
228 **cost recovery program for planning and building development services**  
229 **not to exceed \$16,000.**

230

231 **Planning and Building Director Gallina** introduced this item and stated that  
232 it has been one of Council’s adopted goals to adjust City fees. She stated that  
233 staff recommends a multi-phase approach; first update the Planning and  
234 Building Department’s development service fees, and later update the  
235 recreation and other fee schedules. She stated that out of a \$21,000 budget  
236 the Moorhead contract would be for \$16,000 with the remainder funding going  
237 to direct costs and legal fees. She stated that staff recommends that Council  
238 approve a professional services agreement with Clay Moorhead of CDA  
239 Consulting Group, Inc. to provide technical assistance, and for Mr. Moorhead  
240 to advise staff on cost recovery.

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242 **Mayor Gingles** stated his concern regarding the cost of the proposed  
243 professional services agreement

244

245 **Planning and Building Director Gallina** stated that staff will perform the  
246 majority of the work on the development of the new fee schedule; Mr.  
247 Moorhead will guide and direct the work.

248

249 **Michael Quast, 1300 Washington Street**, stated that the developer deposit  
250 accounts should be delineated so they know what exactly they are paying  
251 for.

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253 **It was MOVED by Mayor Gingles and SECONDED by Councilmember**  
254 **Kraus to adopt Resolution No. 2010-095 authorizing a Professional**

255        **Services Agreement with Clay Moorhead of CDA Consulting Group, Inc.**  
256        **for assistance with the preparation and development of a fee analysis**  
257        **and cost recovery program for planning and building development**  
258        **services not to exceed \$16,000. The motion was carried by the following**  
259        **vote:**  
260        **AYES: Mayor Gingles, Councilmembers Kraus, Garcia, Slusser**  
261                **and Vice Mayor Dunsford**  
262        **NOES: None**  
263        **ABSTAIN/ABSENT: None**  
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## 265        **CITY MANAGER REPORTS**

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267        **Interim City Manager Norton** reported on the following:  
268        • The September 22, 2010 Planning Commission meeting has been  
269                cancelled;  
270        • There will be a Housing Element Update Committee meeting on  
271                September 22<sup>nd</sup>;  
272        • Two student openings on the City's Community Resources Commission.

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274        **Mayor Gingles** noted that next year is Calistoga's 125th anniversary, and the  
275        City should be involved in planning an event.  
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## 277        **CITY COUNCIL ADJOURNMENT**

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279        **Mayor Gingles** adjourned the meeting at 9:25 PM to the To the Special City  
280        Council Closed Session on Thursday, September 23, 2010, Silver Rose Inn,  
281        351 Rosedale Lane, at 11:00 a.m.

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283        **Respectfully submitted:**

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287        **Prepared by: Susan Sneddon, City Clerk**

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290        **Approved by: Jack Gingles, Mayor**