

Casitas Municipal Water District
RECREATION COMMITTEE
Agenda
Brennan/Kaiser
April 12, 2022 – 10:00 a.m.

This meeting will be conducted via teleconference.
To participate or listen to the meeting please call
(888) 788-0099 or (877) 853-5247
Enter Meeting ID: 967 5174 7493#
Passcode: 181130#

1. Roll Call
2. Public comments.
3. Review Casitas Water Adventure Aquatic Play Structure and Regenerative Media Filter System Financing.
4. Review of Recreation Report for February 2022.
5. Review of Incidents and Comments.

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of ¶54954.2 of the Government Code. If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance (805) 649-2251 ext. 113. (Govt. Code Section 65954.1 and 54954.2(a). Please be advised that members of the Board of Directors of Casitas who are not members of this standing committee may attend the committee meeting referred to above only in the capacity of observers, and may not otherwise take part in the meeting. (Govt. Code Sections 54952.2(c)(6)

**CASITAS MUNICIPAL WATER DISTRICT
Recreation Committee Memo**

DATE: April 6, 2022

TO: Recreation Committee

FROM: Michael Flood, General Manager

SUBJECT: Review Casitas Water Adventure Replacement Play Structure and Regenerative Media Filter System Financing

RECOMMENDATION:

Direct staff to place this item on a future Board of Directors meeting agenda for discussion.

BACKGROUND AND OVERVIEW:

The Casitas Water Adventure began operating the Aquatic Play Structure (APS) in 1998 and expanded in 2003 to include the Lazy River, Lagoon, Splash Pad and Shower House. The CWA provides a safe and sanitary environment to enjoy aquatic recreation to approximately 80,000 guests each summer. The CWA also provides additional revenue to help offset staff costs and operational expenses.

At the February 8, 2022 Recreation Committee Meeting, options for the replacement of the APS and purchase of a Regenerative Media Filter System were reviewed by the Committee.

The Committee requested that staff return with information about the financing of a new APS and Regenerative Media Filtration System.

At the March recreation Committee Meeting, staff provided the estimated costs of the improvements along with an analysis of the project being self-funded (analysis attached).

The Committee directed staff to research other funding opportunities including revenue bonds, grants and loans, and come back to a future meeting.

The Committee also asked that staff contact other public agencies with waterpark facilities to see how they funded them

DISCUSSION:

Grant Programs:

Casitas' grant program consultant (Kennedy-Jenks) indicated that there are a few recreational grants that might fit this project:

- Land and Water Conservation Fund through California State Parks: this will fund replacement of playground equipment/aquatic features. The RFP said it is limited to parks districts, however when asked about Special District eligibility during a webinar they said "special districts with authority to acquire, operate, and maintain public park and recreation areas" are eligible. The consultant feels this is a promising avenue for the play structure and we will keep tracking it. The RFP is expected to open in late 2022.
- Statewide Community Revitalization: the expectation is that this program will be replenished with the California budget surplus but no action has yet taken place. Possible announcement late this year.

Staff will continue to watch out for these and other grant possibilities as the year progresses.

Revenue Bonds & Loans:

Casitas staff contacted Suzanne Harrell of Harrell and Associates (recent Casitas MWD consultant for the Ojai Water System CFD-2013-1) and discussed the possibilities of either a revenue bond or loan for this project.

After review of the Lake Casitas Recreation Area (LCRA) financials, Ms. Harrell made the following assessments:

Revenue Bonds: The LCRA has been operating at a deficit the past few years thus its revenues could not be used to secure a revenue bond. If Casitas elects to go this route, District revenues would need to be pledged to secure the bonding.

Loans: It's possible that Casitas could secure a bank loan for this project but the term would have to be less than the life of the equipment (i.e. twenty years). If Casitas is interested in this pathway, Suzanne has a reference that can look into it for additional details.

Other Public Agencies Experiences:

Staff was able to get responses from two public agencies that have built aquatic facilities, the City of Ventura (Ventura Aquatic Center) and the City of Visalia (Riverway Park). In both cases, the agencies self-funded the projects and indicated that the payback timeframe was five years.

CONCLUSION:

Staff recommends that this item be forwarded to the Board of Directors for further discussion. The primary issue that needs to be decided is the project timeline since each method of funding would have its own timeline that would typically be longest for grants and shortest for loans /self-funding with revenue bonds falling in-between. Once the desired timeline is determined, the Board can then consider the funding mechanism that will deliver the project in the given timeframe.

Casitas Water Adventure In-House Funding Analysis

March 2022

The cost associated with replacing the existing Aquatic Play Structure (APS) not only includes the purchasing of the APS but also installation and construction costs related to a new wet deck, perimeter pool deck, required demolition, design fees, survey, and associated permits but also the new filtration system. The updated APS will draw/accommodate additional guests and provide a source of increased revenue to sustain the CWA into the future.

For analysis purposes, a full renovation budget of **\$2,200,000.00** will be used.

In-House Financing Analysis:

To calculate the return on investment for a Casitas-provided funding option (i.e. Casitas would fund the project from reserves and secure a similar interest rate from the LCRA to that of its regular investments) the District's financial advisor at US Bank suggested an annual interest rate of 1.56% which matches the current five-year US Treasury bond yield.

The following amortization schedule shows a payback period of eight years with an annual LCRA payment of \$294,653.55 and a total return to Casitas of \$157,228.39.

Table 1 - Amortization Schedule with an interest rate 1.56% annually for eight years

	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
<u>1</u>	<u>\$294,653.55</u>	<u>\$260,333.55</u>	<u>\$34,320.00</u>	<u>\$1,939,666.45</u>
<u>2</u>	<u>\$294,653.55</u>	<u>\$264,394.75</u>	<u>\$30,258.80</u>	<u>\$1,675,271.70</u>
<u>3</u>	<u>\$294,653.55</u>	<u>\$268,519.31</u>	<u>\$26,134.24</u>	<u>\$1,406,752.39</u>
<u>4</u>	<u>\$294,653.55</u>	<u>\$272,708.21</u>	<u>\$21,945.34</u>	<u>\$1,134,044.18</u>
<u>5</u>	<u>\$294,653.55</u>	<u>\$276,962.46</u>	<u>\$17,691.09</u>	<u>\$857,081.72</u>
<u>6</u>	<u>\$294,653.55</u>	<u>\$281,283.07</u>	<u>\$13,370.47</u>	<u>\$575,798.65</u>
<u>7</u>	<u>\$294,653.55</u>	<u>\$285,671.09</u>	<u>\$8,982.46</u>	<u>\$290,127.56</u>
<u>8</u>	<u>\$294,653.55</u>	<u>\$290,127.56</u>	<u>\$4,525.99</u>	<u>\$0.00</u>
<u>Totals</u>	<u>\$2,357,228.39</u>	<u>\$2,200,000.00</u>	<u>\$157,228.39</u>	

Gross Revenue Projection - 2023:

The following table provides a gross revenue projection that is based on twelve years of CWA operations (2006-2017) with the average occupancy at 70% of maximum. Gross revenues are projected for an entrance fee of \$23 to \$25 per guest.

Table 2 – Gross Revenue Projection - 2023

Operation Days	Occupancy Percentage	\$15 Current Rate	\$23 Projected 2023	\$25 Projected 2023
80	80%	\$1,440,000.00	\$2,208,000.00	\$2,400,000.00
80	70%	\$1,260,000.00	\$1,932,000.00	\$2,100,000.00
80	60%	\$1,080,000.00	1,656,000.00	\$1,800,000.00

This illustrates that the CWA could see a revenue increase in 2023 of approximately \$700,000 to \$900,000 with the addition of the APS along with an assumed 70% occupancy and a pricing increase of \$23 to \$25 per guest.

Net Operational Revenue – Summer Season 2023:

Using an operational timeframe of 80 days, an estimated 2023 CWA operational expense of approximately \$700,000, and an entry price of 23.00 per guest, the following calculation estimates the net revenues of the CWA with the new APS installed before and after deduction of a loan payment.

Table 3 - Net Operational Revenue: 2023 Summer Season

Operating Season	80	Days
Max Daily Occupancy	1500	Guests
Percentage of occupancy	70%	Occupancy
Entrance Fee	\$23.00	per guest
Estimated Gross Revenue	\$1,932,000.00	
Estimated Expense	<\$700,000.00>	
Estimated Net Operational Revenue	\$1,232,000.00	
Annual Loan Payment	<\$294,653.55>	
Net Revenue after Annual Loan Payment	\$937,346.45	

This calculation indicates that the CWA could produce a net surplus of over \$900,000 during the 2023 summer season which would not only cover an assumed eight-year loan payment of approximately \$300,000 but also provide a surplus that could be used to pay back the loan sooner.

CASITAS MUNICIPAL WATER DISTRICT
LAKE CASITAS RECREATION AREA

DATE: March 28, 2022
 TO: Michael Flood, General Manager
 FROM: Joe Martinez III, Park Services Manager
 SUBJECT: Recreation Area Monthly Report for February 2022

Visitation Numbers

The following is a comparison of visitations for Feb 2022

	Feb 2022	Feb 2021	Jan 2022
Visitor Days	38,818	53,916	35,804
Camps	3,583	3,029	2,983
Cars	9,705	13,479	8,951
Boats	138	272	132
Kayaks & Canoes	0	7	0

Visitor Day Totals for Fiscal Year through Feb 2022	
2020/2021	403,733
2021/2022	455,733
%Change	11.464%

*Covid-19 Pandemic closure

The formulas for calculating the above attendance figures derived from the daily cash reports are as follows:

Visitor Days = Daily vehicles + 30 minute passes X 3 + café passes + attendance at special events + annual vehicle decals + replacement decals + campsites occupied + extra vehicles X 4

Camps = Campsites occupied + extra vehicles

Cars = Daily vehicles + 30 minute passes X 3 + café passes + attendance at special events + annual vehicle decals + replacement decals + campsites occupied + extra vehicles

Boats = Daily boats + overnight boats + annual decals + replacement decals

Kayaks & Canoes = Daily kayaks and canoes + overnight kayaks and canoes + annual kayaks and canoes

In February 2022, The Lake Casitas Recreation Area was opened at a 100% for all camping. High touch areas such as restrooms, showers and Chemical toilets, continued to be cleaned daily. LCRA staff continue to follow District guidelines by wearing masks and maintaining distance when dealing with the public.

The American Bass Association (ABA), held a tournament with a total of 16 teams participating. The monthly night fishing from the shoreline was held on the weekend of the 18th.

There were 394 vessels retagged for reentry, 19 vessel inspections with 12 vessels passing, 2 failures, 4 rescheduled or no shows and the decontamination of wetsuits. LCRA received a Trout plant of approximately 500 pounds of trout from the Department of Fish and Wildlife. In preparation of kids fishing day, Park Services Officers Faddis and Tull visited/inspected Jess Ranch Fish Hatchery, and obtained a water sample with negative results for quagga. Jess Ranch will provide the trout for kids fishing day.

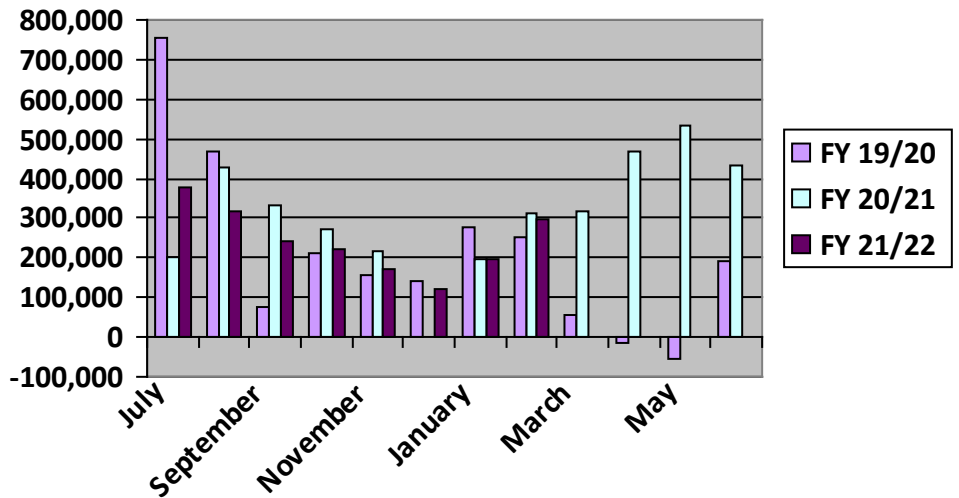
Maintenance began repairing/replacing broken concrete pads, leveling sites, repairing pedestals, tree trimming in campground Fox completed restroom painting and repairs in campground Angler, and are nearing the completion of the sewer and drainage lines at campground Jay.



The Casitas Water Adventure staff have completed a few classes with the prespective lifeguards, and will continue doing so for the next few months. CWA staff also assisted with training the Park Rangers for Water Front rescues. This consists of open water rescues by placing an individual on a backboard while in the water and moving them onto a vessel for transportation. This training is required every two years. The Lazy River is prepped and ready for paint and will be filled in the coming months. The CWA is scheduled to open in May 2022 (see attached).

Revenue Reporting

Fiscal year's total figures are reported when made available for the respective months (operations, concessions, Casitas Water Adventure, etc.) per the District's Financial Summary, generated by the Chief Financial Officer.



*LCRA was 100% closed April, and May of 2020 due to the Pandemic COVID-19



2022 Schedule


OPENING DAY - SATURDAY, MAY 28, 2022


HOURS OF OPERATION


Mon.-Fri. 11am - 6pm

Sat.- Sun. Morning Session 10:30 am - 2 pm

Sat.- Sun. Afternoon Session 3 pm- 6:30 pm

 - 11 am - 6 pm

 - 10:30 am - 2 pm

 - 3 pm - 6:30 pm

May 2022

Sun	Mon	Tue	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	15	26	27	28
29	30	31				

June 2022

Sun	Mon	Tue	Wed	Thur	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July 2022

Sun	Mon	Tue	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August 2022

Sun	Mon	Tue	Wed	Thur	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 2022

Sun	Mon	Tue	Wed	Thur	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	