

- **Board of Directors**
Recreation Committee

March 8, 2005 Board Meeting

7-3

Subject

Approve amendment to agreement for a one-time increase of \$164,970 with Urban Park Concessionaires at the Diamond Valley Lake East Marina to cover start-up costs

Description

In July 2003, the Board authorized the award of a 30-month contract to Urban Park Concessionaires (Urban Park) to provide marina and concessionaire services at the Diamond Valley Lake (DVL) East Marina. Urban Park's services include entrance fee collection and reservation services, boat rentals, private boat launch fees, and concessionaire services. They have been operating the facilities since August 2003. Metropolitan officially opened the DVL East Marina for limited public use in October 2003.

In preparation for the early opening of DVL in October 2003, Urban Park expended additional operating and start-up costs that were higher than estimated. Urban Park provided services to ensure that all pre-opening events were sufficiently staffed and that adequate utilities and key facilities, such as boarding docks, rental boats, and floating comfort stations would be operational. Urban Park incurred additional costs of \$164,970 for these services, which were paid out of budgeted operating and maintenance funds during the FY 2003/04 contract year. However, this one-time payment for the start-up costs combined with the payment for ongoing services under the existing contract have resulted in payment of invoices in FY 2004/05 that would exceed the Chief Executive Officer's authority of \$250,000. Staff is recommending that the payments to Urban Park under the contract be increased by the additional \$164,970 to ensure continued operation of the DVL recreation activities through the end of the contract.

This one-time increase for Urban Park will remain within the budget for operating DVL, and board approval is required because these costs exceed the CEO's authority.

Policy

Metropolitan Water District Administrative Code Section 8117: Professional and Technical Consultants

Metropolitan Water District Administrative Code Section 8121: Contracts for Equipment, Materials, Supplies, and Routine Services

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and authorize the Chief Executive Officer to expand an existing agreement with Urban Park Concessionaires at the Diamond Valley Lake East Marina for a one-time increase to cover start-up costs.


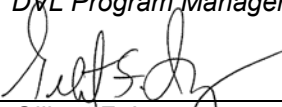
Fiscal Impact: \$164,970 in budgeted O&M funds.

Option #2

Do not approve staff recommendation. May result in early termination of Urban Park Concessionaires contract.

Staff Recommendation

Option #1

 Eddie Rigdon DVL Program Manager	2/14/2005 <i>Date</i>
 Gilbert F. Ivey Interim Chief Executive Officer	2/14/2005 <i>Date</i>