

**DON PEDRO RECREATION AGENCY
BOARD OF CONTROL - DON PEDRO PROJECT
SPECIAL MEETING MINUTES
April 12, 2018**

CALL TO ORDER: 10:05 a.m. CCSF, Hetch Hetchy Administrative Building, Moccasin

VOTING MEMBERS PRESENT: Ron Macedo – Turlock Irrigation District (TID)
Stu Gilman – Modesto Irrigation District (MID)
Brent Hörger – City & County of San Francisco (CCSF)

OTHERS PRESENT: Chris Collett – DPRA, Department Manager
Tou Her – Turlock Irrigation District (TID)
Chad Tienken – Modesto Irrigation District (MID)
Jim McCoy – DPRA, Division Manager, Campground Operations
Brannon Gomes – DPRA, Chief Ranger
Sue VanderSchans – DPRA, Administrative Assistant
Tom Delotto – Suntex Marinas, Regional Manager
Nick Henry – Suntex Marinas
Quinn Heidenreich – Suntex Marinas
Keith Lynar – Private Houseboat Owner
Ross Swett – Private Houseboat Owner
Larry Swanson – Private Houseboat Owner

ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON

Board Member, Brent Hörger, motioned to elect Board Member, Ron Macedo, to the position of Chairperson to the Don Pedro Recreation Agency Board of Control, the motion was seconded by Stu Gilman. The Board voted unanimously to approve Ron Macedo as Chairperson to the Don Pedro Recreation Agency Board of Control.

Board Member, Stu Gilman, motioned to elect Board Member Brent Hörger, to the position of Vice-Chairperson to the Don Pedro Recreation Agency Board of Control, the motion was seconded by Ron Macedo. The Board voted unanimously to approve Brent Hörger as Vice-Chairperson to the Don Pedro Recreation Agency Board of Control.

MINUTES

The Don Pedro Recreation Agency (DPRA) Board of Control approved the minutes of the March 9, 2018, Board of Control meeting with an amendment to add Chris Collett and Sue VanderSchans to the “Others Present” section.

DPRA REGULATION RA 9000.200

Agency Director Collett presented a request to amend Agency Regulation RA 9000.200, Review of Concessionaire Fees by the Agency. Director Collett highlighted areas of the regulation, which were discussed last month and added that due to the Concessionaires request to add a new service, Boat Lift Rental, this regulation would need to be updated to allow for this service as a Category 1 fee. DPRA is requesting the following changes: Inclusion of Boat Lift Equipment as a Category 1 item, Sports Equipment Rental Rates moved from Category 1 to Category 2, add “Launch and Retrieve Houseboat rates” to Category 1, modify “repair shop hourly rates” to read “All labor and service rates”, add “firewood” to Category 2, Eliminate Exhibit 1 Flowchart and define the review process in the regulation narrative. Mr. Collett stated that the goal is to ensure that rates charged to the public are fair to the concessionaire and reasonable for its visitors. Mr. Collett continued with a review of the components of the Fee Review Process – Concessionaires must request rate changes in writing and include sufficient detail and documentation to justify the requested rate. The Agency will provide public access to the proposed fees and schedule a Board of Control meeting for the Concessionaire to present its proposal as an “Information Item”. The Agency will then review the fee request and provide a written recommendation to be presented to the Board of Control within 30 days. The review may include Direct Comparability, Financial Analysis, Indexing Analysis using CPI data, or other actions. Board Member Hörger asked for clarification on the selection process of “comparables”. Mr. Collett answered that the Agency would be working with Suntex to create a list of comparable facilities. Board Member Hörger asked when a full comparability study with verifiable data could be completed. Agency Director Collett answered that the study would run through the recreation season and it should be completed in the fall.

The Board voted unanimously to approve the amended DPRA Regulation RA 9000.200.

MOCCASIN POINT MARINA BOAT LIFT ADDITION

Agency Director Collett stated that he will be presenting the information for both Agenda Items 5 & 6, Boat and Personal Watercraft (pwc) Lifts together since the proposals are the same, but the Board will be asked to vote on each one separately. Suntex Marinas is requesting to add boat/pwc lifts for rent at Moccasin Point Marina and Lake Don Pedro Marina. Mr. Collett stated that the Agency uses a systematic process to review rates in order to provide reliable and dependable information to the Board. Mr. Collett added that the Suntex rate proposal received for the boat/pwc lifts was not justified by the information provided by Suntex. Mr. Collett said that lifts are a new product to Don Pedro and there is no historical information to compare it to. Director Macedo asked if they are used at other marinas. Quinn Heidenreich, Suntex Marinas, answered that the product is used at other marinas and the pricing is fair. Nick Henry, Suntex Marinas, added that the lifts have become popular at their Texas marinas, but they are a new service to California. Mr. Henry added that there are currently nine marinas in California that sell lifts and two that rent them at a rate comparable to the Suntex proposal. Director Gilman asked what the life expectancy is of the lift and how they are serviced. Tom DeLotto, Suntex Marinas, answered that the equipment is a very simple design with an almost non-existent fault rate. Mr. DeLotto added that Suntex has mechanics on site and that Suntex Marinas will be a servicing dealer for the lifts. Agency Director Collett stated that while reviewing the rental fee requested, Agency staff found that the Suntex proposal contained incomplete or incorrect information in the comparables rental rate. Mr. Collett explained that the Suntex proposal provided two marinas that rent the boat lifts, one is priced at \$60 per month, and the other is priced at \$211 per month. Upon investigation, DPRA staff found that the \$211 pricing includes a covered 10' by 24' slip. Board Member Hörger, stated that we want these amenities on the lake, but questioned how to move forward and get reliable fee information. Agency Director Collett answered that it is within the Board's right to approve, deny or revise the request. Board Member Hörger asked Quinn Heidenreich, Suntex Marinas how soon they were hoping to offer this product to its customers. Mr. Heidenreich responded "as soon as possible", Board Member Macedo stated that the Board needs to be fair and asked Suntex staff how we can move forward. Mr. Henry, Suntex Marinas, stated that they currently have 5-7 other marinas that offer the boat lifts at the same rate that was requested. Discussion took place regarding the purpose of boat lifts. Tou Her, Turlock Irrigation District, stated that we want the concessionaire to be profitable, but more accurate information is needed. Ross Swett, private houseboat owner, suggested that postcards should be sent to customers to get feedback. Keith Lynar, private houseboat owner, stated that there will be a problem if all of these rates are approved.

Board Member Hörger motioned to deny the proposal as written, seconded by Gilman. The Board voted unanimously to deny the Moccasin Point Marina Boat Lift Addition.

Discussion took place regarding the posting of proposed rates. Keith Lynar, private houseboat owner asked if the fees are on the DPRA website. Mr. Collett referred back to the March minutes and stated that Board Member Hörger, had asked Suntex staff to provide contact information to customers in order to share the fee proposals. Board Member Hörger asked how much advance notice did the public have regarding today's meeting and were the proposed fees posted prior to today's meeting. Mr. Collett answered that the meeting notice was posted 1 day in advance and the proposed fees were not posted on the DPRA website. Board Member Hörger stated that the concessionaire should post their fee proposal information in advance of it going to the Board for approval. Board Member Gilman clarified that this is a new and optional service. He also asked if there are any other "new" items on the Agenda. Agency Director Collett answered that there are items that do not already have a previously set rate.

LAKE DON PEDRO MARINA BOAT LIFT ADDITION

Board Member Hörger motioned to deny the proposal as written, seconded by Gilman. The Board voted unanimously to deny the Lake Don Pedro Marina Boat Lift Addition.

MOCCASIN POINT MARINA SMALL BOAT RENTAL FLEET AND RATE PROPOSAL

Agency Director Collett stated that he will be presenting the information for both Agenda Items 7 & 8 since the proposals are the same, but the Board will be asked to vote on each one separately. Agency Director Collett, stated that the Suntex Marinas proposal was reviewed by the Agency and it has been determined that the proposed rates are not justified by the information provided by Suntex Marinas. Mr. Collett stated that as an option, DPRA has prepared a 4 year CPI calculation to provide increases that are less than the proposed rates, but Suntex Marinas stated that they will not consider reducing the requested rates. Board Member Hörger asked if a vote postponement was offered to Suntex Marinas. Agency Director Collett, responded that a postponement was not mentioned since Suntex Marinas staff were eagerly awaiting today's meeting. Nick Henry, Suntex Marinas, asked the Board to review the information that was submitted in their proposal. Board Member Hörger stated that these issues generally get resolved behind closed doors prior to the meeting and does not want to take in new information at this stage. Mr. Henry stated that it is information that was originally submitted with the proposal.

Board Member Macedo motioned to deny the proposal as written, seconded by Gilman. The Board voted unanimously to deny the Moccasin Point Marina Small Boat Rental Fleet and Rate Proposal.

LAKE DON PEDRO MARINA SMALL BOAT RENTAL FLEET AND RATE PROPOSAL

Board Member Macedo motioned to deny the proposal as written, seconded by Gilman. The Board voted unanimously to deny the Moccasin Point Marina Small Boat Rental Fleet and Rate Proposal.

Board Member Hörger called for a 5 minute break @ 11:55, meeting to reconvene at 12:00.

MOCCASIN POINT MARINA 2018 RATE PROPOSAL

Agency Director Collett stated that the Suntex Marinas proposal was reviewed by the Agency and it has been determined that the proposed rates are not justified by the information provided by Suntex Marinas. Mr. Collett stated that as an option, DPRA prepared a 4 year CPI calculation to provide increases that are less than the proposed rates. Suntex Marinas staff has agreed with the 4 year calculation for the Moccasin Point Marina and Lake Don Pedro Marina 2018 Rate Proposals. Mr. Collett performed a quick review of the CPI proposal. Board Member Hörger questioned if this is the rate Suntex Marinas is now looking for, or is it a temporary measure. Quinn Heidenreich, Suntex Marinas, answered that on certain items it will be fine, but not on others. Nick Henry, Suntex Marinas, added that they will work with Agency Director Collett on the comparability study this season, and will propose the new rates for the 2019 season. Board Member Macedo, would like to see if the comparability study could be completed in time for the 2018 season. Agency Director Collett responded that it's at least 6-9 months out. Board Member Hörger asked if the timeframe could change if Suntex Marinas provided more information. Agency Director Collett stated that back in 2013 Forever Resorts, DPRA, and the Districts contracted with a private consultant to perform the comparability study. If this is the type of information Suntex Marinas can provide, then it's likely to reduce the timeframe needed. Board Member Gilman, asked Suntex staff if they are performing their own research or if they are using a third party. Mr. Henry responded that Suntex staff is conducting the research. Mr. Heidenreich added that Suntex has collected and provided the same type of information to other governmental agencies who accepted their methodology and research. Tou Her, TID, stated that there isn't an expectation that Suntex Marinas provides a "Dornbush" type study. Mr. Her added that the rates need to be fair and reasonable and the comparables need to include facilities other than Suntex Marinas properties. Agency Director Collett, added that Suntex submitted the proposal as a CPI, but they were requesting 7 to 10 years of CPI. Mr. Collett added that he cannot support their request, but will support 4 years CPI, which is the industry standard.

Board Member Hörger motioned to deny the proposal as written, seconded by Macedo. The Board voted unanimously to deny the Moccasin Point Marina 2018 Rate Proposal.

LAKE DON PEDRO MARINA 2018 RATE PROPOSAL

Board Member Hörger motioned to deny the proposal as written, seconded by Macedo. The Board voted unanimously to deny the Lake Don Pedro Marina 2018 Rate Proposal.

LAKE DON PEDRO MARINA NEW SLIP RATE PROPOSAL

Board Member Hörger motioned to deny the proposal as written, seconded by Macedo. The Board voted unanimously to deny the Lake Don Pedro Marina 2018 Rate Proposal.

PUBLIC PARTICIPATION CONCERNING AGENDA ITEMS

Larry Swanson, private houseboat owner, asked when the next meeting will take place. Board Member Hörger answered that there could potentially be another Board of Control Special meeting, but currently the next scheduled meeting is June 8th.

MOTIONS PASSED

On motion of Hörger, seconded by Gilman, the following motion was adopted:

2017-04-02 The Board voted unanimously to approve Ron Macedo as Chairperson to the Don Pedro Recreation Agency Board of Control.

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Gilman, seconded by Macedo, the following motion was adopted:

2017-04-03 The Board voted unanimously to approve Brent Hörger as Vice-Chairperson to the Don Pedro Recreation Agency Board of Control.

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman,
Noes: none

On motion of Hörger, seconded by Gilman, the following motion was adopted:

2018-04-04 The Board voted unanimously to approve the amended DPRA Regulation RA 9000.200

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Hörger, seconded by Gilman, the following motion was adopted:

2018-04-05 The Board voted unanimously to deny the Moccasin Point Marina Boat Lift Addition

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Hörger, seconded by Gilman, the following motion was adopted:

2018-04-06 The Board voted unanimously to deny the Lake Don Pedro Marina Boat Lift Addition

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Macedo, seconded by Gilman, the following motion was adopted:

2018-04-07 The Board voted unanimously to deny the Moccasin Point Marina New Small Boat Rental Fleet and Rate Proposal

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Macedo, seconded by Gilman, the following motion was adopted:

2018-04-08 The Board voted unanimously to deny the Lake Don Pedro Marina New Small Boat Rental Fleet and Rate Proposal

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Hörger, seconded by Macedo, the following motion was adopted:

2018-04-09 The Board voted unanimously to deny the Moccasin Point Marina 2018 Rate Proposal

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Hörger, seconded by Macedo, the following motion was adopted:

2018-04-10 The Board voted unanimously to deny the Lake Don Pedro Marina 2018 Rate Proposal

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

On motion of Hörger, seconded by Macedo, the following motion was adopted:

2018-04-11 The Board voted unanimously to deny the Lake Don Pedro Marina 2018 New Slip Rate Proposal

Upon roll call the following vote was had:

Ayes: Directors Macedo, Hörger, Gilman
Noes: none

ADJOURNMENT

Due to no further business, the Board adjourned at 12:25 p.m.

Respectfully Submitted,

Christopher C. Collett
Secretary to Board of Control

Copies to: Messrs. Hörger, Williams
Messrs. Hashimoto, Macedo, Her
Messrs. Gilman, Davids, Salyer