

**DON PEDRO RECREATION AGENCY
BOARD OF CONTROL - DON PEDRO PROJECT
MEETING MINUTES
September 13, 2019**

CALL TO ORDER: 10:02a.m. CCSF, Hetch Hetchy Administrative Building, Moccasin

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

OTHERS PRESENT: Chad Tienken- Modesto Irrigation District (MID)
Tou Her – Turlock Irrigation District (TID)
Jim McCoy – DPRA, Interim Department Manager
Brannon Gomes – DPRA, Division Manager
Vanessa Torres – DPRA, Customer Service Rep
Bill Penney – TID, Associate Civil Engineer
Rebecca Dack – DPRA, Administrative Assistant
Brian Keelan – Suntex Regional Director
Katie Linton – Suntex, General Manager
Tim & Janice Keating – Private Sailboat Owners
Ross Swett – Private Houseboat Owner
Bob Lynar – Private Houseboat Owner
Jim Haley – Private Houseboat Owner
Joe & Phyllis Farenkamm – Private Houseboat Owners
John & Diane Hitchcock – Private Houseboat Owners
Larry & Agatha Swanson – Private Houseboat Owner
Jerry Jenkins – Private Houseboat Owner

MINUTES

The Don Pedro Recreation Agency (DPRA) Board of Control approved the minutes of the June 14, 2019 Board of Control Regular meeting and the August 9, 2019 Special meeting. Mr. Gilman motioned to approve the minutes, Ms. Hannaford seconded and the motion carried.

MONTHLY FISCAL REPORT

Jim McCoy, Interim Department Manager presented the fiscal report to the Board for July 2019 which shows a comparison of July 2019 to July of 2018 with a breakdown by category.

Projected revenue for the month of July 2019 with sponsor contributions was \$704,160 with actual revenue at \$775,920. Projected expenses for July 2019 were \$390,371 and the actual expenses were \$362,848.

Actual revenue year-to-date to July 2019 \$1,976,682. Total revenue, including sponsor contributions was \$3,246,645. Actual expenses year to date was \$1,708,860 leaving a balance of \$1,537,785 of revenue over expenses. Capital expenses for the month of July totaled \$18,032 and were associated with Moccasin warehouse structural engineering and radio repeater repair and maintenance. Year-to-date, \$137,345 in Capital funding has been spent.

FEE SCHEDULE ADJUSTMENTS 2020

Agency Interim Director, Jim McCoy, presented an overview of the 2020 fee comparison that was presented at the August Budget Workshop. Mr. McCoy provided a list of the twenty facilities that have like-kind amenities throughout California were surveyed. Mr. McCoy also informed the Board that in addition to the proposed fee changes, DPRA staff will recommend changing the “Second Vehicle Annual Use Permit” to a new designation of “Additional Vehicle Annual Use Permit”. The rate shall remain at the current rate and policy that requires vehicles to be registered to the same person and address to qualify for the “Additional Vehicle” discount.

Mr. McCoy requested the Board to approve the proposed 2020 Fee Adjustments as presented. Mr. Macedo asked the Board for a motion to approve the 2020 Fee Adjustments. Ms. Hannaford motioned to approve. There was some discussion about the changes. Mr. Gilman asked about the fee comparisons of the comparable facilities. Mr. McCoy noted that all are either Davis-Grunsky and/or FERC facilities or offer the same or similar amenities. Mr. Swett asked if the only reason for increasing the fees is because of comparable facilities and inquired as to how much money is Don Pedro reserve account. Mr. McCoy stated DPRA has about \$4,000,000 in the account, which is just under what the cost would be for an annual budget. Ms. Keating noted that the reserve is about 100% and inquired as whether DPRA would ever anticipate an entire year of no income. Mr. McCoy stated that we cannot anticipate the hydrological conditions, but with the past drought years, DPRA is prepared for whatever happens. Mr. Macedo asked if there was any additional discussion or questions and then for a second motion for approval. Mr. Gilman seconded the motion and the motion carried.

RECREATION AGENCY BUDGET 2020

Mr. McCoy provided a quick review of the O&M portion of the budget that was presented at the August Budget Workshop, noting the increase from 2019 to 2020 was a 9.4% increase with 3.4% in wages, 1.3% in the TID accounting policy change for the capital threshold, 1.3% for increase security, and 3.4% in a variety of adjustments related to training, armored truck service, union negotiated boot allowance, increased utilities, benefits and G&A, among other items. Mr. Swett inquired as to why lake ops budget is decreasing and Mr. Gomes stated that most of the changes account for reallocation of funds to the proper accounts for tracking purposes.

Mr. McCoy continued with a brief review of the 2020 capital budget. Mr. Jenkins noted the private houseboat dock has had problems and inquired as to who is responsible to fix it. Mr. McCoy informed him that DPRA is not responsible for the dock repairs and maintenance and noted the docks are Suntex’s responsibility.

Mr. McCoy followed up on items requested at the August Budget Workshop regarding the swimming lagoon requirements. He noted that per Article 45 of the original FERC license, DPRA is obligated to provide recreation opportunities at Don Pedro. In an effort to offset those initial costs the Districts sought out and secured the “Davis-Grunsky” Grant. The swimming lagoon, in its current location and standards, was a required recreation amenity under the Davis-Grunsky Grant contract and, subsequently, is now included as a recreation amenity in both the current FERC license, as well as the pending application. Further, the Davis-Grunsky Contract does not allow for fees above and beyond the standard day use fee for utilization of any amenity other than the boat launch facilities. In 2012, as part of the re-licensing efforts, HDR conducted several field studies which included 23 observation days between April and October at the swimming lagoon. All sample days combined, DPRA had an average of 67 swimmers and 125 picnickers or sunbathers per day, with a maximum observed weekend usage of 250 swimmers and 508 picnickers or sunbathers. Labor Day weekend 2019 saw over 1,300 visitors utilizing the swimming lagoon.

Mr. McCoy discussed the operating costs associated with operating and maintaining the lagoon per requests from the August Budget Workshop. With the lagoon filter replacement, the anticipated annual savings in labor, maintenance and chemicals is approximately 20%. Mr. McCoy also provided information regarding a request to analyze potential solar installation to run the swimming lagoon, noting the option is not feasible and is not recommended. Mr. Swett inquired as to why solar costs are so high at \$3.90. Mr. McCoy noted those are the industry numbers provided by TID Civil Engineering

Mr. Farenkamm noted that there is power generation at the bottom of the dam and asked if TID gives DPRA a kickback. Mr. McCoy informed him that TID does not and continued a brief review of the overall budget and sponsor contributions. Mr. McCoy requested the Board to approve the proposed 2020 Recreation Budget as presented. Mr. Macedo asked if there is anything in the future that would prevent us from looking at solar. Mr. McCoy stated there was not. Mr. Gilman asked if when staff looked into solar, if it was just to run the lagoon and if there would be any benefit to increasing the size and scope of solar to run other facilities so it is being used year round. There was some more discussion about solar options and battery storage and Mr. McCoy stated DPRA would have to look into expanding the scope. There was some discussion regarding the cost of \$3.90 and it was noted that \$3.90 is a good estimate with permitting, engineering, etc. Mr. Penney noted that a lot of projects are available for rebates, but this project wouldn't be eligible for a rebate. He wasn't sure what the reason, but would look into the eligibility. Mr. Her noted that since we are in the process of building the new headquarters, we can look into expanding the scope of solar once it is determined how much power the new building utilizes and can come back to the Board with the information at that time. There was some further discussion of other options such as hydroelectric and Mr. Gilman noted that if it's not a quick return on investment, then it would not be worth the investment. Mr. Macedo asked for any further questions. Ms. Hannaford noted that she has been very impressed with the work on the project cost estimates and would like to see a longer-term financial plan for capital costs with a 10-year projection. Mr. McCoy stated that DPRA is working with TID Civil to complete an extensive inventory of infrastructure for long term to develop a long-term plan. Ms. Hannaford also noted that she had recently been made aware that DPRA has grant funding for some projects and would like a better understanding of capital costs being offset by grant funding and all other elements of grant funding. Mr. McCoy stated that information can be included in the overall financial statements. Mr. Macedo noted that we have an opportunity to think outside of the box revenue generation. Mr. McCoy stated that DPRA has meetings scheduled in the fall discussion of potential projects. Mr. Macedo asked for a motion to approve the 2020 Agency Budget as presented. Mr. Gilman motioned to approval and Ms. Hannaford seconded the motion and the motion carried.

MOCCASIN WAREHOUSE UPDATE

Bill Penney, TID Associate Civil Engineer, presented information regarding the 2019 Moccasin Warehouse project and the electrical improvements. Local electrical contractor came in to assess the building for safety and code requirements for today's standards and the initial assessment determined that the building is safe. Lighting is the main electrical component and the breaker panel is about fifty years old with a subpanel installed outside of it. The current panel still works, but they do not make parts for that model anymore. It's going to reach end of life at some point and will need to be replaced. He offered three options for improvements ranging from \$12,600 to \$18,500 and recommended a combination of two for Safety and Modernization Improvements totaling approximately \$36,300. The recommendation included the electrical improvements being completed in coordination with the truss and roof repairs for an expected completion by the end of 2019. Mr. Macedo asked if there were any questions and noted this was only an information item.

Mr. McCoy noted that the recommendations presented by Mr. Penney will not exceed the overall capital budget by 5%. Due to the timeframe and unless the board sees any reason not to do so, DPRA plans to move forward with the project as presented. There were no objections.

OPERATIONS UPDATE

Brannon Gomes, DPRA Division Manager provided the DPRA operations update. DPRA is currently in the winter transition which includes buoy line maintenance and repair. Staff will continue working to contain and prepare for new debris at the Tuolumne River. Vessel inventory is being completed so the annual permits can be applied when they start coming in. CPR and AED are all due in April, so training will take place this fall and winter. Staff is also working to winterize pipes and culvert cleaning and servicing equipment, in addition to capital projects.

Mr. Gomes also provided an update of Labor Day activity for incidents. Noted there are about 10,000 visitors' days on average for the holiday weekend. There were boating enforcement traffic stops which resulted in citations, one BUI, a tow-in assist, and seven medical assists minor in nature, no one was airlifted.

Recently a houseboat and pontoon boat capsized in Mexican Gulch. DPRA and marina staff did a great job in responding, deployed fuel containment booms and took all of the necessary steps. Currently in process of removing houseboat, pontoon has been removed.

DIRECTOR'S REPORT

Jim McCoy, Interim Department Manager presented the Director's Report to the Board. Provided Labor Day gate totals and day and watercraft use. 1,001 reservations were made in August 2019, which is 129 more than August 2018. Year-to-date, 9,166 reservations have been made in 2019 compared to 7,742 reservations that were made for the same time period in 2018. Reservations are currently up 15.5% from this time last year.

Moccasin roadwork scheduled to start after September 15, 2019. The plan is to slurry seal the overflow parking lot by the kiosk and add a 2-inch overlay and the main launch ramp.

Moccasin roof bid walk-through scheduled for September 24, 2019.

Mr. McCoy provided an update regarding operations and administration. Mr. Gomes and Mr. Bergerson are scheduled to attend the National Recreation and Parks Associations Supervisors Management School in November, which is a 2-year program for park professionals. Mr. Gomes and Mr. McCoy will be attending the FERC Shoreline Management Workshop this month, which is a peer workshop with other FERC facility managers. The recruitment process for the director position remains ongoing and began recruitment for a Ranger I.

Mr. Swett inquired to the Moccasin roadwork, asking where DPRA's responsibility falls in regards to getting to the marina. Mr. McCoy informed him that area is the responsibility of the concessionaire.

SUNTEX 2020 RATE PROPOSALS

Mr. McCoy presented Brian Keelan, Suntex's Regional Director. He noted Mr. Keelan will be presenting Suntex's 2020 Rate Proposals and that the items presented will be an information item only. No action or DPRA recommendations regarding their rate proposals would take place at today's meeting. Ron reiterated this is information only. Ms. Keating asked if there is printout and Mr. Keelan stated there were no print-outs can send it out.

Mr. Keelan provided an update of the marina. Regarding Moccasin Point Marina, Suntex is working with DPRA to fix that and repair it. The goal is to clear out the upper flat surface and create a parking area. Suntex plans to add a shuttle service. There was some discussion regarding the hours and availability regarding the shuttle, and Mr. Keelan noted that the specifics had not yet been determined. He also noted that there will be an area to turn around, but not for parking. Suntex also plans to add social events, appreciation days at both marinas such as BBQ parties, taco trucks and enhance the community aspect. They would like to add soft serve ice cream in store, property specific clothing and souvenirs, increase food selections, sell small boat parts and enhance the stores. Suntex also plans to improve the flow around fuel docks and move rental boats to another area. They recently began the process for beer sales for packaged beer. They plan to extend summer hours to be open later on the weekends. There is also an ongoing project for Wi-Fi access for boats, houseboats, and the marina for both marinas. Anticipate date of April or May of 2020 for implementation. Mrs. Farenkamm asked if there is going to be a fee for the Wi-Fi. Mr. Keelan informed her that they have not discussed fee for that yet. They have also formally requested money for new decking at the private houseboat dock and have done a lot of research for options which they hope to get going as soon as possible. Treks good solid product and the docks have been cracking and peeling. Mr. Swett asked if they ever found out what caused that. Mr. Keelan noted that further north at other marinas, they don't experience that, but Don Pedro is the most southern marina and it is likely because of the heat. He also noted that Suntex would like to adjust the fuel pump out and fuel station at Don Pedro by separating them out and have both in one central area. Suntex plans to provide electronic key access to private boat house dock. Also, in the pipeline, there are a couple of projects still out there, but no timeline such as replacing and repairing motor shop platform, old docks need to come out, and C and D docks will be redone. Suntex anticipates finalizing the timeline this year. Ms. Keating stated she thought D dock was going to become new C dock. Ms. Linton noted that the dock Ms. Keating is currently on will

be renamed C. Mr. Keelan stated that Suntex has not done well with communication and made a commitment to the Board and public that they will have quarterly informational meetings one month prior to the Board meetings so the public is better informed as to what is happening at the marina. Ms. Keating as that if, in addition to the security gate, there is on site security. Ms. Linton stated that the position is currently posted on indeed and social media, but there is no replacement yet.

Mr. Keelan presented rate proposals for Lake Don Pedro's wet storage, service rates, rental rates and boat lift rates. The increases are mostly CPI and some have not been raised since 2017. Suntex will not be putting some of the rates in place until the infrastructure is complete. Mr. Swanson asked if Suntex was going up \$35 on the private houseboat slip, which Mr. Keelan confirmed. Mr. Swanson then asked why they are so high on the private small boats. Mr. Keelan noted that is one they are currently looking at to make them more consistent to match with the other rates. He also noted that those are only open to those on the dock, not the public.

Mr. Swett noted that if they reduced price, people would probably leave boat in year round. Mr. Keelan offered to send the rates out via email. Ms. Keating noted that there is some of confusion and asked if Suntex can refer to Don Pedro Marinas as Fleming to avoid confusion. Mr. Gilman asked if there is any room to increase the capacity of additional houseboats on the lake and if there is a restriction. Mr. McCoy noted that there are currently 257 houseboats permitted on the lake and administration completed research in the past to determine carrying capacity. Mr. Lynar noted there was a study to determine how many houseboats could be on the lake when the water went down so they aren't banging into each other. There was some discussion regarding the number of buoys, as there has to be a buoy for each houseboat. Mr. Her noted that if the lake has capacity even during dry years, it can be designed to do so, but would it create hardships for existing customers and would the concessionaire be willing to? He noted that if there is a desire, we can take a look at a high level for capabilities. Mr. Keelan stated that Suntex would love to help with that. Mr. Swett asked if there is a situation, does Suntex have enough buoys to put all of the houseboats in the houseboat dock. Ms. Linton stated that there is not at Moccasin but at Fleming, there is. Mrs. Farenkamm asked about the rates for boat tow and Mr. Gilman asked if the labor rate is a blended rate. Mr. Keelan noted that some costs are listed per item and the work is not done without estimates. Ms. Keating asked if Suntex honors Boat US membership for a certain amount of towing. Mr. Keelan noted that it is not currently eligible at our lake, but he can look into. Mr. Swett asked about the haul and launch rates listed. Ms. Linton confirmed that it is an in and out fee and they also do "half pulls". The costs listed are per item for launch and haul so combined it is \$1,716 round trip. Mr. Keelan noted that he cannot commit Suntex dollars for 2022, but the numbers are dissected by the staff and Board because they want to provide a better product and service. Ms. Keating stated she has been asking for draft plans for proposed improvements and inquired as to when they plan to roll them out. Mr. Keelan noted that Suntex has 5-year capital plans based on predicted revenue, but in a public forum there is no such things as a draft and we can't commit to that. Ms. Keating stated that when Suntex does have something they can trust the public to look at, she wants to know when it's going to a public hearing. Mr. Keelan noted that they did share that plan at the beginning of the year. Ms. Keating stated they never went past B dock in their plans and they haven't addressed the D dock. She asked what their proposal is for D. Mr. Keelan committed to getting the information and Ms. Keating requested that he send her the document. Mr. Swett asked if Suntex is still operating under the Forever Resorts' CLA. Mr. McCoy stated they are operating under the same agreement as it is a 30-year agreement. Mr. Lynar encouraged DPRA to pull out CLA to see how Suntex is doing. Mr. Macedo noted the Board has to approve, deny, or modify rates. Mrs. Farenkamm stated that at Moccasin, they don't have all of the amenities like before so will they have rate increases. Mr. Keelan stated that Moccasin rates will ultimately remain the same, unless they go down to Blue Oaks and use the haul and launch. Mr. Swett noted he would like to see the rates decrease at Moccasin because they don't have any of the same things anymore. The situation was supposed to be temporary due to the low water level, but they haven't gotten anything back. Mr. Gilman acknowledged that as a legitimate concern. Mrs. Farenkamm stated they tried to fight and get it in the minutes that once they took out the amenities, they wouldn't bring them back with Forever Resorts. Mr. Gilman noted that Suntex inherited some situations. He noted that not behalf of the board, but as one board member, he appreciates the members showing up and making comments to the Board. He encouraged them to reach out to board members, not just DPRA staff. Ms. Keating noted she would love to see plans because it would keep these discussions at the Board meetings to a minimum because they would be able to refer to the plans and more information is better than no information. Mr. Keelan noted they are trying to be transparent, but do not want to distribute plans in a forum that's inappropriate. Mr. Swett stated that quarterly meetings are a good idea and there are still things in the CLA that have never been held up. Mr. Keelan noted he is

always available at email and am at Fleming and Moccasin frequently. Mrs. Farenkamm acknowledged Suntex has done well with communication and more than has been done in the past. She asked if they are safe from rate increases until 2021. Mr. Keelan stated they want to try to fix the issues up at Moccasin before proposing increases. Ms. Keating asked at what meeting will the Board consider and make a concrete decision on the rates. Mr. Macedo noted that staff has to do their due diligence so possibly at the next one December or March. Mr. McCoy stated that staff will now begin the review of the rates and take everyone's comments and concerns into consideration. Ms. Keating asked if the rates can be emailed to them and Mr. McCoy noted they will be posted on the DPRA website. Mr. Gilman suggesting including pertinent information with the agenda prior to meetings.

MATTERS TO THE GOOD OF THE AGENCY

Mr. Lynar stated that regardless of who the concessionaire is, DPRA should not only look at comparables, but look at Suntex's performance standards and what the lake expects them to do to agree to those rates. Mr. Macedo stated the Board relies on staff and has a line of communication of what is happening and so far Suntex has been doing what they said they are going to do.

ADJOURNMENT

Due to no further business, the Board adjourned at 11:57 a.m.

Respectfully Submitted,

Jim McCoy
Interim Secretary to Board of Control

Copies to: Messrs. Hannaford, Mazurkiewicz, Williams, Edwards
Messrs. Fernandes, Hashimoto, Macedo, Her
Messrs. Gilman, Tienken, Wenger