Draft Municipal Service Review & Sphere of Influence Update

City of Calistoga

Napa LAFCO

June 30, 2016,

Resolution No. tbd

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Draft Municipal Service Review and Sphere of Influence Update

City of Calistoga

Prepared for:

Napa LAFCO

1030 Seminary Street, Suite B

Napa, California 94559

www.napa.LAFCO.ca.gov

Prepared by:

SWALE inc

June 30, 2016

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CHAPTER 1: ROLE AND RESPONSIBILITY OF LAFCO

Local Agency Formation Commissions (LAFCOs) are independent agencies that were established by state legislation in 1963 in each county in California to oversee changes in local agency boundaries and organizational structures. It is LAFCO's responsibility to:

- oversee the logical, efficient, and most appropriate formation of local cities and special districts;
- provide for the logical progression of agency boundaries and efficient expansion of municipal services;
- assure the efficient provision of municipal services; and
- discourage the premature conversion of agricultural and open space lands (Government Code [GC] §§ 56100, 56301, 56425, 56430, 56378).

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires each LAFCO to prepare a Municipal Service Review (MSR) for its cities and special districts. MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI). This document presents both a MSR and SOI update and is intended to provide Napa LAFCO with the necessary and relevant information for the City of Calistoga, specifically regarding the appropriateness of the City's existing and proposed boundaries and SOI.

1.1 ABOUT NAPA LAFCO

Although each LAFCO works to implement the CKH Act, there is flexibility in how these state regulations are implemented so as to allow adaptation to local needs. As a result, Napa LAFCO has adopted policies, procedures and principles that guide its operations. Municipal Service Review Policies were adopted on November 3,2008, and amended on August 4, 2014 and October 5, 2015. Sphere of Influence Policies were adopted on August 9, 1972, and amended on October 3, 2011. These policies and procedures can be found on Napa LAFCO's website (*http://www.napa.LAFCO.ca.gov/*).

This MSR is an information tool that can be used to facilitate cooperation among agency managers and LAFCO to achieve the efficient delivery of services. Describing existing efficiencies in service deliveries and suggesting new opportunities to improve efficiencies is a key objective of this MSR, consistent with LAFCO's purposes. Since this MSR/SOI will be published on LAFCO's website, it also contributes to LAFCO's principle relating to transparency of process and information. A public hearing will be conducted by LAFCO on this MSR and SOI Update, thereby contributing to LAFCO's aim of encouraging an open and engaged process.

This MSR was written under the auspices of the Napa LAFCO. Napa LAFCO has a public Commission with five regular Commissioners and three alternate Commissioners as follows:

Commissioners

- Diane Dillon, Chair, County Member
- Gregory Pitts, Vice Chair, City Member
- Juliana Inman, Commissioner, City Member
- Brian J. Kelly, Commissioner, Public Member
- Brad Wagenknecht, Commissioner, County Member
- Joan Bennett, Alternate Commissioner, City Member
- Keith Caldwell, Alternate Commissioner, County Member
- Gregory Rodeno, Alternate Commissioner, Public Member

Staff / Administrative

- Brendon Freeman, Executive Officer
- Kathy Mabry, Commission Secretary
- Jennifer Gore, Commission Counsel

1.2 PURPOSE OF THE MUNICIPAL SERVICE REVIEW

MSRs are intended to provide LAFCO with a comprehensive analysis of services provided by cities and special districts that fall under the legislative authority of LAFCO. This review will provide Napa LAFCO with the information and analysis necessary to evaluate existing boundaries and consider SOIs for these service providers. The MSR makes determinations in each of seven mandated areas of evaluation, providing the basis for LAFCO to review proposed changes to a service provider's boundaries or SOI.

An SOI is defined in GC § 56425 as "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission." LAFCO is required to adopt an SOI for each city and each agency in its jurisdiction. When reviewing and determining SOI's for these service providers, LAFCO will consider and make recommendations based on the following information:

- The present and planned land uses in the area;
- The present and probable need for public services and facilities in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides;
- The existence of any social or economic communities of interest in the area if LAFCO determines that they are relevant to the service provider; and
- The presence of disadvantaged unincorporated communities for those agencies that provide water, wastewater, or structural fire protection services.

Ideally, an MSR will support not only LAFCO but will also provide the following benefits to the subject agencies:

- Provide a broad overview of agency operations including type and extent of services provided;
- Serve as a prerequisite for a sphere of influence update (included herein);
- Evaluate governance options and financial information;
- Demonstrate accountability and transparency to LAFCO and to the public; and
- Allow agencies to compare their operations and services with other similar agencies.

This MSR is designed to provide technical and administrative information on municipal service provided by the City of Calistoga. This information is presented so that LAFCO can make informed decisions based on the best available data for each municipal service and area served. Written determinations, as required by law, are presented in Chapter 6 of this MSR for LAFCO's consideration. LAFCO is ultimately the decision maker on approval or disapproval of any determinations, policies, boundaries, and discretionary items.

1.3 METHODOLOGY FOR THIS MSR & SOI UPDATE

In accordance with GC § 56430, LAFCO must prepare municipal service reviews prior to or in conjunction with the mandated five-year schedule for reviewing SOIs for the agencies within its jurisdiction. The last MSR for Calistoga was adopted by Napa LAFCO in 2008. This MSR and SOI Update evaluates the structure and operation of each of the municipal services and discusses possible areas for streamlining, improvement, and coordination. Key references and information sources for this study were gathered. The references utilized in this study include published reports; review of agency files and databases (agendas, minutes, budgets, contracts, audits, etc.); master plans; capital improvement plans; engineering reports; EIRs; finance studies; general plans; and state and regional agency information (permits, reviews, communications, regulatory requirements, etc.). Additionally, the consulting team, in coordination with the LAFCO Executive Officer, sent the City a Request for Information (RFI), and the City's response to this request was a key information source. LAFCO's Executive Officer and members of the consultant team also visited City Hall and personally interviewed City representatives.

This MSR forms the basis for specific judgments, known as determinations, about each agency that LAFCO is required to make (GC § 5425, 56430). These determinations are described in the MSR Guidelines from the State of California Office of Planning & Research (OPR) as set forth in the CKH Act, and they fall into seven categories, as listed below:

1. Growth and population projections for the affected area;
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities and adequacy of public services including infrastructure needs or deficiencies;
4. Financial ability of agency to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including government structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

An MSR must include an analysis of the issues and written determination(s) for each of the above determination categories.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code § 21000, et seq. Under this law public agencies are required to evaluate the potential environmental effects of their actions. This MSR is exempt from CEQA under a Class 6 categorical exemption. CEQA Guidelines § 15306 states that "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource It should be noted that if LAFCO acts to change the SOI for the City, CEQA requirements must be satisfied. The lead agency for CEQA compliance would most likely be LAFCO.

1.4 PUBLIC PARTICIPATION

LAFCO hosted a public meeting on the Preliminary Draft MSR on Month, day, 2016. Comments from the public were solicited; however xx comments from the public were received. The Commission held a second public meeting on the MSR on Month, day, 2016 (TBD).

After this MSR/SOI Update is finalized, it will be published on the Commission's website (http://www.napa.LAFCO.ca.gov/), thereby making the information contained herein available to anyone with access to an internet connection. A copy of this MSR/SOI Update and e-copies of many of the planning documents and studies that were utilized in the development of this MSR may be viewed during posted office hours at LAFCO's office located at 1030 Seminary Street, Suite B, Napa, CA 94559. In addition to this MSR/SOI Update, LAFCO's office maintains files for each service provider in Napa County. These materials are also available to the public for review.

CHAPTER 2: OVERVIEW OF AGENCY

2.1 AGENCY PROFILE - CITY OF CALISTOGA

Type of Agency: City
Enabling Legislation: General-Law City, California Constitution, Article 11, Section 2, and Government Code § 34000 *et seq.*

Functions/Services: Municipal services provided directly by the City include law enforcement, fire protection and emergency medical, water, sewer, streets, planning, and community recreation. Municipal services provided by Calistoga through contracts or joint-power authorities with other agencies or companies include garbage collection, specialized engineering services, building inspection and plan check services, animal control services, and other specialized services as needed.

Main Office: 1232 Washington Street, Calistoga, California 94515
Mailing Address: same as above
Email: dfeik@ci.calistoga.ca.us
Phone No.: (707) 942-2805
Fax No.: (707) 942-0732
Web Site: www.ci.calistoga.ca.us

City Manager: Dylan Feik
City Clerk: Kathy Flamson

Governing Body:

City Council	Term Expires
Chris Canning, Mayor	December, 2016
Michael Dunsford, Vice Mayor	December, 2016
Gary Kraus, Councilmember	December, 2018
James Barnes, Councilmember	December, 2018
Irais Lopez-Ortega, Councilmember	December, 2016

Meeting Schedule: 1st and 3rd Tuesday of each month at 6:00 pm.

Meeting Location: Calistoga Community Center, 1307 Washington Street, Calistoga, CA 94515

Date of Incorporation: January 6, 1886
Principal County: Napa County
Other: Registered resident-voter system

2.2 SERVICES AND LOCATION

Calistoga was initially settled in 1845 and incorporated as a general-law city in 1886. It provides a full range of municipal services either directly or by contract with other governmental agencies or private companies. Calistoga is currently staffed by 70 full-time equivalent employees (Fiscal Year 2015-2016 Budget), and has an estimated resident population of 5,180[1].

Type and Extent of Services

Municipal services provided directly by the City include:

- law enforcement,
- fire protection and emergency medical,
- water,
- sewer,
- storm drainage,
- streets,
- planning, and
- community recreation.

Municipal services provided by Calistoga through contracts or joint-power authorities with other agencies or companies include garbage collection, specialized engineering services, building inspection, animal control services, and plan check services, and other specialized services as needed.

Also, the City is part of Joint Powers Agreements as follows:

- Upper Valley Waste Management Agency - garbage collection
- Marin Clean Energy - energy provider
- Napa Valley Transportation Authority - regional transportation services
- Napa County Flood Control - Napa County Stormwater Management Program
- Western Riverside Council of Governments - HERO Program
- Mutual Aide Agreement with CalWARN for emergency Public Works
- Mutual Aid Agreement with Napa County, Cities of Napa and St. Helena for fire protection services
- Joint Use Agreement with the Calistoga Unified School District for shared use of facilities

(Data Source: Calistoga, 2016)

Calistoga residents also benefit from public services that are provided by other agencies, as listed in Table 2-1, below.

[1] Per the California Department of Finance, January 2016 estimate.

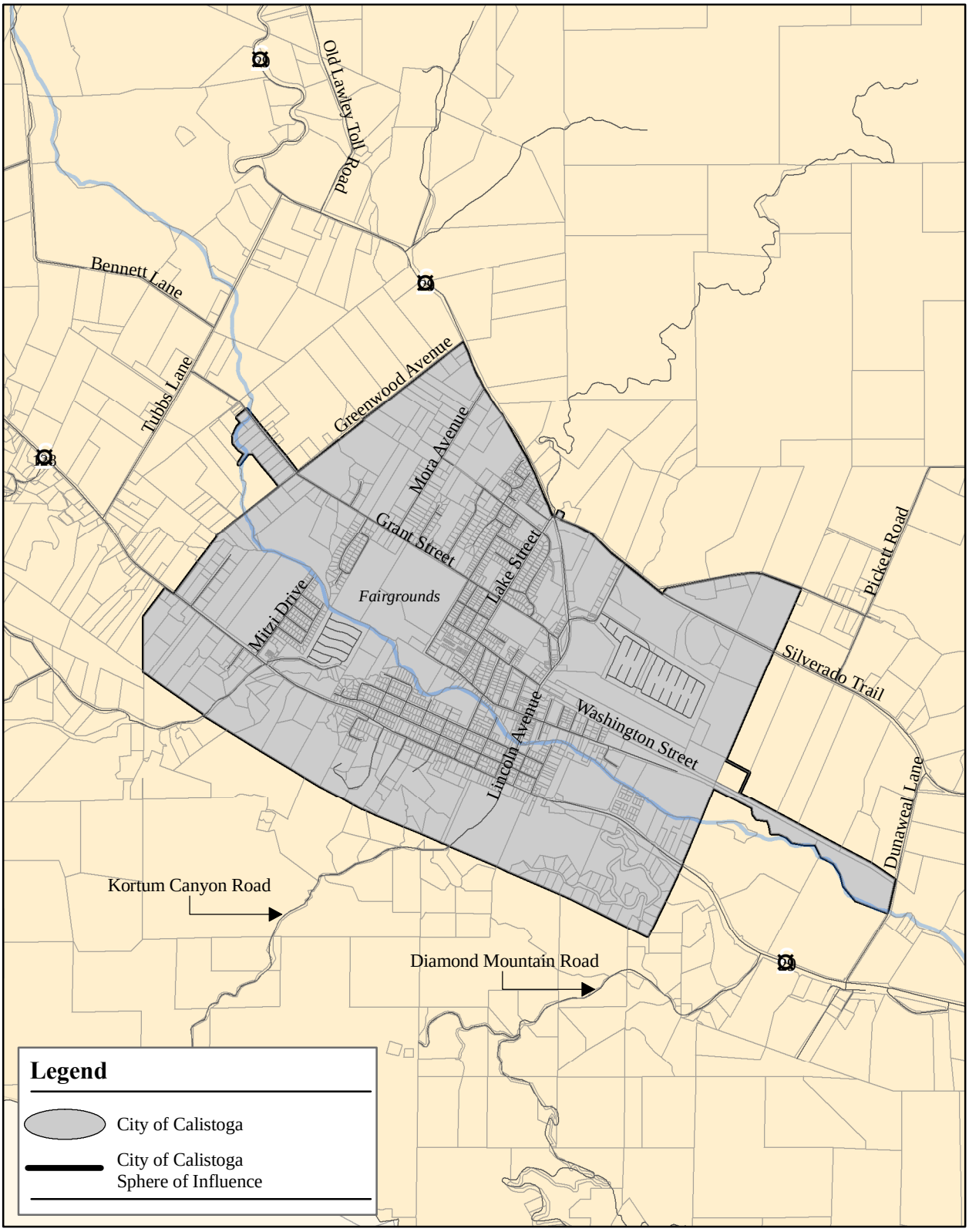
Table 2-1: Non-City Services	
Provider	**Services**
Napa County	Public assistance, library elections, tax assessment and collection, treasury management, official records, public and behavioral health, social programs, corrections, animal shelter, library, and information technology systems and GIS.
Napa County Mosquito Abatement District	Mosquito abatement
Napa County Flood Control and Water Conservation District	Flood control
Napa County Regional Park and Open Space District	Parks, trails, and recreation
Napa County Housing Authority	Farmworker housing
Napa County Resource Conservation district	Resource conservation
Calistoga Joint Unified School District	Public Education K-12, playgrounds
Regional Agencies: ▪ ABAG ▪ Metropolitan Transportation Commission	Regional planning & housing allocation studies Regional transportation planning
Pacific Gas and Electric	Gas, Electricity
Comcast	Cable Television
Caltrans	Highway Transportation and Maintenance along Highways 29 and 128

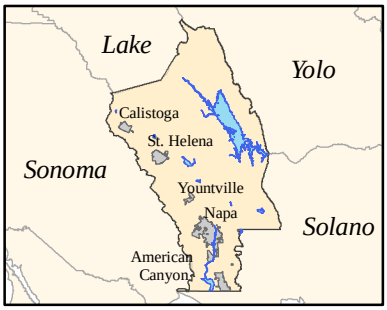
Location and Size

The City of Calistoga is located in Napa County at the north end of the Napa Valley approximately 27 miles northwest of the City of Napa. Calistoga is bisected by the Napa River and bounded to the east and west by the Howell Mountain and Mayacamas Mountain ridges, respectively. In addition to the dramatic visual setting provided by the adjacent mountain ridges, local geology provides Calistoga with unique geothermal resources, which underlies its celebrated hot springs. Calistoga is also surrounded by rich volcanic and alluvial soils providing for the production of premium wine grapes. The City's boundaries encompass 2.6 square miles. A map of the City's jurisdictional boundaries and sphere of influence is provided as Figure 2-1.

Table 2-2: Geographic Summary for City of Calistoga		
	Incorporated Boundary	***Sphere of influence***
Total Acres	*1,651*	*1,657*
Square Miles	2.60	*2.61*
Number of Assessor Parcels	*1,659*	*1,660*

Figure 2.1: Boundary & SOI City of Calistoga





Not to Scale
July 14, 2008
Prepared by KS

LAFCO of Napa County
1700 Second Street, Suite 268
Napa, California 94559
http://napa.lafco.ca.gov

2.3 FORMATION AND BOUNDARY

Beginning with Dr. Edward Turner Bale, the first wave of settlers began arriving at the north end of the Napa Valley in the early 1840s. In the 1860s, Samuel Brannan opened the Calistoga Hot Springs Resort, which served as the community's initial tourist attraction. Brannan also began subdividing blocks of land leading to the creation of a business district along Lincoln Avenue. It was during this time that the first churches and fraternal societies were established, the first newspaper was founded, and the first school was started in the community. The community's gradual development eventually culminated in its incorporation as the City of Calistoga in 1886.

Boundary History

Calistoga's incorporated boundary comprises approximately 1,651 acres, or 2.60 square miles. As listed in Table 2-3, Napa LAFCO has approved a total of nine jurisdictional changes involving Calistoga since 1963. All nine approved jurisdictional changes involved annexations. However, only two of the nine approved annexations were actually completed. The last completed annexation was approved by LAFCO in 1972 and involved the annexation of nine parcels totaling 17 acres located along Myrtledale Road north of Greenwood Avenue.

Table 2-3: Approved Jurisdictional Changes involving the City of Calistoga

Proposal Name	Action	Approval Date
Myrtledale Road/Greenwood Avenue	Annexation	March 8, 1967*
Kimball Dam	Annexation	March 8, 1967*
Feige Canyon Reservoir	Annexation	March 8, 1967*
Kortum Canyon Road	Annexation	March 8, 1967*
Silverado Trail No. 1	Annexation	January 12, 1972
Myrtledale Road/Greenwood Avenue	Annexation	September 11, 1972
Kimball Dam (Resubmittal)	Annexation	September 11, 1972*
Feige Canyon Reservoir (Resubmittal)	Annexation	November 8, 1972*
Calistoga Airport Lands	Annexation	September 11, 1972*

* Proposals were abandoned prior to recordation for unknown reasons.

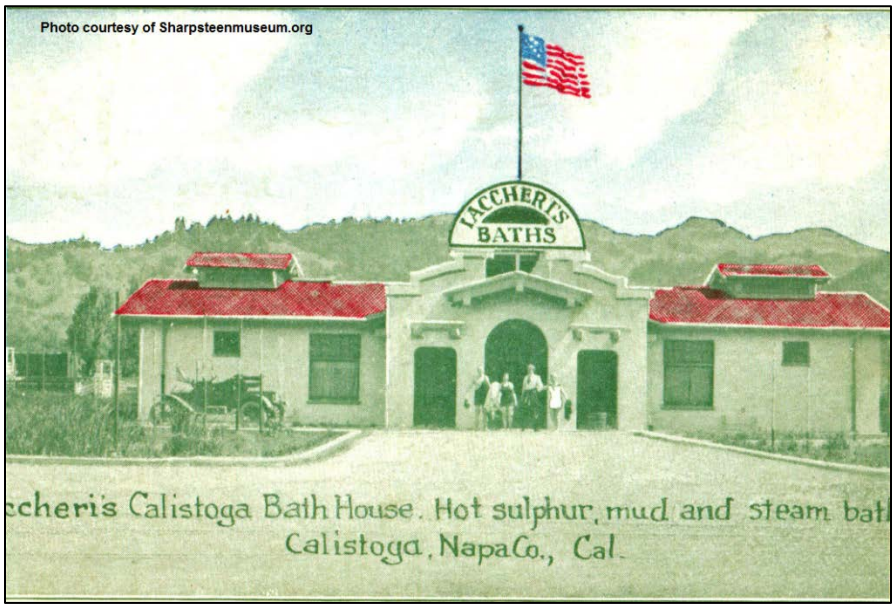
LAFCO's 2008 MSR for the City recommended that LAFCO work with Calistoga and the State Board of Equalization to identify why the seven proposals were not finalized and to take the necessary actions to complete the proceedings as originally approved. Neither LAFCO nor the City has made any progress on this recommendation.

Sphere of Influence

Calistoga's sphere of influence includes is almost coterminous with its boundary line and encompasses a total of 2.61 square miles. The difference between the SOI and the boundary is one unincorporated 5.3 acre parcel located along Washington Street immediately south of the City. This parcel is owned and utilized by Calistoga as part of its municipal sewer system. The sphere was originally established by the Commission (LAFCO) in 1973 and last updated by the Commission in 2008. There have been no amendments since then.

The City has indicated that its existing sphere of influence is suitable for its near-term future needs (Calistoga, 2016).

Extra-territorial Services



The City provides several municipal services to residents located outside its boundaries through out-of-agency service agreements including structural fire protection services, police protection services, and water service. Additionally, City parks are utilized by tourists and other non-residents. The water service connections that extend beyond the city limits principally serve residential uses located along Tubbs Lane and Petrified Forest Road. Most of these outside connections were established prior to CKH. Any new or extended services outside Calistoga would require LAFCO approval pursuant to Government Code § 56133.

The Calistoga Police Department responds to incidents in surrounding unincorporated areas based on separate mutual aid agreements with the California Highway Patrol and County of Napa. The Calistoga Fire Department has agreements to be the first responder in nearby areas of unincorporated Napa County and to provide mutual aid to portions of unincorporated Sonoma County.

Assembly Bill (AB) 402[2], authored by former Napa LAFCO Commissioner and current Assembly Member Bill Dodd, was signed by Governor Brown on October 2, 2015 and became effective January 1, 2016. This legislation creates a five-year pilot program for Napa and San Bernardino Counties that establishes a mechanism for both Commissions to authorize service provision outside a local agency's jurisdictional boundary and sphere of influence under special circumstances, such as responding to a public health or safety threat within the affected territory[3]. The Bill has been codified under Government Code § 56133.5, which expands upon the existing circumstances for which the Commission may authorize services outside a city's jurisdictional boundary and sphere of influence. LAFCO adopted a process and policies on April 4, 2016 for implementation of the AB402 provisions.

Areas of Interest

The extra-territorial service areas that receive structural fire protection, police protection, and water services from the City are areas of interest. There are no disadvantaged unincorporated communities located adjacent to the City boundaries. No other areas of interest or concern have been identified by the City of Calistoga.

2.4 GOVERNMENT STRUCTURE AND ACCOUNTABILITY

City Council

Calistoga operates under the council-manager system of government which includes an elected five-member City Council with a directly elected mayor. Elections are conducted by general vote; the mayor serves a two-year term while the four council members serve staggered four-year terms. Council duties include adopting an annual budget and municipal ordinances along with approving General Plan amendments, zoning changes, and subdivision maps. The Council also appoints commission and committee members, and hires the City Manager.

Regularly scheduled Council meetings are held on the first and third Tuesdays of every month at 6:00 P.M. in the Calistoga Community Center, located at 1307 Washington Street. The current City Council members are as follows:

Name	Role	Term Expires
Chris Canning	Mayor	December, 2016
Michael Dunsford	Vice Mayor	December, 2016
Gary Kraus	Councilmember	December, 2018
James Barnes	Councilmember	December, 2018
Irais Lopez-Ortega	Councilmember	December, 2016

[2] Text of AB 402 is available on-line at: *https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB402*

[3] For additional information regarding service provision outside a local agency's jurisdictional boundary, please refer to the Cortese Knox Hertzberg Act available on-line at: *http://www.calafco.org/*.

All meetings are open to the public in accordance with the Brown Act. Additionally, City Council Meetings are broadcasted live and later re-broadcasted via tape on local television station, Channel 28. The agenda for each City Council meeting includes a public comment period. The City adopted Rosenberg's Rules of Order on Jan. 15, 2013 and utilizes these rules as its parliamentary procedure. All meetings are publicly posted at least three days prior to Council meetings at City Hall, 1232 Washington Street, Calistoga, at two other physical locations in the city limits of Calistoga and on the City's website at: *http://www.ci.calistoga.ca.us/*. Agendas are also distributed via email upon request. The City and its representatives have a solid record of adherence to the requirements of the Brown Act, the Political Reform Act, and similar laws. The City's website is a communication vehicle for City Council and Planning Commission meeting agendas, meeting minutes, videos of meetings, and information on the City's services and programs.

In addition to its government duties, the Council also oversees the Calistoga Public Facilities Corporation, a non-profit public benefit corporation for the financing of City facilities and equipment.

Governing bodies such as a City Council are required to comply with specific state laws including:

- CA Government Code §53235 requires that if a city provides compensation or reimbursement of expenses to its board members, the board members must receive two hours of training in ethics at least once every two years and the city must establish a written policy on reimbursements.
- The CA Political Reform Act (Government Code §81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (California Code of Regulations §18730), which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code.
- Government Code §87203 requires persons who hold office to disclose their investments, interests in real property and incomes by filing appropriate forms with the Fair Political Practices Commission each year.

The City Council does comply with each of the above laws and regulations. Any compensation and/or benefits offered to City Council and Planning Commission members are described in MOUs for the various bargaining units.

CITY VISION STATEMENT

To create a vibrant, balanced, safe, sustainable, and healthy community that maintains its authentic charm while ensuring Calistoga's economic vitality.

Advisory Boards, Commissions, and Committees

The City's "planning agency" required by Government Code Section 65100 is the Planning Commission, which consists of five members appointed by the City Council. The Planning Commission usually holds twice-monthly public meetings and is responsible for approving certain environmental documents, design reviews, conditional use permits, parcel maps and variances. The Commission also makes recommendations to the City Council on General Plan amendments, zoning changes, and tentative subdivision maps.

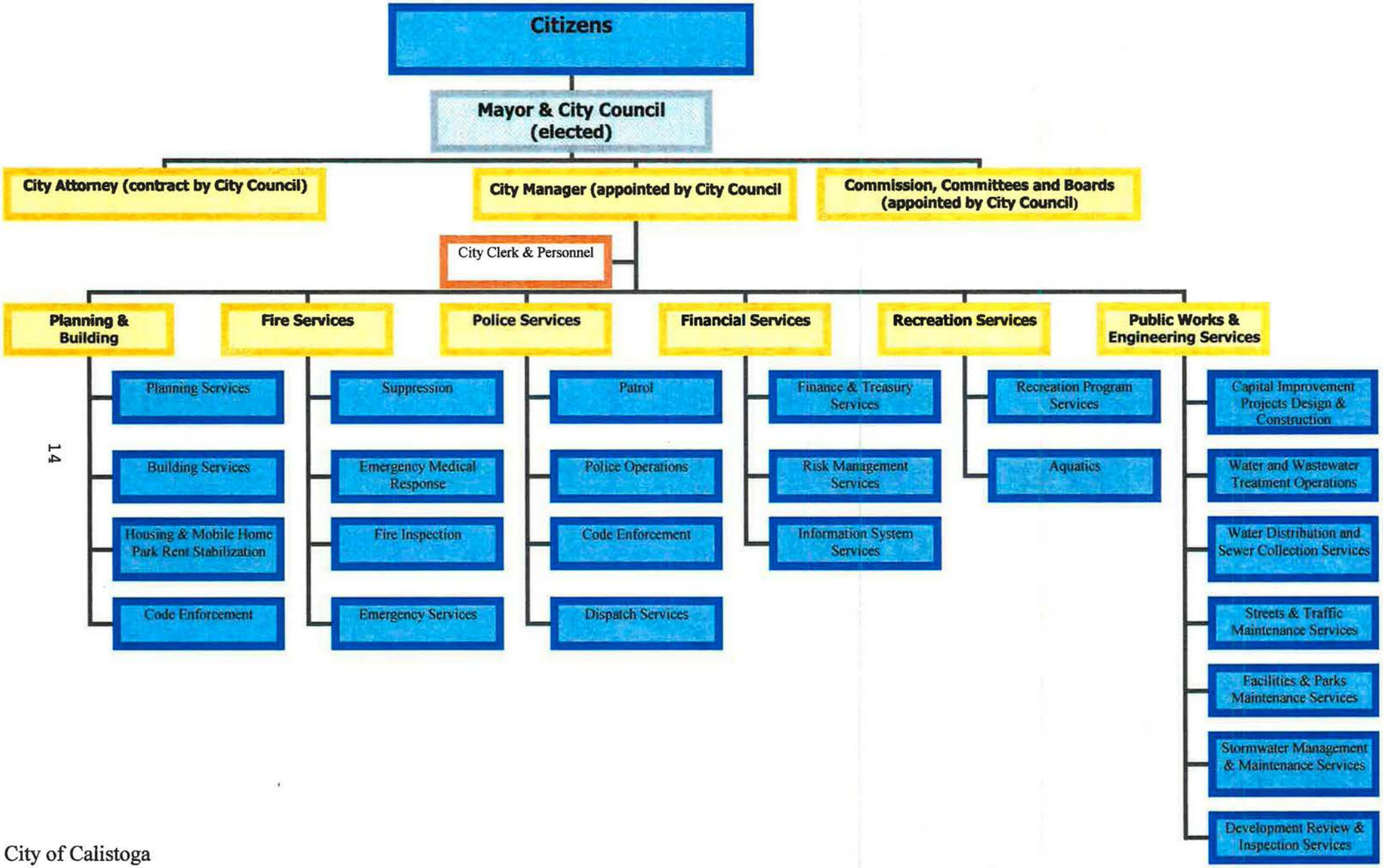
The Calistoga City Council has established other local advisory bodies to assist the City in its decision-making processes. Specific responsibilities for each advisory body are established by their respective ordinance or resolution. These advisory bodies include the Active Transportation Committee, Building Standards Advisory & Appeals Board, Calistoga Community Pool Advisory Committee, Green Committee, and the Calistoga Public Facilities Corporation.

There are several county-wide committees on which Calistoga has a representative including City-County Library Commission, County Wide Bicycle Advisory Committee, Napa County Art & Culture Commission, Napa County Commission On Aging, Napa County Local Food Advisory Council, Napa County Measure A Financial Oversight Committee, Napa County Mosquito Abatement Board Of Trustees, and the Park & Open Space District Advisory Committee. A list of these advisory bodies and the names of City representatives is available as Appendix A of this MSR.

2.5 MANAGEMENT EFFICIENCIES AND STAFFING

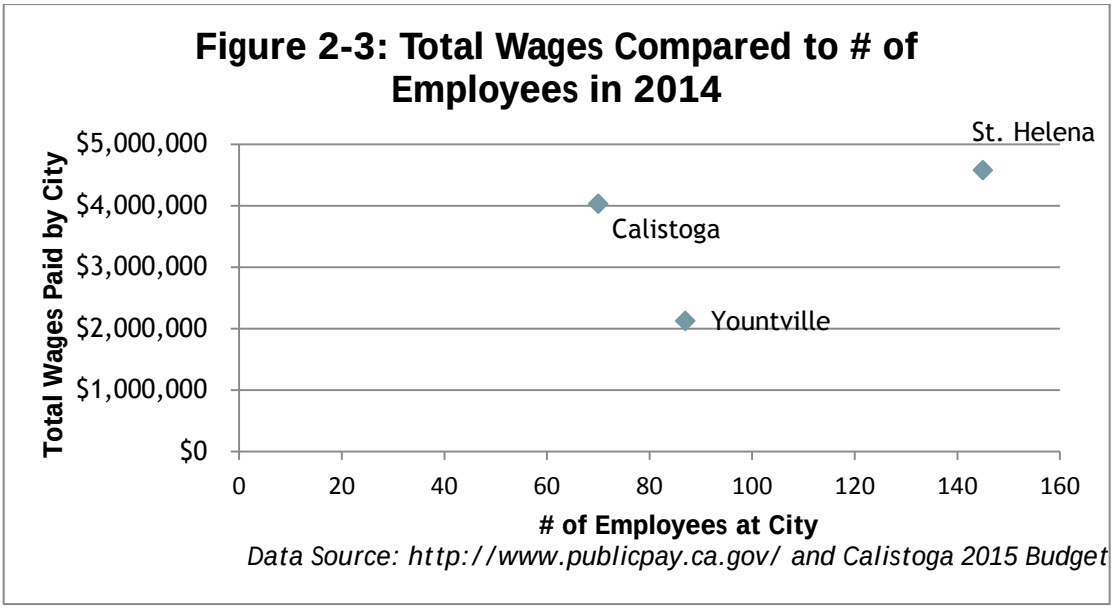
The City operates under the direction of the elected City Council. The City Manager is appointed by and reports to the City Council and is responsible for directing City operations and overseeing and implementing policies on behalf of the City Council. The City Manager serves at-will and oversees Calistoga's seven municipal departments: 1) Administration, 2) Fire, 3) Police, 4) Public Works, 5) Planning and Building, 6) Administrative Services, and 7) Community Resources. Within these seven departments, there are 123 full- and part-time employees as shown in Figure 2-2, Organization Chart. The current City staff totals 70 full-time equivalents (FTEs).

Figure 2.2: Organization Chart

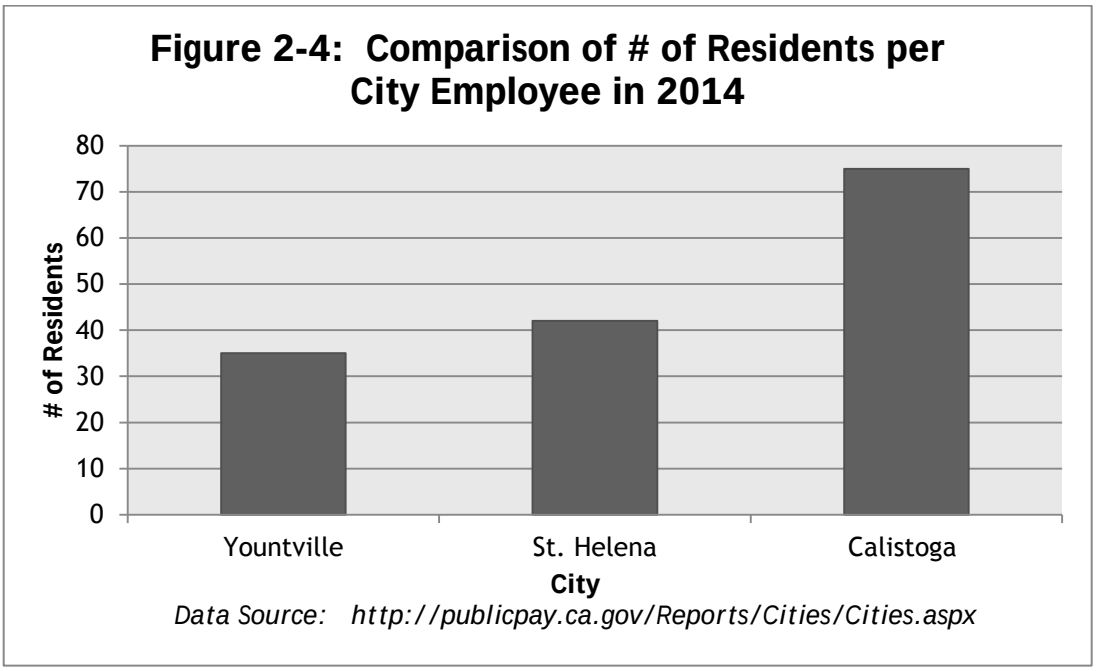


City of Calistoga
Staffing Chart
FY 2015-2016

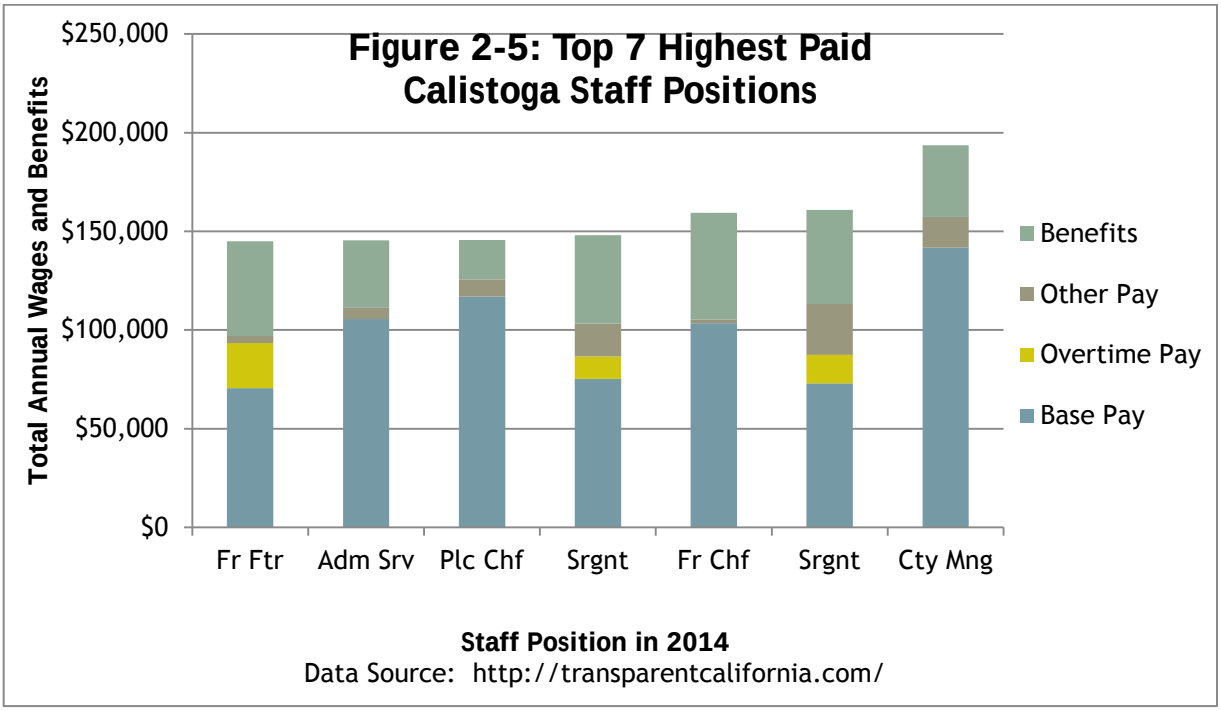
The average wage paid per employee is $32,732 per year. Total wages paid by the City in 2014 were $4,026,059 as shown in Figure 2.3, below.



Per capita measurements are one method to compare efficiencies between cities. As shown in Figure 2-4, Calistoga has 75 residents per City employee, which is more efficient than Yountville, which has one employee per 35 residents (CA Controller, 2014).



The City Manager is the highest paid City employee as shown in Figure 2-5, below.



An overview of each municipal department is provided below.

Administration

Administration includes the City Manager, City Clerk, Treasurer, Finance (including Utility Billing), Risk Management Services and Information Systems. Key duties for the City Manager include implementing policy direction from the City Council and directing staff resources. The City Manager also serves as the Personnel Director and the Director of Emergency Services. The City Clerk is responsible for preparing agendas and minutes, providing public notices, conducting general municipal and special elections, and maintaining official records. Calistoga contracts with the law firm of Burke, Williams & Sorensen, LLP for legal services. The City receives approximately 30 to 35 complaints each year and while those complaints are directed towards the pertinent City department for resolution, City Administration retains the ultimate responsibility. The Administration Department currently operates with 4.7 FTE positions.

Public Works Department

The Public Works Department manages all public facilities and infrastructure in Calistoga. This includes maintaining streets, storm drains, parks, and the water and sewer systems and treatment facilities. The Department has a staff of 20.8 full-time and part-time employees and is managed by the Public Works Director/City Engineer. Other staff positions include Maintenance Superintendent and seven maintenance technicians, a Deputy Director, Administrative Analyst, Administrative Assistant, and a Water and Sewer

Plant Superintendent with five plant operators. Additionally, the City has a mutual aid agreement with CalWARN for Public Works (Calistoga, 2016).

Planning and Building Department

The Planning and Building Department is responsible for providing land use planning, building, and code enforcement services in Calistoga. Key duties include implementing the policies of the General Plan, issuing building permits, conducting inspections, and reviewing development project applications. Outside consulting building inspection and plan check services are employed by the Department. The Department is managed by the Planning and Building Director and includes a Senior Planner, and an Administrative Assistant. The Planning and Building Department currently operates with 2.5 FTE positions.

Police Department

The Police Department is responsible for providing law enforcement services in Calistoga. The Department is managed by the Police Chief and includes two Sergeants and eight sworn officers. Support personnel include a Records Supervisor with three full-time and three part-time dispatchers. Specialized personnel include the Community Services Officer, one Juvenile Diversion Specialist (part time) and two parking officers. The Napa County Sheriff's Department provides special weapons and tactics by mutual agreement with the City. The Police Department currently operates with 16.0 FTE positions.

Fire Department

The Fire Department is responsible for providing fire protection and emergency medical services in Calistoga as well as within certain surrounding unincorporated areas pursuant to separate agreements with the Counties of Napa and Sonoma. The total coverage area for the Department to provide services is 56 square miles. The Department is managed by the Fire Chief. Additionally, the City has a mutual aid agreement for emergency medical, fire protection and related services, (Calistoga, 2016). The Fire Department currently operates with 4 FTE and 12 PTE positions.

Administrative Services Department

Administrative Services is responsible for the budget and financial project activities as well as account management (payroll, accounts

CITY MISSION STATEMENT

To set policy and direction through a process of trust and transparency that reflects the goals of the community and ensures their safety and well-being.

The goals of the City of Calistoga are as follows:

- Maintain and enhance economic viability;
- Offer excellent professional services to all customers;
- Establish, improve, and maintain City infrastructure;
- Create an environmentally sustainable community;
- Maintain the small-town, rural character of Calistoga;
- Expand and improve recreational services and facilities.

payable, accounts receivable). Administrative Services also provides treasury, tax collection, water and wastewater billing, risk management, computer network systems, and grant administration services. The Department is managed by the Administrative Services Director/Treasurer. Administrative Services Department personnel are included within the Administration Department.

Recreation Services Department

This Department is responsible for developing and managing aquatics, recreational, community, and leisure service programs in Calistoga. The Department is managed by the Recreation Services Manager and supported by three recreational coordinators and several seasonal program aides. The Recreation Department currently operates with 7.0 FTE positions.

Awards to City

The City of Calistoga has been recognized for its ongoing efforts to provide city services in a financially-competent and environmentally-sensitive manner. The City has received numerous awards and grants as listed in Table 2-4, below.

Table 2-4: Summary of Awards and Grants – City of Calistoga (not a comprehensive list)

	2012	2013	2014	2015	2016
Awards/ Honors:	Government Finance Officers Association Award	Government Finance Officers Association Award	Government Finance Officers Association Award		
Grants:	Highway and Bridge Grant, Berry Bridge	TDA-3, Pedestrian safety	TDA-3, ADA Improvements, Bike Racks and Napa River Pathway	TFCA, Napa River Pathway	Active Transportation Program, Napa Valley Vine Trail
	Cal Recycle	Cal Recycle	Cal Recycle	Cal Recycle	Cal Recycle
	TFCA, Bike Racks		IRWM Drought Grant, Recycled Water Storage	Housing Related Parks Program, Monhoff Center	Hazard Mitigation Grant for Feige Water Tank Replacement and Reconstruction and lining of the Riverside Ponds

Data Source: Calistoga, 2016.

CHAPTER 3: SOCIO-ECONOMICS

3.1 PRESENT AND PLANNED LAND USES

Existing land use

Land use decisions are one of the most important legal authorities available to a city. People living within a city may choose to move when social or economic situations change. However, a city is tied to its geography and cannot move. A city is directly supported by the local water supply and other natural resources in its nearby proximity. The land use decisions a city makes are critical, since land use generates local economic conditions and associated tax revenues that support city services.

Napa County is located within the Napa Metropolitan Statistical Area, and it is within relatively feasible commuting distance to San Francisco, Oakland, and Sacramento. Additionally, there is easy access to airports and to ports for shipping agricultural and other products to customers around the world. These factors, along with its Mediterranean climate and scenic landscape make Napa County an economically robust area and a desirable place to live and work. There is some pressure on the five incorporated cities within the County to balance their opportunities for the development of housing and commercial facilities along with protecting the scenic agricultural and forested landscape. A general economic forecast for Napa County is provided for background information in Appendix B.

The City of Calistoga has 2,776 parcels; 302 are vacant homes, 249 are commercial, and 59 are vacation homes (RCAC, 2015). Single-family homes are the predominant land-use, consuming the largest amount of developed land within the city limits. The City also contains multi-family units and mobile homes, lending it a variety of housing types at a range of price points. Twenty-one percent of the land within the city limits is utilized for agriculture. Parks and public space are important existing uses. Commercial development is concentrated along Lincoln Avenue, which functions as the “main street” for the community. Commercial uses include stores, offices, personal services, banks and restaurants. Most of the retail and service establishments consist of privately-owned small businesses. Tourism-related commercial uses occupy approximately seven percent of the land area within the city limits. Light industrial area is very limited. The Napa County Fairgrounds operates a year-round facility located within the City limits. The Fairgrounds hosts the annual fair, golf course, RV park, and speedway. Table 3-1, below lists the acreage associated with each type of existing land use within the City limits (Calistoga, 2015).

Table 3-1: Existing Land Use Distribution in Calistoga		
Land-Use Type	**Acres**	**Percentage**
Single-Family Residential	515	37%
Agriculture	299	21%
Public	106	8%
Vacant	95	7%
Tourism-Relate	92	7%
Park, Public Recreation	89	6%
Mobile Home Park	75	5%
Multi-Family Residential	62	4%
Commercial	27	2%
Light Industrial	33	2%
Religious Facilities	8	1%
Total	**1401**	**100**
Source: Calistoga, 2015		

Since the previous MSR was published in 2008, the City has seen the construction of two major projects: 1) a 48 unit apartment project for farmworker families and 2) the Indian Springs Resort expansion consisting of 75 new hotel units, restaurant, yoga building and event barn (Calistoga, 2016). Annexations have not occurred since 1972.

The majority of unincorporated lands adjacent to Calistoga are designated under the County of Napa General Plan as Agricultural Resource or Agriculture, Watershed and Open Space. These designations support the preservation of existing agricultural and open-space land uses by requiring minimum parcel sizes of 40 and 160 acres, respectively. The majority of these unincorporated lands are also zoned by the County as Agricultural Watershed or Agricultural Preserve and presently include a number of commercial vineyards and wineries. A key exception involves an approximately 92-acre area located immediately south of Calistoga near the intersection of State Highway 29 and Diamond Mountain Road. The County designates and zones this area as Rural Residential and Residential Country, which requires a minimum parcel size of 10 acres. Additionally, planned development consisting of new residential units is proposed southeast of Highway 29 south of Kortum Canyon Road.

General Plan, Zoning, and Policies

Calistoga's General Plan was comprehensively updated in 2003 and codifies land use policies for the City through 2020. The General Plan contains 11 elements, including the seven mandatory elements required under California Government Code §65302. More recently, several elements of the General Plan have been updated including: Land Use Element (2015); Community Identity Element (2012); Circulation Element (2014); Housing Element (2014); Public Services Element (2014); and Public Safety Element (2014). The

Land-Use Vision – City of Calistoga

Calistoga will remain a walkable, small town, made up of a vibrant, eclectic main street set within pedestrian-oriented neighborhoods of modestly-sized homes and surrounded by wineries, vineyards and other agricultural lands. The temperate climate, the Palisades, Napa River and its creeks frame our physical identity.

Visitors will continue to be attracted to Calistoga because of its unique small-town character, shops, restaurants, health spas and the surrounding natural beauty. Calistogans know that the town also provides a strong sense of belonging for its residents. It contains a broad array of 19th and early 20th century buildings that form a multi-faceted streetscape and support an economically-diverse community.

Calistoga will retain its qualities for future generations by providing a vibrant economy linked to a viable community social structure, and by conserving the ecosystem that supports it. Calistoga is, and will remain, a community in which its residents can take pride

remaining elements (Infrastructure, Open Space and Conservation, Noise, Geothermal, and Economic Development) were all adopted in 2003.

The General Plan is predicated on maintaining Calistoga's identity as a small-town and includes several growth control policies, such as discouraging the annexation of adjacent unincorporated lands. Significantly, Calistoga's General Plan designates a planning area that is measurably larger than Calistoga's incorporated boundary and sphere of influence. For those parcels located outside the city limits yet within the Planning Area, the City has adopted the County's land use designations.

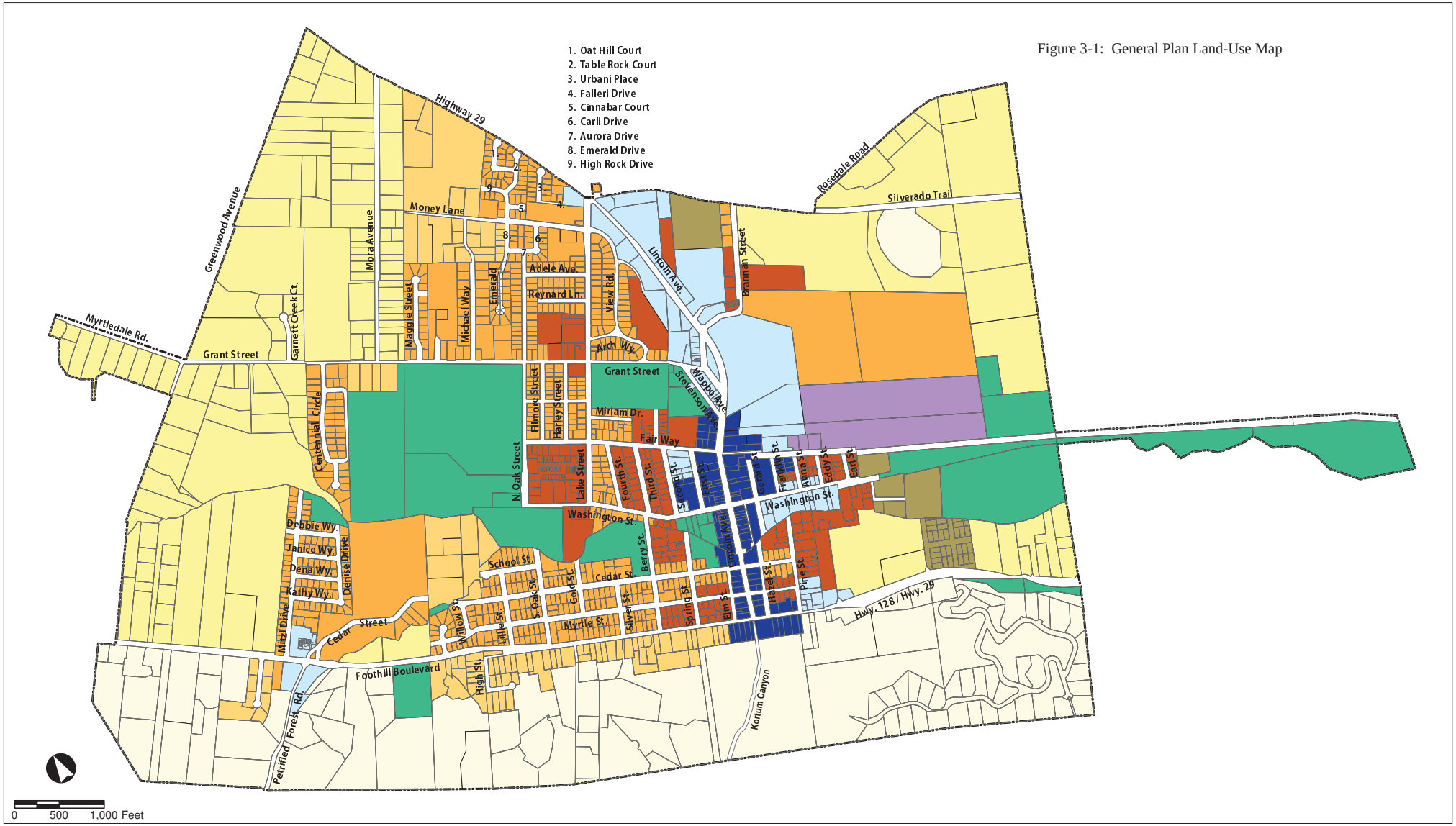
Calistoga established an allocation system to better control the annual rate of residential and non-residential growth in the City. Notably, this allocation system restricts the number of approved residential projects to ensure no more than a 1.35% annual increase in population. Allocations are subject to an application process and awarded by the Planning and Building Director.

The General Plan Land Use Map is provided as Figure 3-1. The City Zoning Map is provided as Figure 3-2. No changes are currently proposed to the City's General Plan land use map. Additionally no General Plan amendments are anticipated in the near future (Calistoga, 2016). The City generated a list of pending and approved development projects which is provided as Appendix C.

The General Plan establishes standards with respect to the timing, delivery, and adequacy of public services in Calistoga. These standards help to define the level of service in the community and provide the public with a tool to measure the success of Calistoga in meeting its service objectives. Key land use and infrastructure policies included in the General Plan are summarized below:

- Annexation of any unincorporated land shall be discouraged (P4.1-1 in Land-Use Element).
- Commercial development in Calistoga shall be focused in the downtown area (P1.1-2 in Land-Use Element);
- The City shall encourage infill development and development on land with necessary public infrastructure in place (P1.1-5 in Land-Use Element).

Figure 3-1: General Plan Land-Use Map



Rural Residential

Rural Residential - Hillside

Public/Quasi-Public

Low Density Residential (1 - 4 dwelling units per acre)

Medium Density Residential (4 - 10 dwelling units per acre)

High Density Residential (10 - 20 dwelling units per acre) and Office

Downtown Commercial

Community Commercial

Airport Commercial

Light Industrial

* See Figures LU-6 and LU-7 for Overlay Land Use Districts

LAND USE DESIGNATIONS WITHIN THE CITY LIMITS

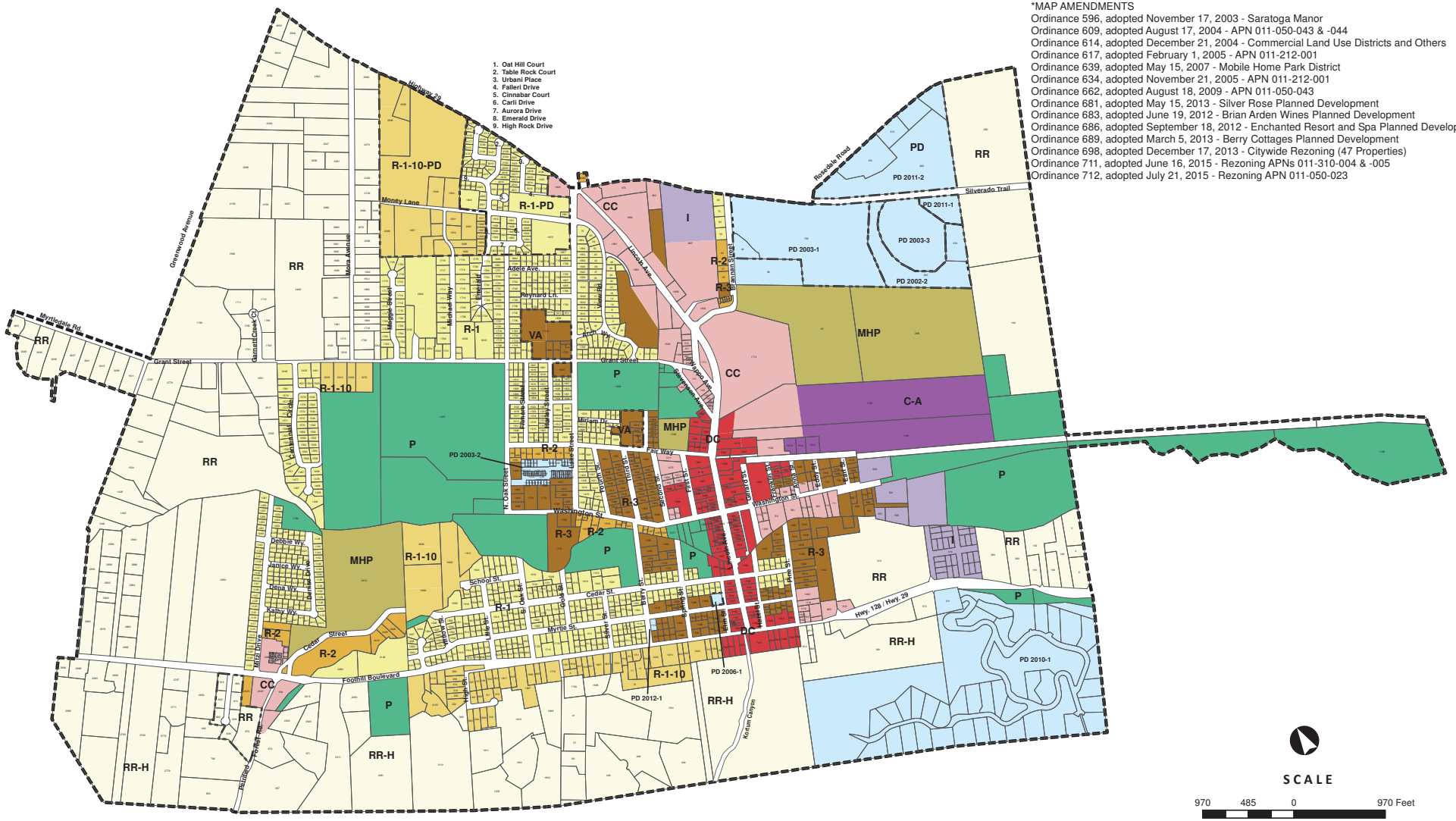
CITY OF CALISTOGA

2015 LAND USE ELEMENT

ZONING DISTRICT MAP ORIGINALLY ADOPTED FEBRUARY 5, 1991

*MAP AMENDMENTS

Ordinance 596, adopted November 17, 2003 - Saratoga Manor
Ordinance 609, adopted August 17, 2004 - APN 011-050-043 & -044
Ordinance 614, adopted December 21, 2004 - Commercial Land Use Districts and Others
Ordinance 617, adopted February 1, 2005 - APN 011-212-001
Ordinance 639, adopted May 15, 2007 - Mobile Home Park District
Ordinance 634, adopted November 21, 2005 - APN 011-212-001
Ordinance 662, adopted August 18, 2009 - APN 011-050-043
Ordinance 681, adopted May 15, 2013 - Silver Rose Planned Development
Ordinance 683, adopted June 19, 2012 - Brian Arden Wines Planned Development
Ordinance 686, adopted September 18, 2012 - Enchanted Resort and Spa Planned Development
Ordinance 689, adopted March 5, 2013 - Berry Cottages Planned Development
Ordinance 698, adopted December 17, 2013 - Citywide Rezoning (47 Properties)
Ordinance 711, adopted June 16, 2015 - Rezoning APNs 011-310-004 & -005
Ordinance 712, adopted July 21, 2015 - Rezoning APN 011-050-023



- city parcels
- RR: Rural Residential
- RR-H: Rural Residential - Hillside
- R-1: One-Family Residential
- R-1-PD: One-Family Residential Planned Development
- R-1-10: One-Family Residential
- R-1-10-PD: One-Family Residential Planned Development
- R-2: Two-Family Residential
- R-3: Multi-Family Residential/ Office
- R-3-VA: Multi-Family Residential/ Office - Visitor Accommodation
- DC: Downtown Commercial
- CC: Community Commercial
- I: Light Industrial
- MHP: Mobile Home Park
- P: Public/Quasi-Public
- PD: Planned Development
- C-A: Commercial Airport

CITY OF CALISTOGA - ZONING MAP

Figure 3-2

- Tourism activities shall be regulated to minimize adverse impacts to other segments of the economy, and the resident population (P1.2-1 in Land Use Element).
- The City shall collaborate with Napa County and with Napa County LAFCO to protect existing land uses from development inappropriate for rural areas (P4.1-4 in Land Use Element).
- The City shall advocate at the State level for expansion of incentives, such as Williamson Act contracts, that allow agricultural operations to remain economically viable (P4.1-5 in Land Use Element).
- No commercial or industrial uses shall be permitted unless they meet noise, air, water and wastewater quality standards and have access to City water, wastewater, fire and police services (P1.3-4 in Land Use Element).
- Extension of water service beyond the current service area shall be prohibited (P1.3-4 in Infrastructure Element); and
- If and when 95 percent of the capacity of existing water storage, supply and/or distribution systems has been reached, further development in Calistoga will be prohibited until the City has provided sufficient new capacity to accommodate new development (P1.3-7 in Infrastructure Element).

Future Development Potential

A primary concern of LAFCO is whether a city has sufficient infrastructure and public services to support anticipated future growth. There is adequate land within Calistoga to accommodate growth on the 400 acres within the city limits that are currently vacant or utilized for agriculture (see Table 3-1, above). However, General Plan policies aim to retain the City's walkable, small town atmosphere and the Municipal Code limits growth of residential projects to ensure no more than a 1.35% annual increase in population. Future growth in Calistoga will likely include new residential, commercial, and visitor service facilities. By the year 2040, the number of housing units in Calistoga is projected by ABAG to increase by 90 units above today's level to a total of 2,130 units (See Table 3-5, below), indicating a slow rate of growth in this sector.

The City generated a list of pending and approved development projects and this list is provided as Appendix C. One project which was approved by voters in 2012, but not yet constructed is called the Silver Rose project. The Silver Rose site will be developed as a Four Seasons hotel with 85 rooms, a spa, restaurant, 10,000-case winery, 6-acre vineyard and 20 free-standing homes. Groundbreaking occurred in November 2015 and the project is expected to be completed in 2018. The City entered into a development agreement with the developer who agreed to pay nearly $7 million in assorted impact fees related to affordable housing, traffic, recreation, drainage, public safety and wastewater connections. A second large project is Calistoga Hills, which has been approved for a resort hotel with 130 units, ancillary uses and 13 single-family dwellings on 88 acres. Resort developments with no permanent residential dwellings may not count towards the 1.35% annual limit in population.

The City's land use element of the General Plan includes four overlay designations that provide special design and development guidance for key sites in Calistoga as follows:

- Planned Development Overlay
  - Silverado Trail Planned Development Overlay
  - Calistoga Hills Planned Development Overlay
- Entry Corridor Overlay
- Visitor Accommodation Overlay
- Character Area and Gateway Overlays
  - Downtown Character Area Overlay
  - Stevenson/Grant Sub-Area
  - Foothill Character Area Overlay
  - Gliderport Character Area Overlay
  - Lower Washington Character Area Overlay
  - Resort Character Area Overlay
    - Silverado Trail Section
    - Lincoln Avenue Section
    - State Highway 29 Character Area Overlay
  - Lincoln Avenue/Foothill Boulevard Gateway
  - Petrified Forest Gateway
  - Silverado Trail Gateway

The above overlay districts outline geographic areas of potential growth and/or redevelopment. The City is pursuing new small scale (but high quality) development to diversify the local economy.

Regional Transportation Plans & Sustainable Community Strategies

Government Code Section 56668 requires LAFCOs to consider regional transportation plans and sustainable community strategies before making boundary decisions.

The City of Calistoga and the four other municipalities of Napa County participate in the Napa Valley Transportation Authority (NVTA). The NVTA functions as the region's Congestion Management Agency and provides input to the Bay Area-wide Metropolitan Transportation Commission's 20-year Regional Transportation Plan for prioritizing projects and allocating state and federal transportation funds. As a result of this collaboration, there are several local and regional transportation plans which are applicable to Calistoga, as listed in Table 3-2, below.

Table 3-2: Regional and Local Transportation Plans

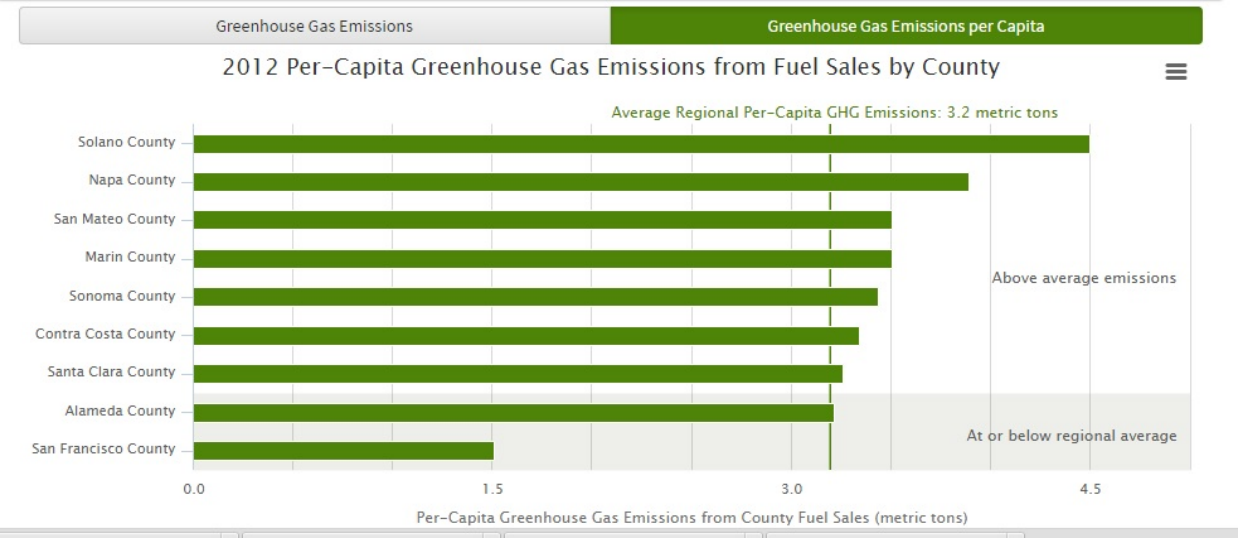
Name of Plan	Date	Plan Sponsor	Website Link
Circulation Element of the Calistoga General Plan	2014	City of Calistoga	*http://www.ci.calistoga.ca.us/city-hall/departments-services/planning-building-department/plans-programs-and-land-use-regulations/calistoga-general-plan/calistoga-general-plan*
Active Transportation Plan	October 21, 2014	City of Calistoga	http://www.ci.calistoga.ca.us/home/showdocument?id=18941
Napa Countywide Pedestrian Plan, Chapter 2, Calistoga - DRAFT	January 2016	Napa Valley Transportation Authority	*http://ci.calistoga.ca.us/home/showdocument?id=21784*
Vision 2040 Moving Napa Forward. A Countywide Transportation Plan	Sept., 16, 2015	Napa Valley Transportation Authority	*http://www.nvta.ca.gov/sites/default/files/Vision%202040%20Countywide%20Plan.pdf*
Countywide Bicycle Plan	January 2012	Napa Valley Transportation Authority (formerly NCTPA)	*http://www.nvta.ca.gov/nctpa-countywide-bike-plan-0*
SR 29 Gateway Corridor Implementation Plan	October 2014	Napa Valley Transportation Authority (formerly NCTPA)	*http://www.nvta.ca.gov/sr29-gateway-corridor-improvement-plan*
Plan Bay Area	July 18, 2013	MTC and ABAG	*http://planbayarea.org/the-plan/adopted-plan-bay-area-2013.html*

The City's Circulation Element recognizes that the City needs continuing investment in transit, trails, and parking. The City's investment in transit and trails may result in increased property tax and sales tax revenue (ULI, 2016). Additionally, the City has a five member Active Transportation Advisory Committee that provides ideas and activities to improve bicycling, walking and other active modes of transportation within the City of Calistoga. NVTA funds the Calistoga Shuttle[4], an on-demand transit service within city limits for the general public. The Calistoga Shuttle connects with the VINE Transit Service for service to the City of Napa.

The provision of regional transit and alternative transportation is especially important in Napa County, because Napa County has the second highest greenhouse gas emissions from automobiles on a per capita basis of the nine Bay Area counties, as shown in Figure 3-3, below (MTC, 2016). Napa County's high GHG emissions from autos of 3.9 metric tons per capita are significantly higher than the 3.2 metric tons per capita rate that is the average of the nine Bay Area Counties. Napa County's GHG emissions are mostly due to the lack of

[4] Details on the Calistoga Shuttle are available at: *http://www.ridethevine.com/calistoga-shuttle*

alternative transit options for both residents and tourists in the region. The very low population density of the area contributes to the difficulty in developing transportation alternatives. Also the majority of road miles traveled occur in the unincorporated area (NCTPA, 2009). Napa County and each of the five cities have actively tried to mitigate this through the adoption of various sustainable transit and climate plans. Additionally, construction of several trails in the area serves to increase the use of alternate transportation, reduce emissions from vehicular sources, reduce road and highway traffic, and implement adopted plans..



Source: Metropolitan Transportation Commission, Vital Signs Website at: http://www.vitalsigns.mtc.ca.gov/greenhouse-gas-emissions. Accessed on 21March2016.

The 3.9 metric tons per capita of GHG from autos was calculated based on a survey of fueling stations. Greenhouse gas emissions were calculated by MTC based on the gallons of gasoline and diesel sales. Per-capita greenhouse gas emissions were calculated by dividing emissions attributable to fuel sold in that county by the total number of county residents. It is acknowledged that there may be a slight bias in the data given that a fraction of fuel sold in a given county may be purchased by non-residents (i.e. visitors). Since Calistoga's and Napa County's economy is heavily dependent upon tourism and since most of the visiting tourists drive into Napa County, it affects the per capita calculation.

All regions in California must complete a Sustainable Communities Strategy (SCS) as part of a Regional Transportation Plan (RTP), consistent with the requirements of state law, Senate Bill 375. SB 375 requires California's 18 metro areas to integrate transportation, land-use and housing as part of an SCS to reduce greenhouse gas emissions from cars and light-duty trucks. In the Bay Area, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) work together, along with local governments, to develop a SCS that meets greenhouse gas reduction targets adopted by the California Air Resources Board. The RTP and SCS for the Bay Area is called "Plan Bay Area: Strategy for A Sustainable Region" and was adopted on July 18, 2013, as described in Table 3-2, above. A few of the goals and outcomes of Plan Bay Area include:

- Climate Protection: Reduce per-capita CO2 emissions from cars and light-duty trucks by 15 percent (Statutory requirement is for year 2035, per SB 375);
- Healthy and Safe Communities: Reduce by 50 percent the number of injuries and fatalities from all collisions (including bike and pedestrian);
- Open Space and Agricultural Preservation: Direct all non-agricultural development within the urban footprint (existing urban development and urban growth boundaries) (Note: Baseline year is 2010.); and
- Economic Vitality: Increase gross regional product (GRP) by 110 percent — an average annual growth rate of approximately 2 percent (in current dollars)

Bus Transit Routes in Calistoga

3.2 POPULATION AND GROWTH

Existing Population

This section describes the existing population and future growth projections for the City of Calistoga, since these factors must be considered when planning for the provision of services and since a MSR determination is required. A population study of Napa County is presented in Appendix D and an Economic Forecast for Napa County is presented in Appendix B.

Calistoga has experienced modest growth and development since its incorporation. In 1930, the United States Census estimated Calistoga's population at 1,000. Calistoga's population continued to grow modestly over the next four decades reaching 1,882 by 1970. It was between 1970 and 1980 when Calistoga experienced its most significant period of growth as its population more than doubled to 3,879 following the construction of several mobile home parks. Calistoga's growth rate, however, slowed in the 1980s and 1990s due to capacity constraints associated with the water and sewer systems.

In 2005, after completing several infrastructure improvements to the water and sewer systems, Calistoga adopted an ordinance to control the annual rate of residential and non-residential growth in the City. The "Growth Management System"[5] (Calistoga Municipal Code Chapter 19.02) restricts population growth to no more than a 1.35% annual average increase. Non-residential growth is correlated to available water supplies at 8.0 acre feet per year and to wastewater treatment capacity set by the Resource Management System (CMC Chapter 13.16). Calistoga administers this system by

[5] A July 7, 2015 Staff Report contains details on the GMS at: *http://www.ci.calistoga.ca.us/home/showdocument?id=20459*

annually determining the available number of "allocations" for residential and non-residential projects.

Calistoga was estimated to have 5,180 full-time residents as of January 2016 (DOF, 2016). Between census years 2000 to 2010, the City's population declined by 35 people. Between census year 2010 and today (2016), the City's population grew by 25 persons, which represents an average annual growth rate of 0.08%. The average population concentration is 1,992 persons per square mile, as shown in Table 3-3, below.

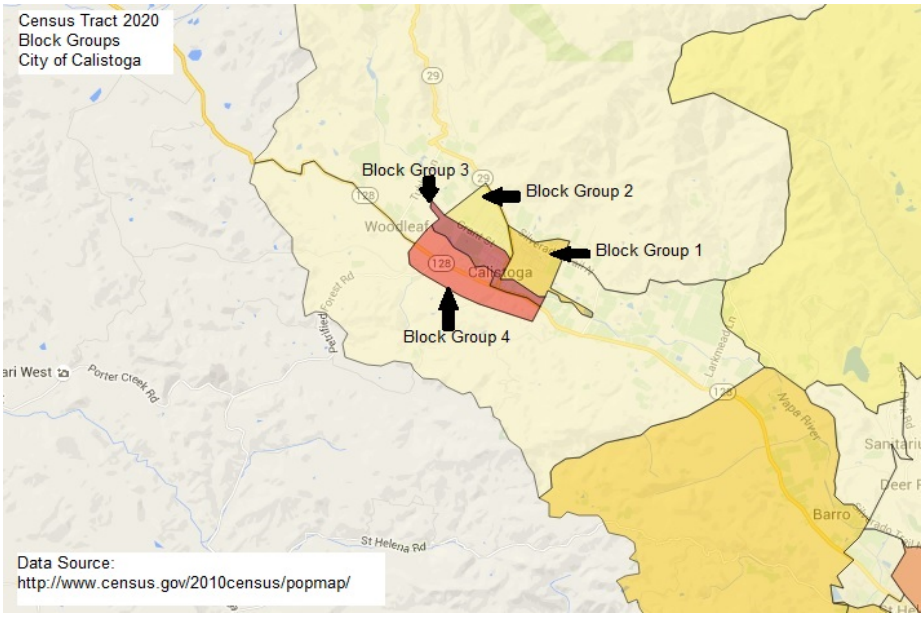
Table 3-3: Historic and Existing Population

	Total population	Land area (sq. miles)	Population per sq. mile
2000	5,190	2.6	1,996
2010	5,155	2.6	1,983
2015	5,180	2.6	1,992
Data Source: DOF, 2016			

Calistoga is in Census Tract 2020 and is divided into four "Block Groups" as listed in Table 3-4 and shown in Figure 3-4, below.

Table 3-4: Block Group Population

Census Tract 2020	Total Population in 2010
Block Group 1	1,090
Block Group 2	929
Block Group 3	1,706
Block Group 4	1,430
Data Source: http://www.census.gov/2010census/popmap/	

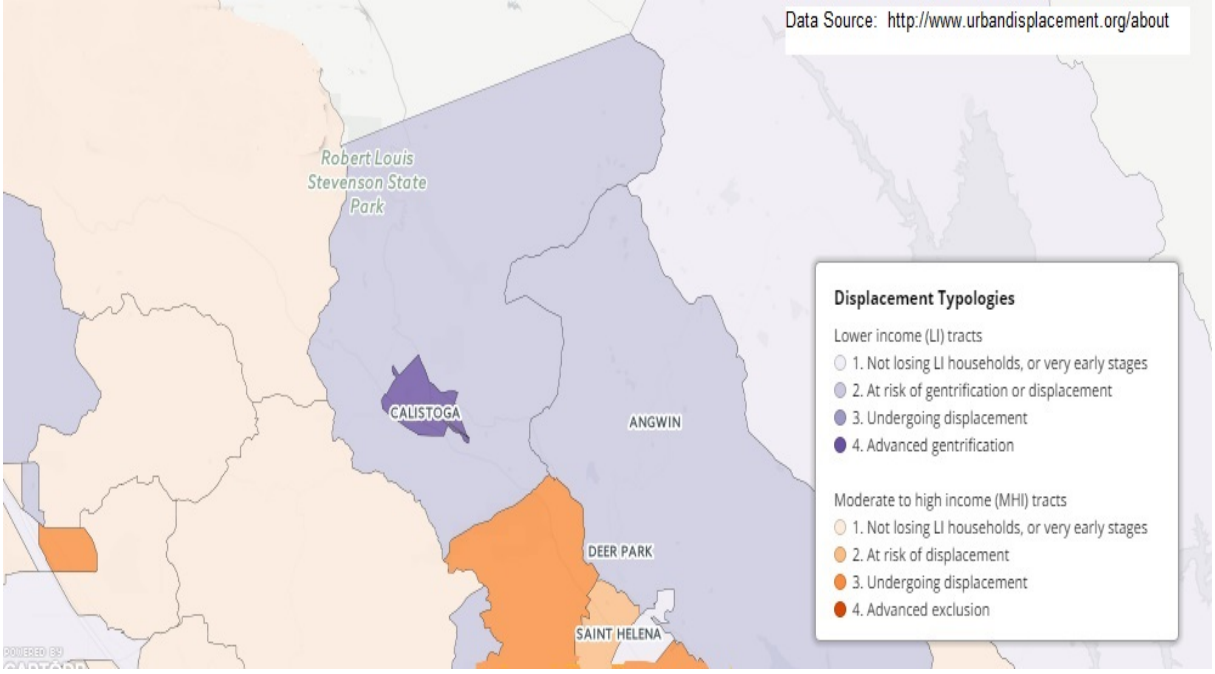


The City of Calistoga's Housing Element provides a very detailed description of socio-economic factors within the City, including age distribution, racial distribution, employment, and economic factors. Since the Housing Element is readily available on-line at the City's website[6], readers are referred to the Housing Element to learn details about socio-economic factors within the City. Relevant factors are summarized herein. The median age in Calistoga is 40 years as of 2010 Census. The median age within the City is similar to Napa County's, but is 5 years older than the State's median of 35.2 years (Calistoga, 2014). Median household income in Calistoga is $52,131 (US Census, 2014) and this is significantly lower than Napa County as a whole and other cities within Napa County (Calistoga, 2014).

In 2016 (DOF, 2016), the City contained a total of 2,370 housing units and approximately half of these units were single-family residential units and 25% were mobile homes. There are three mobile home parks for seniors located within the City boundary and many of these residents are on a fixed income. The remaining 25% were a mixture of multi-family units and townhomes (DOF, 2016). Most of the housing units are in good condition (Calistoga, 2014). In Calistoga, approximately 60% of the homes are owner occupied and the remaining 40% are renter occupied (Calistoga, 2014). In 2014, the median sale price of a single-family home in Calistoga was $505,000 (Calistoga, 2014). Housing affordability is a concern in the City and the City has adopted very innovative affordable housing policies and programs to address this concern. The average household size is estimated at 2.57 persons per household (DOF, 2016).

In the past, some Calistoga residents had slightly lower incomes than those in the other parts of Napa County. In recent years, however, the City has experienced "advanced gentrification" as shown in Figure 3-5, below (Zuk & Chapple, 2015). Gentrification is the process of renewal and rebuilding accompanying the influx of middle-class or affluent people into working-class neighborhoods that often displaces poorer residents. Although the neighborhoods in Calistoga may be changing slowly, over time, cumulative effects may result in the area becoming more segregated by income. This may be partly due to trends at the national level in income inequality. Additionally, the purchase of homes for use as second homes is a growing trend in Calistoga. The City is working to mitigate this trend through the construction of workforce housing.

[6] Housing Element is available at: *http://www.ci.calistoga.ca.us/home/showdocument?id=12096*



Projected Growth and Development

The Association of Bay Area Governments (ABAG) publishes population, household, job, labor force, and income projections for the nine-county San Francisco Bay Region. ABAG's Projections 2013 includes a range of growth-related estimates for Calistoga through 2035. ABAG projections for Calistoga relating to population, households, and jobs are listed below.

Table 3-5: ABAG Growth & Population Projections, City of Calistoga

	2015	2020	2025	2030	2035	2040
Population	5,200	5,300	5,400	5,500	5,500	5,600
Households	2,040	2,070	2,090	2,100	2,110	2,130
Total Jobs	2,340	2,450	2,480	2,520	2,590	2,640

(Source: *Projections 2013*)

ABAG uses a compound annual growth rate of 0.38% to project future growth for the City during the next five years. The population is expected to remain flat between the years 2030 to 2035. Overall, ABAG predicts a much lower rate of future growth than the City of Calistoga predicts for itself as shown in Table 3-6, below.

Per the General Plan policies and Growth Management System, the City's growth rate may not exceed 1.35% per year. Therefore, the 1.35% rate may be used to project the maximum population growth as shown in Table 3-6, below, which is substantially higher than ABAG's projections:

Table 3-6: Permitted Population Growth					
Year	**2015**	**2020**	**2025**	**2030**	**2035**
Population	5,050	5,400	5,775	6,175	6,603

Based on completed and anticipated residential construction, the City estimates a related population growth of 289 persons during the 2015-2019 Growth Management Cycle as of May 2016. This would allow only 20 additional dwelling units to receive building permits during the cycle in order to comply with the maximum growth rate and a total population of 5,328.

Calistoga has been proactive in adopting polices to control the amount of new growth and development in the City. These efforts include a policy discouraging annexations of unincorporated lands. Calistoga's Growth Management System is an innovative approach in controlling growth and development in the City by creating a market for residential and non-residential allocations. This system helps Calistoga preserve its desired rural character while providing an incentive for applicants to submit quality proposals. 2015 is the first year of the current five-year program cycle (2015 to 2020). In 2015, a total of 3 allocations for single-family dwellings were granted to house a population of approximately 8 persons. For commercial development, approximately 0.44 acre-feet of water was granted to new projects in 2015.

Regional Housing Allocation

In compliance with state law, the California Department of Housing and Community Development identifies the number and affordability level of housing units needed for the San Francisco Bay Area at-large for an eight-year period (in this cycle, from 2014 to 2022). ABAG[7] distributes these housing needs to local governments in a way that is compatible with the Sustainable Communities Strategy. Once a local government has received its final Regional Housing Need Allocation, it was required to update its Housing Element to describe how its portion of the region's housing need can be accommodated. The housing numbers provided in Table 3-7, below reflect the final allocations adopted for Napa County jurisdictions.

[7] ABAG's Regional Housing Need Allocation is described on its website at: *http://abag.ca.gov/planning/housingneeds/*

Table 3-7: ABAG Regional Housing Need Allocation					
Affordability: ⟹	Very Low	Low	Moderate	Above Moderate	Total
American Canyon	116	54	58	164	392
Calistoga	6	2	4	15	27
Napa	185	106	141	403	835
St. Helena	8	5	5	13	31
Yountville	4	2	3	8	17
Unincorporated	51	30	32	67	180
Napa Total	370	199	243	670	1,482
Data Source: ABAG, 2014.					

In Table 3-7, above, "Very Low: is up to 50 Percent of Area Median Income, "Low" is between 51 and 80 Percent of Area Median Income, "Moderate" is between 81 and 120 Percent of Area Median Income, and "Above Moderate" is Above 120 Percent of Area Median Income. As shown in Table 3-7 Calistoga is responsible for accommodating a total of 27 new housing units by 2022. If developed, this amount would represent a one percent increase to Calistoga's existing number of housing units.

Local Policies and Plans

To some extent, population growth in Calistoga is dependent upon land use, general plan designations, and zoning on properties. The last comprehensive Calistoga General Plan was adopted in October 2003 and is designed to address community needs and growth patterns[8]. Although most General Plans are based on a life cycle of 15 to 25 years, the City periodically reviews and updates specific elements of its general plan to respond to new circumstances and events. The General Plan contains 11elements. The most recently updated chapters are the Land Use Element (updated 2015), Community Identity Element (updated 2012), Circulation Element (updated 2014), Housing Element (updated 2014), Public Services Element (updated 2014), and the Public Safety Element (updated 2014). The General Plan also contains elements related to infrastructure, open space and conservation, noise, geothermal resources, and economic development.

3.3 DISADVANTAGED UNINCORPORATED COMMUNITIES

Senate Bill (SB) 244 (effective in January 2012) requires LAFCO to consider the presence of any Disadvantaged Unincorporated Communities (DUCs) when preparing a MSR that addresses agencies that provide water, wastewater or structural fire protection services. A DUC is an unincorporated geographic area characterized as having a median household

[8] The City General Plan is available on the City website at: *http://www.ci.calistoga.ca.us/city-hall/departments-services/planning-building-department/plans-programs-and-land-use-regulations/calistoga-general-plan/calistoga-general-plan*

income of 80 percent or less of the statewide median household income (MHI). DUCs also must be "inhabited" under LAFCO law, meaning 12 or more registered voters reside within the area. This state legislation is intended to ensure that the needs of these unincorporated communities are met when considering service extensions and/or annexations, in particular, water, wastewater, drainage and structural fire protection services. Since Calistoga is an incorporated city, it does not have any DUC's within its boundaries. It is possible that there are pockets of DUCs located adjacent to, but outside, the City's boundaries and SOI. However, these areas have not been studied sufficiently to classify them as a DUC.

City Disadvantaged Community Requirements

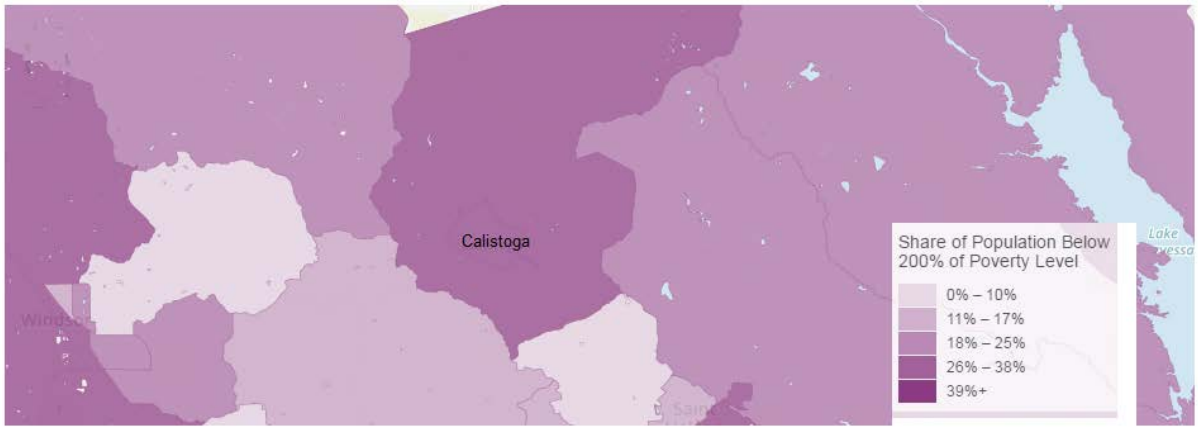
LAFCO is not required to study the status of disadvantaged neighborhoods that are located within incorporated cities that provide water, wastewater, drainage and structural fire protection services. However, SB 244 required cities to update their land use and housing elements to include an analysis of the water, wastewater, storm water, and structural fire protection services in the area along with financing options to help encourage investment in disadvantaged areas, should it be needed. As part of this effort, the bill required cities to identify and address any disadvantaged communities within their sphere of influence (SOI). Disadvantaged communities are defined as a "fringe communities" or areas within the cities' SOI that meets the state defined income for DUCs, which is a MHI of 80 percent or less than the statewide median. The cities base their analysis on income levels from the U.S. Census, American Community Survey, or other supplemental sources. A disadvantaged community is characterized as having a median household income of 80 percent or less of the statewide median household income. The median household income in California[9] is $61,489 and 80 percent of this equals $49,191 (U.S. Census, 2016).

Calistoga does appear to contain households which meet the "disadvantaged" status and therefore pertinent available information on income is summarized herein. The 2010 U.S. Census found that the median household income in Calistoga is $52,131 (US Census, 2014). However, because the census is conducted on a broad geographic scale, it can sometimes miss the subtle nuances that occur at a local level. The City of Calistoga has provided supplemental information about the status of disadvantaged communities within the City. The City's Housing Element states that the poverty rate within Calistoga is 13.6% (Calistoga, 2014). Also, the City of Calistoga requested that the Rural Community Assistance Corporation (RCAC) perform an income survey of the City of Calistoga service area. The income survey was conducted in 2015 per State and Federal Multi-Agency Guidelines established for the State Water Resources Control Board's State Revolving Funding programs, and the United States Department of Agriculture – Rural Development. This income survey found that the MHI for City of Calistoga is $43,366 (RCAC, 2015). The $43,366 MHI is significantly below the $49,191 threshold to be classified as "disadvantaged".

[9] Median income data from: https://www.census.gov/quickfacts/table/INC110214/06,2412150,00

The Metropolitan Transportation Commission has mapped the poverty rate for the Calistoga areas as shown below.

2013 Poverty Rates



Data Source: http://www.vitalsigns.mtc.

Based on the supplemental information provided by the City, the community may be classified as "disadvantaged". However, LAFCO's role in this "disadvantaged" status is limited because the City provides satisfactory water, wastewater and structural fire protection services. Additionally, no public health and safety issues have been noted. Since it meets the criteria for a "disadvantaged" community, the City may be eligible for grants to assist with infrastructure improvements and these grants and programs are described in Appendix E.

CHAPTER 4: CITY SERVICES AND INFRASTRUCTURE

This Chapter is organized into four main sections as specified in Table 4-1, below, including: 1) City Services; 2) Infrastructure and Public Facilities; 3) Adequacy and Challenges in Provision of Service and Infrastructure; and 4) Opportunities for Shared Facilities.

Table 4-1: Directory to Chapter 4

Section Title	Section	Page
CITY SERVICES	**4.1**	**4-1**
Water	4.1.1	4-2
Sewer	4.1.2	4-15
Storm Drainage	4.1.3	4-23
Law Enforcement	4.1.4	4-24
Fire Protection And Emergency Medical	4.1.5	4-29
Street and Transportation Services	4.1.6	4-34
Planning	4.1.7	4-35
Parks	4.1.8	4-36
Recreation	4.1.9	4-38
Contract/JPA Services	4.1.10	4-38
INFRASTRUCTURE AND PUBLIC FACILITIES	**4.2**	**4-39**
Adequacy and Challenges in Provision of Service and Infrastructure	**4.3**	**4-41**
Opportunities for Shared Facilities	**4.4**	**4-41**

4.1: CITY SERVICES

Service Overview

Calistoga provides a full range of municipal services either directly or through contracts or joint power authorities with other governmental agencies or private companies. Municipal services provided directly by Calistoga include water, sewer, law enforcement, fire protection and emergency medical, streets, planning, and community recreation. Municipal services provided by Calistoga through contracts or joint-power authorities with other agencies or companies include garbage collection, animal control, specialized engineering services, building inspection and plan check services, and other specialized services as needed.

City estimates for the number of customers served for most of the services is equivalent to the number of people living in the City (i.e., 5,180). However, the definition of a water and sewer customer is different and is based on the number of connections; hence the lower number of "customers" listed in Table 4-2, below.

Table 4-2: Number of Customers for City Services

Service	Number of Customers in 2010	Number of Customers in 2015
Water[1]	1524	1674
Sewer[1]	1333	1357
Law Enforcement	5155	5180
Fire Protection	5155	5180
Emergency Medical	5155	5180
Streets	5155	5180
Planning	5155	5180
Building Inspection	5155	5180
Plan Check Services	5155	5180
Specialized Engineering Services	5155	5180
Community Recreation	5155	5180
Garbage Collection	Not available	Not available

Notes: [1] Measured by number of utility bill accounts. Data Source: City of Calistoga Utility Billing Department, 2016

4.1.1: Water Services

Water – Overview

Calistoga's Public Works Department is responsible for providing water services in the City and to several unincorporated properties located within the Planning Area of the City General Plan. A total of 1,674 residential, commercial, and agricultural "customers" receive water service. Customers are defined as the number of utility billing accounts and do not take into consideration multiple users on individual accounts. For example there are four accounts for the mobile home parks that provide water to 555 mobile homes.

The major type of user receiving municipal water is residential. Commercial customers are primarily located downtown. Additionally, agricultural land within the City (up to 299 acres) and other agricultural parcels located outside the City boundaries receive municipal water.

The City of Calistoga is located within the Napa River watershed and does receive a significant portion of its water supply from outside its watershed through the State Water Project (SWP) via indirect access to the North Bay Aqueduct. Although Calistoga is not required to have an Urban Water Management Plan, the City does participate in the Bay

Area Integrated Regional Water Management Plan (IRWMP) (Calistoga, 2016). Regulatory requirements related to the provision of municipal water are described in Appendix F.

In 2010, the Napa County Grand Jury studied municipal water suppliers within the County and made several recommendations that were relevant to Calistoga (Napa County, 2010). The City Engineer responded to the Grand Jury report and described how Calistoga has addressed each of the recommendations (Calistoga, 2010 and 2011). During the preparation of this MSR, the consultants reviewed both the Grand Jury Report and the City's response and found that there are no remaining issues to be addressed with regard to water facilities and supply.

In 2015, the cost of the City's water service program was $3.1 million and this represents 24 percent of the City's expenditures (CAFR, 2015). This amount represents an approximate per connection annual expense of $2,113. This is significantly higher than the per connection expense of $993 found in the 2008 MSR. The City attributes this increased cost primarily to the construction of the new Mt. Washington Storage Tank, to day-to-day operations and the purchase of water. The increase in contracted services, primarily litigation costs, administration, and the reporting of pension contributions also contributed to the increases in the cost of the water program (CAFR, 2015).

In the audited financial statement, water costs are categorized as a Business-Type activity and are accounted for in an Enterprise Fund. The City charges fees to customers designed to cover the costs of water service. The water funds are reported separately as a major fund. Due to the drought and mandated conservation measures, the City has sold less water to its customers in recent years. The financial impact of reduced water sales for Fiscal Year (FY) 14/15 was 6% less in revenues as compared to FY 13/14; and expenditures were $100,000 less in FY 14/15 or 2% less than in FY 13/14. Additionally, a conservation program was added to bring awareness to the community and the City provided funds towards this effort. Cash flows in the Water Enterprise Fund were not sufficient to meet debt service principal, interest payments, and debt ratio coverage. Therefore, the general fund supplied contingency funding to address the unanticipated impact of the drought (CAFR, 2015).

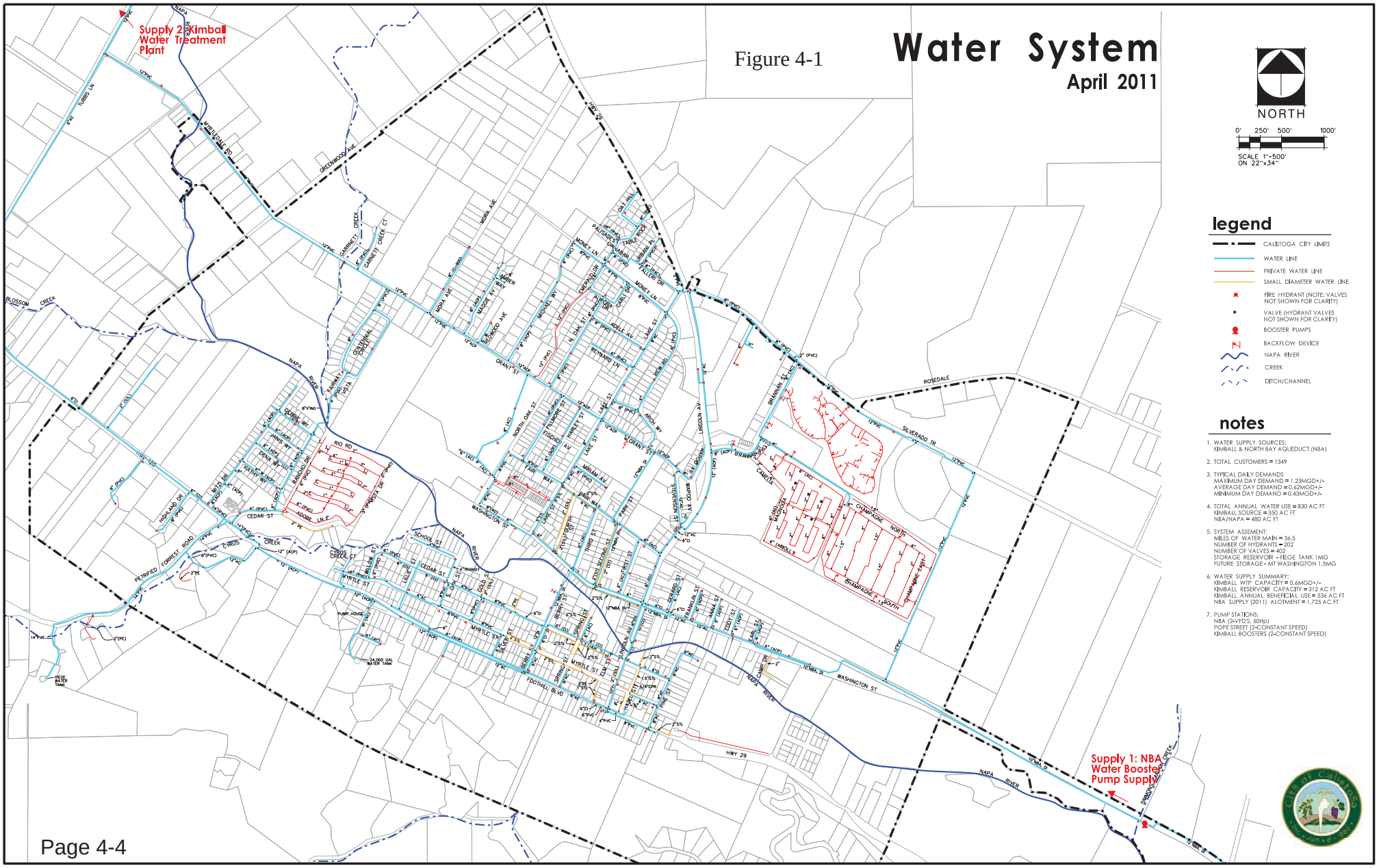
Water Facilities

The City's municipal water system includes facilities and infrastructure for the collection, treatment, and distribution of water to its customers.

Figure 4-1

Water System

April 2011



Collection Facilities

Calistoga obtains water from two sources, the Kimball Reservoir and the State Water Project (SWP). Kimball Reservoir, which is located north of the City, receives diversions from Kimball Creek (a tributary of the upper Napa River) and has an estimated holding capacity of 330 acre-feet with all of the dam's flashboards installed. Water from Kimball Reservoir is treated at the adjacent Kimball Water Treatment Plant. The Reservoir was created through the construction of a dam approximately 100 years ago and has survived several seismic events. The dam is inspected annually by the State Division of Safety of Dams and these inspections are necessary given the risk of a earthquake on a nearby fault.

Water from the SWP is secured through a contract with the Napa County Flood Control and Water Conservation District and currently allocates Calistoga an annual entitlement of 1,925 acre-feet. Calistoga contracts with the City of Napa to treat and deliver its SWP entitlement through an interconnection between the two agencies' transmission lines.

A third source of water is recycled water and within the City boundary, approximately 250 to 300 acre-feet of recycled water are used annually. Recycled water users include the fairgrounds, schools, city lands, resort properties, parks, a multi-family apartment complex, churches, and several hotels as shown in Figure 4-2, below. Calistoga's Public Works Department monitors the recycled water locations to ensure there are no discharge violations or misuse (Napa County, 2010).

Treatment Facilities

Water from Kimball Reservoir is treated at the adjacent Kimball Water Treatment Plant, which has a daily capacity of 2.7 acre-feet. The design capacity of the City's water distribution system is 1.9 mgd (Calistoga, 2016).

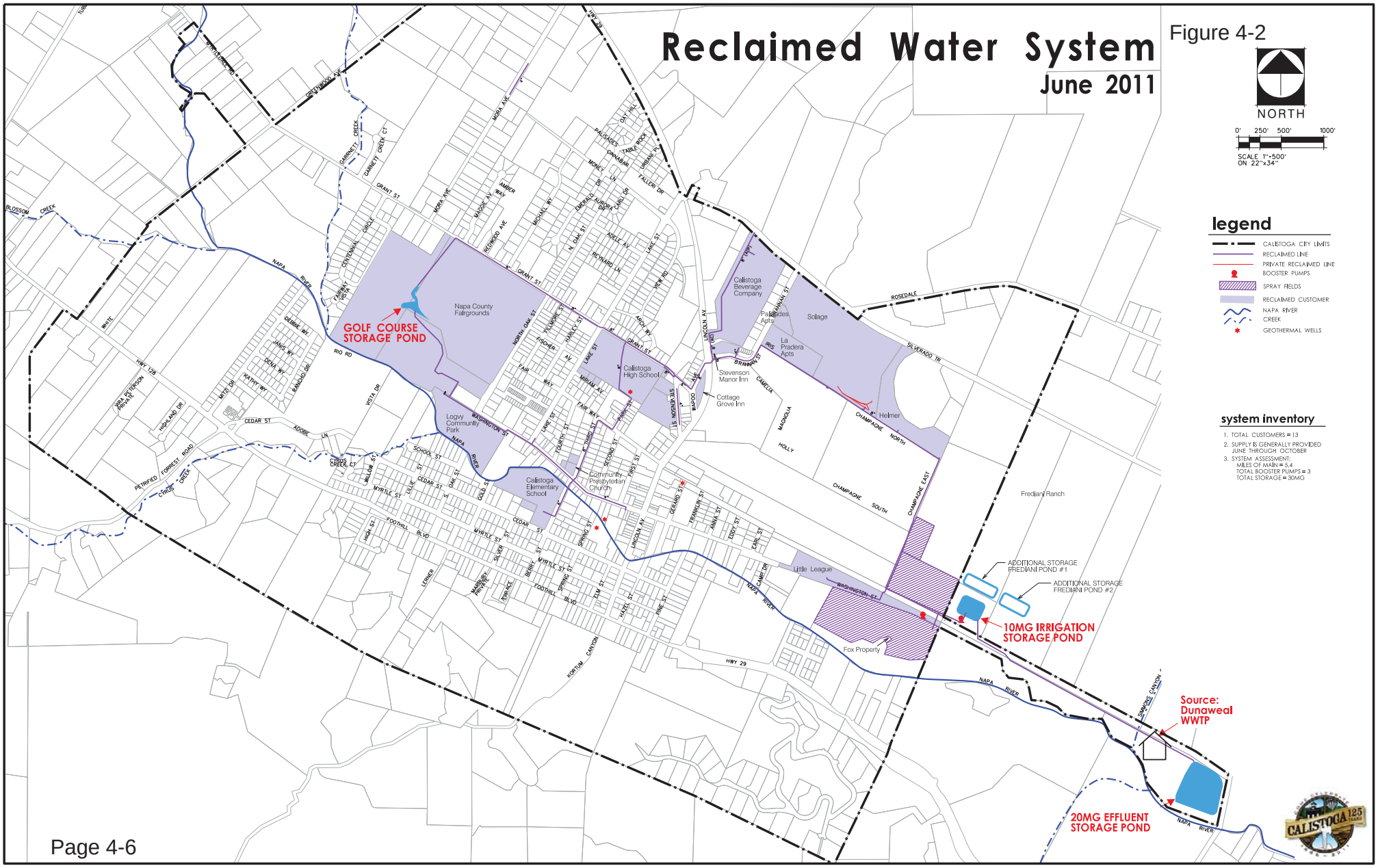
Through a contract, the City of Napa maintains the treatment facilities for the SWP water supply. The City plans to replace the Dwyer Road Pump Station and this infrastructure improvement will increase the amount of water from the North Bay Aqueduct that can be delivered by approximately 200,000 gpd (Calistoga, 2016).

The City holds a Domestic Water Supply Permit issued by the State Water Resources Control Board, Division of Drinking Water for treatment and delivery of drinking water used for municipal purposes. The water system and plant are inspected annually by the State Water Resources Control Board (SWRCB).

Reclaimed Water System

June 2011

Figure 4-2



Water Distribution Facilities

Calistoga treats water and distributes it to domestic users, including residential, commercial, lodging, and resort users. Calistoga currently provides water service to 1,674 connections. Of this amount, 82 connections are located outside the city limits. The City maintains 40 miles of water mains, a dam, reservoir, two storage tanks, a water treatment plant, and a pump station.

Current Infrastructure Needs

The City updates the Capital Improvement Plan annually as part of its Annual Budget. The Capital Improvement Program (CIP) serves as a comprehensive plan to identify new construction and rehabilitation projects. The FY 2014-15 CIP Budget funded 36 projects. Of those, eight are related to the City Water System as listed here:

- Polybutylene Service Replacement
- Bypass Structure
- Pump Protection-Kimball
- Replace Water Mains
- Water Valve Replacement
- Cross-Connection Survey
- Feige Tank Replacement
- THM Abatement
- Myrtle St Water Main Replacement

Additional projects have been funded in the City's FY15/16 and FY16/17 budgets.

Water Supply and Demand

Calistoga obtains water from two major sources, the State Water Project (SWP) and the Kimball Reservoir. As shown in Table 4-3, below, the average annual total water supply anticipated by the City is approximately 2,340 acre feet.

Table 4-3: Average Annual Total Water Supply

Source	Amount
SWP carry-over	600 acre feet
SWP for 2016	1,443 acre feet
Kimball Reservoir	300 acre feet
Total	***Up to 2,340 acre feet***

Source: Calistoga, 2016

Approximately thirteen percent of the City's average annual available water supply is from local sources (i.e. Kimball Creek/Reservoir). The local water supply satisfies approximately 40 percent of annual demand. The remaining water is imported from the State Water Project. Please note that since water allocation from the SWP varies annually, the City actively manages its water supply, including carryover water, to ensure that.

Table 4-4: Calistoga's Estimated Water Availability, December 2014

Units in acre-feet per year (afy)

1.	Maximum Demand	716.0 afy
2.	Demand Management[10] [Line 1 Times 10%]	71.6 afy
3.	Adjusted Maximum Demand [Line 1 Minus Line 2]	644.4 afy
4.	Range of Firm Yield Supply [Kimball Reservoir Plus NBA]	1128.5 to 1319.1 afy
5.	Range of Unused Supply [Line 4 Minus Line 3]	484.1 to 674.7 afy
6.	Growth Management, Standby and Other Allocations	233.94 afy
7.	**Range of Available Supply** [Line 5 Minus Line 6]	**250.16 to 440.76 afy**

Notes:

1. Calistoga's existing water demand over the last five years (2010–2014) as measured by the Napa and Kimball meters.
2. Assumes 10% reduction through voluntary conservation during a below normal year[11].
3. Maximum demand minus demand management.
4. Firm yield for a below normal year based upon 90% reliability which is an accepted methodology by the State Department of Water Resources.
   - Kimball Reservoir supply is 336 afy[12]. With adoption of the Kimball Interim Bypass Plan (2011), Kimball Reservoir's supply yield is reduced by 41 afy[13], to 295 afy.
   - The North Bay Aqueduct (NBA) sources include 500 afy of original NBA, 925 afy of Kern County water, and 500 afy of American Canyon-purchased water for a total of 1,925 afy. A firm yield of 52% delivery can be expected[14] which equals a firm yield of 1,001 afy.
   - Alternately, the average NBA water allocation from the State Water Project for the past ten years has been 53.2% (almost identical to the 52% contained in the May 2000 Summit engineering Report) and equates to 1024.1 afy. Using the average NBA water allocation from the State Water Project for the past five years has been 43.3% and equates to 833.5 afy.
5. Estimated current supply available before standby and other obligations are subtracted.
6. Growth Management, Standby and Other Allocations (rounded)

Standby (customers with meter but no use)	30.3 afy
Paid Allocations and Development Agreements	117.4 afy
Bottling Works Unused Obligation	83.8 afy
Growth Management Allocations	2.5 afy
Estimated remaining water supply available for use in 2015. Total	233.9 afy

Source: City of Calistoga, 2016

[10] Below normal year yields assumed
[11] Water Facilities Plan, Section 3.7.1, Summit Engineering, May 2000
[12] Water Facilities Plan, Section 2.2.3, Summit Engineering, May 2000
[13] Kimball Interim Bypass Plan, Appendix 34
[14] Water Facilities Plan, Section 2.2.4, Summit Engineering, May 2000

annual demands are met, including critically dry years. In addition to the fresh water supplies listed in Table 4-3, above, Calistoga participates in water recycling and water conservation and these programs help the City make it through drought conditions. As part of this MSR process, the City prepared an Estimated Water Availability worksheet, presented in Table 4-4, above

State Water Project

The City purchases water via a contract for water supply from the State Water Project (SWP). The SWP is managed by the CA Department of Water Resources (DWR). Calistoga's maximum entitlement is 1,925 acre-feet per year from the SWP and this includes:

- Original agreement of 500-acre feet through the year 2035
- Water transfer/purchase with American Canyon for 500 acre-feet through the year 2019
- Water transfer/purchase with Kern County for 925 acre-feet (temporary).

As part of the above agreements, two water right licenses (Licenses 9615 and 9616) have been issued by the State Water Resources Control Board (Calistoga, 2016). SWP water allocations vary annually. Drought, increased statewide water demand, and other Delta issues are raising concerns about reliability for this water source. The average water allocation from the State Water Project for the past ten years has been 53.2%. The term "water year" measures the amount of precipitation that falls in the time period starting on October 1 and ending on September 30. After several years of drought, water year 15/16 seems to be on track for near-average conditions. However, one good season cannot compensate for four prior years of drought. The State has relaxed its water conservation mandates but continues to encourage local agencies to take prudent measures to ensure water supply in the next several years.

Physical access to the SWP is provided via the North Bay Aqueduct (NBA). The NBA is a series of underground pipelines, totaling 27.4 miles (44.1 km) in length and serving Napa and Solano counties. The SWP has rights to water originating from the Sacramento River, which it stores in Lake Oroville. The Cordelia Forebay is utilized to pump water to Napa County, Vallejo, and Benicia. Since the NBA is not able to deliver the full 175 cfs flow it was designed and contracted for, DWR and the NBA users are investigating methods to increase its capacity. The proposed North Bay Aqueduct Alternate Intake Project is described on DWR's website at: *http://www.water.ca.gov/engineering/Projects/Current/NBA/*. Calistoga is expected to pay its fair share for the costs of this project through various agreements. Since Calistoga does not have a direct connection to the NBA of the SWP, it entered into a 1982 agreement with the Napa County Flood Control and Water Conservation District and the City of Napa. Napa treats the water from SWP at its Jamison Canyon water treatment plant and sends it through an interconnected pipeline to Calistoga. This pipeline interconnection is sized such that flow is limited to approximately 1.0 million gallons per day (i.e. 1,008 acre-feet per year) (Enchanted Resorts EIR, Calistoga, 2012).

Kimball Reservoir

The Kimball Reservoir is located northeast of Calistoga, in the unincorporated area. Kimball Reservoir and the associated Kimball Canyon Dam were constructed in 1939. The Reservoir operates under Licenses 9615 and 9616 and Permit 20395 with the State Water Board. The dam was raised in 1948 and had an original storage capacity of 409 acre-feet. The current storage capacity of 330 (with all flash boards installed) is less than original design capacity due to the gradual build up of sediment behind the dam. With adoption of the Kimball Interim Bypass Plan (2011), Kimball Reservoir's supply yield is reduced by 41 afy[15], to 295 afy (Calistoga, 2016). The water supply from Kimball Reservoir has been subject to two lawsuits from Grant Reynolds and the O'Gorman Family.

Water Recycling

Through Napa County, Calistoga participates in the North Bay Water Reuse Program and was successful in obtaining $750,000 in Proposition 84 grant funding to construct a new 16.4 million gallon recycled water storage pond for recycled water produced at the Dunaweal Wastewater Treatment Plant. By re-using recycled water, Calistoga reduces treated effluent discharged to the Napa River and provides a valuable resource as a substitute for potable water for landscape irrigation. Boron concentrations average 3 milligrams per liter which precludes its use for irrigation of vineyards. Recycled water activities are regulated by State Water Resources Control Board Order WQ 2014-0090–DWQ-Corrected, General Waste Discharge Requirements for Recycled Water Use adopted June 3, 2014. This Order is under consideration for amendment and is tentatively scheduled for June 7, 2016, State Water Resources Control Board meeting.

The City has seven wastewater storage ponds (the 20 MG, the 10 MG, the 16.4 MG and the four Riverside Ponds) that hold approximately 48 million gallons of recycled water. The City is seeking grant funds to reconstruct and line the Riverside Ponds as required by the San Francisco Bay Regional Water Quality Control Board to mitigate potential impacts from flooding and to remove them from the designated floodway, address riverside bank erosion and to prevent tertiary treated effluent from seeping into the Napa River during low flow conditions.

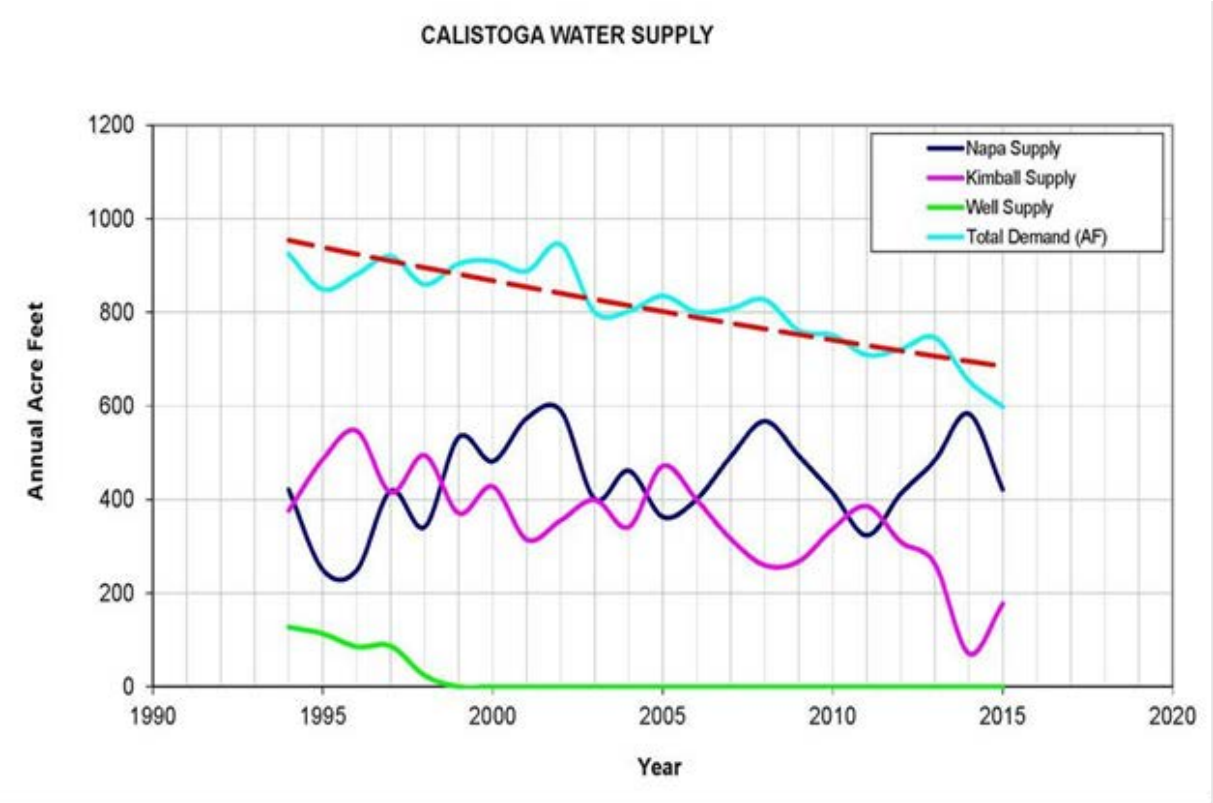
Water Conservation

Water conservation can function as a water "source" during droughts. The City of Calistoga, along with most of the State, experienceda multi-year drought from 2012 to 2015. In early 2014 the City Council declared a Stage II Water Emergency and called for mandatory practices for all water users to reduce overall water consumption by 20 percent compared to 2013 usage.

Water Demand

The City provides water to 1,674 connections. Since 1995 the City has seen a reduction in water consumption of approximately 35% from an annual demand of 950 acre feet to slightly over 700 acre feet.

[15] Kimball Interim Bypass Plan, Appendix 34



Of the total demand, 82 connections are located outside Calistoga's incorporated boundary.

Table 4-4, above, is the most recent and the most accurate source of information about Calistoga's water supply and water demand. However, since Table 4-4 does not describe water demand based upon water year type (i.e. wet or dry) supplemental information is provided below from two sources of information:

- 2003 Calistoga General Plan, and
- 2050 Napa Valley Water Resources Study.

In 2003, the Calistoga General Plan projected municipal water demand and supply through 2032. These projections are shown in Table 4-5, below and are assumed to be worst case scenario for water demand (current actual demand is significantly less than previously projected). The water demand projection assumes an annual growth rate of 1.5 percent, consistent with the General Plan's assumed 1.35-percent residential growth rate. Development of resorts and commercial areas also create a water demand and the additional demands have been factored into the water availability/demand analysis. As shown in the Table below, the City's 2003 projections indicate deficits in supplies during dry water years.

Table 4-5: City of Calistoga Water Demand and Supply Projections						
Acre-Feet						
	2015			2032		
Scenario	**Demand**	**Supply**	**Surplus (Deficit)**	**Demand**	**Supply**	**Surplus (Deficit)**
Normal Year	1,191	1,748	557	1,517	2,379	862
Below Normal Year (90 percent)	1,072	1,078	6	1,365	1,385	20
Dry Year (99 percent)	899	286	(613)	1,144	343	(801)
Source: City of Calistoga, General Plan 2003, Chapter 7 Infrastructure.						

A second source of information is the 2050 Napa Valley Water Resources Study, written in 2005 as a series of technical memos from West Yost Consultants. The study was funded and prepared cooperatively with the Napa County Flood Control and Water Conservation District along with the cities of American Canyon, Calistoga, Napa, St. Helena, Town of Yountville, Napa County, and the Napa Sanitation District. *http://www.napawatersheds.org/app_pages/view/4282*. This study provides water use and demand projections for Calistoga as shown in Table 4-6, below.

Table 4-6. Summary of Water Supply Findings			
	Excess Supply (Shortfall), afy		
	2005	**2020**	**2050**
Normal Year	490	115	(160)
Multiple Dry Year	243	74	(159)
Single Dry Year	(304)	(547)	(781)
Source: NCFCWCD et. al., 2005			

The above tables show that Calistoga risks water shortfalls for single dry years under 2020 and 2050 demands and for normal and multiple dry years under 2050 demands. This study also found that Calistoga could require extreme demand reduction measures due to significant dependence on SWP water (NCFCWCD et. al., 2005). In addition to its current water demand, the City has two outstanding will serve letters for new resort projects that have a reservation for water and sewer service which has been factored into the available capacities of the respective operations (Calistoga, 2016). Overall, the City indicates that the risk of water shortfall is low, as described in Table 4.4, above.

As shown on Figure 4-3, below, a small (35-acre feet) part of the City's water demand can be attributed to the 82 metered connections located outside Calistoga's incorporated boundary. Calistoga Municipal Code § 13.16.040. C. prohibits property located outside of Calistoga's City limits to connect to the City's water or wastewater treatment that would increase consumption of municipal water or wastewater treatment capacity. If this municipal code ever changes, then the City would be encouraged to coordinate with LAFCO

to ensure consistency with provisions of California Government Code § 56133, including AB 402.

The City recently submitted a report to the Division of Drinking Water, State Water Resources Control Board outlining the City's water supply/availability. The state reviewed the report and found that "The Water Availability Report does meet the requirements of the required Source Capacity Planning Study and will be used to fulfill this requirement."[16]

Given the City's reliance on the SWP and potential future shortfalls in water supply during dry or extremely dry water years, it is recommended that the City of Calistoga prepare a brief (3-page), but holistic study of alternative water supply sources and projects, prepared by a hydrologist. This study could be conducted collaboratively with other municipalities in Napa County. Calistoga should submit this study to LAFCO prior to the next MSR/SOI in the year 2021. Future water supply sources/projects to be included in the study may include: 1) desalinization, 2) expanding its recycled water program, 3) constructing wells with wellhead treatment down valley, 4) banking water from the SWP, and/or 5) increased water use efficiency. This recommended study should also be consistent with Calistoga's General Plan policy which states "Policy P1: The City shall base water capacity and supply plans and projections on the "below normal year" but will also look for ways to decrease the impacts of a 'dry year' ".

[16] March 24, 2016 email to City of Calistoga from Karen Stufkosky, E.I.T. Water Resources Control Engineer, Division of Drinking Water, State Water Resources Control Board

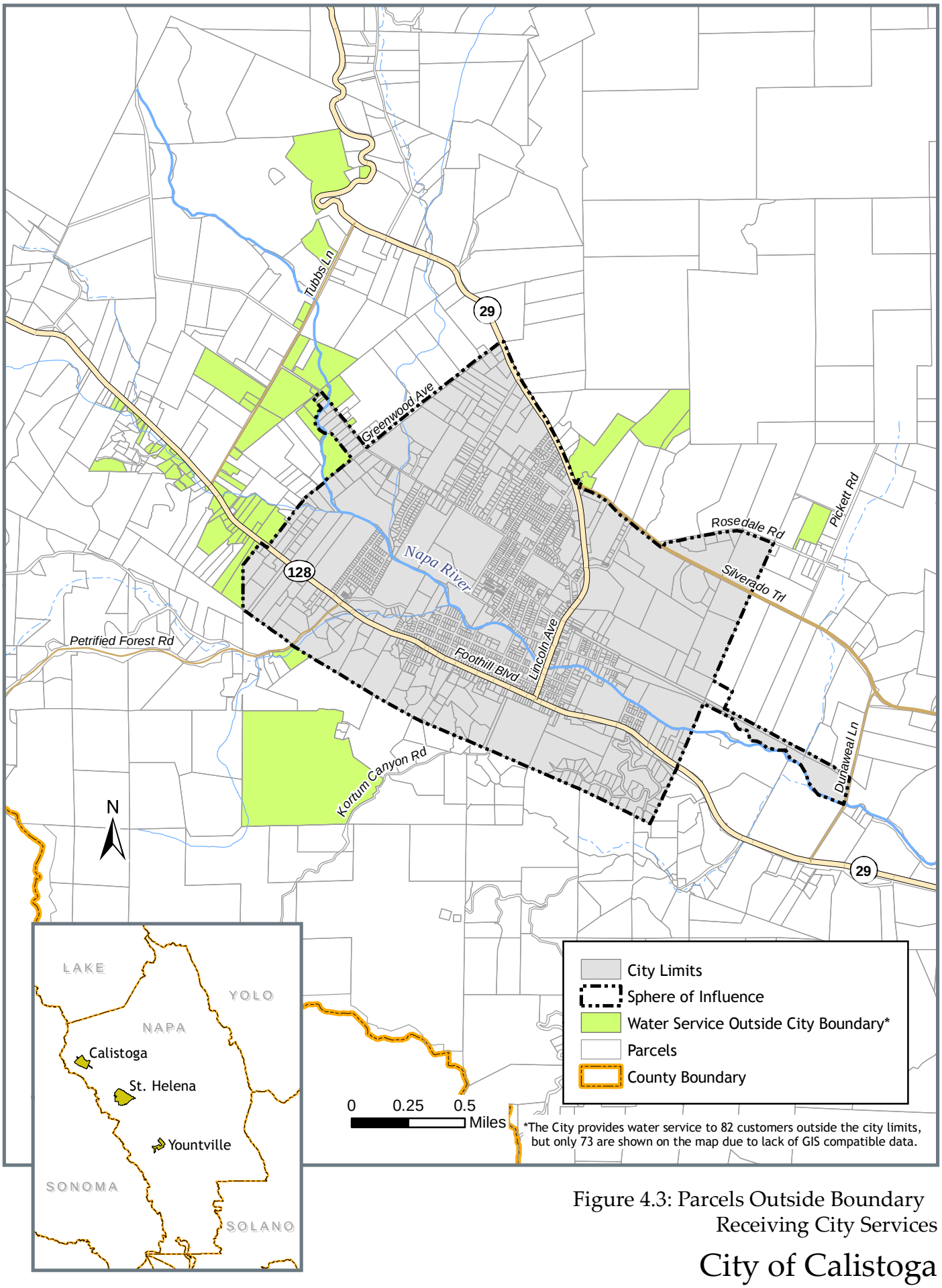


Figure 4.3: Parcels Outside Boundary Receiving City Services

4.1.2: Wastewater (Sewer) Service

Calistoga's Public Works Department is responsible for providing sewer services in the City. Calistoga's sewer system collects and provides tertiary treatment of wastewater before it is discharged into the Napa River during the wet season (October 1st through May 15th) as permitted under Order No. R2-2016-0018 issued by the San Francisco Bay regional Water Quality Control Board, distributed for recycled water use, or conveyed into storage ponds. Calistoga's sewer treatment plant has a permitted dry-weather capacity of 0.84 million gallons per day (mgd), or 2.6 acre-feet. The City of Calistoga currently provides sewer service to approximately 1,357 connections. Customers are defined as the number of utility billing accounts and do not take into consideration multiple users on individual accounts. For example there are four accounts for the mobile home parks that provide water to 555 mobile homes. Approximately 84% of Calistoga's sewer connections are for residential uses.

Funding for City sewer service is provided through fees the City charges to customers to cover the cost of services. The City's water and wastewater enterprises are both classified as Business-Type activities in the annual financial statement. Wastewater is reported as a separate enterprise fund. In FY 14/15, Calistoga's budgeted operating cost for its sewer enterprise was $2.6 million (CAFR, 2015). This amount represents an approximate per connection expense of $160/month. Charges for sewer service were slightly less ($2.4 million) than the costs.

All sewer connections are located within the City boundaries. There are no out-of-agency boundary sewer services provided. Primary services provided by the City for the wastewater system are collection, treatment, disposal, and maintenance.

Collection System

The City maintains 18 miles of sewer mains that collect sewage from homes and businesses and conveys it to the Dunaweal Wastewater Treatment Plant (WWTP). Much of the City's sewer lines were built many decades ago, however for the most part they are functioning adequately. A recent project completed was the replacement of the sewer trunk main from Anna Street to the WWTP and the primary sewer pump station at Pine Street. Private lateral lines connect a house to the City's main line, typically located within a street right-of-way. The City's wastewater collection system serves approximately 50 percent of the geographic area within the City limits. The remaining undeveloped portions of the City and the adjacent unincorporated area utilize private individual septic systems to dispose of their wastewater. The City's Municipal Code requires all structures with plumbing which are on properties within two hundred feet of a sewer main to connect to the public system and this code requirement is implemented as new development or substantial remodeling occurs (Calistoga, 2016). The City's collection system includes 18 miles of sewer lines, 330 manholes, and 4 lift stations.

The City's wastewater collection facilities face challenges including:

- Age of infrastructure;
- Type of material used (clay pipe) Pipe capacity
-
- Spas and resorts use mud and geothermal resources, which introduce sediment, minerals, and temperature issues into the wastewater stream;
- Grease and oil from restaurants (New or expanded restaurants are required to install grease traps or interceptors per the Calistoga Municipal Code)and
- Infiltration/inflow (I&I)

The City continues to work to address these challenges. One method the City uses is a request that private pretreatment facilities retain wastewater for an interval of time to permit solids to settle and to allow oil and grease to separate (Calistoga 2003). The City is also working with the resorts to reduce the amount of geothermal water discharged into the collection system.

New connections to the wastewater collection system are allowed as outlined in the Growth Management Allocation process (Calistoga, 2016). The City has issued several will serve letters for new development that will ultimately connect to the system.

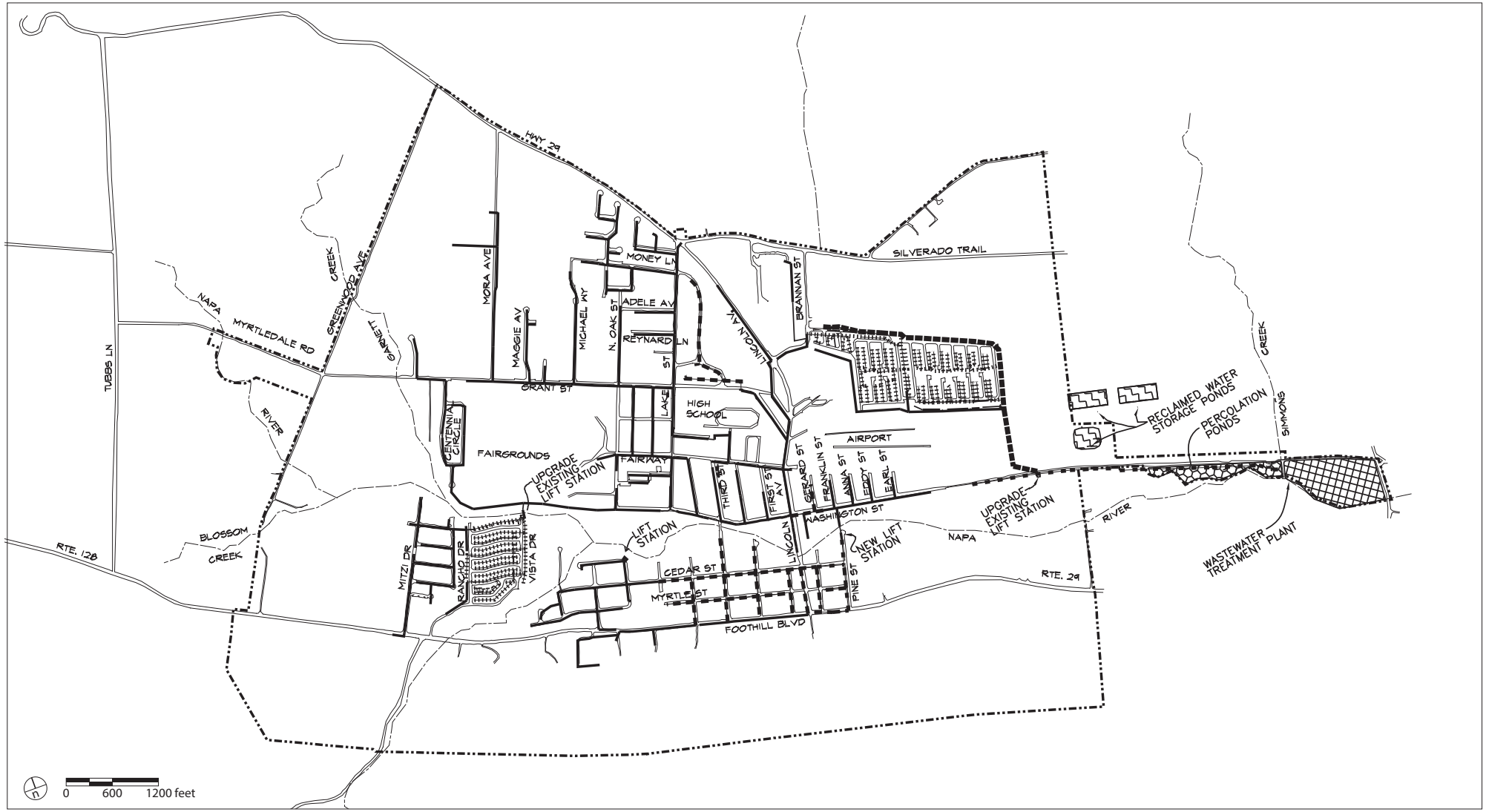
The City has no plans to provide wastewater service outside its current boundary.

Treatment System

The collection system brings sewage to the City's WWTP, which provides tertiary-level treatment of wastewater. The WWTP is located on Dunaweal Lane just south of the main part of the City. The WWTP operates under NPDES Permit No. CA0037966 approved on April 13, 2016 by the San Francisco Bay Regional Water Board. The 2016 NPDES Permit contains discharge prohibitions similar to the previous 2010 Permit, and identical limits on chlorodibromomethane, dichlorobromomethane, and antimony. The WWTP has a permitted dry-weather capacity of 0.84 million gallons per day (mgd), or 2.6 acre-feet. Calistoga's current average dry-weather sewer flow is approximately 0.47 mgd, or 1.7 acre-feet (Calistoga, 2016).

The WWTP is an activated sludge tertiary treatment plant. The treatment processes consist of the following:

- primary treatment by coarse bar screening at the headworks structure;
- secondary treatment by aeration and clarification;
- tertiary treatment by coagulation, filtration and disinfection;
- Effluent disposal either by beneficial reuse for irrigation or discharge to the Napa River.



City Limits

Existing Line No Change

Existing Line Needing Replacement for Current Conditions

Existing Line Needing Replacement for Future Conditions

New Line Needed for Future Conditions

Percoloation Pond

Wastewater Treatment Plant

Effluent Storage Ponds

Map provided by the City of Calistoga

SANITARY SEWER SYSTEM

Figure 4-4

CITY OF CALISTOGA
2003 GENERAL PLAN

After tertiary treatment, effluent may be discharged to the Napa River from November 1 through June 15th (as per NPDES Permit No. CA0037966, Order R2-2016-0018). During the remainder of the year, effluent is distributed for recycled water use or stored for future use in effluent storage ponds.

Like any WWTP Bio-solids are generated as part of the treatment process. Some anaerobic digestion occurs to reduce the amount sludge produced and to improve the final quality of the bio-solids to secondary sludge. Sludge is dewatered on drying beds and delivered to an approved solid waste facility, used as soil amendment (under approved permits) or processed to a Class A compost (Calistoga, 2016).

The Dunaweal WWTP has several major components including a Headworks Structure; Aeration Basins and Secondary Clarifiers; Filters; Effluent Chlorine Contact Basins; and Effluent Storage Ponda. Each of these components is described in more detail on the City's website at: *http://www.ci.calistoga.ca.us/city-hall/departments-services/public-works-department/water-wastewater-treatment/dunaweal-wastewater-treatment-plant*

The City's WWTP measures daily sewer. The design capacity and flow estimates are described in Table 4-7, below. The wastewater treatment plant is regulated through State laws via the San Francisco Regional Water Quality Control Board.

Table 4-7: Water Treatment Plant Design Capacity	**mgd**
Permitted Daily Dry-Weather Flow Capacity	0.84 mgd
Average Daily Dry-Weather Flow Demand	0.47 mgd
Peak flow within the past year	3.8 mgd
Average Daily Flow Demand (Dry and Wet)	0.90 mgd
Capacity reserved or committed for planned or proposed development	232 acre-feet
Source: NPDES Permit No. CA0037966, Order R2-2016-0018 and City of Calistoga, 2016.	

The treatment plant can treat up to 4.0 mgd during wet weather. The discharge flow rate from the WWTP during the 2006 and 2009 discharge seasons was 1.35 mgd. As shown in Table 4-7, above, the average daily wastewater flows within Calistoga's sewer system is very different between dry-weather and wet-weather periods. These differences suggest improvements are needed to the collection system to address suspected deficiencies involving excessive storm and groundwater intrusion. Although the City has made improvements over the past several years, additional improvements are still needed. The recent replacement of the sewer trunk main and Pipe Street Lift Station has already shown reduced flows to the WWTP. The City will conduct smoke testing in the summer of 2016 to identify areas where I&I may be occurring.

Effluent Disposal

After secondary or tertiary treatment, effluent may be discharged directly to the Napa River from November 1 through June 15. During the remaining months, effluent is treated to tertiary standards and either beneficially reused for irrigation or stored in ponds for later irrigation or discharge to the river. A large (16 million gallon) reclaimed storage pond was recently completed (Calistoga, 2016).

The Regional Water Quality Control Board may issue a Cease and Desist Order in order to address chronic permit exceedances. In 2010, the Board issued Cease and Desist Order No. R2-2010-0107, which established tasks and a time schedule for the City to comply with the chlorodibromomethane and dichlorobromomethane (disinfection byproducts) effluent limits in the 2010 Permit by August 31, 2014. On April 13, 2016, the Regional Water Board adopted an amended Cease and Desist Order No. R2-2016-0019 which requires the City to comply with disinfection byproduct limits, antimony and boron effluent limits and to address seepage from the riverside ponds. The City recently paid $6,000 in mandatory minimum penalties for some permit exceedences (RWQCB, 2016).

As required by its NPDES permit, the City must undertake pollution prevention activities to reduce certain constituents in its final effluent prior to discharge to the River. Pollutants of concern are identified by the City and the Regional Water Board and include those constituents that could cause or contribute to an exceedance of water quality objectives in the Napa River. Current pollutants of concern are mercury, boron, antimony, cyanide, chlorodibromomethane, dichlorobromomethane, ammonia, copper, oil and grease, and PCBs. Annual Pollution Prevention Reports are required to be submitted to the Regional Water Board.

Discharge permits are reviewed every five years by the RWQCB. The City will be expected to meet future effluent limitations and take the steps necessary for any plant upgrades required to achieve compliance.

WasteWater Treatment Plant Demand

WWTP demand and capacity can be influenced by new development occurring within the City. Other factors that impact supply in the City are prolonged drought and stormwater intrusion.

Current Infrastructure Needs

Recent improvements to the wastewater system include:

- Added low-energy aerators to Riverside Pond 2 for a total of two; the aerators help to remove reduce chlorodibromomethane and dichlorobromomethane concretations.
- Modified treatment operations to reduce chlorination during wastewater treatment to minimize formation of disinfection byproducts.
- Plumbed the 20-million-gallon tertiary effluent storage pond to allow recirculation and aeration (by spraying recirculated effluent back into the pond).
- Construction of a new 16.4 MG effluent storage pond.
- Replacement of a new larger sewer trunk main from town to the WWTP.
- Replacement of the Pine Street Lift Station.
- New effluent filter feed and effluent disposal pumps
- Installation of geothermal water meters at several spa resorts

Other projects include installation of geothermal water meters at several spa resorts, smoke testing of the sewer collection system, reconstruction of the Riverside Ponds, and compliance with the COD issued by the Regional Water Quality Control Board.

The City updates a Capital Improvement Plan annually as part of its Annual Budget. The Capital Improvement Program (CIP) serves as a comprehensive plan to identify new construction and rehabilitation projects. The FY 2014-15 CIP Budget included several wastewater related listed here:

- Pine Street Lift Station
- Sewer Lateral Replacement
- Effluent Disposal Improvements
- New Effluent Storage Pond
- Inflow Infiltration Improvements
- E Washington Street Sewer Trunk Line
- Geothermal Water Meters per COO
- WWTP Upgrades for COO Compliance

The City published a newer list in its FY15/16 budget and will soon begin work on a CIP list for its FY 16/17 budget.

In the future, City staff will need to continue to refine the operation of the wastewater treatment plant to meet permit requirements and to address continued growth in the community (associated with housing development and visitor accommodations). A Sewer Master Plan was developed by the City in 2011 and the City intends to update this Plan in 2016/17. As part of the annual Resource Management review the City has verified there is adequate capacity in its wastewater system to serve existing and future customers.

The City of Calistoga General Plan 2003 contains a number of actions regarding wastewater treatment. LAFCO recommends that the City continue to implement these actions. An expanded review of Calistoga's sewer services was prepared as part of LAFCO's Comprehensive Study of Sanitation and Wastewater Treatment Providers (2005). The study is available at the LAFCO office or website: *http://napa.LAFCO.ca.gov*.

4.1.3: Storm Drainage

All precipitation and other water going into the City storm drains eventually runs to the Napa River then onward to the San Pablo Bay. The City has in place several types of storm drainage infrastructure including City-maintained storm drain lines, privately-maintained storm drain lines, and a Caltrans storm drain line. Additionally, natural drainage features include the Napa River, Cyrus Creek, Blossom Creek and Garnett Creek. There are also several ponds, ditches and channels. The City Public Works Department maintains drain inlets and drain manholes as shown in Figure 4-5, below. Many of the storm drainage structures are located within sidewalks or other public rights-of-way.

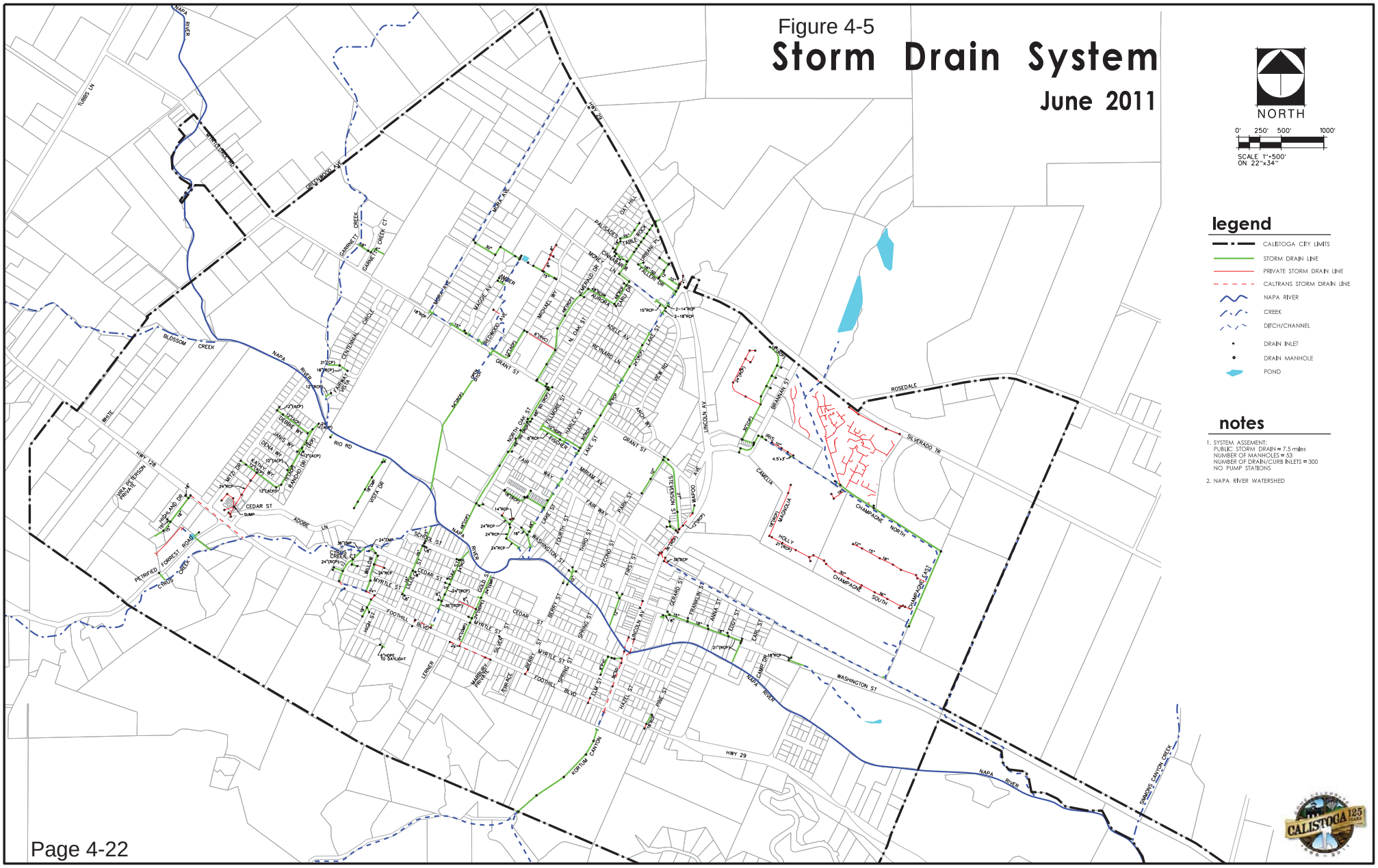
Maintenance by City staff includes actively watching for all types of potential hazards, storm drain blockages, and any other unforeseen safety problems. The City has an inspection program to routinely inspect and maintain storm water inlets and outfalls for debris and obstructions, sand and gravel build-up, structural damage, and vandalism.

Unlawful discharge into any storm drain is a violation of county, state and federal law. The City of Calistoga has adopted CMC Ordinance 707 a State regulated program, known as the Storm Water Pollution Prevention Plan (SWPPP). Calistoga has adopted the Bay Area Stormwater Management Agencies Association (BASMAA) Post-Construction Manual for Design Guidance for Stormwater Treatment and Control for Projects. Also an information flyer for Erosion and Sediment Control Measures for construction projects is available on the City's website.

Figure 4-5

Storm Drain System

June 2011



4.1.4 Law Enforcement Services

In June 2012, LAFCO approved the Municipal Service Review: Countywide Law Enforcement Services which covered law enforcement within the City of Calistoga. The City's law enforcement situation remains similar to that described in the 2012 MSR and readers are referred to that document for the details. This section provides an overview of existing police facilities and services, and provisions for future growth and systems improvements. The Calistoga Police Department (CPD) is responsible for providing law enforcement services within the 2.6 sq. mi. area of the City. Specific services that CPD provides include: dispatch, patrols, investigations, parking enforcement, animal control, search and rescue, canine deployment, drug enforcement, and short term holding of suspects (Napa LAFCO, 2012). CPD also responds to incidents in surrounding unincorporated areas based on separate mutual aid agreements with the California Highway Patrol and County of Napa.

CPD's Policy Manual provides a mission statement, as follows:

- To provide a high level of service to the community;
- To safeguard lives and property
- To defend the constitutional rights of all people, and
- To help create and preserve a safe and secure environment.

Furthermore, the people of the CPD assure the accomplishment of the foregoing statement and ensure the success of the organization by adhering to the following values:

- Displaying Competence - by maintaining a high standard of excellence in the performance of all tasks.
- Looking to the Future - by constantly planning for the future needs of the community and the organization.
- Meeting Community Needs - by serving identified needs and by providing services for a safe and secure community.
- Providing Support- as professionals, we provide the necessary resources toward the betterment of our personal and professional lives.
- Fostering Team Effort- each member's contribution is worthwhile and necessary to the continued success of the department.

LAFCO's 2012 Law Enforcement MSR noted that "Calistoga and St. Helena both provide their own animal control services within their respective jurisdictions. Given their geographic locations, it would seem appropriate for the two agencies to consider merging their animal control services and/or contracting with the County Sheriff as a cost-savings and streamlining measure" (LAFCO, 2012). Calistoga has recently contracted with Petaluma Animal Services Foundation located in Sonoma County to provide animal control services.

The County of Napa's Department of Corrections provides long-term holding of suspects. The Napa County Sheriff's Dept. provides bomb squad and special weapons/tactics expertise.

CPD operates out of a central police station located at 1235 Washington St., Calistoga, CA. It is approximately 3027 square feet in size. The Calistoga Police Department operates on a 12-hour shift schedule.

Police Staffing

The Police Department is authorized 16.0 full time equivalent positions. There are currently 14 staff personnel; however one of these positions is part-time, as shown in Table 4-8, below. In total, this calculates to 13.0 full-time equivalent (FTE) staff positions which include eight sworn officers, plus support personnel of one Dispatch/Records Supervisor, three dispatchers, a community service officer, and one part-time parking enforcement officer. There are currently four vacant positions – one Lieutenant and three Police Officers. Over the years the level of staffing has remained fairly steady, with slight variation from a high of 18.39 staff in the year 2009 to a low of 14.5 staff in 2014. The existing eight sworn officers provide Calistoga with a relatively high ratio of sworn officers for every 1,000 residents. The current average response time is less than five minutes from dispatch to arrival, depending on priority and in progress calls for service.

Table 4-8: Police Service Staffing

Staff	Career/Paid
Police Chief	1 FTE
Sergeant	2 FTE
Police Officer	5 FTE
Dispatch/Records Supervisor	1 FTE
Dispatcher	3 FTE
Code Enforcement Officer	1 FTE
Parking Enforcement	1 PTE
Data Source: Calistoga, 2016	

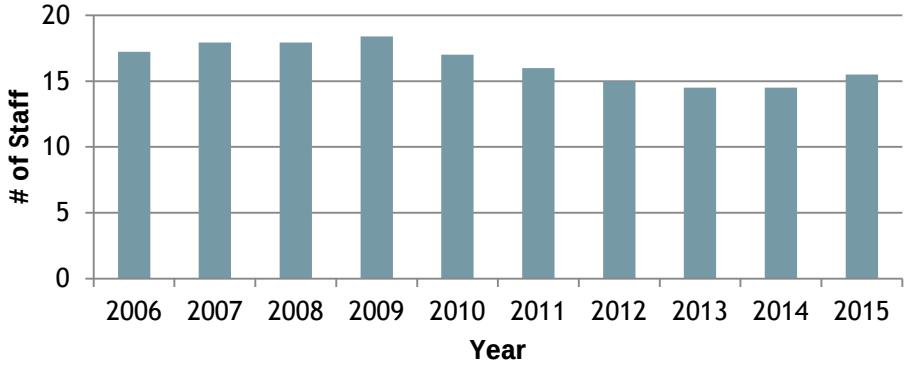
Dispatch: There is one Dispatcher on duty per twelve hour shift. The Dispatch Supervisor is also assigned a shift. The system currently utilized to dispatch is called Vesta. This system is set up to receive non-emergency business calls (four lines), emergency 911 calls (two lines), and Public Works alarm calls (2 lines). Information obtained by dispatch is relayed to officers for officer safety and documented via CAD system by RIMS (Calistoga, 2016).

LAFCO's 2012 Law Enforcement MSR noted that "Calistoga and St. Helena should consider the merits of establishing a joint dispatch system for law enforcement for their respective jurisdictions. This type of joint arrangement, as evident in other parts of the county, would enhance communication and delivery of emergency response services for a

relatively confined area that shares similar social and economic communities of interest" (LAFCO, 2012). This recommendation remains relevant to the City of Calistoga.

Vehicles: The Department maintains several vehicles and other equipment including three Ford Explorer SUV's (Patrol Vehicles), one Ford Taurus (Patrol Vehicle), one Dodge – Charger (used for administrative purposes), and one electric UTV (used for code enforcement, parades, marathons and other road closures) (Calistoga, 2016). One 'radar trailer' is utilized on selected streets to emphasize posted speed limits. The Department has a total of six vehicles, four of which are used for patrol. Each is equipped with multi-frequency radio and video. During years 2008 to 2009, the Department had eight vehicles (Calistoga, 2015); however, with the economic downturn and associated smaller city budgets, police vehicles have not been replaced at their former level. LAFCO's 2012 Law Enforcement MSR noted that: "Measuring motor vehicle capacity relative to minimum law enforcement needs of having at least one vehicle for every two sworn officers is a reasonable tool in assessing resource adequacy for each agency. This measurement is particularly relevant to cities given their predominant focus on patrol. Towards this end, all five cities in Napa County adequately meet their respective calculated minimum standards for motor vehicle capacity for law enforcement services" (LAFCO, 2012).

Figure 4-3: Staffing in the Police Dept.

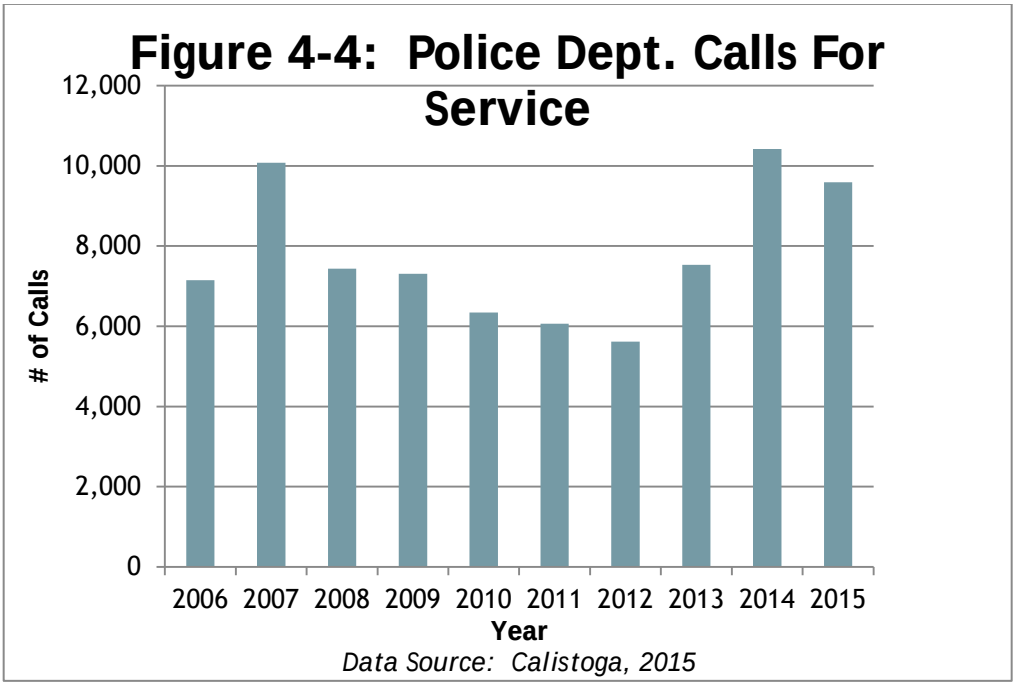


Data Source: Calistoga, 2015

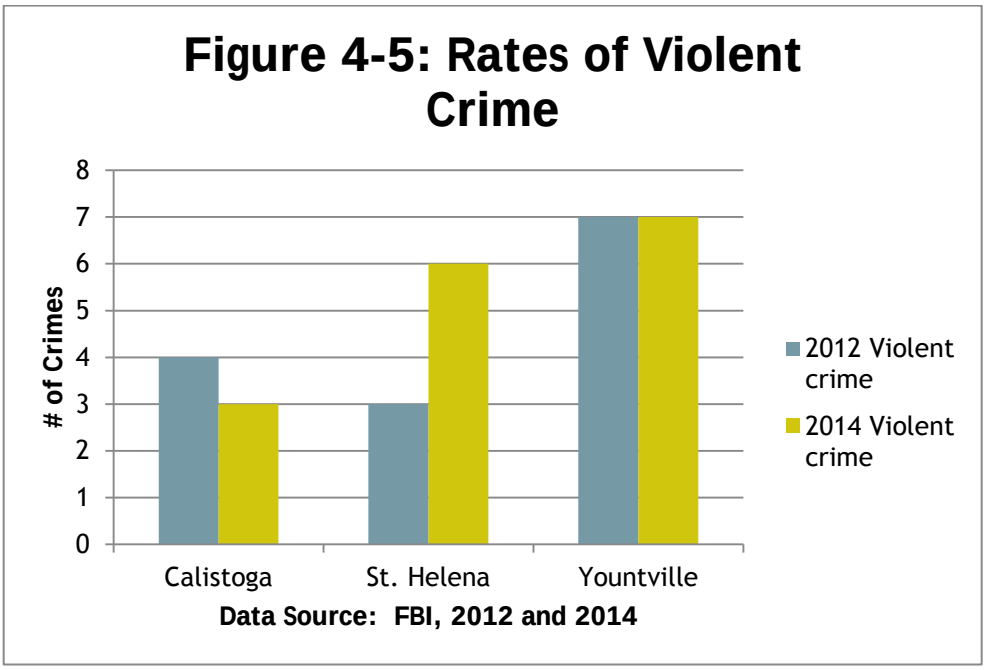
Crime Statistics

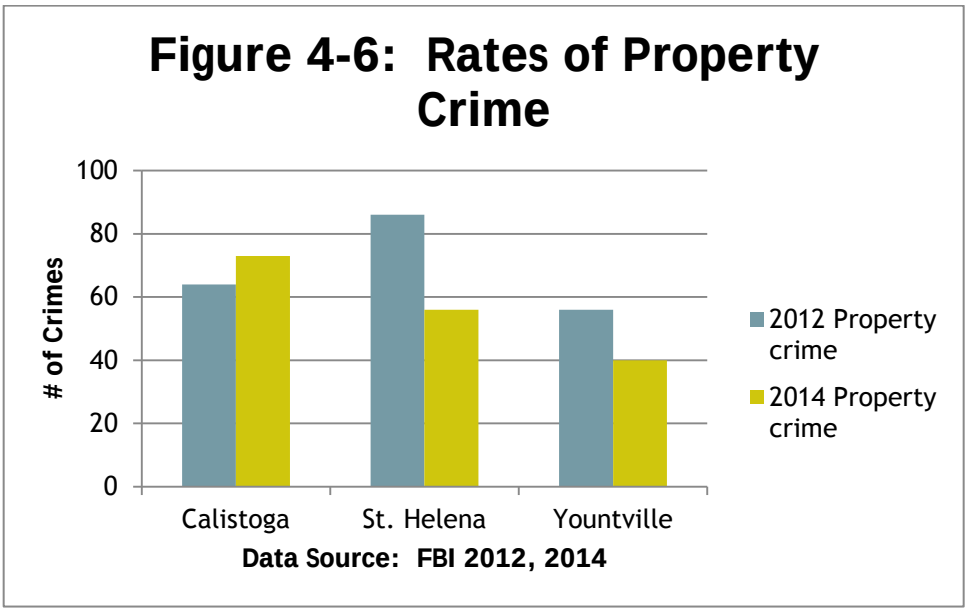
CPD shares alerts, crime statistics, and police logs on its website at: *http://www.ci.calistoga.ca.us/city-hall/departments-services/police-department/press-releases*. However, its crime statistics have not been updated since 2009. Basic police activity statistics are provided in the City's Annual Financial Statement and this information shows that on average, the CPD receives 7,753 calls on an annual basis. In 2015, the number of calls received was above average at 9,592 calls as shown in Figure 4-4, below. This calculates to 1,845 calls per 1,000 residents. LAFCO's 2012 Law Enforcement MSR noted that Calistoga averaged exceedingly high annual service calls over the five reported years (2007 – 2012) relative to its population at 1,364 for every 1,000 residents.

Since then, the number of calls per 1,000 residents has increased by 481 calls and this is a problematic trend. In 2015, the Department made 233 physical arrests and issued 314 traffic violations (Calistoga, 2015). It is recommended that the Police Department website be updated to provide a link to its recent crime statistics either at the FBI or to the CAFR. It is also recommended that prior to the next MSR (expected in 2021), the Police Department provide a brief (1-page) study to LAFCO that explains why the City experiences exceedingly high annual service calls.



The City also reports crime statistics to the Federal Bureau of Investigation (FBI) to be included in the Uniform Crime Reports. A slight decrease in violent crime was experienced in the City from 2012 to 2014 as shown in Figure 4-5, below. In 2014, Calistoga experienced three violent crimes, which was less than that experienced by the cities of St. Helena and Yountville.





In 2014, there were 73 reported property crimes in Calistoga reported to the FBI which represents an increase compared to that reported in 2012, as shown in Figure 4-6, above. The 73 reported property crimes in Calistoga is also more than that reported in St. Helena (56) and Yountville (40) during the same year. Property crimes include burglary, larceny, theft, motor vehicle theft, and arson. The 76 total reported crimes in 2014 represents 14.4 crimes per thousand persons on an annual basis which is significantly lower than the statewide average of 287 crimes per 1,000 persons (CA DOJ, 2014).

Complaints Regarding Police

The Calistoga Police Department has a formal complaint process as outlined in the City Personnel Manuel and CPD's Lexipol Policies.

Police Funding

The Calistoga Police Department is funded primarily by the City's General Fund; however donations and grants also contribute a small amount. A police special revenue one-time impact fund had a balance of $1,735 for FY14/15 (Calistoga, 2015). For the past several years, the City has received a $100,000 grant from the State of California Citizen's Option for Public Safety (COPS) program. For FY 15/16, the City intends to allocate these grant funds towards the Juvenile Diversion Program, salary of Community Service Officer, maintenance of a Livescan fingerprint system, and purchase of a new Ford Explorer Patrol SUV. In FY 14/15, CPD expended $1.7 million for police services plus half-million for police dispatch, and the resulting expenditures totaled $2,239,981. This amount accounts for 27% of Calistoga's total operating budget for the fiscal year and represents a per capita expense of $426. This is an increase in the per capita expense as compared to that in LAFCO's 2012 Law Enforcement MSR which found that the average law enforcement expenses in Napa County on a per capita basis was $372 (LAFCO, 2012). The Police Department has a total of $1,953,599 in fixed capital assets which includes the land under the police station plus the station building, other improvements, and police equipment.

LAFCO's 2012 Law Enforcement MSR noted that the City has its own competitive procurement processes with respect to purchasing motor vehicles for law enforcement services. It would seem reasonable and more efficient for Calistoga to consider pooling its respective resources and establish a joint procurement process with other local agencies such as American Canyon, Calistoga, Napa, St. Helena, and County Sheriff. Their combined buying power would presumably produce cost-savings (LAFCO, 2012). This recommendation remains relevant to the City of Calistoga.

LAFCO's 2012 Law Enforcement MSR noted that "It would seem appropriate for Calistoga and St. Helena, given the costs and related challenges associated with sustaining relatively small stand-alone departments, to consider structural alternatives in providing law enforcement services. This includes – based on a cursory review of potential alternatives – the two affected local agencies exploring the feasibilities of forming a joint-powers authority with one another and/or one or both agencies contracting with County Sheriff." This recommendation remains relevant to the City of Calistoga.

4.1.5 Fire Protection and Emergency Medical Services

The Fire Department primarily aims to serve residents of the City of Calistoga. For example, the retirement age population residing in the three mobile home parks within the City boundaries depend largely on the Calistoga Fire Department for emergency medical services. Additionally, the Department also has agreements to automatically respond to emergencies in both unincorporated Napa and Sonoma Counties. During a typical year, the

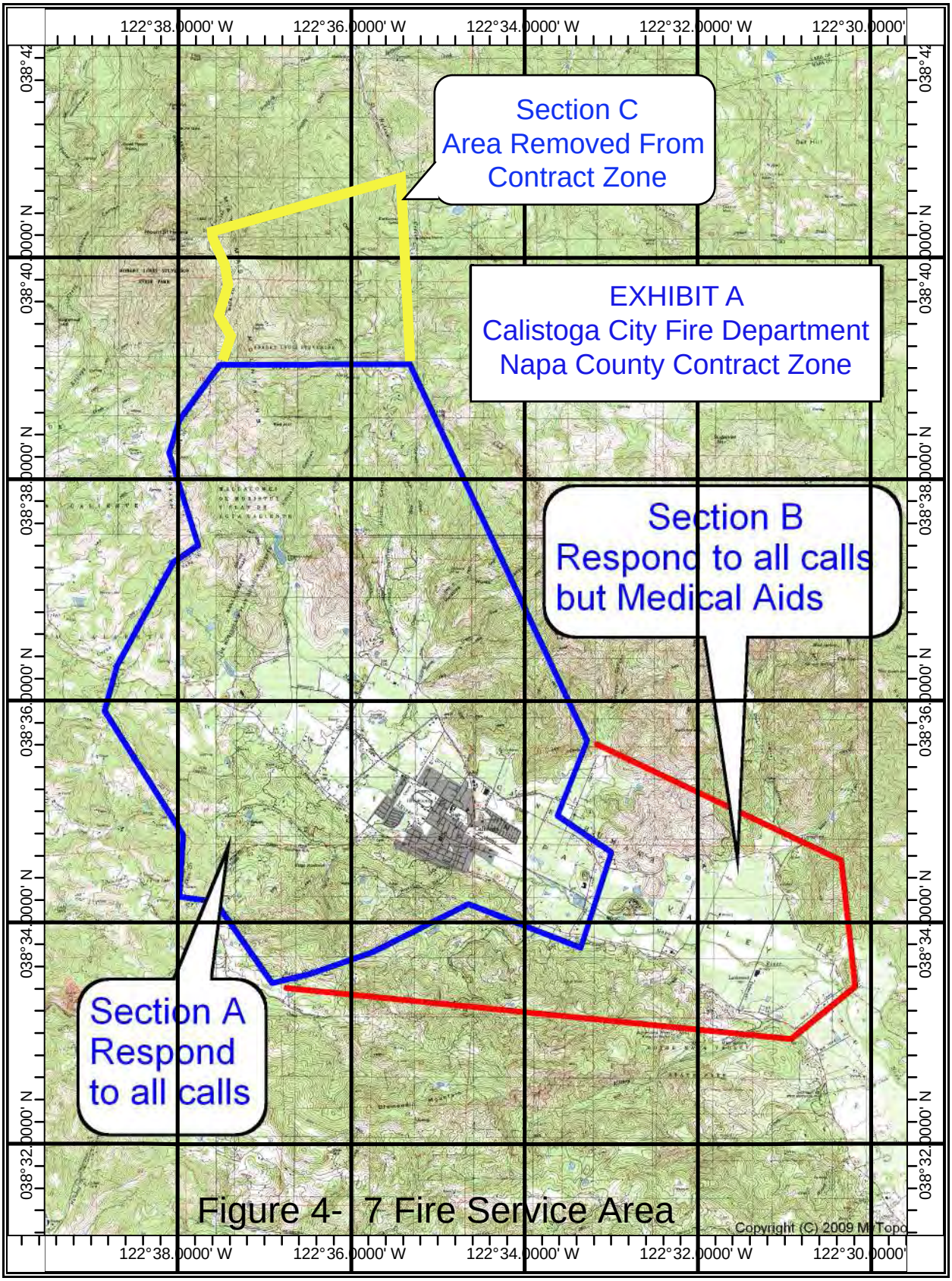
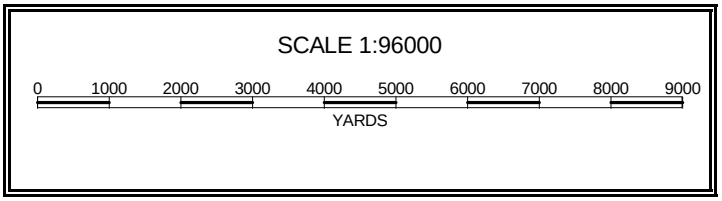
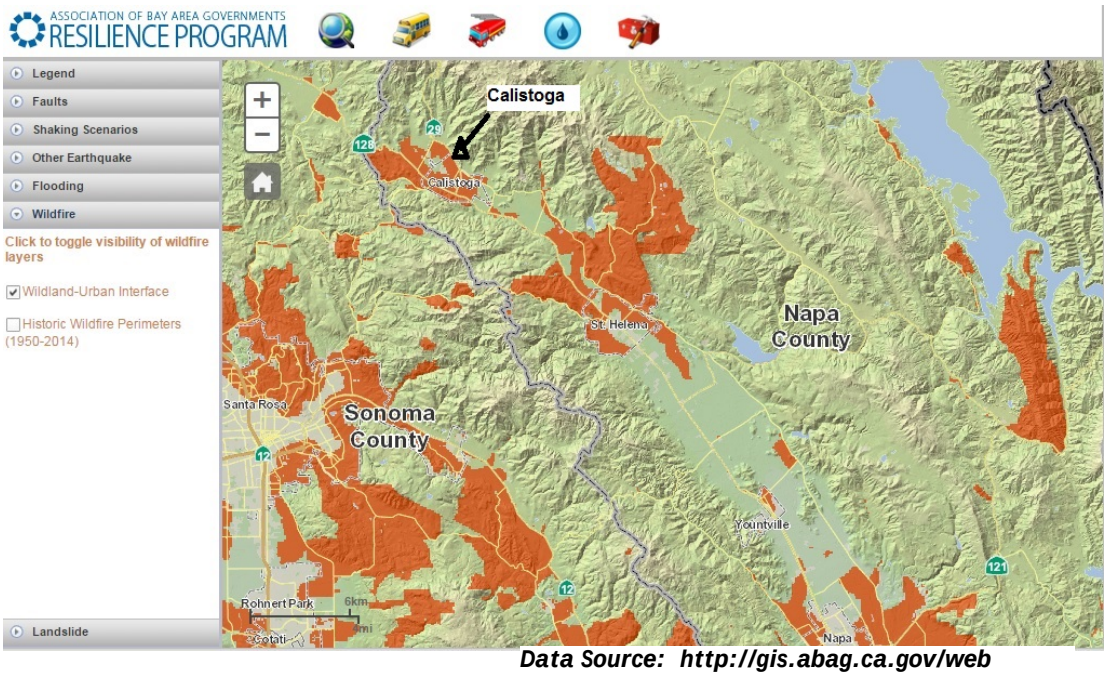


Figure 4- 7 Fire Service Area





Data Source: http://gis.abag.ca.gov/web

Department responds to approximately 1,000 emergencies within a 96-square mile service area[17]. Specifically, in the unincorporated area of Napa County near the City, the Calistoga Fire Department provides emergency medical, rescue, and fire suppression and protection services to a zone that is defined by contract[18], as shown in Figure 4-8, below. Services to unincorporated Sonoma County, to the north, are provided via a three-way automatic aid agreement with the County of Sonoma and the Knights Valley Volunteer Fire Company. However, mutual aid is not often requested and calls ranged between three and thirty calls per year during the 2011 – 2014 timeframe (Sonoma LAFCO, 2014). Fire protection is particularly important because the unincorporated area surrounding Calistoga is within the Urban Wildland Interface, a geographic area that CalFire defines as a "Fire Hazard Severity Zone" in accordance with the Public Resources Code and the Government Code. Please see Figure 4-7, above.

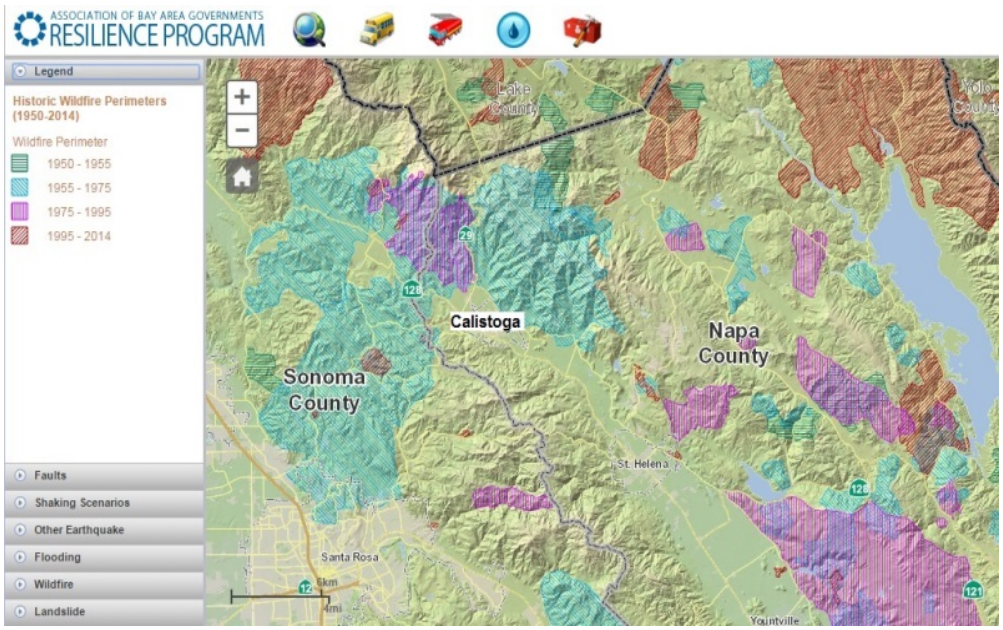
The Howell Mountain and Mayacamas Mountain ridges surrounding the valley have historically burned as shown in Figure 4-9, below.

The Calistoga Fire Department is the primary service provider for the following fire-related services: Structural Fire Protection, Emergency Medical Response, Water Supply, and Fire Safety Education. The remaining services are provided collaboratively with other local agencies, state agencies, or private entities. Wildland Fire Protection is a joint effort between the Calistoga Fire Department, Napa County Fire, and CalFire. Rescue/Extrication, Hazardous Materials cleanup, and Fire Prevention are joint efforts between the Calistoga Fire Department and Napa County Fire. Ambulance ground

[17] Per Fire Dept. website at: *http://www.ci.calistoga.ca.us/city-hall/departments-services/fire-department*

[18] Agreement for Emergency Medical, Fire Protection and Related Services is Napa County Agreement No. 6379 and City of Calistoga Agreement No. 0092. See also 6/23/2015 Board Agenda Letter at *http://services.countyofnapa.org/AgendaNetDocs/Agendas/BOS/6-23-2015/6D.pdf*.

Data Source: http://gis.abag.ca.gov/web



transport is conducted by a private company called "AMR". Air Ambulance/Helicopter service is provided via a joint effort between Reach, Cal Star, H30 and Cal Fire. Fire dispatch service is led by CalFire. The Calistoga Police Department serves as the Public Safety Answering Point. Training is conducted by both the State Fire Marshall and The Calistoga Fire Department. Arson Investigations is led by the State Fire Marshall (Calistoga, 2016).

Dispatch: Calistoga Police Department receives the 911 call and transfers the call to Cal Fire Dispatch or Napa 911.

Fire Protection Water: Water supplies available for fire suppression include hydrants, tanks and Swimming Pools. The hydrant capacity/rating of the system is 900- 2000 which is sufficient. There are proposed increases to the capacity of the system by replacing the old Feige water tank and replacing it with a lager tank.

Response Times: The City's Fire Department average response time is around 2 minutes and the goal is 4 minutes 90% of the time. Due to the unpredictable nature of emergency response, a target has not been established for the remaining 10% of calls.

Staffing: The Fire Department is predominantly staffed by professional fire personnel consisting of 4 FTE and 12 PTE City employees. To provide additional support on an as needed basis, there are 12 firefighter/EMT's who are on-call and are paid by the call. Table 4-9 provides more details about staffing.

Table 4-9: Fire Department Staffing

Staff	Career/Paid	Part-time
Fire Chief	1	0
Engineer	3	
Firefighter	0	0
Firefighter/EMT	0	12
Training Officer	1	0

Source: Calistoga, 2016

Calistoga City Fire Department works on a 24 hour per day shift schedule 365 days a year. The City has indicated that at this time the Fire Department has adequate staffing. Fire Department staff receives regular training, usually 12 hours per month, in order to stay current on new techniques and protocols. In addition, Fire Department staff participates in numerus specialized courses as well as FF1 and FF2 academy.

The Department's ISO rating is 3 (Calistoga, 2016).

Fire prevention education and planning is a service the Department provides to the general public. The Department also implements fire prevention by inspecting all commercial businesses annually. The department conducts fire prevention education by giving training to the schools.

Calistoga Fire Dept. Mission Statement

The mission of the Calistoga Fire Department is to provide those services to the residents and visitors of greater Calistoga which protect their lives, property and environment from, medical emergencies, hazardous materials incidents and disasters.

In 2014, the Department responded to a total of 854 calls as shown in Table 4-10, below. This represents 162 calls for every 1,000 person in its jurisdiction, on average. This is a significant increase from the 117 calls for every 1,000 persons calculated in LAFCO's 2006 Fire MSR. It is also significantly higher than the call rate for other nearby jurisdictions. The majority of the calls the Department responds to are related to emergency medical service. It is possible that the City's senior citizens are increasingly relying upon the Department's emergency medical service and this contributes to the high rate of calls the Department experiences. Tourists also contribute to the number of calls received. The Department's website at *http://www.ci.calistoga.ca.us/city-hall/departments-services/fire-department/department-statistics* provides detailed statistics regarding the number and type of calls responded to over a multi-year period.

Table 4-10: summary of the number and type of incidents responded to in 2014

	Fire Suppression	EMS/ALS /Rescue	Haz Mat	False Alarms	Mutual Aid
Number of calls in 2014	51	731	1	56	15

Source: Calistoga, 2016

The Department maintains the following apparatus, vehicle and equipment: two engines of Type 1, one engine of Type 3, one water tender, two utility pickups, and one patrol truck. Administering CPR has been greatly enhanced with the purchase of a LUCAS automated

chest compressing machine. Additionally, the Department is responsible for the fire station located at 1113 Washington St., Calistoga, CA.

Given the level of staffing, expertise, equipment, and practices, the Napa County Operational Area Hazard Mitigation Plan (2013 – 2018) gave Calistoga a Risk Assessment score of 1.8 for Wildfire which is classified as "Low Risk". Calistoga has adopted new building codes and regulations that protect new development and buildings from flooding, wildfire and Earthquakes (Napa County, 2013). This Hazard Mitigation Plan also assigned Calistoga two mitigation actions including: 1) Retrofit Critical Public Safety Infrastructure by first identifying critical infrastructure and then replacing that Infrastructure and 2) continue to promote fire safety by addressing students at schools, enforcing the municipal code for property maintenance, requiring burn permits, and investigating sources of fires (Napa County, 2013).

Since fire protection service is a basic City service, it is accounted for from the General Fund. In FY 14/15, $946,984 was expended for fire protection and emergency medical services. This amount accounts for 11.6% of Calistoga's total General Fund expenditures for the fiscal year. Although the per capita expense equates to $185, this figure does not reflect the services the City Fire Department provides to unincorporated Napa and Sonoma Counties.

Please note that the fire station is part of the capital lease arrangement in an original amount of $4,674,000 with West America Bank. The City entered into this arrangement in fiscal year 2008 for the purpose of obtaining financing to make improvements to pool, recreation, fire, and public works facilities. The lease is payable in semi-annual installments. The water tender truck and a fire engine are under separate lease agreements with Sun Trust Leasing (Calistoga, 2015).

4.1.6: Street and Transportation Services

Calistoga's Public Works Department is responsible for providing minor street repair (potholes and patching, curb and gutter maintenance) and street sign replacement services in the City. Larger construction projects, such as overlays, handicapped curb cuts, and striping, are contracted out to private companies. Current funding for street related expenses is drawn from the General Fund ($271,964[19]) and Calistoga's proportional share of gas tax revenues ($140,650) (Calistoga CAFR, 2015).

The Metropolitan Transportation Commission (MTC) recently issued an update to its annual report on the condition of the Bay Area's transportation system. The report includes evaluating and ranking current street conditions for all local agencies in the nine county Bay Area. The most recent update computing 2014 pavement conditions using special equipment measuring road vibrations ranked Calistoga as "fair." This score indicates that

[19] $271,964 per per 2015 CAFR, pg 56.

pavement in Calistoga is generally worn and in need of rehabilitation. The City has made paving improvements, but more are still needed.

The City also maintains sidewalks, bike routes, bike lanes, and bike pathways within the City's public right of way. Transit service is provided by Napa Valley Transportation Authority.

4.1.7: Planning and Building Services

In Calistoga, the planning and building functions are combined into one department which is responsible for providing development application review, building inspection, and certain code enforcement services in the City. The Department also reviews policy document revisions, such as General Plan amendments, and current projects such as rezoning requests, use permits, and parcel and subdivision maps. As part of its process, the Department coordinates an interdepartmental review to determine if a project will impact existing services in Calistoga including confirming the availability of water and sewer services. Additionally, the Department provides staff support to the Planning Commission, City Council, Active Transportation Advisory Committee and Green Committee.

On a day-to-day basis, Building Division staff implements state and local building standards for the protection of public health and safety by reviewing building plans and conducting building inspections. Adopted standards relate to building and fire safety, energy efficiency, and disabled accessibility. Department staff regularly interacts with the public to facilitate plan submittals and to increase understanding of the building permit review process.

Long-range planning activities that the Planning Division manages include updating the Calistoga General Plan, Calistoga Active Transportation Plan and Climate Action Plan. The Department also implements the Mobile Home Rent Stabilization Ordinance, the Down Payment Assistance Program for first time home buyers, the Mills Act program for historic preservation, and the City's Local Preference Policy for filling subsidized housing vacancies. At the regional level, planning staff coordinate with the Association of Bay Area Governments, and participates in county-wide technical and planning advisory committees.

The City recently approved several large development projects, including a Four Seasons resort, Calistoga Senior Apartments and a Boys and Girls Club. As these projects proceed, staff will be busy issuing building and grading permits, conducting building and landscape inspections, and ensuring compliance with a variety of city regulations. Additionally, the Planning and Building Department is undertaking a comprehensive fee study.

Department Staffing: The Department is managed by the Planning and Building Director and includes a Senior Planner and an Administrative Assistant. Building permit plan check and inspection services are conducted by an outside consulting firm via contract with the City (Calistoga, 2016).

Department Funding: The Department collects fees for services and permits. Funding is sometimes subsidized by the City's General Fund. However FY 13/14, a subsidy for the Building Division was not needed due to revenues from fees and services. The Department's current budget is $0.49 million. This amount accounts for 5.1% of Calistoga's total operating budget for the fiscal year and represents a capita expense of $95 (Calistoga, 2016). In FY 14/15, Department expenditures totaled $593,152 (Calistoga, 2015).

4.1.8: Parks

Parks are managed by the Public Works Department Parks Division. The City owns and operates several parks facilities totaling over 14 acres as listed in Table 4-11, below.

Table 4-11: Parks and Facilities

Name	Principal Facilities	Area
City-Owned Recreational Facilities		
Fireman's Park	Passive recreation	0.13 acres
Heather Oak Park	Playground	1.64 acres
Little League Field	Baseball field	0.72 acres
Logvy Community Park	Currently being developed	9.53 acres
Monhoff Center	Tennis, racquetball, billiards	0.25 acres
Myrtle Street pocket park	Passive recreation	0.12 acres
Pioneer Park	Passive recreation, tot-lot	1.80 acres
Total City-Owned Public Acreage		*14.19 acres*
Recreational Facilities Owned by Other Agencies		
Napa County Fairgrounds	Camping, golf, public events	70.02 acres
Calistoga Elementary School	Ball field, multipurpose auditorium	1.25 acres
Calistoga High School	Softball, track & field, gymnasium	4.65 acres
Total Other Public Acreage		*75.92 acres*
Total Recreational Acreage		90.11 acres
Source: Calistoga, 2016		

Three facilities owned by other agencies are available for recreational use as listed in the above table. The Napa County Fairgrounds is a county-owned parcel which is governed by a volunteer Board of Directors. The Napa County Fair Association is a 501(c)(3) charitable organization. Local schools contain play grounds and other facilities that are available to the public. Two schools provide ball fields and other facilities for children and adults through a Joint Use agreement with the City.

The City General Plan notes that cities with an existing high ratio of park space to inhabitants can require new development to provide up to 5 acres per thousand persons that would live in the development, consistent with the State's Quimby Act. However, cities with a lower current ratio can only require the provision of up to three acres of park space per thousand population. Calistoga currently has a ratio of 2.7 acres of city-owned park space per thousand inhabitants. If the City were to improve this ratio by acquiring more recreational land in Calistoga, a higher requirement for new development could be triggered. Although the 2.7 acre ratio may seem to suggest that Calistoga has a relatively low ratio of park space to population, it is important to note that this amount does not include the Napa County Fairgrounds and school recreational facilities, both of which provide important recreational facilities for Calistoga residents. If these spaces are included in the calculations, Calistoga has 17 acres of recreational open space per 1,000 residents. The City's preferred acreage ratio is a minimum five acres per thousand and the General Plan contains policies that seek to implement this standard.

A goal of the City General Plan is "Develop a full complement of parks and other recreational lands for public use and enjoyment (Goal OSC-1)." The General Plan contains numerous policies and actions to continue to improve parks and recreation services within the City. The City has also identified a need to develop additional facilities serving disabled persons and has prepared a Transition Plan addressing requirements of the Americans with Disabilities Act.

The City collects fees for use parks facilities. The Parks Division expended $194,588 in FY 14/15 (Calistoga, 2015).

4.1.9 Recreation Services

Recreation Services is a separate department which provides a variety of community-related services offering recreational activities for youth (summer camp, teen center), adults (yoga, jujitsu, aerobics, golf, tennis, pilates), and seniors (golf, computers, day trips). This Department utilizes a staff of 6.50 FTE, which includes full-time, part-time, and seasonal workers. The City collects fees for recreation services. The Recreation Department expended $515,757 in FY 14/15 (Calistoga, 2015).

4.1.10: Contract/JPA Services

Municipal services provided by Calistoga through contracts or joint-power authorities with other agencies or companies include garbage collection, animal control, specialized engineering services, building inspection and plan check services, and other specialized services as needed.

Also, the City is part of Joint Powers Agreements as follows:

- Upper Valley Waste Management Agency - garbage collection
- Marin Clean Energy - energy provider
- Napa Valley Transportation Authority - regional transportation services
- Napa County Flood Control - Napa County Stormwater Management Program

(Data Source: Calistoga, 2016)

Garbage Collection Services

Garbage collection in Calistoga is provided on a weekly basis by Upper Valley Disposal Service, Inc. (UVDS). UVDS is a private company under Franchise Agreement with the Upper Valley Waste Management Agency, a joint-powers authority that represents Calistoga, St. Helena, Yountville, and the County. UVDS' contract runs through 2025 and specifies that it is the exclusive contractor for the collection of garbage and rubbish in Calistoga. All customers also receive 96-gallon recycling and yard

Photo courtesy of sharpsteenmuseum.org

toters at no additional charge.

Garbage is disposed of at the nearby Clover Flat Landfill, off Silverado Trail, which has a projected lifespan to 2040 (Calistoga, 2016). Recycling is handled through the Whitehall Lane Recycle Center in St. Helena. Clover Flat Resource Recovery Park has been producing power made from landfill methane since the end of 2014.

Hazardous materials are disposed of properly through a private, licensed hazardous waste handling company. UVDS hosts an annual one-day hazardous waste collection event that allows local residents to bring in used paint cans and other household hazardous materials for disposal. Electronic waste (or e-waste) consists of computer equipment and printers, etc., and UVDS also hosts an annual one-day hazardous waste collection event that allows local residents to dispose of their household e-waste.

Specialized Engineering Services

Calistoga contracts with private firms to provide specialized engineering services in the City. These services include construction inspections, water and sewer system improvements, and general architectural and engineering services.

Building Inspection and Plan Check Services

Calistoga contracts with qualified private firms to provide plan check and building inspection services for most development.

Other Specialized Services

Calistoga contracts with a variety of private firms to provide specialized audit, financial, legal, planning, information/communication systems, and other services for the City. This is a typical and cost effective method of cities to contract for these types of periodic and specialized services instead of providing the services with city staff.

4.2: INFRASTRUCTURE AND PUBLIC FACILITIES

Infrastructure development and maintenance is an important part of the service that the City provides. The City has a Capital Improvement Plan as part of its FY 16/17 Budget. The City has $17.6 million in net assets (i.e. those assets that exceed liabilities) (Calistoga CAFR, 2015), as described in Table 4-12 and Table 4-13, below.

Table 4-12: Major City Facilities	
Department/Division/Service	**Infrastructure/Facilities**
Administration	City Hall
Water	Pipelines, water treatment plant, pipe connection to City of Napa, North Bay Aqueduct as described in Section 4.1.1
Sewer	Pipelines, wastewater treatment plant, other infrastructure described in Section 4.1.2
Storm Drainage	Pipes and drains as described in Section 4.1.3.
Law Enforcement	Police station, patrol vehicles, other equipment as described in Section 4.1.4
Fire Protection And Emergency Medical	Fire station, fire trucks, other equipment as described in Section 4.1.5
Street and Transportation Services	City roads, trails, sidewalks and other infrastructure as described in Section 4.1.6
Planning	Inspection vehicle
Parks	Parks as listed in Section 4.1.8
Recreation	Community Pool and Monhoff Recreation Center
Contract/JPA Services	None

Table 4-13: General Capital Assets Used in Governmental Operations	
Asset Type	Asset Value
Land	$1,964,744
Buildings	$3,494,179
Improvements	$9,077,964
Equipment	$871,833
Infrastructure-street system	$1,807,034
Construction in progress	$710,267
Total	***$17,926,021***
Data Source: Calistoga, 2015	

The City owns buildings which are leased to the Sharpsteen Museum and to the Boys and Girls Club of St. Helena and Calistoga. The City also owns agricultural land outside the city limits which is leased to farmers for agricultural operations. Overall, the City believes its existing public service facilities are sufficiently sized to accommodate the anticipated growth for the next 5, 10, and 20 years (Calistoga, 2016).

4.3: Adequacy and Challenges in Provision of Service and Infrastructure

The biggest challenge the City has identified regarding its infrastructure needs or deficiencies are street repairs and addressing the Cease and Desist Order issued by the San Francisco Bay regional Water Quality Control Board. The City does have a Capital Improvement Plan and is working on addressing these challenges. One challenging regulatory issue which most cities in California face is water quality regulations and compliance with the RWQCB. As the City continues to dispose of treated wastewater and continues to deal with stormwater, this issue is likely to continue into the future. Calistoga provides several types of service to properties located outside the City boundaries including water, police protection, and fire protection. Working to comply with LAFCO policies and new state laws such as AB 402, is also a continuing challenge for the City.

4.4: Opportunities for Shared Facilities

Although its small size and geographic location represents constraints to collaboration, Calistoga does pursue opportunities to share facilities and services with its neighboring government agencies as follows:

- The City has a Joint Use agreement with the Calistoga Unified School District for use of recreation fields and the high school gym (Calistoga, 2016).
- The Fire Department has a contract with Napa County for fire protection services for the portions of the unincorporated areas of the County (Calistoga, 2016).
- The City has two mutual aid agreements: 1) Emergency medical, fire protection and related services, and 2) CalWARN Mutual Aid Agreement for Public Works (Calistoga, 2016).
- The City is part of Joint Powers Agreements as follows:
    - Upper Valley Waste Management Agency - garbage collection
    - Marin Clean Energy - energy provider
    - Napa Valley Transportation Authority - regional transportation services
    - Napa County Flood Control - Napa County Stormwater Management Program
    - Western Riverside Council of Governments - HERO Program

    (Data Source: Calistoga, 2016).

It is recommended that the City continue to be open to new opportunities to share facilities and to assess these ideas as they arise.

CHAPTER 5: FINANCING

5.1: FINANCIAL OVERVIEW

The City of Calistoga prepares an annual operating budget which includes capital improvements, and also prepares an annual audit in the form of a Comprehensive Annual Financial Report (CAFR). Calistoga's adopted budget serves as the base for the City's financial planning and budget control systems. The City Council has set an objective to have the General Fund Reserve to be at least 30% of operating expenditures each Fiscal Year (FY). For the current 2015-2016 FY, the City is projected to end with a General Fund balance of 77.3% of operating expenditures. Both budgets and audits are available to the public via the City's website.

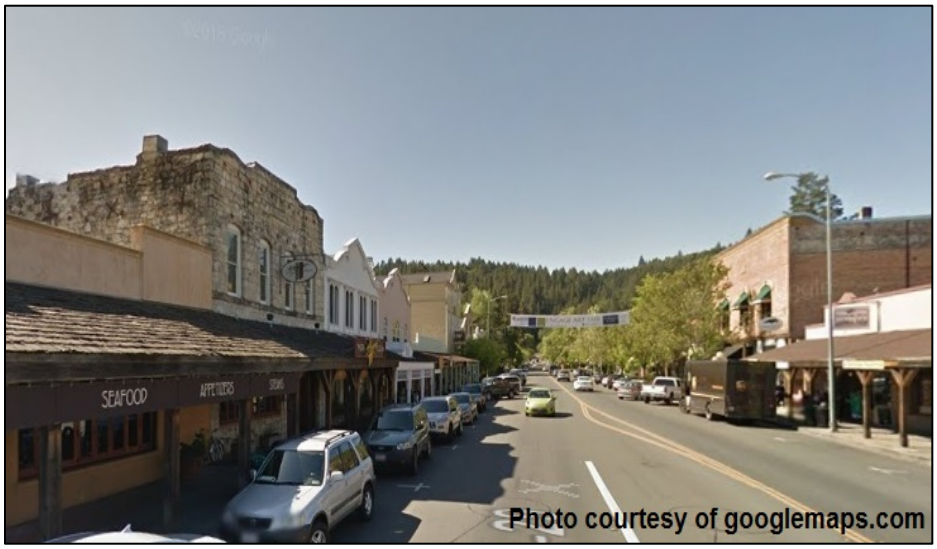


Photo courtesy of googlemaps.com

Calistoga practices an annual budget process for the Fiscal Year beginning on July 1st and ending on June 30th. The adoption of the budget is preceded by a process in which each department submits a schedule of requests for appropriations to the City Manager. The City Manager uses these requests as the foundation in preparing a budget for consideration by the City Council. Additionally, the City Council's adopted goals and priority projects are included in the budget. The budget is adopted at a noticed public hearing and is continually monitored to consider whether revisions are appropriate. The City updates the budget periodically throughout the fiscal year to reflect current conditions.

Calistoga's budget is divided into three units: 1) General Fund; 2) Enterprise Funds; and 3) Special Funds. General Fund revenues are primarily drawn from taxes, fees, and charges for services. These revenues support discretionary governmental services. Enterprise Fund revenues are collected from user fees and charges, and are intended to pay for the costs of providing such services. Special Fund revenues are generated from a variety of sources, including impact fees and governmental subventions, and are used to fund specific programs and projects. Calistoga's General Fund comprises five categories: 1) operating; 2) debt proceeds; 3) grant improvements; 4) special projects; and 5) capital projects.

Please note that for purposes of this MSR, the financial analysis relies upon the City's Financial Statement and Independent Auditor's Report. Budget information is also included in this MSR and is primarily utilized to compare expenditures for each functional category or City department.

The most recent independent auditor's report was prepared for Fiscal Year (FY) 2014/2015 and dated December 31, 2015, and was attached to the Agency's Financial Statements. The audit found that there were no issues of noncompliance with financial regulations that could have an effect on the financial statement. The Calistoga City Council also oversees the Calistoga Public Facilities Corporation, a non-profit public benefit corporation for the financing of City facilities and equipment. This non-profit corporation was included in the City's audited financial statements (Calistoga, 2015).

The City has been subject to Litigation which remains Outstanding on the topics of water rights and mobile home park space rents (Calistoga, 2016). For some cities, the costs associated with litigation can affect its financial status. In Calistoga's case, the costs of litigation have been significant; however, the City's overall financial status remains strong.

In the 2008, LAFCO's Final MSR found that half of Calistoga's annual operating revenue is generated from transient occupancy taxes, and although generally reliable, is dependent on tourism for which the City does not have direct control. This represents a constraint for budgeting purposes.

Revenues and Expenses

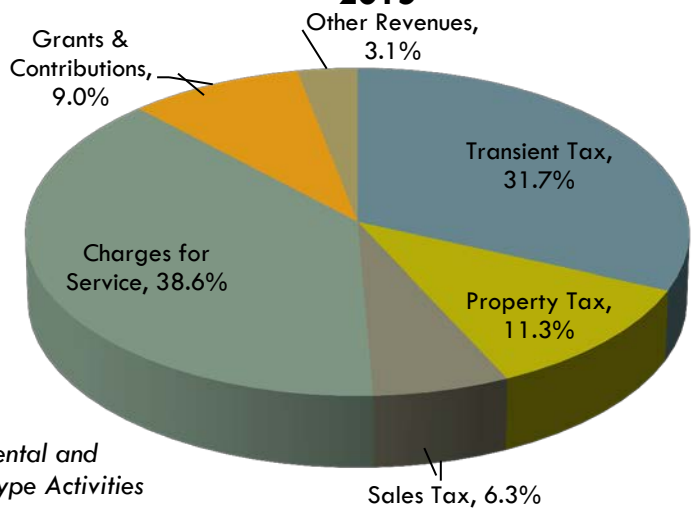
As indicated, the City of Calistoga conducts its operations through four types of funds: 1) General Fund; 2) Water Enterprise Fund; 3) Wastewater Enterprise Fund; and 4) Special Funds. This section describes sources of revenues and expenses associated with the City's normal operations.

Overview

Revenue

Calistoga's total revenues from all governmental type activities in fiscal year 14/15 were approximately $15.5 million. The Agency receives revenue from several sources including sales tax, property tax, grants and other sources. Almost 40 percent of Calistoga's total revenue is generated from charges for water and sewer service, which are part of an Enterprise Fund (CAFR, 2015). Most of the other revenues are utilized in the Agency's general fund. The City has increased multiple revenue streams including sales and property tax as shown in Figure 5-1.

Figure 5-1: Sources of Revenue for Fiscal Year 2015

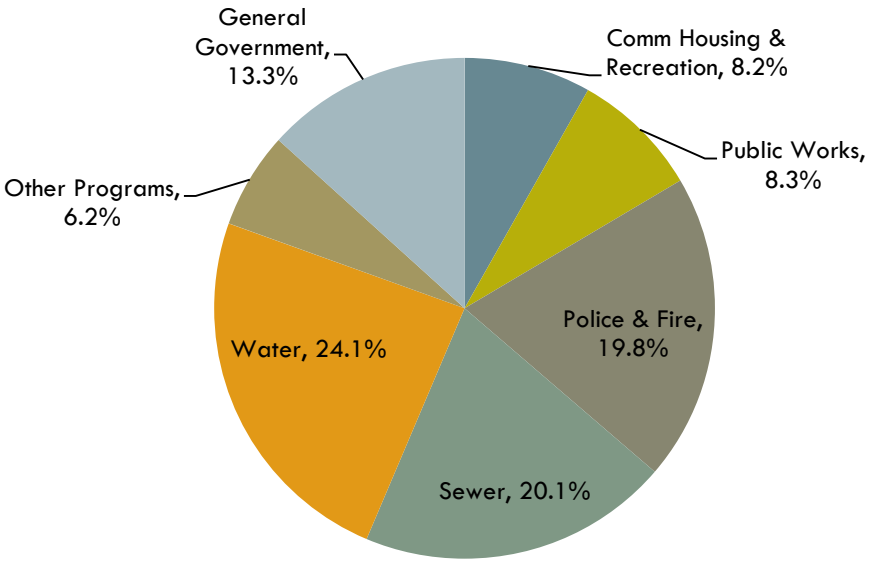


Governmental and Business type Activities

Expenses

The City expended approximately $12.8 million of its funds in 2015 to maintain basic services for residents and businesses. This includes $2.5 million for public safety, $1.7 million for general government services, $1.1 million for public works, $3.1 million for water service, $2.6 million for sewer service, and $1.8 on other governmental services, as shown in Figure 5-2.

Figure 5-2: Functional Expenses for Fiscal Year 2015



Governmental and Business type Activities (Source: CAFR, 2015)

General Fund

This section discusses the major General Fund financing components for the City of Calistoga and identifies the General Fund revenue sources and expenditures currently being experienced by the City. All City services are funded by the General Fund except: Water Service and Wastewater Service which are operated as Enterprise Funds; and Special Revenue Funds, which are restricted for specific purposes.

General Fund Revenues

General Fund Revenues for the past three Fiscal Years are shown in Table 5-1. Total revenues have increased over the past three fiscal years. This increase is attributed to a slight but steady increase in property tax revenues, and an increase in tourism, resulting in increased transient occupancy tax revenues.

The core operations of the City are accounted for in the General Fund, and the General Fund balance is a key measure of the financial health of the City. For the period ending June 30, 2013, the Available General Fund balance was $2,465,431. This amount increased to $4,855,620 on June 30, 2014, and $7,195,044 on June 30, 2015.

Calistoga relies on General Fund revenues to fund 49.3% of City expenses. (Refer to Figure 5-1.) Primary revenue generators for the city are property tax, sales tax, and transient occupancy tax (TOT), of which TOT is a major contributor, accounting for half of General Fund revenues. (Refer to Table 5-1.)

It appears that the City is beginning to return to normal from the economic downturn, as TOT revenues have increased in each of the past three fiscal years. In addition, the City is anticipating an increase in property tax, sales tax, and TOT when proposed new resort development projects are completed.

Table 5-1: Three-year Revenue and Expenditure Comparison

Fiscal Year	*FY 12-13*		*FY 13-14*		*FY 14-15*	
Revenues						
Property Tax	$1,685,766	20%	$1,718,834	18%	$1,758,715	18%
Voter Approved Property Tax		0%		0%		0%
Sales Tax	$954,573	11%	$919,680	10%	$953,927	10%
Transportation Tax		0%		0%		0%
Transient Lodging Tax	$3,948,825	47%	$4,456,456	47%	$5,037,136	51%
Fines and Forfeitures	$33,075	0%	$35,799	0%	$51,192	1%
Business License Taxes		0%		0%		0%
Licenses and Permits	$92,315	1%	$165,350	2%	$140,668	1%
Franchises		0%		0%		0%
Other Non-Property Taxes	$326,308	4%	$384,488	4%	$422,884	4%
Investment Earnings - Interest	$20,249	0%	$30,088	0%	$43,423	0%
Intergovernmental	$82,666	1%	$91,001	1%	$84,271	1%
Service Charges	$778,797	9%	$1,046,620	11%	$1,046,992	11%
Other Revenues	$155,730	2%	$134,241	1%	$140,613	1%
Transfers In	$372,874	4%	$488,689	5%	$282,109	3%
Total Income	***$8,451,178***	*100%*	***$9,471,246***	*100%*	***$9,961,930***	*100%*
Expenses						
City Council and City Clerk	$176,052	3%	$121,047	2%	$135,411	2%
Support Services	$1,405,992	22%	$1,352,524	20%	$1,650,988	23%
Planning and Building	$414,531	6%	$659,254	10%	$660,542	9%
Public Works	$872,239	14%	$907,873	14%	$988,420	14%
Police Services	$2,184,026	34%	$2,141,507	32%	$2,239,981	31%
Fire Services	$841,996	13%	$884,603	13%	$968,396	14%
Recreation Services	$497,407	8%	$544,889	8%	$515,757	7%
Other Expenditures		0%		0%		0%
Total Expenses	***$6,392,243***	*100%*	***$6,611,697***	*100%*	***$7,159,495***	*100%*
Net Income (or Loss)	***$2,058,935***		***$2,859,549***		***$2,802,435***	
Budgeted Begining General Fund Balance	**$717,752**		**$1,379,074**		**$2,867,240**	
Budgeted Ending General Fund Balance	**$1,100,199**		**$2,009,674**		**$3,249,912**	
Data Source: City Budget for FY 12/13, 13/14, 14/15, and 15/16						

General Fund Expenditures

Expenditure fund categories in Table 5-1 are broken down by City Department. Support Services include City Manager, Economic Vitality, Legal Services, the Finance Department, Risk Management, and Human Resources. The Public Works Department includes Streets, Park Maintenance, Building Maintenance, and Pool Maintenance. Total General Fund expenditures for FY 12-13 were $6.4 million, for FY 13-14, $6.6 million, and for FY 14-15,

$7.1 million. The City anticipates General Fund expenditures to be $8.4 million by the end of FY 15-16. Almost without exception, expenditures by Departments has increased each of the past three fiscal years. The Police Department utilizes 30.5% of the General Fund budget, which is lower than most cities of similar size. This lower percentage is attributed to the existing vacancies within the department.

Enterprise Funds

Enterprise Funds account for Calistoga's municipal operations that are intended to be self-funding through the collection of user fees and charges. Enterprise Funds in Calistoga include water and sewer services.

Total revenue for the Enterprise Funds was $5.2 million comprised of $0.5 million in capital grants and contributions, and $4.7 million in charges for services (CAFR, 2015). For fiscal year 2015 the enterprise funds had an operating income loss of $0.4 million, as compared to $0.2 million loss in fiscal year 2014. These losses are due to the reduced water fees received as a result of water conservation and the drought and due to capital improvement projects. The City's general fund provides additional support to the enterprise funds as necessary (CAFR, 2015).

Water Enterprise Fund

As detailed in Table 5-2, charges for services comprise the vast majority of revenue for the Water Enterprise Fund, with Residential water sales accounting for 65% of total revenue. However, the cost to treat potable water has increased substantially over the past three fiscal years as indicated in Table 5-2. As a result, the Water enterprise Fund has been operating at a deficit, requiring transfers from other City funds. Water rates were last updated by the City Council in 2013 and are effective through 2017. However, given the losses incurred (exacerbated by the necessity to conserve water during the drought), the City may need to revisit the rates, fees, and charges associated with the Water Enterprise Fund.

Wastewater Enterprise Fund

AS with Water, the Wastewater Enterprise derives a majority of its revenue from Charges for Services, with Residential sales predominate although Transient sales comprise 25% of Wastewater revenues. Over the past three fiscal years, costs for collection and treatment have exceeded revenues. Similar to Water rates, Wastewater rates were last updated by the City Council in 2013 and are effective through 2017. Updating the fees appears to be in order for the upcoming year.

Table 5-2: Three-year Comparison of Water Revenues and Expenditures

Fiscal Year	*FY 12-13*		*FY 13-14*		*FY 14-15*	
Revenues						
OPERATING REVENUES						
Charges for Services						
Residential Sales	$1,559,067	62%	$1,564,402	56%	$1,456,799	63%
Transient Sales	$340,283	14%	$367,250	13%	$381,943	16%
Commercial sales	$274,035	11%	$311,665	11%	$304,415	13%
Industrial Sales	$87,487	3%	$82,659	3%	$94,162	4%
Other Revenues	$99,164	4%	$359,332	13%	$83,068	4%
NON-OPERATING REVENUES						
Interest Earnings	$430	0%	$1,231	0%	$1,000	0%
Napa County Measure A Funding	$153,068	6%	$124,831	4%	$0	0%
Total Revenues	***$2,513,534***	*100%*	***$2,811,370***	*100%*	***$2,321,387***	*100%*
Expenses						
OPERATING EXPENSES						
Water Distribution	$483,857	16%	$503,968	15%	$368,309	11%
Water Treatment	$1,516,006	50%	$1,847,990	56%	$1,734,223	54%
Water Conservation	$19,199	1%	$32,604	1%	$103,274	3%
Depreciation	$535,752	18%	$391,774	12%	$495,310	15%
NON-OPERATING EXPENSES						
Debt Payments	$482,827	16%	$473,980	14%	$478,638	15%
Equipment	$0	0%	$26,006	1%	$47,981	1%
Total Expenses	***$3,037,641***	*100%*	***$3,276,322***	*100%*	***$3,227,735***	*100%*
Income (or Loss) Before Transfers	***-$524,107***		***-$464,952***		***-$906,348***	
Transfers From or (To) Other Funds	***$300,391***		***$1,376,500***		***$1,348,697***	
Net Income (or Loss)	***-$223,716***		***$911,548***		***-$408,414***	
Working Capital Available at Year Er	***$0***		***$911,548***		***$1,355,979***	
Data Source: City of Calistoga Budgets for FY 12/13, 13/14, and 14/15						

Table 5-3: Three-year Comparison of Wastewater Revenues and Expenditures

Fiscal Year	*FY 12-13*		*FY 13-14*		*FY 14-15*	
Revenues						
OPERATING REVENUES						
Charges for Services		57%		0%		56%
Residential Sales	$1,276,591	57%	$1,305,324	56%	$1,337,783	56%
Transient Sales	$544,780	24%	$586,274	25%	$590,197	25%
Commercial Sales	$262,376	12%	$303,862	13%	$291,700	12%
Industrial Sales	$50,969	2%	$46,232	2%	$63,017	3%
Other Revenues	$95,000	4%	$88,352	4%	$94,714	4%
NON-OPERATING REVENUES						
None						
Total Revenues	***$2,229,716***	*100%*	***$2,330,044***	*100%*	***$2,377,411***	*100%*
Expenses						
OPERATING EXPENSES						
Wastewater Collection	$372,843	12%	$405,120	13%	$323,808	11%
Wastewater Treatment	$1,326,272	42%	$1,383,335	44%	$1,378,037	45%
Depreciation	$748,870	24%	$621,672	20%	$625,829	20%
NON-OPERATING EXPENSES						
Debt Payments	$694,077	22%	$694,163	22%	$694,557	23%
Equipment	$25,272	1%	$72,952	2%	$59,720	2%
Total Expenses	***$3,167,334***	*100%*	***$3,177,242***	*100%*	***$3,081,951***	*100%*
Income (or Loss) Before Transfers	***-$937,618***		***-$847,198***		***-$1,163,257***	
Transfers	***$1,092,013***		***$1,427,939***		***$1,338,599***	
Net Income (or Loss)	***$154,395***		***$580,741***		***$175,342***	
Working CapitalAvailable at Year End	***$154,395***		***$735,136***		***$1,359,195***	
Data Source: City of Calistoga Budgets for FY 12/13, 13/14, and 14/15.						

Special Funds

Special Funds account for non-discretionary monies that may be used by Calistoga for specific purposes. Calistoga has established 27 special revenue funds, most of which derive their monies from specific sources, such as governmental subventions and developer fees, state transportation funds, fees for services, and transfers from other funds. Some of the major special funds include CDBG Open Grants, CDBG Loan Repayment, HOME, Gas Tax, Parking Ordinance, Public Safety, Transportation, Palisades Landscape Maintenance, and Asset Forfeiture. In 2010, Calistoga tracked special fund revenue on Schedule 3 within the CAFR and this indicates $1,151,093 was in the fund. Since then the method to track special funds has become more specific and a total was not readily available with the 2015 CAFR.

Asset Maintenance and Replacement

The City owns buildings, facilities, vehicles and equipment, and other infrastructure. These capital assets and are depreciated over their estimated useful lives. For details, refer to Tables 4-12 and 4-13. Asset maintenance is a significant issue for the City, given the age of the water, wastewater, and storm drainage pipes.

Capital Improvements

The Capital Improvement Program (CIP) plan schedules permanent improvements, such as major maintenance projects, new construction, and rehabilitation projects that are needed to keep the city's infrastructure in good shape. The CIP covers a five year timeframe; however, only the first year's funding is appropriated within the FY 14/15 Budget. The CIP is reviewed on an annual basis for conformance to and consistency with the General Plan and City Council Goals and Objectives.

The budget for FY 15/16 allocated almost $7 million towards 32 major capital improvement projects and 12 equipment and technology projects. This includes $312,984 in routine expenditures for property and equipment and $6,591,058 in significant non-routine capital infrastructure improvements. Funding for these projects is derived from city funds, user rate charges, and federal, state, and regional resources. 31 projects are sponsored by the public works department including street, sidewalk, and culvert maintenance and repair; wastewater system improvements; a lift station; water pumps and main improvements; crosswalk; traffic signal; and the Berry Street Bridge Replacement. Planning and Building sponsors one CIP project, the Fairway Path Extension.

Long-term Financial Considerations

In this section, the long-term liabilities and the debts the City has accumulated are briefly summarized. Additional details about liability and debt can be found in the City's Annual Financial Statement, available on the City's website. To cover capital expenses associated with general government and enterprise activity, it is common for local governments to take advantage of low interest rates by borrowing money from the state or other sources.

Financial and Audit Reports

Each fiscal Year, the City Staff prepare a Comprehensive Annual Financial Report (CAFR). Contained within the CAFR is an audit prepared by a qualified Certified Public Accountant. The most recent City Audit was for the 2014-15 Fiscal Year and was prepared by R.J. Ricccardi, Inc., CPA. The FY 2014-15 CAFR (as well as previous years) is available on the City's website.

Reserves

As of June 30, 2015, the City maintained a number of assets which can be considered to be reserves, although some are restricted for specific purposes. The General Fund fund

balance totaled $7.2 million, of which $0.6 million is non-spendable and $6.6 million is unassigned. In addition, the General Fund had $5.7 million in cash and investments.

Funds restricted for capital improvements, facilities, parks, and streets totaled $723,792. Funds restricted for affordable housing totaled $824,386. Funds restricted for public safety totaled $396,777. The Water Enterprise Fund net position stood at $9,957,208, while the Wastewater Enterprise Fund had a net position of $5,080,626.

Outstanding Debt

At the end of 2015, the City carried $20.2 million in long-term debt and capital lease obligations, primarily related to the water and wastewater systems. All required payments are being made on a timely basis.

Risk Management

The City of Calistoga utilizes insurance and business practices to minimize its financial risk, including reducing hazards and injury to people, and damage to property in providing City services and implementing projects. The City is an active member of a joint powers authority, Public Agency Risk Sharing Authority of California (PARSAC), for the management and insuring of general liability, property, employee, workers compensation and other risks. The City Manager and the Administrative Services Director serve as representatives to PARSAC. Processing liability or property claims as well as processing and management of the insurance certificates required by agreements is a responsibility of the City Clerk's office. Additionally, the City conducts an annual review of the City's self-insured retentions, insurance coverage, and provides programs for training of City staff on safety. City facilities, programs and services are periodically surveyed to identify hazards and improve efficiencies. Legal contracts for construction and other services are carefully considered in order to identify risks in the activity and mitigate or transfer the risk.

Cost Avoidance

This section highlights cost avoidance practices given necessary service requirements and expectations. Ideally, proposed methods to reduce costs would not adversely affect service levels. The City pursues an array of cost avoidance techniques that each contribute incrementally towards keeping costs at a reasonable level, including:

- a range of cost cutting measures, including budget cuts that resulted in staff layoffs and the provision of only essential services that the City undertook to save money and lower expenses during the recession.
- minimization of financial risks by maintaining professional insurance as a member of the Public Agency Risk Sharing Authority of California (PARSAC). PARSAC is a Joint Powers Authority (JPA) that provides comprehensive insurance to cities, towns and non-municipal public agencies through the State. PARSAC offers a variety of insurance coverage programs and the City participates in several.
- standardized bidding practices implemented by the City ensure the lowest and most responsive bid for services, supplies, and equipment.

Additionally, each City department seeks cost avoidance opportunities, as follows:

- Fire: participates in automatic aid agreements
- Parks and Recreation: coordinates with local service organizations
- Police: participates in mutual aid agreements

LAFCO's 2012 Law Enforcement MSR noted that the City has its own competitive procurement processes with respect to purchasing motor vehicles for law enforcement services. It would seem reasonable and more efficient for Calistoga to consider pooling its respective resources and establish a joint procurement process motor vehicle purchases with other local agencies such as American Canyon, Calistoga, Napa, St. Helena, and County Sheriff. Their combined buying power would presumably produce cost-savings (LAFCO, 2012).

Calistoga also participates in joint-power arrangements with the Upper Valley Waste Management Agency, the Napa County Transportation and Planning Agency, and the Napa County Flood Control and Water Conservation District. These arrangements help maximize local resources among participating agencies in providing garbage collection, public transportation, and flood control services within their respective jurisdictions.

5.2 FINANCIAL METRICS

Change in Assessed Value

In FY14/15, the properties within the City of Calistoga had a total assessed value of $741 million, which was a 4.84 percent increase over the previous year. Figure 5-3, below depicts the percentage change in assessed value year-to-year.

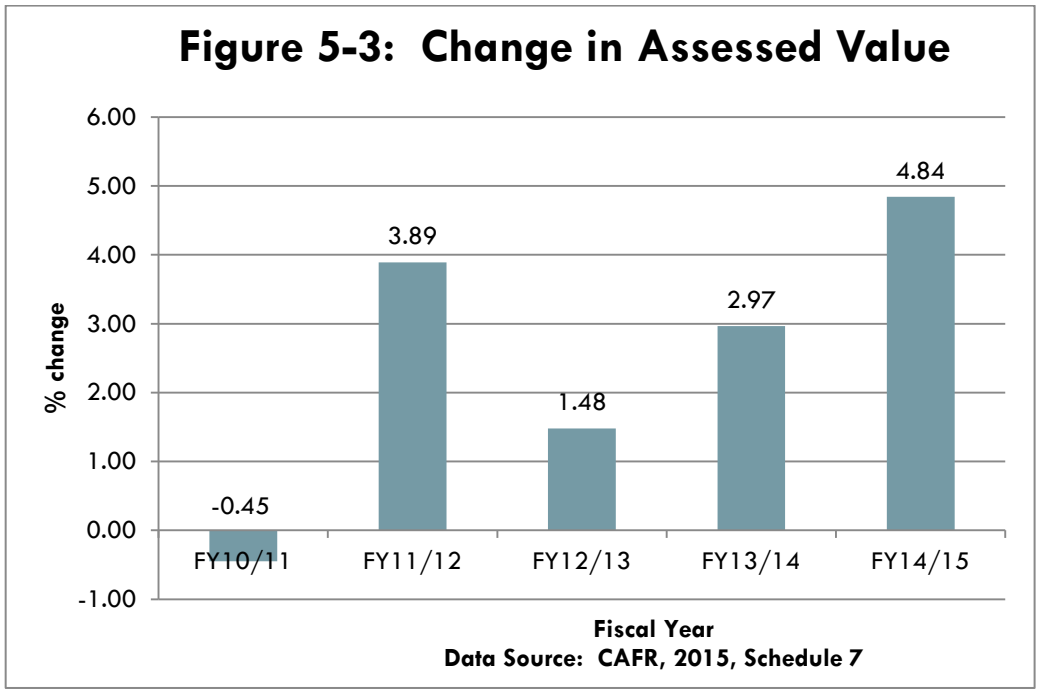
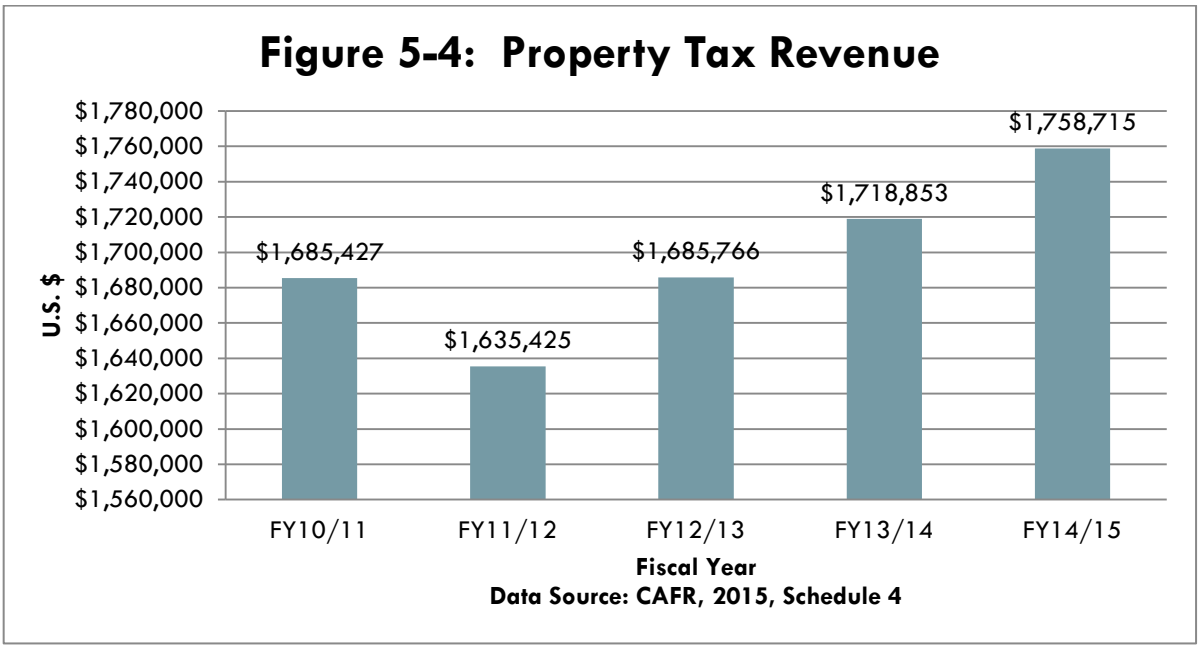


Table 5-4: Data for Assessed Property Value					
	FY10/11	**FY11/12**	**FY12/13**	**FY13/14**	**FY14/15**
End FY in Tax roll Value	$651,533,812	$676,866,460	$68,687,8025	$707,262,503	$741,509,414
Beginning Tax roll Value	$654,464,952	$651,533,812	$676,866,460	$686,878,025	$707,262,503
Source of Data: Schedule 7, Ratios of Outstanding Debt by Type					

The City has resort projects that have been approved but not yet fully constructed. When complete, these resort projects will likely increase the total Assessed Property Value within the City.

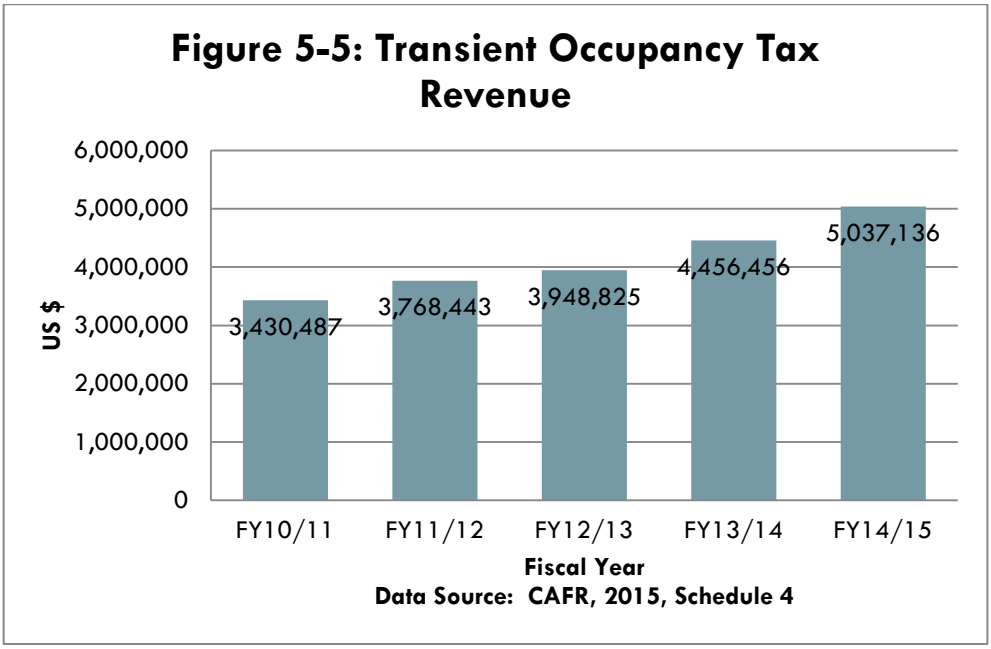
Property Tax Revenue

Annual property tax revenue is used as a fiscal indicator for cities. Although property tax revenue can be relatively stable, it does lag approximately two years behind changes in market conditions. In 2015, Calistoga received $1.7 million in property tax revenue as shown in Figure 5-4, below. During the five year study period, property tax revenue was at its lowest in FY11/12 and has been steadily increasing since then. This increase is likely due to increased property values as the region recovers from the national economic recession of 2008-2009. These data were derived from Schedule 4 of the City's Annual Financial Report, 2015.



Transient Occupancy Tax

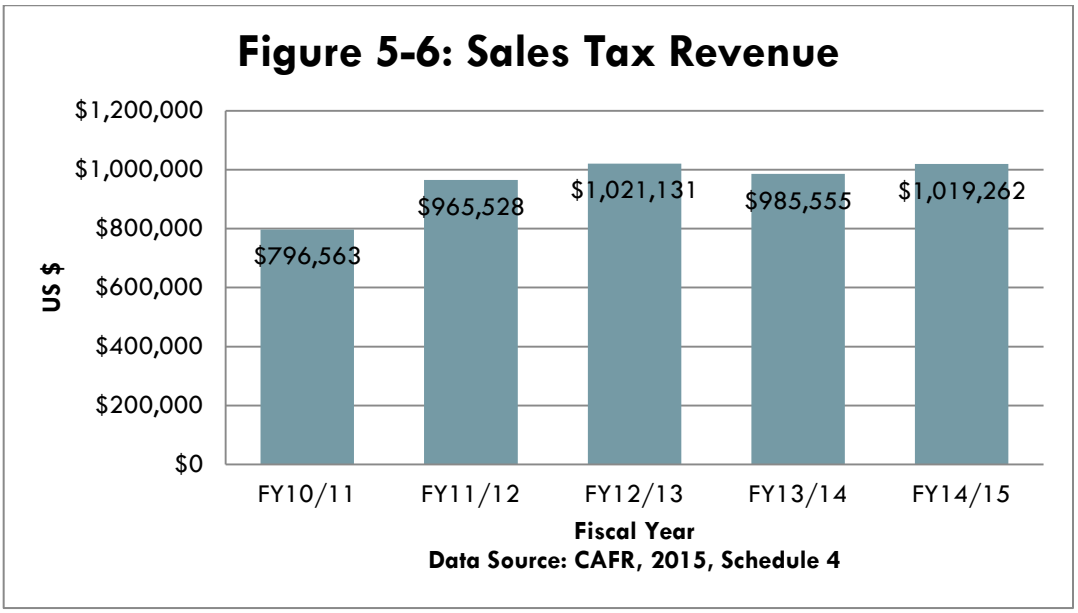
In 2015, the Transient Occupancy Tax represented 31.7% of the City's total revenue and totaled approximately $5 million, as shown in Figure 5-5, below. The revenue from the Transient Occupancy Tax has been steadily increasing over the five-year study period.



Sales Tax Revenue

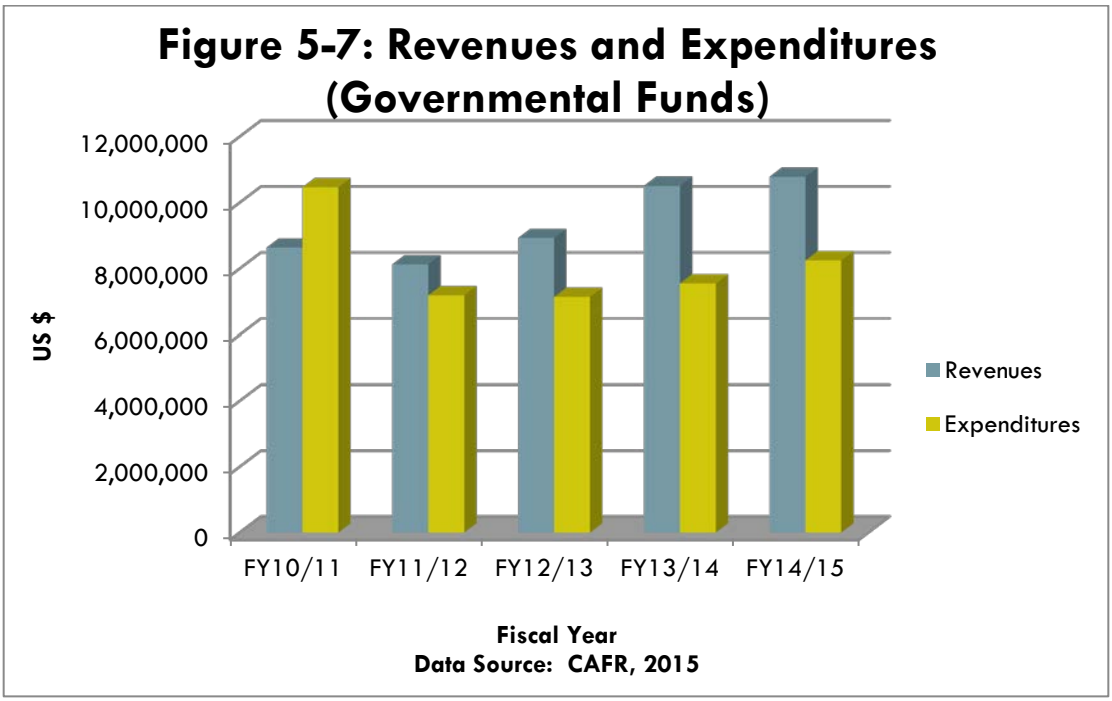
Annual sales tax revenue is used as a fiscal indicator for cities because it can help determine sensitivity to changes in local economic conditions, possibly impacting the

ability of cities to fund and provide services. In 2015, sales tax revenue in Calistoga was approximately $1 million, as shown in Figure 5-6, below. Sales tax revenue has increased since FY10/11 and has remained steady during the FY11/12 to FY14/15 timeframe.



Revenues vs. Expenditures

Revenues exceeded expenses in four out of the five years studied as shown in Figure 5-7, below. Since FY11/12, revenues have been trending upward. In FY 14/15 the City's revenues for governmental funds was $10,784,897 and expenses were $8,250,937. This represented a positive difference of $2,533,960.



Service Obligation Ratio

The Service Obligation Ratio (governmental) measures whether or not an agency's annual revenues were sufficient to pay for annual operations. A ratio of one or higher indicates that a government lived within its annual revenues. The formula for calculating this ratio is the division of the operating revenue by the operating expenditures. As shown in Figure 5-8 below, the ratio for Calistoga was greater than one in four out of the five years studied. Figure 5-8 describes governmental funds only. The "Statement of Revenues, Expenditures, and Changes in Fund Balances" in CAFR 2011 – 2015 was utilized as the source of data as shown in Table 5-5, below.

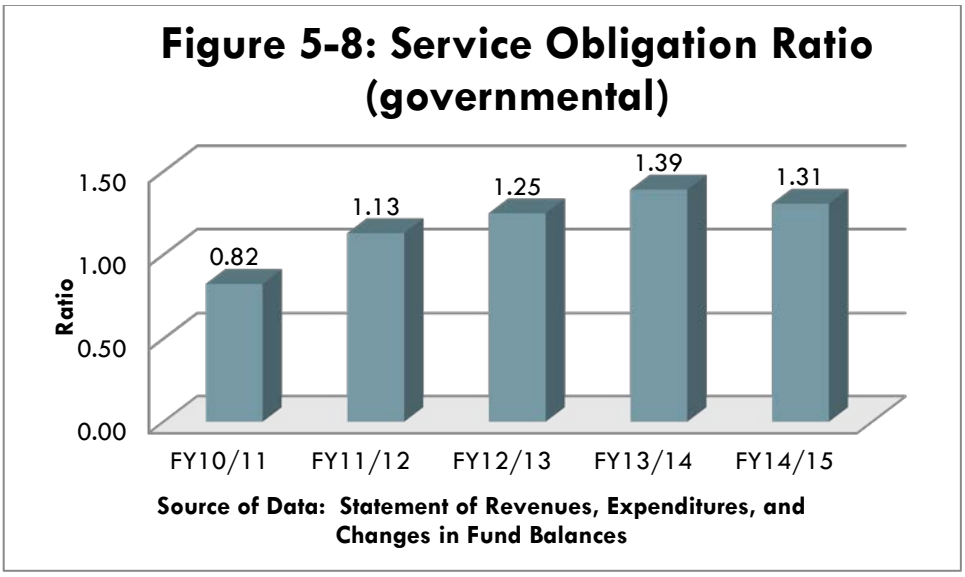
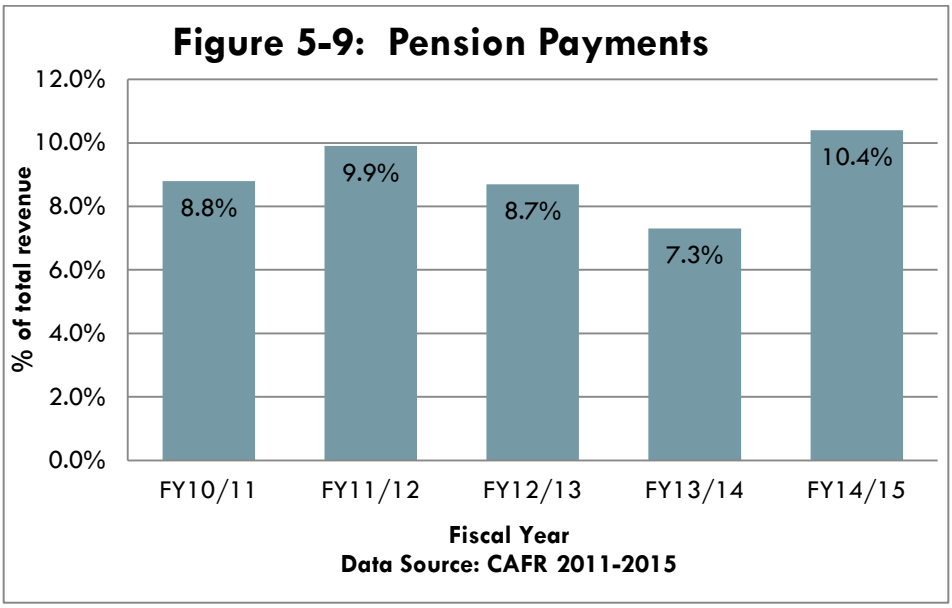


Table 5-5: Data for Service Obligation Ratio (governmental)					
	FY10/11	**FY11/12**	**FY12/13**	**FY13/14**	**FY14/15**
Program Revenue	$8,636,331	$8,129,629	$8,929,145	$10,510,288	$10,784,897
Program Expenses	$10,468,388	$7,193,135	$7,146,072	$7,552,676	$8,250,937
Source of Data: Statement of Revenues, Expenditures, and Changes in Fund Balances in CAFR 2011-2015					

Pension Payments

The amount of pension payments as a percentage of total revenues is a fiscal health indicator, as shown in Figure 5-9, below. This was calculated by dividing the annual pension cost by the total revenue. In 2015, the City changed the way it described pension for workers in the enterprise units and this was factored into the percentages calculated. FY 14/15 saw the highest percentage paid at 10.4 percent.



Liquidity Ratios

Liquidity measures a government's ability to meet its short-term obligations. A high ratio suggests a government is able to meet its short-term obligations. This liquidity ratio was calculated by dividing "cash and cash equivalents" by "current liabilities". The data for Figure 5-10, below was derived from the Statement of Net Assets within the CAFR, years 2011 to 2015, as shown in Table 5-6 below. The Enterprise Funds and the Government Funds were summed together. The City's Liquidity Ratio has been improving in recent years and the City was best able to meet its short term obligations in FY 13/14 when the liquidity ratio was 3.82, as shown in Figure 5-10, below.

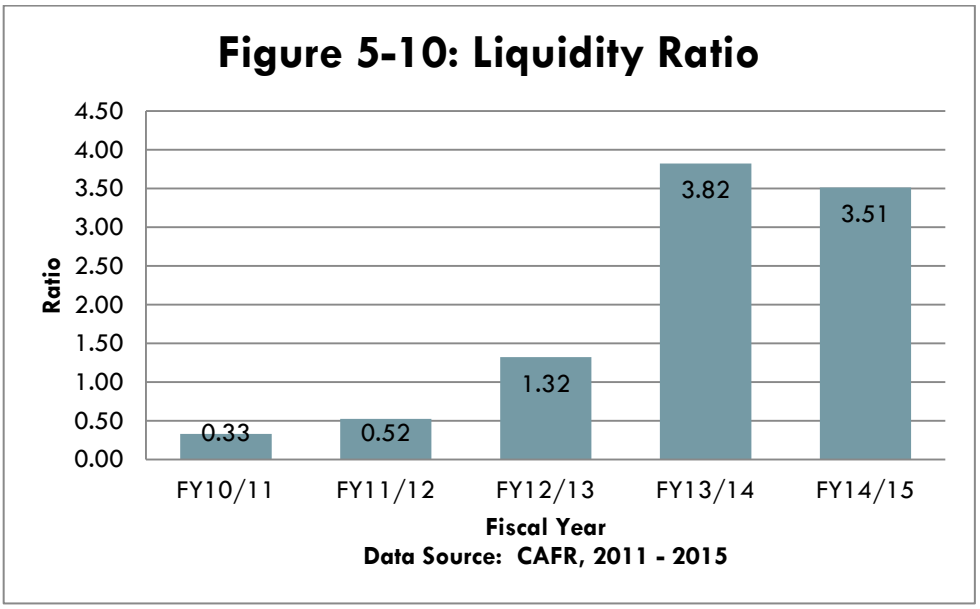


Table 5-6: Data for Liquidity Ratio					
	FY10/11	**FY11/12**	**FY12/13**	**FY13/14**	**FY14/15**
Cash and cash equivalents	$1,346,110	$1,351,422	$4,235,564	$8,526,704	$10,347,235
Total Current Liabilities	$4,045,091	$2,576,377	$3,198,062	$2,231,480	$2,946,841
CAFR, 2011 to 2015					

Enterprise Fund Ratio of Charges

The Ratio of Charges for Services (business) is a metric that addresses the extent to which charges for service covered total expenses. A ratio of one or higher indicates that the service is self-supporting. The formula for calculating this ratio is the "charge for service" divided by the "operating expenses". The data originated from CAFR, 2011-2015 in the Statement of Activities and Schedule 2. As shown in Figure 5-11, below, the Enterprise Fund is not quite self-sustaining and must be supplemented by grant funds or by general fund revenue. In FY 14/15, the City collected $4,714,756 in fees for water and sewer service, as shown in Table 5-7, below.

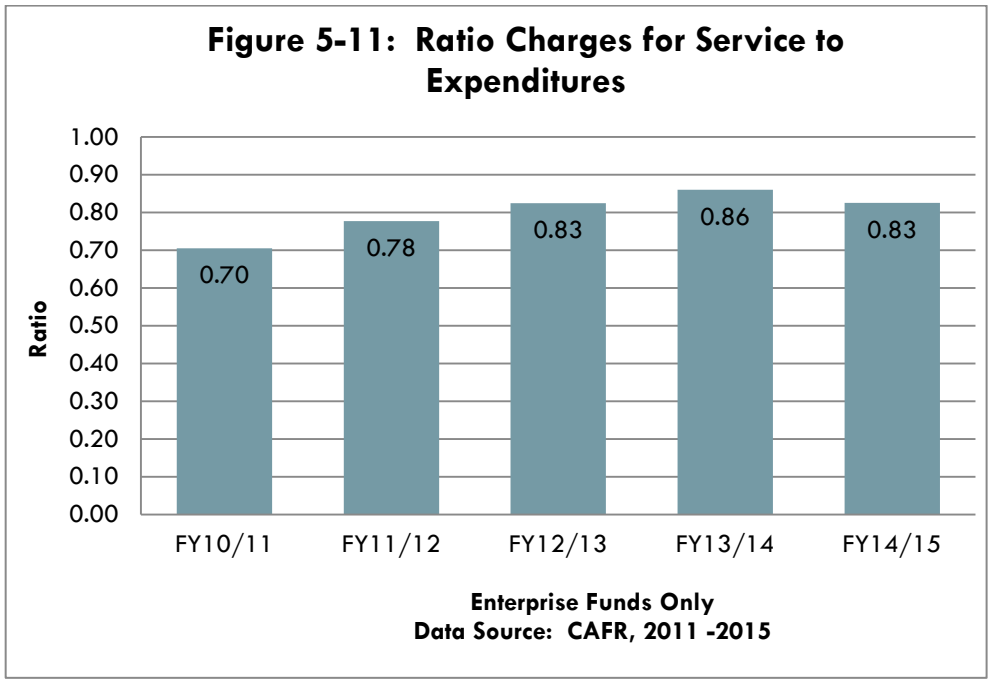


Table 5-7: Data for the Ratio Charges for Service to Expenditures (Business/Enterprise)					
	FY10/11	**FY11/12**	**FY12/13**	**FY13/14**	**FY14/15**
Charges for Service	$4,052,917	$4,377,356	$4,641,119	$5,012,361	$4,714,756
Operating Expenses	$5,750,699	$5,633,053	$5,625,065	$5,825,945	$5,710,604
Source of Data: CAFR, 2011-2015, Statement of Activities (charges for service) AND Schedule 2					

Change in Cash and Cash Equivalents

Cash and Cash Equivalents are the most liquid assets of an agency's assets and can be readily converted into cash, as needed. A positive percentage change indicates that an agency's cash position has improved. The "Change in Cash and Cash Equivalents" metric shown in Figure 5-12, below, was calculated by dividing the ending year total cash and cash equivalents for the Enterprise Funds by the previous years. Although FY11/12 had the largest change, the actual value of cash and its equivalents was much larger in FY 13/14 ($3,271,600) and 14/15 ($2,500,423) as shown in Table 5-8, below.

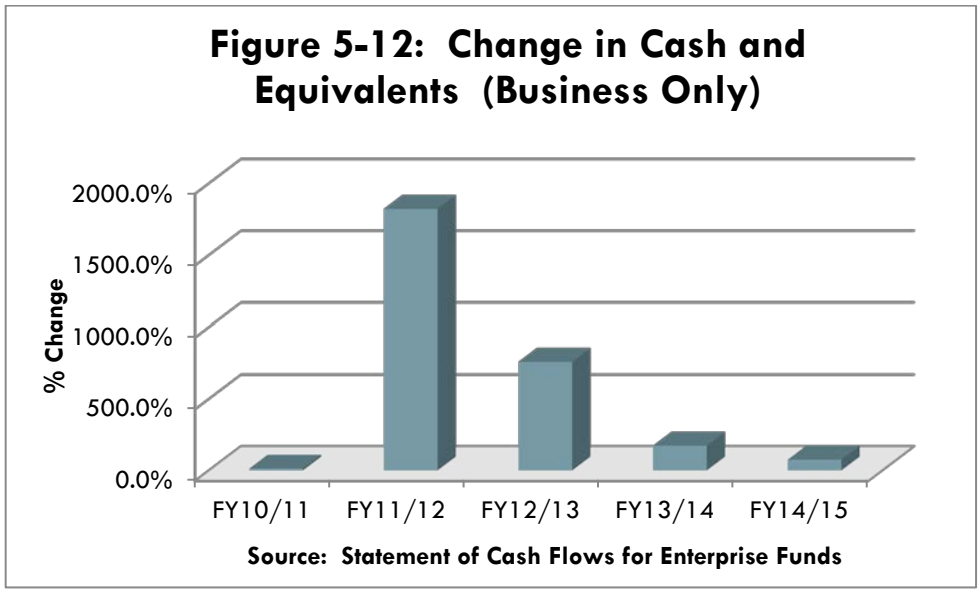


Table 5-8: Data for Change in Cash and Cash Equivalents (Business Only)					
	FY10/11	**FY11/12**	**FY12/13**	**FY13/14**	**FY14/15**
End Cash and cash equivalents	$13,564	$247,268	$1,878,757	$3,271,600	$2,500,423
Beginning Cash and cash equivalents	$96,412	$13,564	$247,268	$1,878,758	$3,271,600
From: Statement of Cash Flows for Enterprise Funds					

Debt Service

The percentage of "Debt Service" to operating expenses (minus depreciation) is used as a fiscal indicator because it considers the service flexibility by determining the amount of total expenses committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service. In FY 14/15 the annual service on debt related to regular governmental activities was $342,643 and this represented 5.4 percent of the $6,403,211 in governmental expenditures, as shown in Figure 5-13 and Table 5-9.

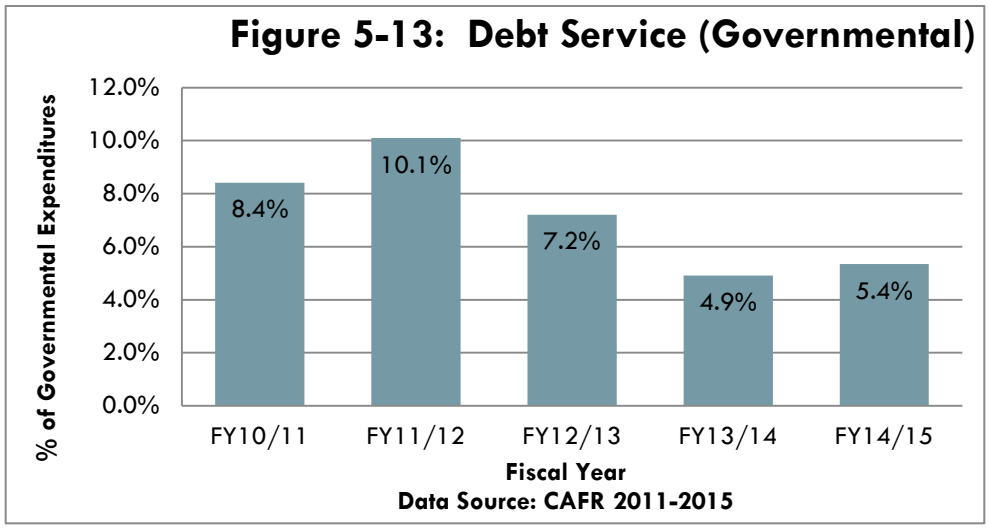


Table 5-9: Data for Debt Service (Governmental) Analysis					
	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
Annual Gov Debt Service (Principal & Interest)	$651,615	$649,629	$477,165	$342,643	$342,643
Operating Expenditures (minus depreciation)	$7,741,817	$6,432,745	$6,623,334	$6,970,224	$6,403,211
Data Source: CAFR, 2011 - 2015					

In Calistoga, water and sewer funds are managed as an "enterprise" fund or business fund that is separate from the general fund. This allows the City to track and ensure that water and sewer customers only pay the amount that is directly required to sustain those services. However, sewer and water infrastructure are quite expensive due to the capital outlay for pipes, treatment plants, and associated facilities. To cover these capital expenses it is common for local governments to take advantage of low interest rates by borrowing money from the state or other sources. As a result, the City has acquired some debt for water services as follows:

- 2005 Install Purchase Agreement
- Measure A - 2008 Certificate of Participation
- 2011 Certificate of Participation

The City's debt for sewer service includes the following loans:

- 2001 Install Purchase Agreement
- 2005 Certificate of Participation
- 2005 State Revolving Fund

In 2015, the joint expenses for the water and sewer system totaled $3,975,477, as shown in Table 5-10, below. Approximately 32.8% of this was spent on debt service, paying off the principal and interest associated with the above listed loans, as shown in Figure 5-14, below.

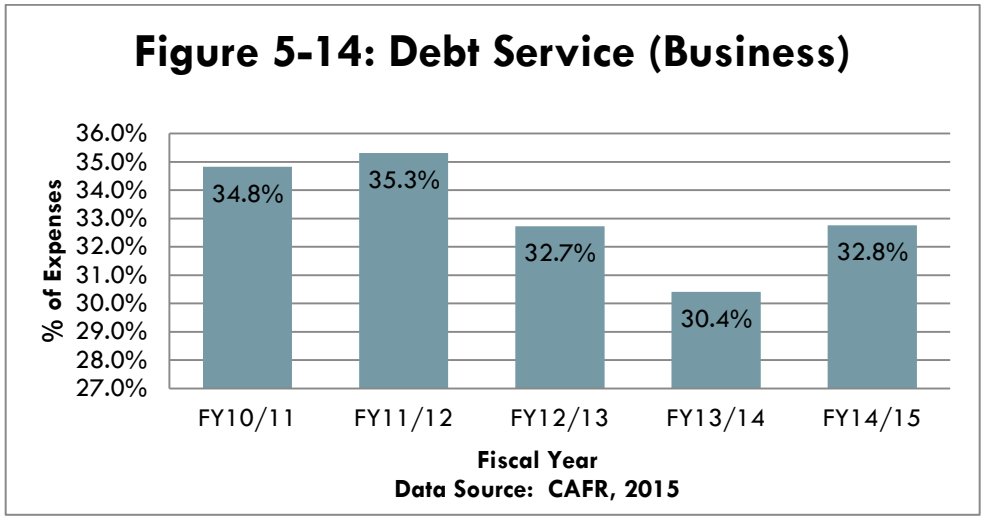
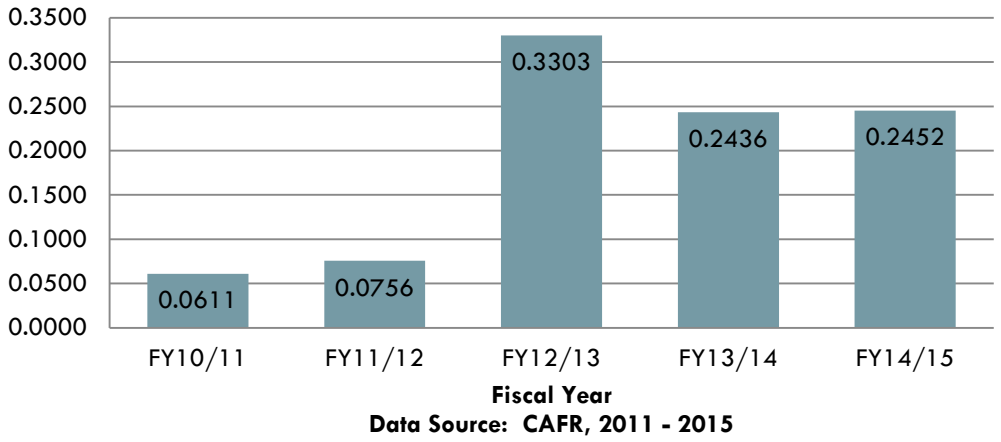


Table 5-10: Data for Debt Service (Business)					
	FY10/11	**FY11/12**	**FY12/13**	**FY13/14**	**FY14/15**
Total Debt Service	1,420,224	1,414,578	1,227,073	1,271,686	1,302,351
Total expense	$4,078,295	$4,005,410	$3,749,437	$4,181,636	$3,975,477
Source: CAFR, 2015					

Other Post Employment Benefit

The City's annual "Other Post-Employment Benefit" (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45. This amount is considered a liability and these OPEB obligations do not result in the use of current financial resources and are not reported in the funds. The total liability as of June 2015 was $791,241 (CAFR, 2015). Figure 5-15, below shows the ratio between the OPEB payments and the OPEB Annual Cost (Expense). This ratio is variable from year-to-year and the highest ratio in FY 12/13 indicates that the City made the best payment in terms of cost, comparatively. In all years shown in Table 5-11, the costs exceeded the payments.

Figure 5-15: Other Post Employment Benefits (OPEB) Ratio



Data Source: CAFR, 2011 - 2015

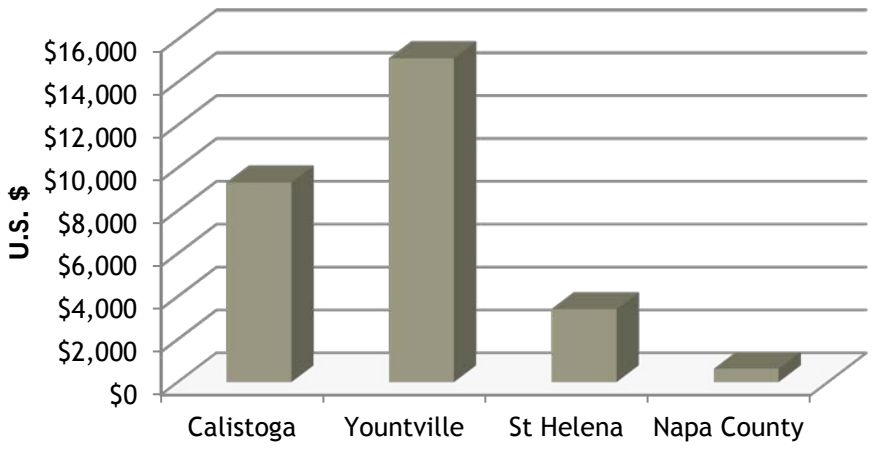
Table 5-11: Data for OPEB Payments Analysis					
	FY10/11	**FY11/12**	**FY12/13**	**FY13/14**	**FY14/15**
OPEB Payments	$10,000	$14,000	$68,500	$30,367	$32,306
OPEB Annual Cost (Expense)	$163,695	$185,227	$207,409	$124,683	$131,760

The City has not defaulted on repayment of any bonds or other debt (Calistoga, 2016).

Comparison of Revenues Per Acre

The average revenue the City generated on a per acre basis in 2015 was $9,314 and this is higher than its neighboring city of St. Helena, but lower than that of Yountville as shown in Figure 5-16, below. Revenue per acre is used as a fiscal indicator in this MSR/SOI because land development patterns have a significant influence on the finances of a town or city. A city has no management authority over its residents or businesses and they are free to move as they wish. Management of a city's water and air resources are regulated for the most part by state and federal agencies. The key management authority of a city is its land-use and zoning authority as found in its general plan and city ordinances. The revenue per acre metric measures the efficiency of cities in utilizing its land use authority to maximize local revenue generation. Since land is a finite resource, this metric also provides an indication of land-use sustainability (SMA, 2013).

Figure 5-16:
Total Revenue Per Acre 2015



Data Source: CAFR, 2014 and 2015

Figure 5-16, Total Revenues Per Acre, above, shows that the unincorporated area of Napa County generates a much lower amount of revenue on a per acre basis ($638), as compared to the three cities. This is due to several factors related to different land-use patterns in the unincorporated area, including the provision of agriculture and green space. The County's Measure J in 1990, as extended by Measure P in 2008, requires the protection of agricultural land in the unincorporated area and focuses residential and commercial development in cities. Another factor is Proposition 13, a statewide ballot initiative passed by voters in 1978, which resulted in a state-wide standard for the amount and distribution of property tax.

One unintended consequence of Proposition 13 is the use of arcane finance techniques and the fiscalization of land use. When a City Council makes land use decisions, it often considers the revenue and expenditure consequences of such decisions. Specifically, those land uses that generate sales tax and transient occupancy tax type revenues, in addition to property taxes become more important, due to the consequences of Proposition 13. A potential rationale that both Counties and Cities likely consider when scrutinizing potential expansion of city boundaries or SOI's is the potential transfer of revenue generating land-uses, such as a winery, from the County to the City's jurisdiction. Further compounding the fiscal situation to which local Measures J/P and Williamson Act contracts contribute, Napa County's ability to generate new revenues through its land-use authority is constrained. Also, due to Proposition 13, it is difficult for Napa County to raise property tax on the unincorporated area. This places the County in a challenging situation from the perspective of revenue generation. Nevertheless, residents of both the unincorporated area and the five cities therein derive economic and other community benefits (i.e. quality of life and environmental quality) from the scenic landscape the unincorporated area provides. Additionally, clustering public services within the cities may be an efficient approach.

CHAPTER 6: RECOMMENDED MSR DETERMINATIONS

6.1: MSR DETERMINATIONS

Based on the information included in this report, the following written determinations make statements involving the service factors the Commission must consider as part of a municipal service review[20]. The determinations listed below are recommendations from the consultant to the Commission. The Commission's final MSR determinations will be part of a Resolution which the Commission formally adopts during a public meeting.

Growth and Population Projections

1. Calistoga's population is 5,180 full-time residents as of January 2016. Between census year 2010 and today (2015), the City's population grew by 25 persons and this represents a past average annual growth rate of 0.08%.
2. Calistoga has been proactive in adopting polices to control the amount of new growth and development in the City. These efforts include a policy discouraging annexations of unincorporated lands.
3. Calistoga's Growth Management System is an innovative approach in controlling growth and development in the City by creating a market for residential and non-residential allocations. This system helps Calistoga preserve its desired rural character while providing an incentive for applicants to submit quality proposals.
4. The Association of Bay Area Governments estimates a modest population growth of 200 residents for Calistoga over the next 10 years, which represents an annual increase of less than 0.38%. This estimate reflects a regional assumption that growth in the Bay Area will increasingly migrate towards existing urban areas.
5. County of Napa's land use policies for unincorporated lands located within the Planning Area of the Calistoga General Plan limit opportunities for new growth and development adjacent to the City.
6. LAFCO's 2012 Law Enforcement MSR noted the following: "Yountville and Calistoga have the highest percentage of guestrooms relative to their resident populations among the six affected local jurisdictions. If guestrooms are fully occupied, Yountville and Calistoga's overnight resident populations would increase by 35.3% and 23.6%, respectively." This determination remains relevant to the City of Calistoga.

[20] The service factors addressed in this report reflect the requirements of California Government Code §56430(a)

Disadvantaged Unincorporated Communities

7. Since Calistoga is an incorporated city, there are no disadvantaged unincorporated communities within its boundaries.
8. The median household income (MHI) in Calistoga is $52,131.
9. Based on supplemental information provided by the City, the community may be classified as "disadvantaged". However, LAFCO's role in this "disadvantaged" status is limited because the City provides sufficient provide water, wastewater and structural fire protection services. Additionally, no public health and safety issues have been noted.

Present and Planned Capacity of Public Facilities

10. The City of Calistoga has been diligent in developing plans to accommodate the service needs of current and future constituents. Calistoga regularly reviews and updates to its service plans to help ensure that infrastructure needs and deficiencies are addressed in a timely manner.
11. Calistoga has made a significant investment over the last several years in funding various capital improvements and reflects a concerted effort by the City to enhance the level and range of its municipal services.

Water Facilities

12. Calistoga's local municipal average annual water demand is approximately 716 AF.
13. A considerable portion of Calistoga's available water supply is the State Water Project. However, allocations from this source vary annually depending on available water flow.
14. Calistoga contracts with the City of Napa to treat and deliver its SWP entitlement through an interconnection between the two agencies' transmission lines. Capacity constraints with Calistoga's transmission line, however, limit the daily amount of deliveries from Napa.
15. Factors that influence the City's ability to supply and/or deliver water to its customers include drought, environmental restrictions on pumping from the Delta, pipe size capacity limits from the City of Napa
16. Given potential future shortfalls in water supply and the City's overreliance on the SWP as described in this MSR, the City and LAFCO may wish to consider new policies or processes which require very careful evaluation of long-term water supplies before it commits to providing water to parcels outside city boundaries.
17. Given City's overreliance on the SWP and potential future shortfalls in water supply during dry or extremely dry water years, it is recommended that the City of Calistoga prepare a brief (3-pages) study of potential for future water supply alternatives, which may include: 1) desalinization, 2) expanding its recycled water program, 3) constructing wells with wellhead treatment, 4) increased water use efficiency, or 5) other. This study should be prepared by a qualified hydrologist. Calistoga should explore this concept of new future water supply alternatives

collaboratively with other municipalities in Napa County. This study should be submitted to LAFCO within the next five years, prior to preparation of the next MSR.

Wastewater Facilities

19. There are discrepancies existing between the average daily wastewater flows within Calistoga's sewer system between dry-weather and wet-weather periods. These discrepancies suggest improvements are needed to the collection system to address suspected deficiencies involving excessive storm and groundwater intrusion. Although the City has made improvements over the past several years, additional work is needed.

Street and Transportation Facilities

20. Calistoga recently received a score of "fair" for pavement conditions within the City from the Metropolitan Transportation Commission. This score indicates that pavement in Calistoga is generally worn and in need of rehabilitation. Improvements have been made but more are still needed.

Financial Ability of Agency to Provide Services

21. The City's budget process provides a revenue forecast for one year in advance allowing a longer look into the future to fund service delivery and to plan for future improvements. The City adopts a comprehensive budget and receives an audited financial statement on an annual basis.
22. Both the Water and the Wastewater Enterprise Fund are managed efficiently. However, charges for service do not fully cover costs. A subsidy from the General Fund is sometimes needed to help cover the costs of capital improvements to the system.
23. Calistoga adopts its budget at public meetings in which members of the public are allowed to comment with regard to expenditures and service programs. The budget process enhances the accountability of elected officials and provides a clear directive towards staff with regard to prioritizing local resources.
24. Calistoga has been diligent in the development of policies and service plans that address the existing and future needs of the community. These efforts provide effective performance measures and demonstrate a commitment by Calistoga to hold itself accountable to the public.
25. Calistoga's rates and fees for municipal services are established by ordinance or resolution. The ordinances or resolutions are based on staff recommendations and adopted by the City Council. This administrative process provides an opportunity for public input and strengthens the ability of Calistoga to allocate costs with the desired levels of service of its constituents.
26. Calistoga has been proactive in establishing and implementing a number of impact fees relating to new development. These fees help ensure that Calistoga is

practicing an appropriate level of cost-recovery as it relates to serving new development in a manner that is equitable to existing constituents.

27. Calistoga periodically reviews and updates its rates for public services.
28. Calistoga benefits from participating in a number of cost-sharing programs with other local governmental agencies. These programs promote the benefits of regional partnerships and provide significant cost-savings in providing key governmental services, such as affordable housing, garbage collection, and public transit.
29. Calistoga maintains and annually reviews a capital improvement plan (part of FY 15/16 – annual -Budget) to coordinate the financing and construction of needed infrastructure and facility improvements. This process enables Calistoga to maximize its operational efficiencies while avoiding unnecessary expenditures associated with deferring improvements.
30. Calistoga's annual budget process includes several checks and procedures during the fiscal year to help allocate available funding with appropriate levels of service.
31. The City generated $9,314 per acre in average revenue in 2015 and this higher than to its neighboring City of St. Helena and lower than Yountville.
32. In FY14/15, Calistoga collected approximately $5,037,136 per capita in transient-occupancy tax revenues. In the past overreliance on this one revenue stream created a risk. Since then, the City has worked to increase multiple revenue streams including sales and property tax.

Opportunities for Shared Facilities

33. Calistoga has a solid track record of working cooperatively with neighboring jurisdictions.
34. Calistoga participates in joint-power arrangements with the Upper Valley Waste Management Agency, the Napa County Transportation and Planning Agency, and the Napa County Flood Control and Water Conservation District and others. These arrangements help maximize local resources among participating agencies in providing garbage collection, public transportation, and flood control services within their respective jurisdictions.
35. LAFCO's 2012 Law Enforcement MSR noted that the City has its own competitive procurement processes with respect to purchasing motor vehicles for law enforcement services. It would seem reasonable and more efficient for Calistoga to consider pooling its respective resources and establish a joint procurement process with other local agencies such as American Canyon, Calistoga, Napa, St. Helena, and County Sheriff. Their combined buying power would presumably produce cost-savings (LAFCO, 2012). This recommendation remains relevant to the City of Calistoga.
36. LAFCO's 2012 Law Enforcement MSR noted that "Calistoga and St. Helena should consider the merits of establishing a joint dispatch system for law enforcement for their respective jurisdictions. This type of joint arrangement, as evident in other parts of the county, would enhance communication and delivery of emergency response services for a relatively confined area that shares similar social and

economic communities of interest" (LAFCO, 2012). This recommendation remains relevant to the City of Calistoga.

Accountability for Community Service Needs

37. Calistoga City Council meetings are held twice a month and are open to the public.
38. Regularly scheduled meetings provide an opportunity for residents to ask questions of elected representatives and help ensure service information is effectively communicated to the public. The meetings are noticed and conducted according to the Brown Act.
39. Calistoga provides effective services through its council-manager form of government, and utilizes other governmental advising bodies, community organizations, and the general public to help inform its decision-making process. Through this structure, public engagement is encouraged and City plans and programs reflect citizen input.
40. Calistoga has utilized its General Plan and other planning tools to:
    - Steer a course for its own future
    - Promote economic development
    - Protect historic areas, neighborhoods, and farmland
    - Limit the obligations of government by strategic building and maintaining infrastructure through capital improvement planning and investments.
41. In the past, Calistoga established water service to 82 properties located outside its incorporated boundary. LAFCO and Calistoga must work together to ensure new and extended services provided by the City outside its jurisdiction is consistent with the provisions of California Government Code Section 56133, including AB 402 and the recommendations of this MSR/SOI Update. California Government Code §56133 was enacted in 1994 and requires cities and special districts to receive written approval from LAFCO prior to providing new and extended services by contract or agreement outside their jurisdictions. This Code includes newly approved AB 402 by Assemblyman Dodd.
42. LAFCO approved several small annexations to Calistoga in the early 1970s that were not subsequently recorded with the State of California. LAFCO should work with Calistoga and the State in identifying why these proposals were not recorded and take the necessary actions to complete the proceedings as originally approved.
43. The Institute for Local Government's Sustainability Best Practices Framework offers options for cities and water service providers to take local action concerning Energy Efficiency & Conservation, Water and Wastewater Systems, Waste Reduction and Recycling, and other civic topics as described here: *http://www.ca-ilg.org/sites/main/files/file-attachments/sustainability_best_practices_framework_7.0_version_june_2013_final.pdf*. When Calistoga next develops new programs or policies on water, wastewater, or waste reduction it is recommended that some of the ideas listed in the Best Practices Framework be briefly reviewed.

Accountability of Police Services

44. The City's Police Department is effectively managed and is responsive to current community needs.
45. LAFCO's 2012 MSR on Law Enforcement noted the following: "The planning and delivery of local law enforcement services are generally guided by qualitative goals outlined in the six affected agencies' general plans. Measuring the achievement of these goals would be strengthened by each affected local agency establishing quantitative standards to help track performance and inform decision-making as it relates to current and future resource needs." This recommendation remains pertinent to the City of Calistoga.
46. LAFCO's 2012 MSR on Law Enforcement noted the following: "Calistoga and St. Helena's geographic and socioeconomic similarities suggest there may be viable opportunities to share and/or combine resources in delivering law enforcement services within their respective jurisdictions. This includes back-officing dispatch and animal control services." This recommendation remains pertinent to the City of Calistoga.
47. LAFCO's 2012 MSR on Law Enforcement noted the following: "It would also seem appropriate for Calistoga and St. Helena, given the costs and related challenges associated with sustaining relatively small stand-alone departments, to consider the merits of structural alternatives in providing law enforcement services. This includes – based on a cursory review – the two affected local agencies exploring the feasibilities of forming a joint-powers authority with one another and/or one or both agencies contracting with County Sheriff." This recommendation remains pertinent to the City of Calistoga.
48. LAFCO's 2012 MSR on Law Enforcement noted the following: "Visitors are an integral component in supporting Napa County's economy as evident by sales and transient-occupancy tax revenues and create additional and fluid demands on all six local law enforcement agencies." This determination remains pertinent to the City of Calistoga.
49. Crime statistics on the Police Department website have not been updated since 2009. It is recommended that the Police Department website be updated to provide a link to its recent crime statistics either at the FBI or in the City's Annual Audited Financial Report.
50. In 2015, the police Department received 9,592 calls for service. This is an exceedingly high number of annual service calls relative to Calistoga's geographic and population size. It is also recommended that prior to the next MSR (expected in 2021), the Police Department provide a brief (1-page) study to LAFCO that explains why the City experiences such a high number of annual service calls.
51. In 2014 the Department reported a total of 76 crimes to the FBI and this represents 14.4 crimes per thousand persons on an annual basis. This is significantly lower than the statewide average of 287 crimes per 1,000 persons.
52. LAFCO's 2012 Law Enforcement MSR noted that "It would seem appropriate for Calistoga and St. Helena, given the costs and related challenges associated with sustaining relatively small stand-alone departments, to consider structural alternatives in providing law enforcement services. This includes – based on a

cursory review of potential alternatives – the two affected local agencies exploring the feasibilities of forming a joint-powers authority with one another and/or one or both agencies contracting with County Sheriff." This recommendation remains relevant to the City of Calistoga. Furthermore, it is recommended that the Calistoga Police Chief work with the St. Helena Police Chief to submit a brief (two-pages) joint analysis of this issue to LAFCO prior to the next City MSR expected in the year 2021.

Accountability for Fire Services

55. The City Fire Department responded to 854 calls for service in 2014. The high rate of calls per 1,000 residents is likely influenced by requests for services from senior citizens and tourists.
56. The City maintains a contract with Napa County such that the City provides emergency response services to all incidents in the unincorporated area surrounding Calistoga. Under the contract, the City receives a set fee per call to compensate for the costs the City incurs.

CHAPTER 7: SPHERE OF INFLUENCE ANALYSIS AND DETERMINATIONS

7.1: SPHERE OF INFLUENCE UPDATE OPTIONS

Sphere of Influence Considerations

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that LAFCO review and update the Sphere of Influence (SOI or Sphere) for each city within the county. In determining the Sphere of Influence for an agency, LAFCO must consider and prepare written determinations with respect to five factors [Government Code §56425(e)]. These factors relate to the present and planned land uses including agricultural and open-space lands, the present and probable need for public facilities and services, the present capacity of public facilities and adequacy of public services, the existence of any social or economic communities of interest in the area, and the present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

Further, Napa LAFCO policies relating to Spheres specify that:

- The Commission shall consider removal of lands from an agency's SOI if the lands are not expected to be developed for urban uses or require urban-type services within the next 10 years (e.g., agricultural lands within St. Helena's SOI and boundary) (Policy III[B][5)]).
- City Spheres of Influence further emphasize that city SOIs are intended to be guides for urban growth and development (Policy III[C]).

These policies also require the relevant MSR data be utilized to document service and facility capacity. This chapter represents Napa LAFCO's scheduled sphere review of the City of Calistoga. The most recent comprehensive review of Calistoga's sphere was presented to the Commission in August 2008.

Objective

The objective of this Chapter is to identify and evaluate areas that warrant consideration for inclusion or removal from Calistoga's sphere as part of a comprehensive review. The aim is to be consistent with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission's adopted policies. The Commission's "General Policy Determinations" provide direction with respect to establishing and amending an agency's sphere in relationship to local conditions and circumstances. The General Policy Determinations state that a city's sphere shall exclude lands designated as agricultural or open-space for the purpose of urban development unless it is demonstrated that infill opportunities are limited or non-existent. The Calistoga General Plan's Land Use Element

identified almost 400 acres of agricultural land and vacant land located within the existing City limits that could potentially be developed at some point in the future, provided that zoning, CEQA, and other requirements can be met. It should be noted that none of this land is zoned as "agriculture" or "open space" and is therefore available for development.

State law requires all LAFCOs to review and update each local agency's sphere by January 1, 2008 and every five years thereafter as needed. Accordingly, it has been the practice of the Commission to review and update each local agency's sphere in a manner that emphasizes a probable five-year service area.

Existing Sphere of Influence

Calistoga's sphere was established by the Commission in 1973. The Commission designated the sphere to reflect what it believed to be Calistoga's incorporated boundary. This included adding an approximate 5.2 acre parcel located along Calistoga's southeast "panhandle" section that was approved for annexation one year earlier. However, as part of the 2008 municipal service review, it was determined that the annexation was abandoned prior to recordation for unknown reasons. No amendments to the sphere have been approved by the Commission since its establishment.

In terms of proportions, Calistoga's sphere is approximately 1,657 acres or 2.9 square miles in size. The sphere includes a total of 1,660 assessor parcels with an average size of 0.9 acres. The sphere is coterminous with Calistoga's incorporated boundary with the aforementioned exception of including a 5.2 acre unincorporated parcel located along Calistoga's southeast panhandle section.

SOI BACKGROUND INFORMATION

The intent of an SOI is to identify the most appropriate areas for an agency's service area in the *probable future.* Pursuant to Napa LAFCO policies relating to SOIs, LAFCO discourages inclusion of land in an agency's Sphere if a need for services provided by that agency cannot be demonstrated. Accordingly, territory included in an agency's Sphere is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCO to be the most logical service provider for the area.

There are a number of ways to look at Spheres of Influence. One option is to consider growth and development and the need for municipal services over time. A second option is to determine an agency's ability to provide municipal services beyond its current boundary. For a City or District that does not plan to provide municipal services beyond its present boundary, a Sphere boundary that is the same as the agency boundary is called a *Coterminous Sphere of Influence*. A third option is related to reducing the current Sphere of Influence of an agency by adopting a *Minus Sphere of Influence* (or Reduced Sphere of Influence) by excluding territory currently within an agency's Sphere. A fourth option relates to Sphere

areas for which municipal services are not intended to be provided; that is, areas within a Sphere which will remain undeveloped (such as open space or 'protected lands'). Such an area is a special case, and requires the agency to demonstrate why an area should be included within a Sphere for which no municipal services will be provided. LAFCO also has the ability to determine a *Zero Sphere of Influence* for a City or District, signaling that the City or District does not have the wherewithal, governance capability, financial means, and/or operational capability to provide the municipal services for which it was formed, and should be dissolved or its function(s) reallocated to another agency.

In the future, Napa LAFCO could potentially create an additional category related to Spheres called *Areas of Concern.* Areas of Concern are defined as "a geographic area beyond the Sphere of Influence in which land use decisions or other government actions of one local agency impact directly or indirectly upon another local agency."

Presented within this Chapter are Sphere of Influence Options for the City of Calistoga. The options presented are not mutually exclusive, but can be utilized in combination to allow the Commission to adopt the most appropriate Sphere Update for the City. Sphere Options are presented, followed by a discussion of the options, along with a Sphere matrix of factors LAFCO considers in updating a Sphere of Influence.

Summary of Sphere Update Process

This Chapter presents options for updating the SOI for the City of Calistoga. The presented options are informational and may assist the Commission in considering next steps. When LAFCO moves to choose a specific option for updating the SOI, the Commission may request additional information at that time. LAFCO's process provides for a meeting/conference between cities and the County prior to updating a city's SOI. Additionally, the Commission will hold a public hearing and adopt written statements of fact regarding the SOI prior to adopting any option for a specific update. Environmental review, consistent with CEQA, would also be required.

This SOI analysis relied upon a wide range of information as detailed in Chapter 9, References. When selecting study areas, the consultants significantly relied upon the following five factors:

- planning area of the City and County General Plan
- Parcels that receive water service
- Fire protection area (per agreement)
- Police protection area (per agreement)
- Opportunity for infill development rather than SOI expansion

STUDY AREAS

Three study areas were chosen by the consultants to form the basis of an analysis of various options for the Commission to consider regarding the City's SOI. Several factors were used to identify these study areas to evaluate adding or removing from Calistoga's sphere as part of this comprehensive review. These factors include (a) relationship to incorporated boundary, (b) land use designations, (c) infrastructure capacities, and (d) provision of public services.

Consideration was given to establishing study areas to reflect Calistoga's outside water service area, which extends north of the City along State Highway 128, Petrified Forest Road, and Tubbs Lane, among other areas as shown in Figure 7-1. The merits in establishing this type of study area relates to the role of the sphere in designating each agency's present and probable future service area. Traditionally, cities and special districts have been required to request and receive written approval from LAFCO before providing new or extended services by contract or agreement outside their jurisdictions but within their spheres. However Government Code Section 56133.5 establishes a pilot program to authorize service provision outside a local agency's jurisdictional boundary and sphere of influence under special circumstances that do not involve a threat to public health.

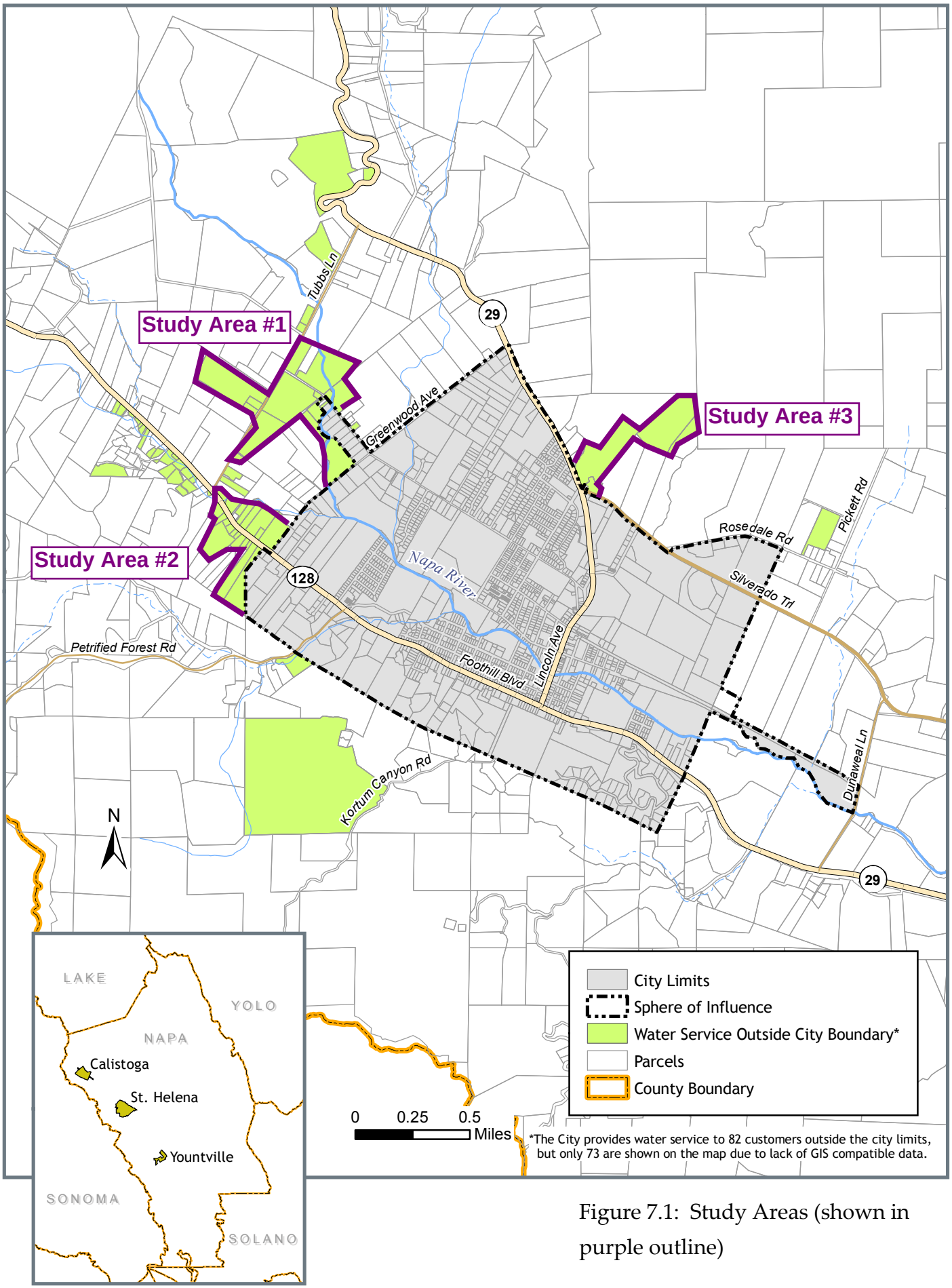


Figure 7.1: Study Areas (shown in purple outline)

Table 7-1: Analysis of Study Area #1	
Issue	**Comments**
Parcel Numbers	Study Area #1 is 105.67 acres in size and contains 16 parcels. The Assessor Parcel Numbers are as follows: ▪ 017-130-011-000, 017-130-057-000, 017-160-010-000, 017-160-011-000, 017-160-016-000, 017-160-017-000, 017-160-024-000, 017-160-025-000, 017-210-006-000, 017-221-002-000, 017-221-003-000, 017-221-004-000, 017-221-006-000, 017-221-012-000, 017-222-009-000, and 017-222-010-000.
Location	Study Area #1 is located north of Greenwood Avenue and along the Napa River.
Services Provided	The City currently provides municipal water, police protection, and fire protection services to properties within Study Area #1.
Present and planned land uses in the area	Each of the parcels contains a single family home, with the exception of 017-130-057-000 which contains a medical care use. The City General Plan does not contemplate the development of or designate land uses for Study Area #1. Additionally, the City has not pre-zoned the parcels within Study Area #1. The Napa County Zoning designation for each of the 16 parcels is Agricultural Preservation District (AP).
Potential effects on agricultural and open-space lands	All of the 105.67 acres located within the Study Area #1 are zoned for agriculture. The State Dept. of Conservation Farmland Mapping and Monitoring Program designates a portion of Study Area #1 as “Farmland of Local Importance”.
Present and probable need for public facilities and services in the area	The City currently provides municipal water, police protection, and fire protection services to properties within Study Area #1. Future extension of wastewater service or other public services to Study #1 have not been contemplated.

Table 7-1: Analysis of Study Area #1	
Issue	**Comments**
Present capacity of public facilities and adequacy of public services	The parcels located within Study Area #1 currently receive water from the City, with the exception of one small parcel. LAFCO has recommended that the City conduct studies of future water supply options. The permitted capacity and average flow volume of the Wastewater Treatment Plant (WWTP) is described in Chapter 4. The City has indicated that the WWTP can be expanded to meet future projected increases in demand. However, the existing sewer pipeline infrastructure currently serves about half of the city. Extending the sewer pipelines beyond the city limits may be cost prohibitive and a detailed engineering and cost study is recommended before this is contemplated. Calistoga provides fire protection and police protection to Study Area #1 via agreements with Napa County. Calistoga appears to be sufficiently reimbursed for its costs for this service. Prior to considering future annexation, a detailed fiscal analysis of future tax revenue would be needed to determine if additional public services can be provided at an adequate level.
The existence of any social or economic communities of interest in the area	The City incorporated in 1886 and has a long history as an established community. As described in Chapter 3, the City provided supplemental information indicating that an economically disadvantaged community resides within the City boundaries.
The present and probable need for water, sewer and structural fire protection of any DUC within the existing SOI	No DUCs have been identified within Study Area #1.
Effects on other agencies	Including Study Area #1 in the SOI could have an effect on other agencies. Specifically, the following Napa County policies should be considered: ▪ Napa County General Plan related to agricultural protection; ▪ Measure J, approved by voters in 1990, is the Agricultural Lands Preservation Initiative; and ▪ Measure P, approved by voters in 2008, extends the life of Measure J through to the year 2058.
Potential for consolidations or other reorganizations when boundaries divide communities	The City's existing SOI does not divide communities. Study Area #1 is adjacent to the existing city boundary. There are no topographic or geographic barriers between the City and Study Area #1.

Table 7-1: Analysis of Study Area #1	
Issue	**Comments**
Location of facilities, infrastructure and natural features	The location of the WWTP is south of the City, whereas Study Area #1 is north of the city. Extending the sewer pipelines to Study Area #1 may be cost prohibitive. Additional study of cost is needed prior to formal consideration of this option.
Willingness to serve	The City wishes to continue to provide water, police protection and fire protection services within Study Area #1. However, it has not expressed a willingness to assume responsibility for wastewater service, land use planning, building inspection and other public services to this area.
Potential environmental impacts	The City received Cease and Desist Orders from the San Francisco Water Board due to contaminants in its WWTP effluent. The City complied with these requirements and a new permit was issued in 2016. However, further study would be needed to determine if the WWTP has sufficient capacity to extend the sewer service outside the City's current jurisdictional boundary. If the parcels are slated for future development, other potential environmental impacts could include traffic, water quality, and air quality impacts. Environmental review in compliance with CEQA will be required prior to moving this study area into the SOI.

Table 7-2: Analysis of Study Area #2	
Issue	**Comments**
Parcel Numbers	Study Area #2 is 57.4 acres in size and contains 21 parcels. The Assessor Parcel Numbers are as follows: ▪ 017-200-006-000, 017-200-009-000, 017-200-010-000, 017-200-011-000, 017-200-012-000, 017-200-013-000, 017-210-001-000, 017-210-002-000, 017-240-005-000, 017-250-001-000, 017-250-002-000, 017-250-003-000, 017-250-004-000, 017-250-005-000, 017-250-006-000, 017-250-007-000, 017-250-008-000, 017-250-009-000, 017-250-014-000, 017-250-015-000, and 017-200-014-000
Location	Study Area #2 is located north of White Lane and the east and west of Foothill Boulevard (Hwy 128).
Services Provided	The City currently provides municipal water, police protection, and fire protection services to properties within Study Area #2.
Present and planned land uses in the area	19 of the parcels currently contain a single family home. One parcel has a small commercial establishment. A different parcel contains a bed and breakfast establishment.

Table 7-2: Analysis of Study Area #2	
Issue	**Comments**
	The City General Plan does not contemplate the development of or designate land uses for Study Area #2. Additionally, the City has not pre-zoned the parcels within Study Area #2. The Napa County Zoning designations for the parcels are as follows: ▪ 8 parcels totaling 22.94 acres are designated as Agricultural Preservation District (AP). ▪ 1 parcel totaling 1.61 acres is designated as Commercial Neighborhood (CN) District. ▪ 12 parcels totaling 33 acres are designated as Agricultural Watershed (AW) District.
Potential effects on agricultural and open-space lands	Of the 57.4 acres within this study area, most (55.79 acres) is zoned for agriculture. The State Dept. of Conservation Farmland Mapping and Monitoring Program designates a portion of Study Area #2 as "Farmland of Local Importance".
Present and probable need for public facilities and services in the area	The City currently provides municipal water, police protection, and fire protection services to properties within Study Area #2. Future extension of wastewater service or other public services to Study #2 have not been contemplated.
Present capacity of public facilities and adequacy of public services	The parcels located within Study Area #2 Currently receive water from the City. LAFCO has recommended that the City conduct studies of future water supply options. The permitted capacity and average flow volume of the Wastewater Treatment Plant (WWTP) are described in Chapter 4. The City has indicated that the WWTP can be expanded to meet future projected increases in demand. However, the existing sewer pipeline infrastructure currently serves about half of the city. Extending the sewer pipelines beyond the city limits may be cost prohibitive and a detailed engineering and cost study is recommended before this is contemplated. Calistoga provides fire protection and police protection to Study Area #2 via agreements with Napa County. Calistoga appears to be sufficiently reimbursed for its costs for this service. Prior to considering future annexation, a detailed fiscal analysis of future tax revenue would be needed to determine if additional public services can be provided at an adequate level.
The existence of any social or economic communities of interest in the area	The City incorporated in 1886 and has a long history as an established community. As described in Chapter 3, the City provided supplemental information indicating that an economically disadvantaged community resides within the City boundaries.

Table 7-2: Analysis of Study Area #2	
Issue	**Comments**
The present and probable need for water, sewer and structural fire protection of any DUC within the existing SOI	No DUCs have been identified within Study Area #2.
Effects on other agencies	Including Study Area #2 in the SOI could have an effect on other agencies. Specifically, the following Napa County policies should be considered: ▪ Napa County General Plan related to agricultural protection and ▪ Measure J, approved by voters in 1990, is the Agricultural Lands Preservation Initiative. ▪ Measure P, approved by voters in 2008, extends the life of Measure J through to the year 2058.
Potential for consolidations or other reorganizations when boundaries divide communities	The City's existing boundary and SOI do not divide communities. Study Area #2 is adjacent to the existing city boundary. There are no topographic or geographic barriers between the City and Study Area #2.
Location of facilities, infrastructure and natural features	The location of the WWTP is south of the City, whereas Study Area #2 is north of the city. Extending the sewer pipelines to Study Area #2 may be cost prohibitive. Additional study of cost is needed prior to formal consideration of this option.
Willingness to serve	The City wishes to continue to provide water, police protection and fire protection services within Study Area #2. However, it has not expressed a willingness to assume responsibility for wastewater service, land use planning, building inspection and other public services to this area.
Potential environmental impacts	The City received Cease and Desist Orders from the San Francisco Water Board due to contaminants in its WWTP effluent. The City complied with these requirements and a new permit was issued in 2016. However, further study would be needed to determine if the WWTP has sufficient capacity to extend the sewer service outside the City's current jurisdictional boundary. If the parcels are slated for future development, other potential environmental impacts could include traffic, water quality, and air quality impacts. Environmental review in compliance with CEQA will be required prior to moving this study area into the SOI.

Table 7-3: Analysis of Study Area #3	
Issue	Comments
Parcel Numbers	Study Area #3 is 51.28 acres in size and contains 4 parcels. The Assessor Parcel Numbers are as follows: ▪ 017-230-004-000, 017-230-005-000, 017-230-007-000, 017-230-027-000
Location	Study Area #3 is located east of Lincoln Avenue, adjacent to and directly east of the City.
Services Provided	The City currently provides municipal water, police protection, and fire protection services to properties within Study Area #3.
Present and planned land uses in the area	Each of the four parcels is currently developed with a single family home. The smallest parcel is 2.14 acres and the largest parcel is 23.32 acres in size. The City General Plan does not contemplate the development of or designate land uses for Study Area #3. Additionally, the City has not pre-zoned the parcels within Study Area #3. The Napa County Zoning designations for the parcels are as follows: ▪ Two parcels totaling 23.82 acres are designated as Agricultural Preservation District (AP). ▪ Two parcels totaling 27.46 acres are designated as Agricultural Watershed (AW) District.
Potential effects on agricultural and open-space lands	All of the 51.28 acres within this study area is zoned for agriculture. The State Dept. of Conservation Farmland Mapping and Monitoring Program designates a portion of Study Area #4 as “Prime Farmland” and another portion as “Unique Farmland”.
Present and probable need for public facilities and services in the area	The City currently provides municipal water, police protection, and fire protection services to properties within Study Area #3. Future extension of wastewater service or other public services to Study #3 have not been contemplated.

Table 7-3: Analysis of Study Area #3	
Issue	Comments
Present capacity of public facilities and adequacy of public services	The parcels located within Study Area #3 currently receive water from the City. LAFCO has recommended that the City conduct studies of future water supply options. The permitted capacity and average flow volume of the Wastewater Treatment Plant (WWTP) are described in Chapter 4. The City has indicated that the WWTP can be expanded to meet future projected increases in demand. However, the existing sewer pipeline infrastructure currently serves about half of the city. Extending the sewer pipelines beyond the city limits may be cost prohibitive and a detailed engineering and cost study is recommended before this is contemplated. Calistoga provides fire protection and police protection to Study Area #3 via agreements with Napa County. Calistoga appears to be sufficiently reimbursed for its costs for this service. Prior to considering future annexation, a detailed fiscal analysis of future tax revenue would be needed to determine if additional public services can be provided at an adequate level.
The existence of any social or economic communities of interest in the area	The City incorporated in 1886 and has a long history as an established community. As described in Chapter 3, the City provided supplemental information indicating that an economically disadvantaged community resides within the City boundaries.
The present and probable need for water, sewer and structural fire protection of any DUC within the existing SOI	No DUCs have been identified within Study Area #3.
Effects on other agencies	Including Study Area #3 in the SOI could have an effect on other agencies. Specifically, the following Napa County policies should be considered: ▪ Napa County General Plan related to agricultural protection and ▪ Measure J, approved by voters in 1990, as the Agricultural Lands Preservation Initiative. ▪ Measure P, approved by voters in 2008, extending the life of Measure J through to the year 2058.
Potential for consolidations or other reorganizations when boundaries divide communities	The City's existing SOI does not divide communities. Study Area #3 is adjacent to the existing city boundary. There are no topographic or geographic barriers between the City and Study Area #4.
Location of facilities, infrastructure and natural features	Extending the sewer pipelines to Study Area #3 may be cost prohibitive. Additional study of cost is needed prior to formal consideration of this option.

Table 7-3: Analysis of Study Area #3	
Issue	Comments
Willingness to serve	The City wishes to continue to provide water, police protection and fire protection services within Study Area #3. However, it has not expressed a willingness to assume responsibility for wastewater service, land use planning, building inspection and other public services to this area.
Potential environmental impacts	The City received Cease and Desist Orders from the San Francisco Water Board due to contaminants in its WWTP effluent. The City complied with these requirements and a new permit was issued in 2016. However, further study would be needed to determine if the WWTP has sufficient capacity to extend the sewer service outside the City's current jurisdictional boundary. If the parcels are slated for future development, other potential environmental impacts could include traffic, water quality, and air quality impacts. Environmental review in compliance with CEQA will be required prior to moving this study area into the SOI.

SOI OPTIONS

Sphere of Influence Options

Four preliminary options have been identified for potential future action regarding the City of Calistoga Sphere of Influence, as listed below. The Commission may consider each option individually or may combine two or three options to form a new SOI plan. These options are intended to provide the Commission with examples of the types of actions that could be taken in regards to the SOI. It is not intended to be a comprehensive or all-inclusive list of potential actions. If the Commission has a suggestion for a new or different option, they may direct staff to further study that new option. The four preliminary options are as follows:

A. Retain the Existing Sphere of Influence
B. Transfer Study Area #1 into the Sphere of Influence
C. Transfer Study Area #2 into the Sphere of Influence
D. Transfer Study Area #3 into the Sphere of Influence

Discussion of Preliminary Options

A. Retain the Existing Sphere of Influence

If Napa LAFCO determines that the existing government structure is appropriate to provide public services, then the existing Sphere of Influence should be retained. This option would enable the City to continue to provide existing public services within its City boundary. It would also allow the City to continue to provide water, police, and fire service to specific parcels located

outside its jurisdictional boundary. AB 402 (Dodd) facilitates this approach by allowing cities to provide services to parcels located outside their jurisdictional boundary and SOI.

B. Transfer Study Area #1 into the Sphere of Influence

Transfer Study Area #1 (shown in Figure 7-1, above) into the Sphere of Influence. This option would expand the City's SOI to add 105.67 acres. The area would not necessarily be annexed into the City immediately. Rather, including this area into the SOI indicates that the City may annex the area at some future time, after the appropriate cost analysis, environmental, and other studies have been completed.

C. Transfer Study Area #2 into the Sphere of Influence

Similar to Option #B above, this option would transfer Study Area #2 (shown in Figure 7-1, above) into the Sphere of Influence. This option would expand the City's SOI to add 57.4 acres. Study Area #2 would not necessarily be annexed into the City immediately. Rather, including this area into the SOI indicates that the City may annex the area at some future time, after the appropriate cost analysis, environmental, and other studies have been completed. For annexations, LAFCO has limited authority and could only recommend the City initiate annexation proceedings.

D. Transfer Study Area #3 into the Sphere of Influence

Transfer Study Area #3 (shown in Figure 7-1, above and in detail below) into the Sphere of Influence and expand the City's SOI to add 51.28 acres. Study Area #3 would not necessarily be annexed into the City immediately. Rather, including this area into the SOI indicates that the City may annex the area at some future time, after the appropriate cost analysis, environmental, and other studies have been completed. Since the parcels are already developed with single family home, new improvements and associated impacts are likely to be minimal. The studies would be completed, prior to formal action on this option. For annexations, LAFCO has limited authority and could only recommend the City initiate annexation proceedings.

Consultant Recommendation

The consultants recommend that the LAFCO staff and the Commission consider the following when selecting any of the SOI options:

- LAFCO's adopted policies.

- All of the information presented in this MSR/SOI Update.
- Preliminary indication from the City of Calistoga and Napa County that no change to Calistoga's Sphere is needed at this time.

Additionally, the consultants recommend that the Commission carefully consider each of the four options presented above. After the Commission provides direction to staff regarding the preferred option, formal determinations will be provided for the Commission's consideration as described below.

7.2: DRAFT SOI DETERMINATIONS: OPTION #A

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the County and its communities, LAFCO is required to develop and determine the sphere of influence of each local governmental agency within the county. The SOI is required to be updated every five years. As part of this process and pursuant to CA Government Code Sections 56425-56434, the Commission is required to make specific written determinations on five factors as follows:

1. Present and planned land uses in the area, including agricultural and open-space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities.

Chapters 1-6 of this MSR/SOI Update provide sufficient factual information to support the Commission's determinations for the five SOI factors listed above. Chapter 7 of this MSR/SOI Update provides a detailed analysis of four options for updating the sphere of influence for the City of Calistoga. Each of these four options plus other options may be considered by the Commission. The Commission may request additional information regarding the options, as needed.

This section provides draft SOI determinations for Option #A and these determinations will be modified to fit the specific option that the Commission chooses. The provision of draft determinations for Option #A should not be construed as a recommendation from the consulting team in favor of Option #A; rather these determinations serve as a starting point for discussion with the Commission. These draft SOI determinations are provided to exemplify the type of determinations the Commission could potentially make in the future. After the Commission provides feedback to LAFCO's Executive Officer regarding the SOI options, the Executive Officer may develop formal SOI determinations based on the required five factors

to fit the Commission's specific option. The final determinations will be part of a Resolution that the Commission formally adopts during a public meeting.

The present and planned land uses in the sphere, including agricultural and open-space lands.

1. The present and planned land uses in the sphere are adequately contemplated under the Calistoga General Plan. The Calistoga General Plan provides for the current and future urban uses characterizing the majority of the sphere.
2. Present land uses within the SOI include residential and commercial uses. A small amount of land located in the sphere is under agricultural use. These existing agricultural uses will not be affected by their retention in the sphere.
3. The territory within Calistoga provides several opportunities for infill development and SOI expansion is not necessary.

The present and probable need for public facilities and services in the study area.

4. The City of Calistoga provides a full range of municipal services within the sphere either directly or through contracts with other public or private entities. These public services support the present and planned urban uses within the sphere as contemplated in the Calistoga General Plan.
5. Undeveloped and unincorporated parcels located adjacent to the City do not need traditional urban services, as most of the area is currently agricultural.

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

6. Calistoga has demonstrated its ability to provide an adequate level and range of public services within its sphere of influence. The City has developed policies, service plans, and programs to provide adequate and effective municipal services for the area. These public services were comprehensively evaluated by LAFCO as part the municipal service review update provided in Chapters 1-6 of this document.

The existence of any social or economic communities of interest in the sphere if the commission determines that they are relevant to the agency.

7. The City of Calistoga has established social and economic interdependencies within the sphere that are distinct from neighboring unincorporated areas. This MSR/SOI Update acknowledges these established community ties.
8. The social and economic health of the area is measurably enhanced by the municipal services provided by the City of Calistoga.

Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities.

9. No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County. Since Calistoga is an incorporated city, there are no unincorporated communities within its boundaries and sphere of influence. Disadvantaged community status is described in detail in chapter 3.3.

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CHAPTER 9: ACKNOWLEDGEMENTS

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Several people contributed information that was utilized in this Municipal Service Review and Sphere of Influence Update. Napa LAFCO and SWALE Inc. wish to acknowledge the support received from the following individuals and organizations.

LAFCO Staff	Brendon Freeman, Executive Officer Kathy Mabry - Commission Clerk
City of Calistoga	Dylan Feik, City Manager Lynn Goldberg, Planning and Building Director Erik Lundquist, Senior Planner

Report Preparers

A team of consultants authored this MSR and SOI Update and provided an independent analysis. The expertise and contributions provided by this consulting team are greatly appreciated. The names and roles of the individual experts responsible for writing this MSR are provided below.

SWALE Inc.	Kateri Harrison, Project Manager
Judy Stolen	Geographic Information System Maps
Baracco & Associates	Bruce Baracco, Project Advisor

Appendices

A. List of City advisory bodies and the names of City representatives
B. Economic forecast within Napa County by Caltrans
C. City generated a list of pending and approved development projects
D. A population study of Napa County
E. Grants for Disadvantaged Communities
F. Regulatory requirements - municipal water

Appendix A:

CITY OF CALISTOGA
LOCAL APPOINTMENTS LIST – 2016
BOARD/COMMITTEES/COMMISSIONS

ACTIVE TRANSPORTATION COMMITTEE (FORMERLY THE BICYCLE ADVISORY COMMITTEE)

INCUMBENT	APPOINTED	2yr - TERM EXPIRATION
Efrain Gonzalez	01/01/14	12/31/16
Brad Suhr	08/07/14	12/31/16
Dieter Deiss	01/01/15	12/31/17
David Kumamoto	01/01/15	12/31/17
Tiana Fillman	01/01/15	12/31/17

Qualifications: Committee members shall have residency within the Calistoga Joint Unified School District. Members shall have an interest in improving bicycle and pedestrian travel within the City. (Resolution 2013-111)
Committee Meetings: The 1st Monday of each month at 1pm in the Administration Conference Room at City Hall

BUILDING STANDARDS ADVISORY & APPEALS BOARD

INCUMBENT	APPOINTED	3yr - TERM EXPIRATION
Timothy Wilkes	01/01/14	12/31/16
Bev More	01/01/14	12/31/16
Kate Coates	01/01/15	12/31/18
Paul Coates	01/01/14	12/31/16
Bill Nance	01/01/14	12/31/16
Shelby Valentine	01/01/16	12/31/18
Jadd Elkeshen	01/01/14	12/31/16

Qualifications: The members shall be qualified by experience and training to pass on matters pertaining to building construction, accessibility and hazards of fire, explosions, hazardous conditions or fire protection systems and are not employees of the jurisdiction. Individuals from each of the following professions or disciplines may be appointed to the Board: Registered Design Professional, Registered Fire Protection Professional, Registered Engineer (*preferred:* Industrial/Mechanical) Professional, General Contractor, Certified Access Professional, General Industry or Business Representative. (Ordinance 661)
Term: Members shall be appointed for a staggered term of three years after the initial Board has been appointed and may not serve for more than two consecutive full terms. When a member is appointed to fill an open position due to the voluntary withdrawal or removal of a member, the appointed member's term shall coincide with the term of the departing member. (Resolution 2013-111) (Resolution 2014-014)

CALISTOGA CITY COUNCIL

INCUMBENT	APPOINTED	2yr - TERM EXPIRATION
Chris Canning (**Mayor**)	01/01/15	12/31/16
INCUMBENT	**APPOINTED**	**4yr - TERM EXPIRATION**
Michael Dunsford **(Vice Mayor)**	01/01/13	12/31/16
Gary Kraus	01/01/15	12/31/18
James Barnes	01/01/15	12/31/18
Irais Lopez-Ortega*	02/05/13	12/31/16

Notes: *Irais Lopez-Ortega was appointed to take Carl Sherill's seat on the Council

Updated 12/31/15

CITY OF CALISTOGA
LOCAL APPOINTMENTS LIST – 2016
BOARD/COMMITTEES/COMMISSIONS

CALISTOGA COMMUNITY POOL ADVISORY COMMITTEE		
INCUMBENT	**APPOINTED**	**2 yr - TERM EXPIRATION**
Shirley Blomquist	09/03/15	09/02/17
Hazel Cole	09/03/15	09/02/17
Kerry Eddy	(Appointed by CCPP)	N/A
Alf Burtleson	(Appointed by CCPP)	N/A
Shannon Clegg	(Staff Member)	N/A
Notes: CPAC consists of 5 committee members. Per Resolution No. 2010-067, two members are appointed by the City Council to serve a two-year term; two members are appointed by the Calistoga Community Pool Project (CCPP), and one City staff member shall serve as the Committee Secretary. (Resolution 2011-087) (Resolution 2013-081)		

CALISTOGA PUBLIC FACILITIES CORPORATION		
INCUMBENT	**APPOINTED**	**TERM EXPIRATION**
President	City Manager	N/A
Treasurer	Administrative Services Director	N/A
Secretary	City Clerk	N/A
Board Members	Sitting City Council Members	N/A
Purpose: To assist the City in certain types of public financing instruments for public facilities. It meets the 3rd Tuesday in July annually as needed. (Resolution 2002-001)		

CITY-COUNTY LIBRARY COMMISSION		
INCUMBENT	**APPOINTED**	**3yr - TERM EXPIRATION**
Shelby Valentine	08/07/12	02/01/16
Qualifications: Commission members shall have residency within the Calistoga Joint Unified School District. (Resolution 2012-56)		

COUNTY WIDE BICYCLE ADVISORY COMMITTEE		
INCUMBENT	**APPOINTED**	**3yr - TERM EXPIRATION**
Dieter Deiss	01/01/16	12/31/18
Qualifications: Committee members shall have residency within the City limits of Calistoga. Have an interest in improving bicycle and pedestrian travel within the City. Provides advice to the Napa County Transportation Planning Agency on bicycle matters and issues, including advice regarding disbursement of bicycle oriented funds. The council will recommend to the Napa County Transportation Planning. (Resolution 2013-111)		

CITY OF CALISTOGA
LOCAL APPOINTMENTS LIST – 2016
BOARD/COMMITTEES/COMMISSIONS

GREEN COMMITTEE		
INCUMBENT	**APPOINTED**	**2yr - TERM EXPIRATION**
VACANT	-	-
VACANT	-	-
Eden Umble	01/01/15	12/31/16
Qualifications: (Resolution 2014-004) **Committee Meetings:** The 1st Friday of even numbered months at 10am in the Administration Conference Room at City Hall		

NAPA COUNTY ART & CULTURE COMMISSION		
INCUMBENT	**APPOINTED**	**4yr - TERM EXPIRATION**
Elizabeth Stokkebye	12/16/14	12/31/18
Qualifications: Commission members shall have residency within the Calistoga Joint Unified School District and should have a broad range of artistic and cultural disciplines. (Appointment confirmed with Resolution 2014-115)		

NAPA COUNTY COMMISSION ON AGING		
INCUMBENT	**APPOINTED**	**2yr - TERM EXPIRATION**
Shirley Blomquist	01/01/16	12/31/17
Qualifications: NCCA consists of 15 members-one member from each of the 5 Supervisorial Districts and 10 additional members from among individuals recommended by organizations concerned with older adults. It is desirable that all appointees are over the age of 55, but a person of a younger age will not be excluded. (No Resolution Found)		

NAPA COUNTY LOCAL FOOD ADVISORY COUNCIL		
INCUMBENT	**APPOINTED**	**4yr - TERM EXPIRATION**
VACANT	01/01/15	12/31/18
Qualifications: Members are appointed by the Napa County Board of Supervisors. (Resolution 2010-115) The Napa County Local Food Advisory Council's mission is to nurture a more sustainable local food system in Napa County. The Advisory Council consists of 15 individuals: One (1) representative from the Board of Supervisors, Five (5) representatives from the incorporated cities/town, Three (3) representatives from Agriculture, One (1) individual representing public health and/or nutrition, One (1) individual representing institutions, One (1) individual representing marketing and/or distribution of agricultural products and Three (3) representatives from the community at large.		

NAPA COUNTY MEASURE A FINANCIAL OVERSIGHT COMMITTEE		
INCUMBENT	**APPOINTED**	**3yr - TERM EXPIRATION**
Brian McBride	07/01/13	06/30/18
Qualifications: Committee members shall have residency within the City limits of Calistoga. (Resolution 2015-073)		

CITY OF CALISTOGA
LOCAL APPOINTMENTS LIST – 2016
BOARD/COMMITTEES/COMMISSIONS

NAPA COUNTY MOSQUITO ABATEMEMNT BOARD OF TRUSTEES		
INCUMBENT	**APPOINTED**	**2yr - TERM EXPIRATION**
Ann Shelby Valentine	01/01/16	12/31/17
Qualifications: Board members shall have residency within the City limits of Calistoga. Appointment does not need to be approved by Board of Supervisors. (Resolution 2014-004)		

PARK & OPEN SPACE DISTRICT ADVISORY COMMITTEE		
INCUMBENT	**APPOINTED**	**1yr - TERM EXPIRATION**
Karen Chang	08/19/14	06/30/15
Qualifications: All members shall reside in the incorporated or unincorporated areas of Napa County. Appointment does not need to be approved by Board of Supervisors. (Napa County Board of Directors Resolution 14-03)		

PLANNING COMMISSION		
INCUMBENT	**APPOINTED**	**2yr - TERM EXPIRATION**
Alissa McNair	01/01/16	12/31/17
Walter Abernathy	01/01/16	12/31/17
Timothy Wilkes	01/01/16	12/31/17
Paul Coates	01/01/15	12/31/16
Scott Cooper	01/01/15	12/31/16
Qualifications: Commission members shall have residency within the City limits of Calistoga. Planning Commissioners are community-minded citizens volunteering time to serve as a citizens' governing board over Calistoga's professional planning staff and as an advisory board to the City Council. The Planning Commission leads the community in helping set Calistoga's goals for the future and evaluating projects for their compliance with the plan the community has adopted. Issues of particular interest or experience include design review and building positive working relationships. Commissioners are appointed by the Mayor and confirmed by the City Council on two-year terms. (Resolution 2014-115) **Committee Meetings:** The 2nd & 4th Wednesday of each month at 5:30pm at the Calistoga Community Center		

Napa County Economic Forecast

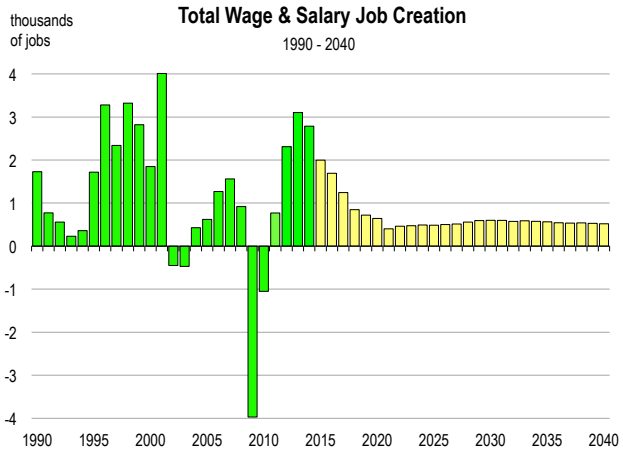
Napa County is home to the Napa Valley, a popular tourist destination known for wine grapes and premium wine production. Napa County has a population of 140,300 people and a total of 74,200 wage and salary jobs. The per capita income in Napa County is $60,576, and the average salary per worker is $58,557.

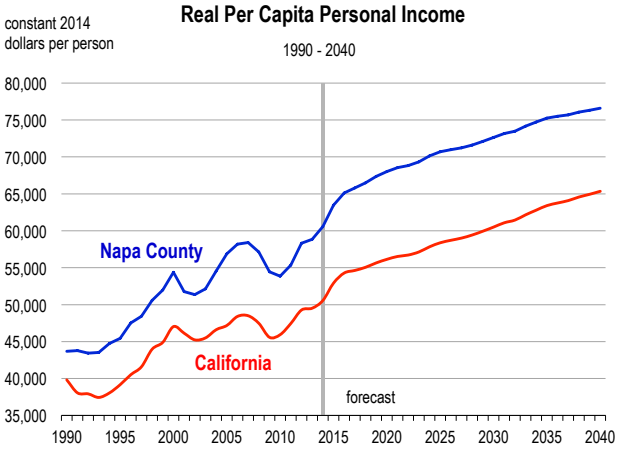
Wine grapes account for 99 percent of all agricultural output in Napa County. Red grapes are dominant in the region, with a total value that is almost 5 times than that of white grapes. The viticulture industry also attracts a large number of tourists to the county each year, generating a substantial amount of economic activity.

In 2014, employment in Northern California increased by 3.4 percent, whereas employment in the greater Bay Area grew by 4.0 percent. In Napa County, a total of 2,800 jobs were created, representing a growth rate of 3.9 percent. Non-farm employment increased by 4.1 percent, while farm employment increased by 1.8 percent. The unemployment rate improved substantially, falling from 6.8 percent in 2013 to 5.6 percent in 2014.

During 2014, the largest employment increases were observed in leisure and hospitality (+670 jobs), manufacturing (+670 jobs), education and healthcare (+420 jobs), and construction (+410 jobs). No industries were characterized by jobs losses.

Between 2009 and 2014, the population of Napa County grew at an annual average rate of 0.7 percent. Net migration accounted for more than 60 percent of this growth, with an average of 600 net migrants entering the county each year.





Forecast Highlights

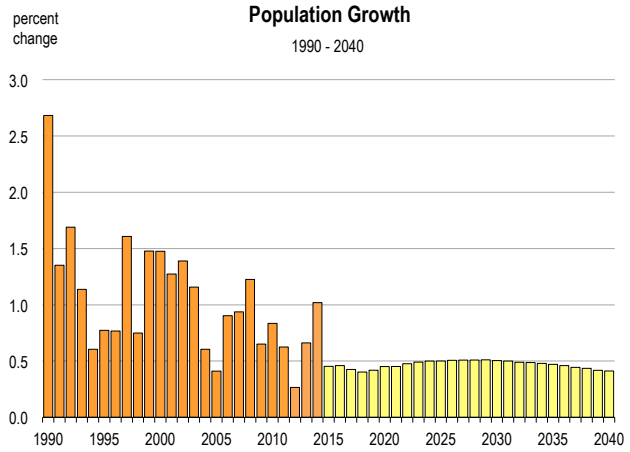
- Job growth of 2.7 percent is forecasted for 2015. Between 2015 and 2020, the annual growth rate for total wage and salary jobs will average 1.3 percent.
- Average salaries are below the California average, and will remain so over the foreseeable future. In Napa County, inflation-adjusted salaries are forecasted to rise by 0.6 percent per year from 2015 to 2020.
- Between 2015 and 2020, job creation will be concentrated in leisure services (+1,700 jobs), professional and business services (+1,000 jobs), education and healthcare (+530 jobs), and wholesale and retail trade (+500 jobs). Together, these industries will account for 71 percent of net job creation in the county.
- Population growth is expected to average 0.4 percent per year from 2015 to 2020.
- During the 2015-2020 period, an average of 470 net migrants will enter the county each year, accounting for 77 percent of total population growth.
- Real per capita income will rise by 4.8 percent in 2015. From 2015 to 2020, real per capita income is forecasted to increase by 1.4 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.7 percent per year between 2015 and 2020.
- Industrial production is expected to rise by 4.1 percent in 2015. From 2015 to 2020, industrial production will grow at an average rate of 2.6 percent per year.
- Farm production is forecasted to increase by 1.2 percent per year between 2015 and 2020. Wine grapes will continue to account for the vast majority of all output.

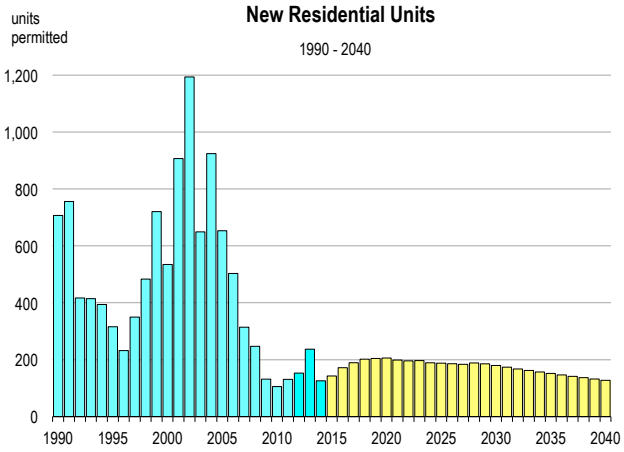
This Forecast was prepared by Caltrans, Economic Analysis Branch. On-line at: http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2015/Final%20Forecasts/Napa.pdf

Napa County Economic Forecast

2006-2014 History, 2015-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy-ment Rate (percent)
2006	131,920	630	138	48.4	503	$2.4	$6.4	$58,181	3.2	576.3	2.4	3.9
2007	133,155	701	138	48.8	314	$2.6	$6.7	$58,407	3.4	562.1	2.6	4.0
2008	134,786	1,170	139	48.9	247	$2.5	$6.8	$57,124	2.9	463.4	3.0	5.1
2009	135,664	321	138	48.9	132	$2.2	$6.6	$54,441	0.8	564.0	2.7	8.6
2010	136,798	648	138	48.9	106	$2.3	$6.6	$53,865	1.3	511.5	2.6	10.3
2011	137,653	496	137	49.0	131	$2.5	$7.1	$55,359	2.7	464.8	2.5	9.8
2012	138,019	-43	137	49.1	153	$2.7	$7.7	$58,326	2.7	699.7	2.8	8.4
2013	138,932	742	141	49.2	237	$2.9	$7.9	$58,830	2.3	681.0	2.9	6.8
2014	140,348	1,149	143	49.2	126	$3.1	$8.5	$60,576	2.8	682.0	3.1	5.6
2015	140,984	537	144	49.4	143	$3.3	$9.1	$63,464	1.2	696.6	3.2	5.1
2016	141,633	542	146	49.5	172	$3.6	$9.6	$65,126	3.2	700.0	3.3	4.3
2017	142,235	477	147	49.7	189	$3.8	$10.1	$65,791	3.2	708.1	3.4	4.1
2018	142,808	434	147	49.9	202	$4.0	$10.5	$66,499	3.0	711.2	3.5	4.0
2019	143,405	438	148	50.1	204	$4.2	$11.0	$67,355	2.8	720.5	3.6	3.9
2020	144,053	468	148	50.3	206	$4.4	$11.5	$68,033	2.9	739.1	3.7	3.9
2021	144,704	455	149	50.5	199	$4.6	$12.0	$68,562	3.0	737.9	3.8	3.9
2022	145,393	473	149	50.7	196	$4.8	$12.5	$68,824	3.1	750.1	3.9	3.9
2023	146,107	477	149	50.9	197	$5.0	$13.0	$69,327	2.7	754.3	4.0	3.8
2024	146,837	479	150	51.1	189	$5.2	$13.5	$70,149	2.6	762.4	4.1	3.8
2025	147,572	474	150	51.3	188	$5.4	$14.1	$70,699	2.8	768.9	4.2	3.8
2026	148,320	475	150	51.5	186	$5.6	$14.6	$70,990	2.8	776.2	4.4	3.8
2027	149,074	472	151	51.6	184	$5.8	$15.2	$71,230	2.8	783.3	4.5	3.8
2028	149,833	470	151	51.8	189	$6.0	$15.7	$71,598	2.7	790.6	4.6	3.8
2029	150,599	465	152	52.0	186	$6.2	$16.3	$72,096	2.5	797.9	4.8	3.8
2030	151,359	454	152	52.2	180	$6.4	$16.9	$72,628	2.4	805.5	4.9	3.8
2031	152,116	442	152	52.4	174	$6.6	$17.5	$73,177	2.3	813.1	5.1	3.8
2032	152,860	426	153	52.6	167	$6.8	$18.1	$73,480	2.5	820.7	5.3	3.8
2033	153,604	420	153	52.7	162	$7.1	$18.8	$74,152	2.1	828.3	5.4	3.8
2034	154,341	411	154	52.9	157	$7.3	$19.4	$74,725	2.3	836.2	5.6	3.8
2035	155,068	404	154	53.0	152	$7.6	$20.1	$75,264	2.4	844.0	5.8	3.8
2036	155,781	395	154	53.2	147	$7.8	$20.8	$75,501	2.8	851.9	5.9	3.8
2037	156,473	387	155	53.3	142	$8.1	$21.6	$75,702	2.8	860.1	6.1	3.8
2038	157,154	382	155	53.5	137	$8.4	$22.4	$76,071	2.7	868.0	6.3	3.8
2039	157,811	375	155	53.6	132	$8.6	$23.2	$76,311	2.8	876.4	6.4	3.8
2040	158,460	368	156	53.8	128	$8.9	$24.0	$76,587	2.8	884.6	6.6	3.8

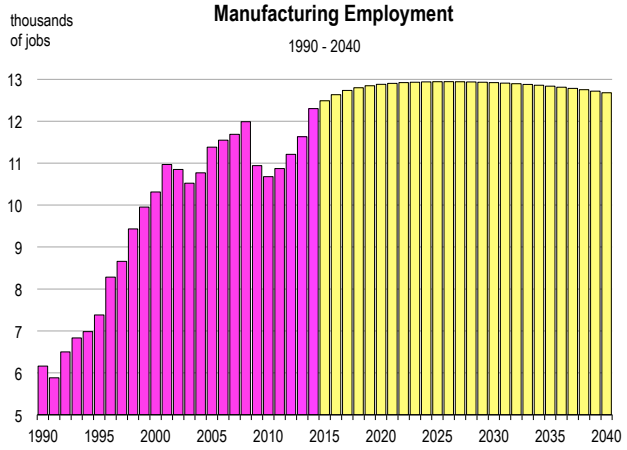


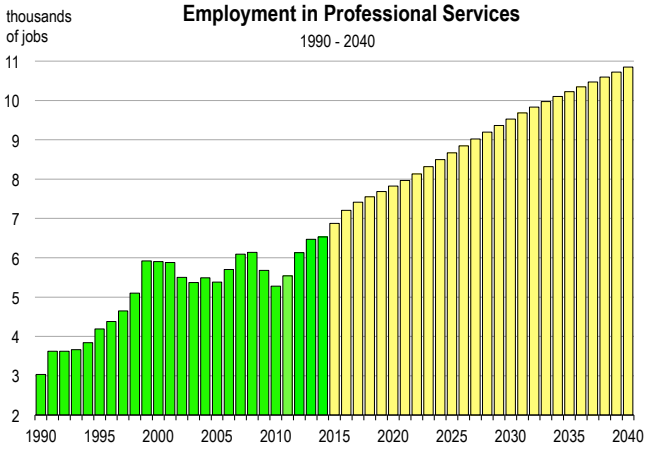


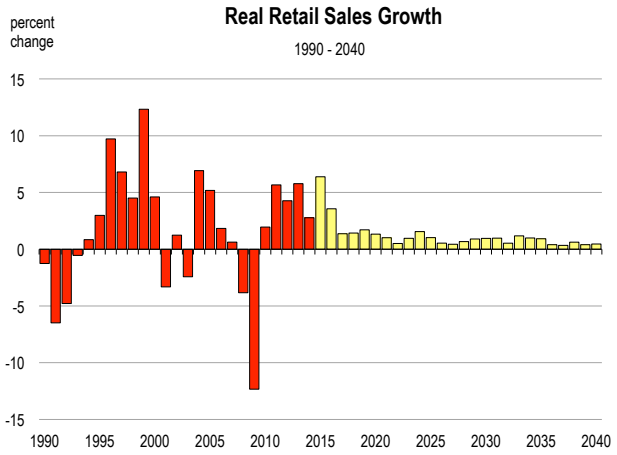
Napa County Employment Forecast

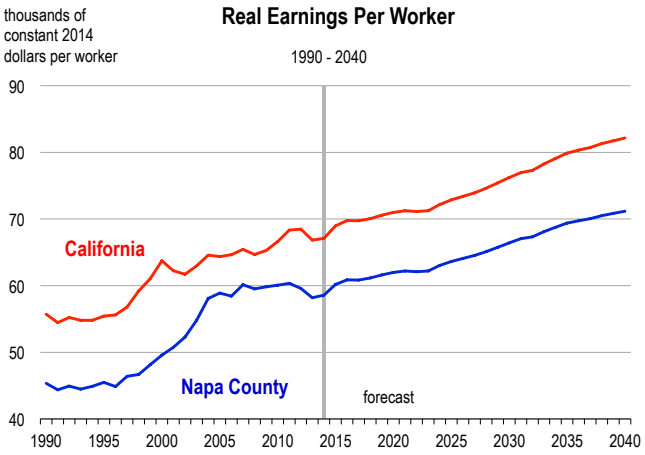
2006-2014 History, 2015-2040 Forecast

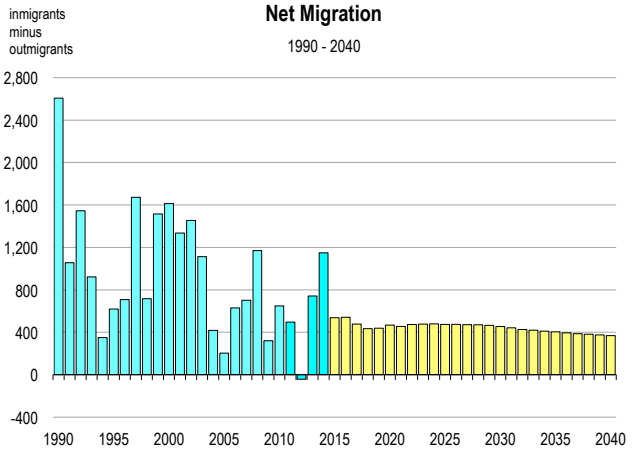
	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	----------employment (thousands of jobs)----------											
2006	67.8	4.74	5.1	11.6	1.4	7.6	2.8	5.7	0.7	8.0	8.5	10.0
2007	69.4	4.91	4.6	11.7	1.6	7.8	2.6	6.1	0.7	8.4	9.1	10.2
2008	70.3	4.87	4.0	12.0	1.7	7.7	2.6	6.1	0.7	8.6	9.3	10.6
2009	66.3	4.93	3.0	10.9	1.6	7.3	2.4	5.7	0.6	8.5	8.8	10.7
2010	65.3	4.67	2.6	10.7	1.5	7.3	2.3	5.3	0.6	8.7	9.3	10.4
2011	66.0	4.80	2.5	10.9	1.6	7.1	2.3	5.5	0.6	8.8	10.0	10.1
2012	68.3	4.81	2.7	11.2	1.8	7.3	2.3	6.1	0.6	9.1	10.7	9.9
2013	71.4	4.95	3.2	11.6	1.9	7.7	2.2	6.5	0.6	9.6	11.3	10.0
2014	74.2	5.04	3.6	12.3	2.0	7.9	2.2	6.5	0.6	10.0	12.0	10.1
2015	76.2	5.09	3.6	12.5	1.9	8.1	2.3	6.9	0.6	10.2	12.8	10.2
2016	77.9	5.12	3.7	12.6	2.0	8.2	2.2	7.2	0.6	10.4	13.4	10.3
2017	79.2	5.17	3.7	12.7	2.0	8.3	2.2	7.4	0.6	10.5	13.9	10.4
2018	80.0	5.19	3.7	12.8	2.0	8.4	2.2	7.6	0.6	10.6	14.2	10.4
2019	80.7	5.25	3.7	12.8	2.0	8.5	2.3	7.7	0.6	10.7	14.4	10.5
2020	81.4	5.38	3.7	12.9	2.0	8.6	2.3	7.8	0.7	10.7	14.4	10.5
2021	81.8	5.37	3.7	12.9	2.1	8.7	2.3	8.0	0.7	10.8	14.5	10.5
2022	82.2	5.45	3.7	12.9	2.1	8.7	2.3	8.1	0.7	10.9	14.5	10.5
2023	82.7	5.48	3.7	12.9	2.1	8.8	2.3	8.3	0.7	11.0	14.5	10.6
2024	83.2	5.53	3.7	12.9	2.1	8.8	2.3	8.5	0.7	11.1	14.5	10.6
2025	83.7	5.57	3.7	12.9	2.1	8.9	2.3	8.7	0.7	11.1	14.6	10.6
2026	84.2	5.62	3.6	12.9	2.2	8.9	2.4	8.8	0.7	11.2	14.6	10.7
2027	84.7	5.67	3.6	12.9	2.2	9.0	2.4	9.0	0.7	11.3	14.7	10.7
2028	85.3	5.72	3.6	12.9	2.2	9.0	2.4	9.2	0.7	11.4	14.8	10.7
2029	85.9	5.77	3.6	12.9	2.2	9.1	2.4	9.4	0.7	11.5	14.9	10.8
2030	86.5	5.82	3.6	12.9	2.3	9.1	2.4	9.5	0.7	11.7	15.0	10.8
2031	87.1	5.87	3.6	12.9	2.3	9.2	2.5	9.7	0.7	11.8	15.2	10.8
2032	87.6	5.92	3.6	12.9	2.3	9.2	2.5	9.8	0.7	11.9	15.3	10.8
2033	88.2	5.97	3.6	12.9	2.3	9.3	2.5	10.0	0.7	12.0	15.5	10.9
2034	88.8	6.02	3.6	12.9	2.4	9.4	2.5	10.1	0.7	12.1	15.6	10.9
2035	89.4	6.07	3.6	12.8	2.4	9.4	2.5	10.2	0.7	12.3	15.7	10.9
2036	89.9	6.12	3.6	12.8	2.4	9.5	2.5	10.3	0.7	12.4	15.9	11.0
2037	90.4	6.18	3.6	12.8	2.4	9.5	2.5	10.5	0.7	12.5	16.0	11.0
2038	91.0	6.23	3.6	12.8	2.4	9.5	2.6	10.6	0.7	12.6	16.2	11.0
2039	91.5	6.29	3.6	12.7	2.5	9.6	2.6	10.7	0.7	12.7	16.3	11.0
2040	92.0	6.34	3.6	12.7	2.5	9.6	2.6	10.9	0.7	12.8	16.5	11.1

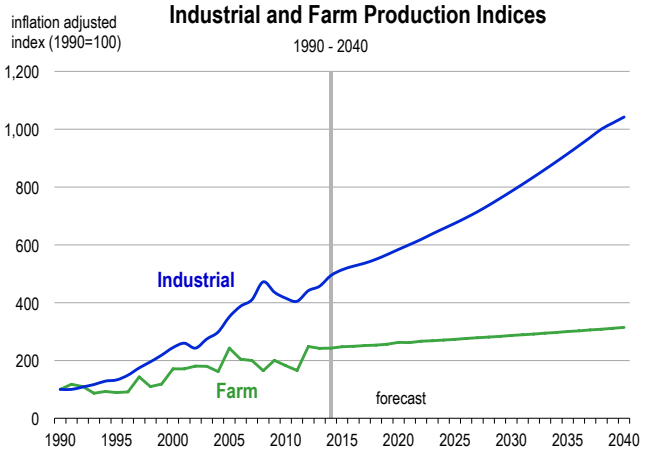












County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	16.8%
Expected job growth:	9.6%
Fastest growing jobs sector:	Leisure Services
Expected personal income growth:	15.3%
Expected population growth:	2.6%
Net migration to account for:	76.8%
Expected growth in number of vehicles:	3.8%

Demographics (2015)

Unemployment rate (March 2015):	4.6%
County rank* in California (58 counties):	6th
Percent of population working age:(16-64)	63.6%
Population with B.A. or higher:	30.8%
Median home selling price (2014):	$485,000
Median household income:	$69,717

Quality of Life

Violent crime rate (2013):	262 per 100,000 persons
County rank* in California (58 counties):	15th
Average commute time to work (2015):	26.1 minutes
High School drop out rate (2014):	9.3%
Households at/below poverty line (2015):	7.3%

* The county ranked 1st corresponds to the lowest rate in California

Appendix C

CITY OF CALISTOGA
PLANNING AND BUILDING DEPARTMENT
PROPOSED AND APPROVED DEVELOPMENT REPORT
MARCH 2016

Location	Project Name/Applicant	Project Description	Status	Planner
411 Foothill Boulevard	**CALISTOGA HILLS (Formerly Enchanted Resorts)** Aaron Harkin 1019 Myrtle Street Calistoga, CA 94515 707-332-8917	Resort/Residential Project 13 single-family dwellings 20 Fractional Units 110 Hotel Units	Approved	Erik Lundquist
1300 Washington Street	**ROMAN SPA** Michael and Kathy Quast 1300 Washington Street Calistoga, CA 94515 707-942-4441 ext. 7242	Resort Expansion Project	Proposed	Erik Lundquist
207 Wappo Avenue	**Wappo Avenue Guest Accomodations** Thomas Hodge and Margaret Nicholson PO Box 6942 Napa, CA 707.501.8550	3 Family and/or Group Guest Suites	Approved	Erik Lundquist
1998 Cedar Street	**IMPER RESIDENCE** Patrick Mervin + Associates c/o Allisa McNair 4668 Petrified Forest Road Calistoga, CA 94515 707-942-6540	4,000+ sf single-family dwelling	Approved	Lynn Goldberg
400 Silverado Trail	**SILVER ROSE RESORT** Silver Rose Venture, LLC 1 Post Office Square 3520 Boston, MA 02109 650-868-3708	Resort/Residential Project 85 guest rooms 57,630 sf resort facilities 110-seat restaurant 21 single-family dwellings	Under Construction	Erik Lundqiust
1801 & 1805 Michael Way	**NEW VINE HOMES LLC** 1301 Farmer's Lane, Suite 302 Santa Rosa, CA 95405	4 New Single Family Dwellings	Approved	Erik Lundquist

CITY OF CALISTOGA
PLANNING AND BUILDING DEPARTMENT
PROPOSED AND APPROVED DEVELOPMENT REPORT
MARCH 2016

Location	Project Name/Applicant	Project Description	Status	Planner
957 Petrified Forest Road	**BRANSTAD PARCEL MAP PM 2014-4** c/o Robert Branstad PO Box 1009 Winnemucca, NV 89446 510.334.2232	2-lot Subdivision	Under Construction	Erik Lundquist
2085 Mora Avenue	**DECKARD AND FRANQUELIN PARCEL MAP PM 2014-3** 1718 Michael Way Calistoga, CA 94515 707.544.2104	3-lot Subdivision	Approved	Erik Lundquist
2960 Foothill Boulevard	**CALISTOGA PET CLINIC USE PERMIT AMENDMENT UP 2013-7** Steve Franquelin 2960 Foothill Boulevard Calistoga, CA 94515 707.942.0404	Expansion of Use	Pending	Erik Lundquist
2412 Foothill Boulevard	**Rancho de Calistoga Clubhouse Design Review DR 2015-1 and Variance VR 2015-1** HCA Management c/o Dean Moser 7250 Redwood Blvd., #350 Novato, CA 94945 415.892.4795 x217	New Clubhouse	Under Construction	Erik Lundquist

CITY OF CALISTOGA
PLANNING AND BUILDING DEPARTMENT
PROPOSED AND APPROVED DEVELOPMENT REPORT
MARCH 2016

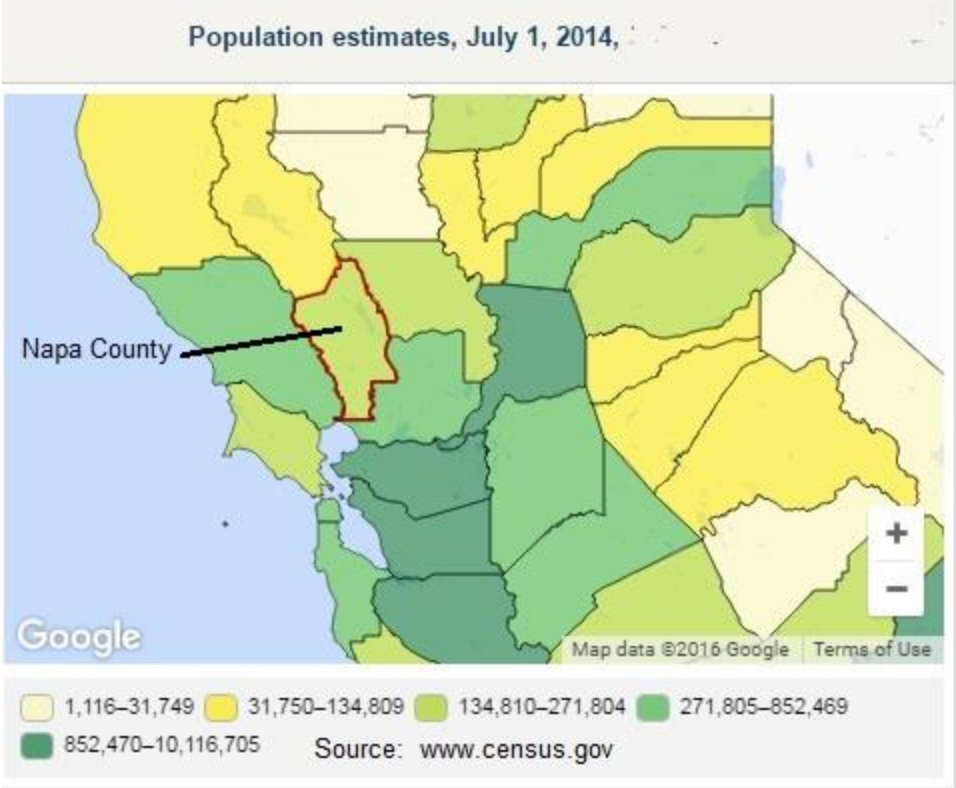
Location	Project Name/Applicant	Project Description	Status	Planner
285 Rosedale Road	**Luvisi Parcel Map PM 2015-1** Clarence Luvisi and Donal Luvisi PO Box 967 Calistoga, CA 94515 707-942-4074	2-lot subdivision	Pending	Erik Lundquist
345 Silverado Trail	**Helmer Short-term Rental** Zoning Ordinance Amendment ZOA 2016-9 & Use Permit UP 2015-13 345 Silverado Trail Calistoga, CA 94515	Short-term Rental of Single Family Dwelling	Pending	Erik V. Lundquist
109 Wappo Avenue	**Brannan Cottage Inn Event Venue** Use Permit Amendment UP 2015-12 Brannan Group, LLC 109 Wappo Avenue Calistoga, CA 94515	Special Events	Pending	Erik V. Lundquist

Appendix D

Population Study for Napa County

This appendix analyzes the existing and projected population in Napa County. This information is provided as context to the City of Calistoga as studied in this MSR/SOI.

Napa County has the smallest population of any of the nine bay area counties that participate in Association of Bay Area Governments (ABAG). The population of Napa County is approximately 140,300 persons in 2015. The second smallest county in the ABAG region is Marin County at 258,972 persons and this is 84% larger than Napa County (DOF, 2015). Figure D-1, below depicts the general population of Napa County in relation to the surrounding counties.



ABAG provides analysis of population data for local governments throughout the nine county region it serves. Projections 2013 is the most recent in the Association of Bay Area Governments' series of statistical compendia on demographic, economic, and land use changes in coming decades. This current version covers the period between 2010 and 2040. Table D.1, below lists ABAG's projected population for Napa County in the years 2020, 2025, 2030, 2035, and 2040. Between the years 2015 to 2040, Napa County's population will grow by 23,400 persons or an overall increase of 17%. Currently, most (56%) of the population of Napa County resides within the City of Napa, making Napa the largest city in the County. Nineteen percent live in the unincorporated area of the County.

Table D-1: Projected Total Population Napa County						
	2015	**2020**	**2025**	**2030**	**2035**	**2040**
AMERICAN CANYON	20,500	21,500	22,600	23,700	25,000	26,200
CALISTOGA	5,200	5,300	5,400	5,500	5,500	5,600
NAPA	78,800	80,700	82,800	85,100	87,700	90,300
ST. HELENA	5,900	6,000	6,100	6,100	6,200	6,300
YOUNTVILLE	3,000	3,100	3,300	3,400	3,600	3,800
UNINCORPORATED	26,900	27,600	28,400	29,300	30,400	31,500
NAPA COUNTY	**140,300**	**144,200**	**148,600**	**153,100**	**158,400**	**163,700**

Source: ABAG Projections 2013 for Napa County

The number of persons sharing a household is projected to increase slightly by the year 2040 to 2.77, on average as shown in Table D-2, below (ABAG, 2013).

Table D-2: Persons Per Household in Napa County						
	2015	**2020**	**2025**	**2030**	**2035**	**2040**
AMERICAN CANYON	3.41	3.40	3.40	3.40	3.41	3.43
CALISTOGA	2.53	2.54	2.55	2.56	2.58	2.60
NAPA	2.69	2.69	2.71	2.72	2.74	2.76
ST. HELENA	2.39	2.39	2.40	2.41	2.43	2.45
YOUNTVILLE	1.86	1.86	1.87	1.88	1.89	1.91
UNINCORPORATED	2.48	2.49	2.50	2.51	2.53	2.55
NAPA COUNTY	**2.70**	**2.70**	**2.72**	**2.73**	**2.75**	**2.77**
Source: ABAG Projections 2013 for Napa County						

The Metropolitan Transportation Commission analyzes and publishes various statistics about local counties as part of their transportation planning process. The historical trend of poverty rates is shown in Figure below. Napa County is shown as a blue line and it indicates that poverty in Napa County has become more variable and has increased during the past decade.

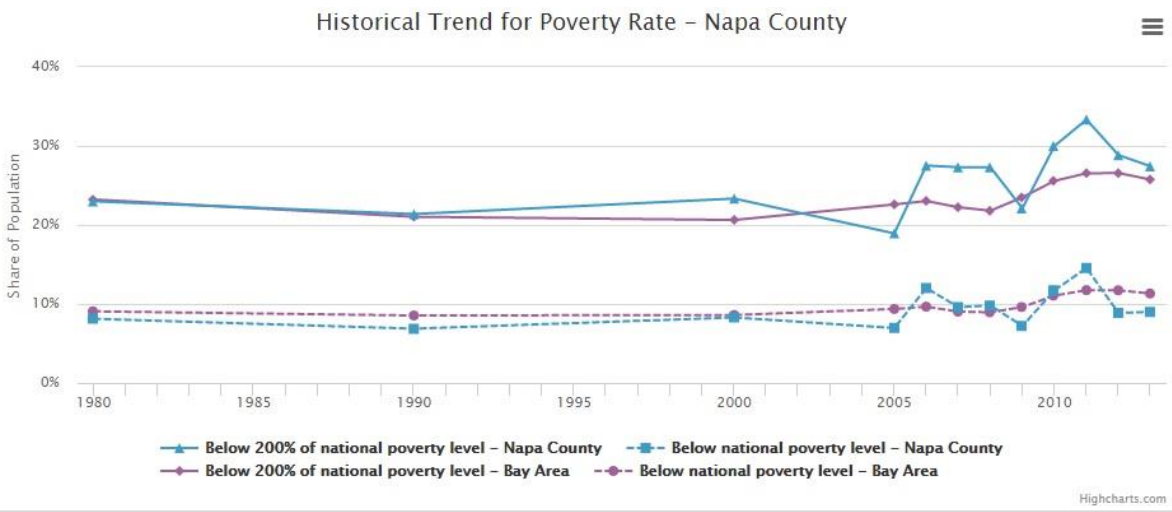
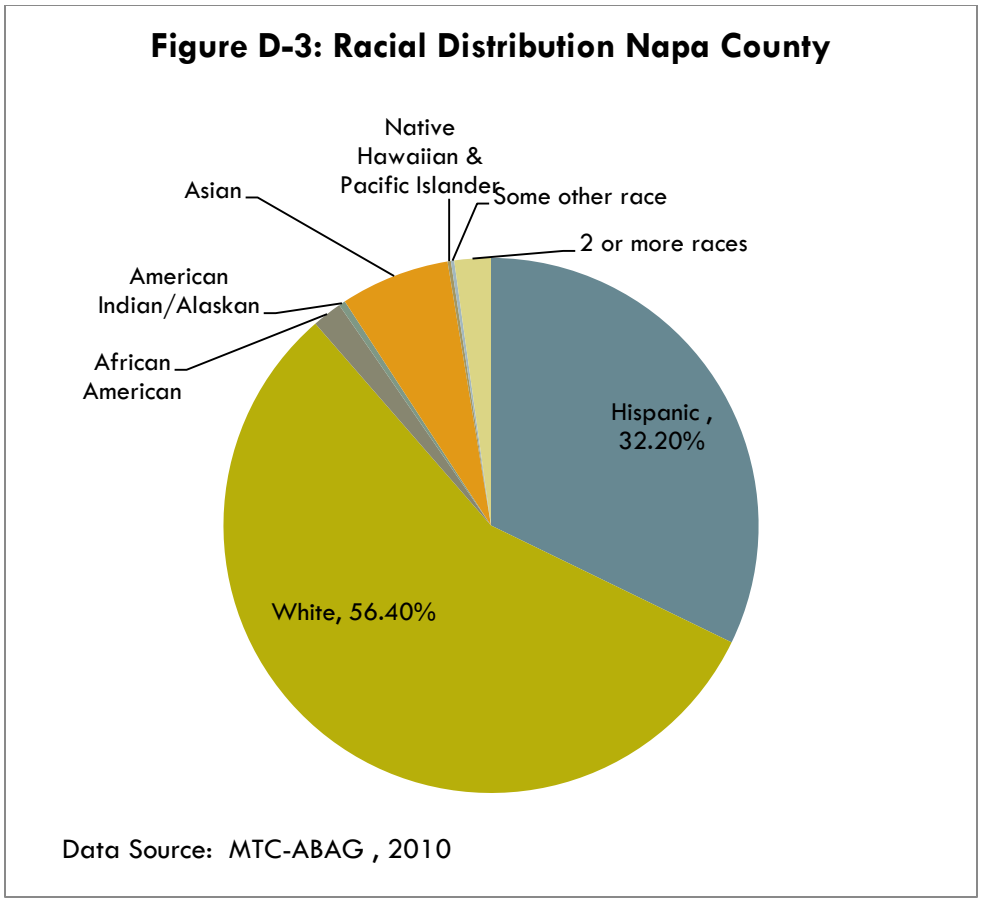


Figure D-2 with Data Source: Metropolitan Trans Commis

The U.S. Census collects data on race and this provides background information about ancestry and ethno-linguistic categories. This data also provides contextual information on the historical role of immigration, race and inequality in American society. The Bay Area Census[1] reports this data for Napa County. California is a racially diverse state and Napa County somewhat reflects this diversity. White and Hispanics are the two largest racial categories in Napa County as shown in Figure D-3 below. Other categories include African American (1.20%); American Indian/Alaskan (0.50%); Asian (2.90%); and Native Hawaiian & Pacific Islander (0.20%). 0.20% of people self-identify as belonging to some other race and 2.10% identify as belonging to two or more races (MTC-ABAG, 2010).

[1] The Bay Area Census is a project and website provided jointly by provided by the Metropolitan Transportation Commission and the Association of Bay Area Governments and it contains selected Census data for the San Francisco Bay Area.



Age distribution

The Median age in Napa County is 39.7 years. There are 20,594 senior citizens living in the County, as shown in Table D-3, below.

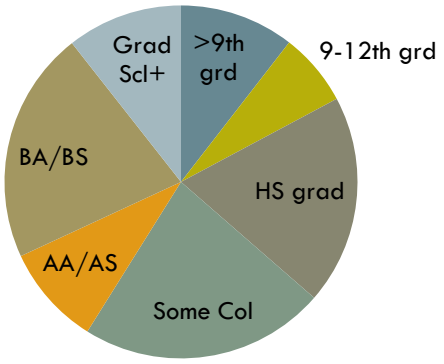
Table D-3: Age Distribution in Napa County	
Age Category	**# of residents**
Under 5 years	8,131
5 to 17 years	23,355
18 to 64 years	84,404
65 years and over	20,594
Data Source: http://www.bayareacensus.ca.gov/counties/NapaCounty.htm	

Average household size was 2.69 persons in 2010. There were a total of 54,759 housing units in Napa County in 2010. Approximately 11% or 5,883 of these units were vacant or used as vacation homes. Of the occupied homes, approximately 63% or 30,597 were owner-occupied and 37% (18,279 units) were rental homes (MTC-ABAG, 2010).

The total number households in the County in 2014 was 49,631. The median household income was $70,925. The Mean household income was estimated to be $95,454 in 2014. The percentage of people whose income in the past 12 months is below federal poverty level was 10.30% (approximately 13,000 people) (US Census, 2014).

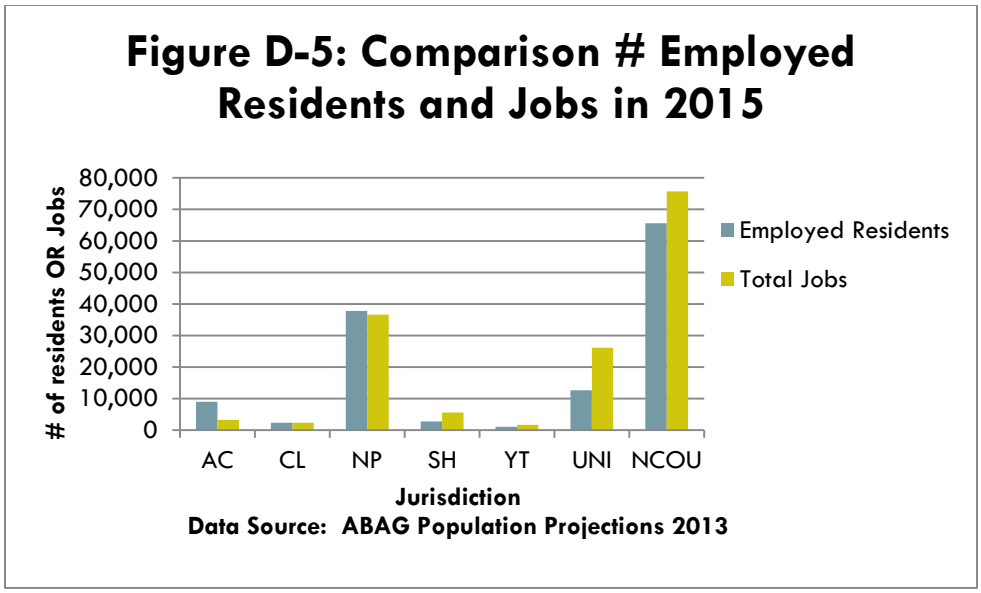
The Educational Attainment In the population aged 25 years and over is that 82.80% of the county's population is a high school graduate or higher. Almost 32% of the county's population has attained a bachelor's degree or higher, as shown in Figure D-4, below (US Census, 2014).

Figure D-4: Educational Attainment in Napa County, 2014

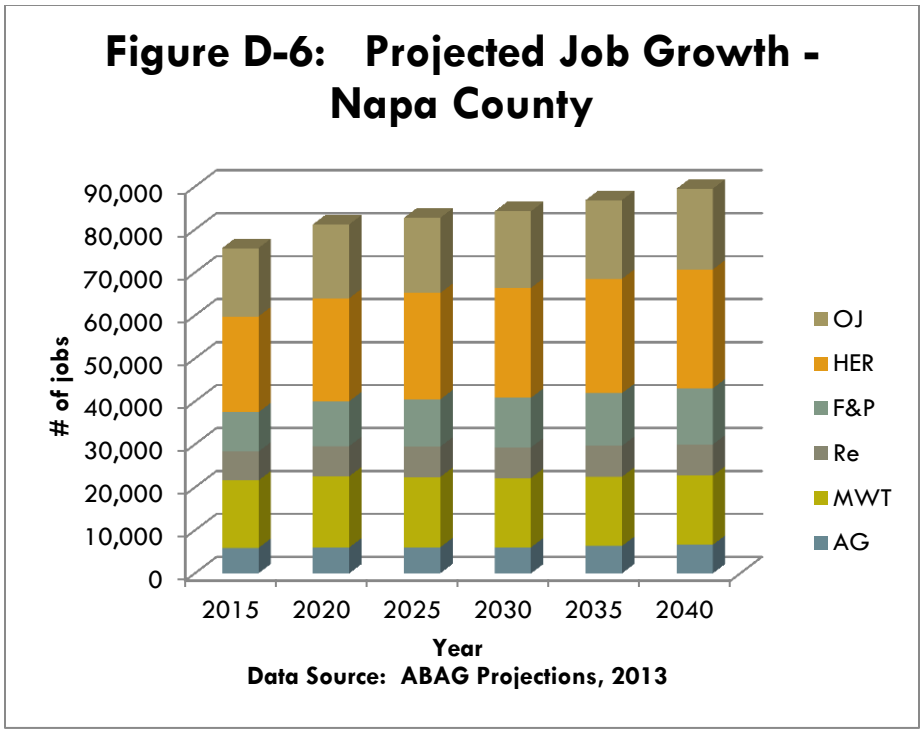


US Census, 2014

Figure D-5, below depicts a comparison between the number of employed residents an area has to the total number of jobs that area provides, as of 2015. In the Figure, abbreviations for the jurisdictions along the horizontal access are as follows: City of American Canyon, AC; City of Calistoga, CL; City of Napa, NP; City of St. Helena , SH; City of Yountville, YT; Unincorporated, UNI; and Napa County, NCOU. Three cities, such as American Canyon and Calistoga, and Napa have more employed residents and fewer jobs, in comparison. This indicates that many people commute out of the city to work. The cities of St. Helena and Yountville along with the unincorporated area provide more jobs than employed residents. This indicates that these areas provide jobs that attract people to commute there for work. By the year 2040, the number of employed residents in Napa County is expected to rise to 74,690 persons (ABAG, 2013).



There are 75,700 jobs in Napa County as of the year 2015, as shown in Figure D-6, below, according to ABAG. The number of jobs is expected to increase to 89,540 by the year 2040, an overall increase of almost two percent. The jobs cover a range of economic sectors. In the Figure below, these economic sectors are given the following abbreviations: Agriculture and Natural Resources Jobs, AG; Manufacturing, Wholesale and Transportation Jobs, MWT; Retail Jobs, Re; Financial and Professional Service Jobs, F&P; Health, Educational and Recreational Service Jobs, HER; and Other Jobs, OJ.



Although the agricultural sector represents only a small fraction of the number of current and projected jobs, this sector does provide many other ancillary benefits. For example, many of the retail jobs in Napa County are related to the wine industry. The scenic vineyards and pastures create an attractive visual amenity which increase the quality of life and helps other businesses and industries attract workers. The agricultural sector also supports the creation and protection of green open space which is one of LAFCO's goals.

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Appendix E

Grants for Disadvantaged Communities

Cap and Trade Funds: AB 32 (Global Warming Solutions Act of 1996) requires the reduction of greenhouse gas emissions back down to 1990 levels by 2020 within California. AB 32 required the California Air Resources Board to administer this program. Facilities subject to the cap must obtain permits (called allowances) to emit these GHG. These allowances are auctioned by the state, and businesses can then sell or trade them. California's cap-and-trade program was launched in November 2012 and has generated hundreds of millions of dollars in revenue. SB 535, signed into law in September 2012, requires that 25 percent of the cap-and-trade funds go to projects that will benefit disadvantaged areas and that at least 10 percent must be allocated to projects actually located in disadvantaged communities. The law defines "disadvantaged communities" as those that are disproportionately affected by pollution and suffering from high concentrations of unemployment, low levels of homeownership, high rent burden, and low levels of educational attainment. The California Air Resources Board has Maps for Evaluating Benefits to Disadvantaged Communities and has additional information about potential funding opportunities. See their website at: *http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm* for more information.

Safe Drinking Water State Revolving Fund: The California Department of Public Health administers the Safe Drinking Water State Revolving Fund which provides low interest loans to fund water infrastructure projects and public water system planning. Disadvantaged communities that are unable to afford loans for water systems may be eligible for these grants. Projects that solve public health and significant compliance issues are emphasized by the grant funders.

State Water Resources Control Board Revolving Fund Program: The U.S. Clean Water Act (amended in 1987) established the Clean Water State Revolving Fund program. Through this program, low interest financing agreements for water quality projects may be provided to state and local governments. $200 and $300 million is offered to eligible projects each year across the country.

Proposition 1, Water Quality, Supply, and Infrastructure: This water bond measure was approved by California voters on November 4, 2014. Proposition 1, known as the Water Quality, Supply, and Infrastructure Improvement Act of 2014 authorized $1.4 billion for water-quality projects, as part of Integrated Regional Water Management Implementation and Planning efforts in each hydrologic region of the State. The $1.4 billion in funding includes $260 million for drinking water in disadvantaged communities.

Community Development Block Grant Funds: This program began in 1974, and is administered by the federal Housing and Urban Development (HUD). The Community Development Block Grant Funds program provides annual grants to allow communities address a wide range of unique community development needs.

Greenhouse Gas Reduction Fund: California's Greenhouse Gas Reduction Grant and Loan Program contributes towards capital investments in recycling manufacturing facilities and composting/digestion infrastructure. CalRecycle administers this program whose aim is to reduce greenhouse gas emissions and to realize economic benefits in disadvantaged communities. Ideally, material can be diverted from landfills and utilized to produce beneficial products such as compost or bio-digesters. Grants may also be used to expand infrastructure for manufacturing products with recycled content fiber, plastic, or glass. Details are available on the CalRecycle website at: *http://www.calrecycle.ca.gov/Climate/GrantsLoans/*.

APPENDIX F: REGULATORY REQUIREMENTS - MUNICIPAL WATER

Federal Regulations

U.S. Clean Water Act (1972)

The Clean Water Act (CWA) is the primary federal statute governing the protection of water quality. The EPA's implementation of this law provides a comprehensive program to protect the nation's surface waters. Under CWA Section 304, states are required to ensure that potable water retailed to the public meets specific standards.

Section 303(d) of the CWA requires states to identify water bodies that do not meet water quality objectives and that do not support beneficial uses. The 303(d) list includes the Napa River for pathogens, nutrients, and sedimentation/siltation.

U.S. Safe Drinking Water Act (1974)

Under the Safe Drinking Water Act (SDWA, 42 USC Sections 300f et seq.), U.S. EPA regulates contaminants of concern to domestic water supply. Contaminants of concern relevant to domestic water supply are defined as those that pose a public health threat or that alter the aesthetic acceptability of the water. The California Department of Public Health (CDPH) has been granted primary enforcement responsibility for the SDWA. Title 22 of the California Administrative Code establishes CDPH authority, and stipulates drinking water quality and monitoring standards.

State Regulations

California Porter-Cologne Water Quality Control Act (1969)

The Porter-Cologne Act provides the statutory authority for the protection of water quality in California. Consistent with the Porter-Cologne Act, the state adopts water quality policies, plans, and objectives to protect the state's waters. The Act outlines the obligations of the SWRCB and nine RWQCBs to adopt and periodically update basin plans.

San Francisco Bay (Region 2) Water Quality Control Plan

The State Water Resources Control Board and nine RWQCBs are responsible for ensuring implementation and compliance with the provisions of the CWA and the Porter-Cologne Act.

Urban Water Management Planning Act (1983)

The Urban Water Management Planning Act (California Water Code, Division 6, Part 2.6, Section 10610 et seq.) requires water suppliers to document water supplies available during normal, single dry, and multiple dry water years during a 20-year projection period, and to document the existing and projected future water demand during a 20-year projection period. The Act applies to municipal water suppliers that serve more than 3,000 customers or provides more than 3,000 afy of water.

Senate Bill 610 and Senate Bill 221

SB 610 (now CEQA Guidelines Section 15155) amended the Water Code requirements within the CEQA process and broadened the types of information required in a UWMP. SB 221 is applicable within the Subdivision Map Act and it allows jurisdictions to condition a tentative map such that documentation from a public water supplier regarding availability of sufficient water supply is needed.

Recycled Water Regulations

Recycled water is regulated by the U.S. Environmental Protection Agency (EPA), the State Water Resources Control Board (SWRCB), Regional Water Quality Control Boards (RWQCB), and the CA Department of Health Services (DHS). Resolution No. 77-1 from the SWRCB, allows the SWRCB and RWQCB to encourage and consider funding of water reclamation projects that do not impair water rights or beneficial instream uses.

California Water Code

The California Water Code outlines the general state authority and responsibilities over water in California.

Title 22

The California Water Code requires the DHS to establish water reclamation criteria. In 1975, the DHS prepared Title 22 to fulfill this requirement. Title 22 regulates the production and use of reclaimed water in California.

California Water Code (Division 3, Dams and Reservoirs)

The State of California inspects dams to prevent failure in order to safeguard life and protect property. DWR Division of Safety of Dams implements this legislation.

Local Regulations

Napa County has several policies related to water quality including its General Plan. The County Environmental Health Department also aims to ensure drinking water is safe.