



- Board of Directors
Real Property & Asset Management Committee

July 14, 2009 Board Meeting

8-9

Subject

Authorize extension of the Diamond Valley Lake boat ramp

Description

This letter seeks board authorization to complete the Diamond Valley Lake (DVL) boat ramp. Because of the ongoing drought and pumping restrictions in the delta, Metropolitan has relied heavily on DVL to meet its service area's water supply needs. As a result, on October 13, 2008, Metropolitan indefinitely suspended private boat launches at DVL, when water levels reached the end of the existing boat ramp at an elevation of 1,682 feet (about 480,000 acre-feet (AF) of storage). To date, DVL has dropped to less than 43 percent of capacity (346,400 AF). The duration of the suspension depends on water supply availability to refill DVL or whether the boat ramp is extended.

Background

In 2003, the 11-lane, 264-foot boat ramp was constructed with cast-in-place concrete to an elevation of 1,727 feet (685,000 AF). DVL opened to the public on October 3, 2003, for boating and fishing. The ramp was partially extended in late 2004. Additional water supply availability at the time caused the water level to rise quickly and the full extension was not completed. As a result, a portion of the ramp was extended to 1,693 feet (529,000 AF) with cast-in-place concrete, while the remaining lanes were extended utilizing a combination of removable concrete panels and articulated concrete mats to an elevation of 1,682 feet (480,000 AF). [Attachment 1](#) illustrates the current DVL boat ramp.

Extension of the boat ramp would involve lengthening three of the 11 lanes to between 1,645 feet and 1,660 feet with cast-in-place concrete. The engineer's estimate for the permanent extension is \$1.1 million. The final configuration of the boat ramp following the permanent extension is shown in [Attachment 2](#). An increase in user fees is proposed to offset these costs as discussed below.

Since opening the lake to the public 5½ years ago, an average of just over 12,000 private boats have been launched annually prior to the launch suspension, with 12,858 private boats launched during fiscal year 2007/08. During the suspension, Diamond Valley Lake has remained open to the public through shoreline fishing, rental boats, and hiking and biking on the Lake View Trail.

At its October 14, 2008 meeting, the Board directed staff to complete final design of the boat ramp extension; delay construction until there was sufficient money from outside sources to fund it; and work jointly with the Department of Fish and Game and other entities to seek funding for construction.

Since October 2008, staff has identified a number of potential funding sources for the boat ramp extension. The first two sources are the California Department of Boating and Waterways (DBAW) and California Wildlife Conservation Board (WCB). Both agencies would require Metropolitan to operate and maintain DVL as a recreational boating facility for a minimum of 20 years (DBAW) to 25 years (WCB) as a condition of funding. DBAW's conditions also limit parking and launch fees to \$15 for the life of the project. Further, DBAW requires oversight over DVL marina operations and approval rights of all concessionaire agreements. Metropolitan signed agreements for DBAW grants and loans for launch and docking facilities in 1999 through 2001. However, during board discussions at that time, the Directors expressed concern about the DBAW's eventual requirements and

restrictions. Although Metropolitan requested changes to the terms and conditions, the agreements with DBAW eventually expired and DBAW funds were never received. Should the grant and loan requirements be acceptable to the Board, staff will submit funding requests to both DBAW and WCB. The review process may take up to two years for DBAW and six months for WCB grants. In the meantime, staff will continue to seek other grant sources.

Another potential funding source for ramp completion would be increased user fees. At the April, May, and June 2009 board meetings, Megan Merchant of Last Chance Bait & Tackle in Hemet submitted petitions signed by more than 1,000 boaters stating that they would be willing to help fund the boat ramp extension through increased fees once the ramp is reopened to private boat launches. Current parking and launch fees are \$7 and \$6 respectively. Staff evaluated three increased fee scenarios. Scenario 1 holds parking at \$7 and doubles launch fees to \$12. Scenario 2 increases parking to \$10 and launching to \$15. In Scenario 3, parking is \$15 and launch fees are \$20. Based on this analysis, increased user fees could pay for the ramp completion of \$1.1 million in 10 years for Scenario 1, five years for Scenario 2, and three years for Scenario 3 (see [Attachment 3](#)). The payback period could potentially be reduced if actual construction bids are more favorable than the engineer's estimate. Scenario 1 is within the range of parking/entrance and launch fees charged at other California lakes (see [Attachment 4](#)).

In September 2009, staff proposes to advertise a request-for-qualifications (RFQ) to seek a long-term marina operator who may be willing to invest capital money into the marina and develop other revenue-generating activities. Staff anticipates returning to the Board with a recommended marina operator in late 2009.

Staff recommends that the Board authorize completion of the DVL boat ramp while water levels in DVL are down and construction costs are favorable. Increased user fees would be used to offset construction costs while staff continues to pursue other grant funding sources. With board concurrence, staff could advertise for construction bids in August 2009, returning to the Board later in 2009 for award of the construction contract. Funds are available in Appropriation No. 15334 to complete the boat ramp extension.

Policy

Minute Item 47678, dated October 14, 2008

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #3:

To comply with CEQA and the State CEQA Guidelines, Metropolitan as the Lead Agency prepared a Mitigated Negative Declaration (MND) for Phases I and II of the Diamond Valley East Marina Project (Project) that included an environmental analysis on the design, construction, and operation of the boat ramp. The MND was distributed for a 30-day public review that began on December 24, 2002, and ended on January 22, 2003. The Board later adopted the MND and the mitigation monitoring and reporting program (MMRP) on February 11, 2003. The current board actions would not result in any new significant environmental impacts nor result in substantial changes to the approved Project. Hence, the previously adopted environmental documentation in conjunction with the current board actions fully comply with CEQA and the State CEQA guidelines. Accordingly, no further environmental documentation is necessary for the Board to act on with respect to the proposed actions.

The CEQA determination is: Determine that the proposed actions have been previously addressed in the 2003 adopted MND and its MMRP, and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize proceeding with advertisement of the construction contract for completing the three lanes of the boat ramp and raise parking and launch fees sufficient to recover costs within approximately 5 years.

Fiscal Impact: Engineer’s estimate for the ramp completion is \$1.1 million

Business Analysis: Allows completion of the boat ramp in dry conditions; construction costs to be recovered through increased parking and launch fees

Option #2

Do not authorize extending the boat ramp unless funded by outside agencies and direct staff to pursue funding from other sources.

Fiscal Impact: Saves expenditure of \$1.1 million

Business Analysis: Potentially misses the opportunity to extend the ramp while DVL water levels are down; further extends suspension of private boat launches and continues to diminish community relations

Option #3

Adopt the CEQA determination and

- a. Do not authorize completion of the boat ramp and direct staff to pursue an agreement with a long-term marina operator who may be willing to invest in infrastructure, including the boat ramp extension.
- b. Authorize completion of the boat ramp to take advantage of the low water line and seek to recapture the cost of the boat ramp through a long-term lease with a new marina operator.

Fiscal Impact: Eliminates the expenditure of \$1.1 million, as well as ongoing marina operations and maintenance costs

Business Analysis: Potentially saves cost of boat ramp but lessens the marketability of the marina for a long-term lease

Staff Recommendation

Option #1

 7/8/2009

 Ralph T. Hicks Date
 Manager, Real Property Development and
 Management

 7/8/2009

 Jeffrey Kightlinger Date
 General Manager

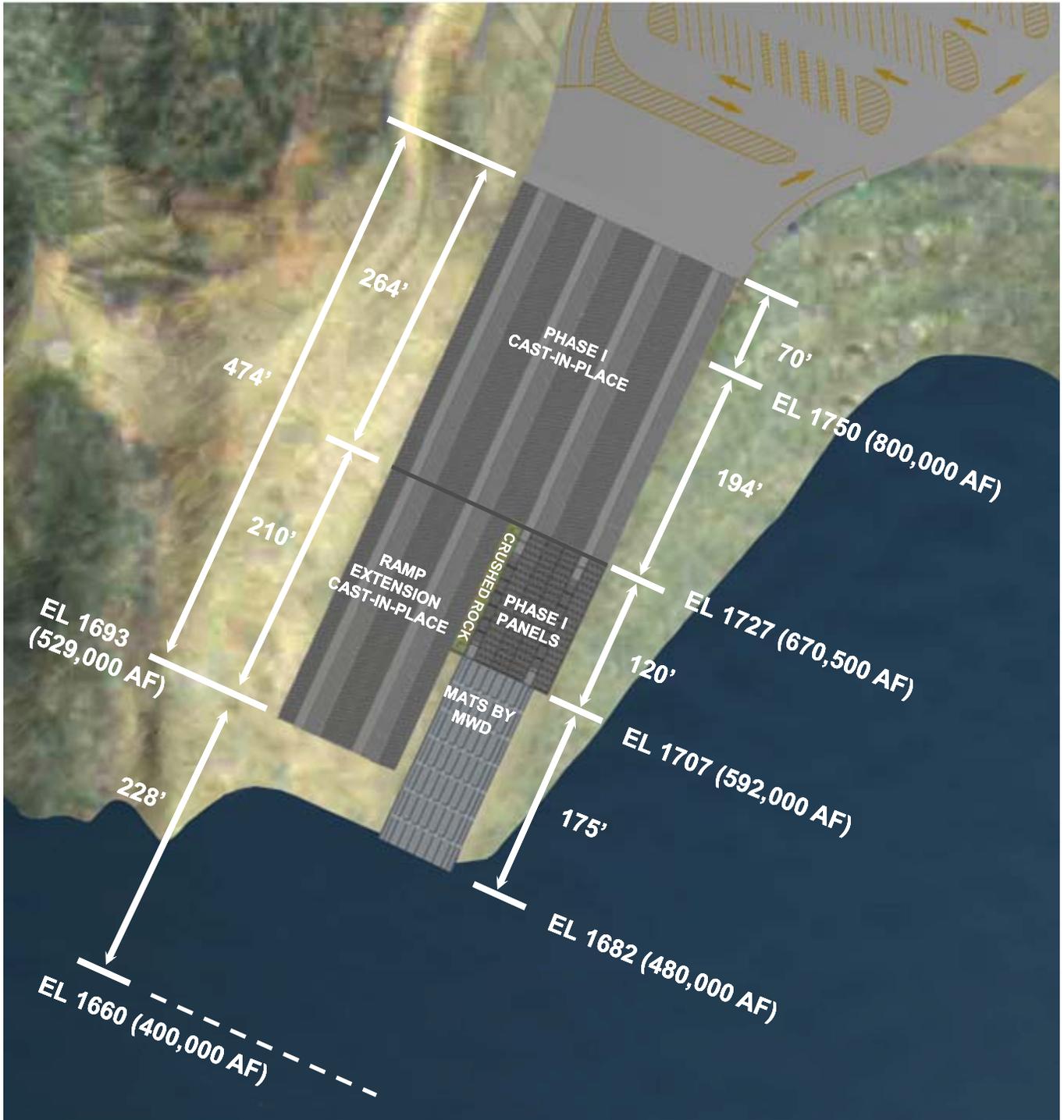
Attachment 1 – Existing Ramp

Attachment 2 – Ramp Extension

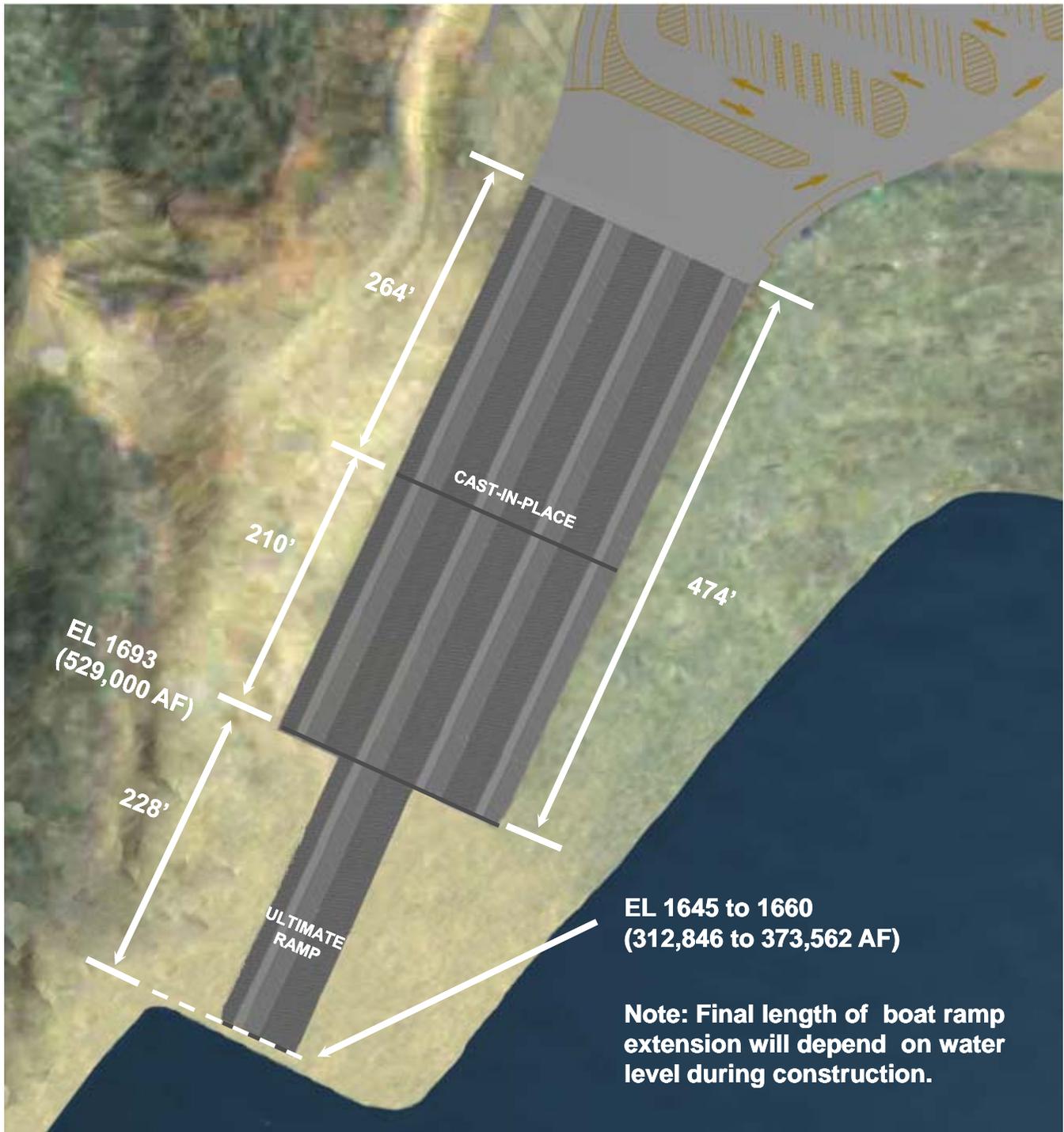
Attachment 3 – Increased User Fees

Attachment 4 – User Fees at California Lakes

Existing Ramp



Ramp Extension



Increased User Fees

	Current \$7 Parking/\$6 Launch			Scenario 1 \$7 Parking/\$12 Launch			Scenario 2 \$10 Parking/\$15 Launch			Scenario 3 \$15 Parking/\$20 Launch		
	<u>Year 1</u>	<u>Year 5</u>	<u>Year 10</u>	<u>Year 1</u>	<u>Year 5</u>	<u>Year 10</u>	<u>Year 1</u>	<u>Year 5</u>	<u>Year 10</u>	<u>Year 1</u>	<u>Year 5</u>	<u>Year 10</u>
Total Parking Revenue	\$0	\$41,108	\$213,406	\$0	\$41,108	\$213,406	\$87,000	\$493,725	\$1,174,866	\$232,000	\$1,248,088	\$2,777,299
Total Launch Revenue	\$0	\$15,795	\$81,998	\$78,000	\$421,590	\$943,997	\$117,000	\$624,488	\$1,374,996	\$182,000	\$962,650	\$2,093,328
Total Revenue	\$0	\$56,903	\$295,405	\$78,000	\$462,698	\$1,157,403	\$204,000	\$1,118,213	\$2,549,862	\$414,000	\$2,210,738	\$4,870,627

Notes:

- Amounts reflect increased revenue only
- Annual parking of 29,000 and launches of 13,000
- 5% escalation in fees every two years

User Fees at California Lakes

Lake	Entrance/Parking	Launch Fee	Total
DVL (current)	\$7.00	\$6.00	\$13.00
Lake Perris (Perris)	\$8.00	\$8.00	\$16.00
Lake Casitas (Ventura)	\$10.00	\$10.00	\$20.00
Vail Lake (Temecula)	\$10.00	\$10.00	\$20.00
Lake Skinner (Temecula)	\$5.00	\$2.00	\$7.00
San Diego City Lakes	\$8.00	\$7.00	\$15.00
Cachuma Lake (Santa Barbara)	\$8.00	\$13.00	\$21.00
Lake Camanche (N. California)	\$8.00	\$10.00	\$18.00

Note: San Diego lakes charge fees per person rather than per vehicle.