



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: November 26, 2008 REPORT NO: 08-180
ATTENTION: Council President and City Council
Agenda of December 1, 2008
SUBJECT: Reservoir Recreation Business Process Reengineering
REFERENCE: Reservoir Recreation Business Process Reengineering

REQUESTED ACTION:

Accept the recommendations of the joint Park and Recreation Department and Water Department Reservoir Recreation Business Process Reengineering (BPR) Study and Modify Council Policy 400-03.

STAFF RECOMMENDATION:

Accept the report on Reservoir Recreation BPR and authorize implementation of the organizational changes and fee increases by February 1, 2009.

BACKGROUND:

The Mayor has commenced Business Process Reengineering efforts to improve efficiencies, reduce the cost of City government and to maximize the services offered to our residents. BPR focuses on optimizing the efficiency and effectiveness of operational processes and functional work groups. On July 31, 2006, the City Council adopted Ordinance O-19523, establishing a policy for the City of San Diego to reorganize the Departments of the City in order to improve the level of services to the citizens of the City and reduce the cost of providing such services.

Using Business Process Reengineering (BPR), the Water Department and Park and Recreation Department worked jointly to determine necessary changes to the reservoir recreation program to reduce the impact to the City's General Fund.

RESERVOIR RECREATION PROGRAM SUMMARY:

Recreation services are provided by City staff at eight of nine City-owned reservoirs. Three reservoirs are located within the City of San Diego (Hodges, Miramar, and Murray) whereas the other five are within other jurisdictions (Barrett, El Capitan, Otay, San Vicente, and Sutherland).

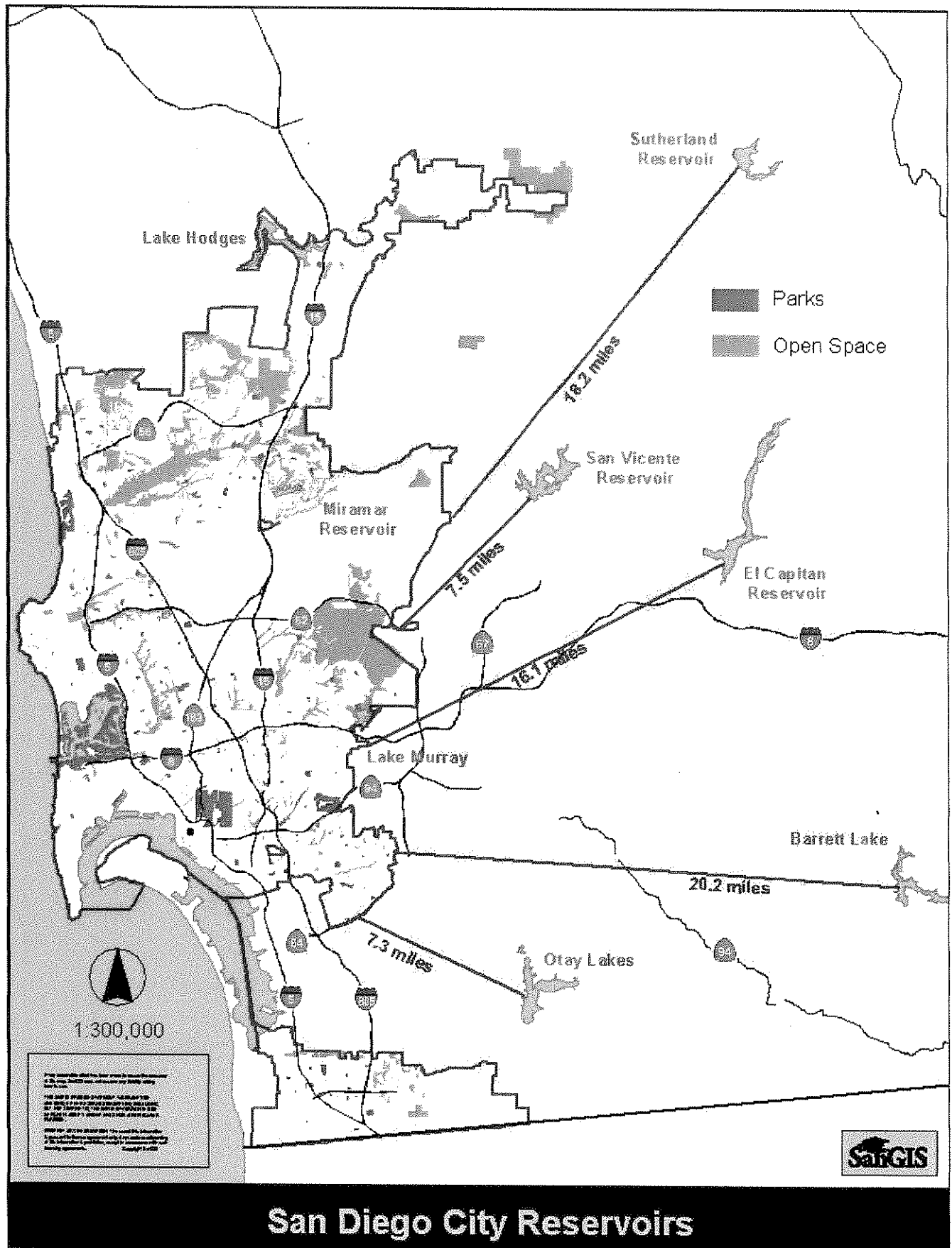


Table 1: SAN DIEGO CITY RESERVOIRS

City Reservoir	Land Acres (Maintained)	Water Surface Acres	Max # Boats Allowed	Est. Paying Users	Water Contact	Boat Rental	Fishing	Passive Users
Barrett	0.5	861	0	5,100		v	v	None
El Capitan	4.0	1,574	150	73,800	v	v	v	Low
Hodges	8.0	1,234	120	25,600		v	v	High
Miramar	13.0	162	40	12,500		v	v	High
Murray	23.0	198	33	20,700		v	v	High
Otay	4.0	1,266	117	27,200		v	v	Low
San Vicente	13.0	1,069	To be closed Summer 2008 – Est. 2014.					
Sutherland	5.0	557	55	11,200		v	v	Low
TOTALS	70.5	6,921	625	176,100				

Note: Hunting is allowed at Sutherland and Barrett on a seasonal basis.

Barrett Reservoir is located at the confluence of Cottonwood and Pine Valley Creek, approximately 20 miles east of San Diego City limits. Located behind locked gates in a remote area of San Diego County and closed for many years, access has been offered on a limited basis by reservation only since 1994. Advance reservations through Ticketmaster are required to fish on Wednesdays, Saturdays and Sundays from May 7th through September 28th. Due to the fact that the entrance road passes through private property, all parties must be escorted on and off the premises. Seasonal waterfowl hunting is allowed.

El Capitan Reservoir has the largest capacity in the City of San Diego Lakes system. It is located approximately 16 miles east the boundary between La Mesa and San Diego on the San Diego River. El Capitan allows waterskiing, wakeboarding, and personal watercraft. It is open for fishing Friday - Sunday in the months of February through October and for water contact sports May - October. In addition to fishing from boats, patrons can float tube or fish from shore, although there are only about four miles of shoreline that are reasonably accessible by foot.

Hodges Reservoir is located just within the northern boundaries of the City with Interstate 15 crossing the reservoir near Via Rancho Parkway. This reservoir offers an environment that serves as a pleasant backdrop to a variety of recreational uses, including fishing, boating, sailing, bike and horseback riding, and picnicking. In addition to fishing from boats and a wheelchair accessible fishing float, patrons can fish from float tubes, wade or fish from the shore, which is generally readily accessible by foot. Hiking and riding trails around much of the lake wind through ever-changing terrain and biological settings which include streams, lush river valleys, canopied oak forests, arid rocky terrain and open fields. The topography changes from elevated vistas to marsh-like wetlands.

Miramar Reservoir is located near the Scripps Ranch area. The reservoir's normal operations schedule is seven days per week (year-round) for general recreation (walking, picnicking, etc.) and Saturday - Tuesday for fishing and boating during the December - September period. There is a 3.5 mile road which is in high demand by passive users for bicycling, jogging, walking, and rollerblading. There are 18 barbecues and 48 picnic tables located around the lake.

Murray Reservoir is located within the boundary of Mission Trails Regional Park, which lies between the city of San Diego and the neighboring communities of La Mesa and Santee. The lake is open for fishing, boating, picnicking, walking, jogging, etc., seven days a week year round. Rental boats are available on Saturday and Sunday only. This lake is very popular for bicycling, jogging, walking, rollerblading, and picnicking with approximately 3.2 miles of paved road, 3.2 shoreline miles, and 64 picnic tables located around the lake.

Otay Reservoir is located 7 miles southeast of San Diego (8 miles east of Chula Vista). Access for fishing is limited to Wednesday, Saturday, and Sunday (February - October) or 108 days per year. In addition to fishing from boats, patrons can float tube or fish from shore. Although much of the northern shore line is accessible by foot, there are no defined trails for hikers. There are 13 barbecues and 16 picnic tables in the picnic area.

Lower Otay is the home of the United States Olympic Training center for rowing sports. Upper Otay was re-opened to the public in April 1996 for fishing from the shore or by float tube. In 1959, the reservoir was closed to all fishing to establish as a natural hatchery for the propagation and introduction of Florida-strain largemouth bass in 1959.

San Vicente Reservoir closed on September 2, 2008 and will be closed thorough 2014 for the dam raising and pump station construction project which is in progress.

Sutherland Reservoir is located 18 miles northeast of San Diego, (between Ramona and Julian); access for fishing is limited to 90 days per year (three days a week, March - September). Waterfowl hunting is allowed 34 days a year (October - January). Turkey hunting is offered from late March to early May. There is a picnic area with four barbecues and 12 tables. In addition to fishing from boats, patrons can float tube or fish from shore. One and 3/4 miles of west shoreline and Santa Ysabel Arm are accessible by foot.

BENCHMARKING:

The main conclusions from the benchmarking survey (shown in Table 2) are:

- The City operates the only system of recreational reservoirs within California with a total of 6,921 water surface acres.
- The combined City Reservoirs offer the largest fresh water recreational resource with the greatest diversity and quantity of programs within the State.
- With the exception of Diamond Valley, all other facilities provide recreational camping.
- A direct comparison of cost and staffing is not possible due to these differences.

Table 2: BENCHMARKING SURVEY OF CALIFORNIA RESERVOIRS (smallest to largest by water acres)

City Reservoir	Maintained Land Acres	Water Surface Acres	Max # Boats Allowed	Fishing	Water Ski	Personal Water Craft	Camping	Days/ week	Year-round Water programs?
Poway	37	64	50	✓			✓	5	Y
Cuyamaca	220	90		✓			✓	7	Y
Jennings	25	160	unlimited	✓			✓	3	Y
Miramar (City)	13	162	40	✓				4	N
Murray (City)	23	198	33	✓				3	Y
Puddingstone	1200	250	160-180	✓	✓	✓	✓	7	Y
Sutherland (City)	5	557	55	✓				3	N
Barrett (City)	0.5	861	0	✓				3	N
Silverwood	23 + picnic/ camp areas	980	175	✓	✓	✓	✓	7	Y
San Vicente (City)	13	1,069	110	✓	✓			4	Y
Piru	40	1,200		✓	✓		✓	7	Y
Hodges (City)	8	1,234	120	✓				3	N
Otay (City)	4	1,266	117	✓				3	N
El Capitan (City)	4	1,574	150	✓	✓	✓		4	Y
Perris	6000	2,300	250-450	✓	✓	✓	✓	7	Y
Casitas	300	2,700	unlimited	✓			✓	7	Y
Elsinore	100 acres+3.4 mi earthen levee	3,100	750	✓	✓	✓	✓	7	Y
Cachuma		3,250	250	✓			✓	7	Y
Diamond Valley	None	4,500	250	✓					Y

RECREATION MANAGEMENT:

The primary purpose of the City's reservoir system is the impoundment and production of a safe, domestic water supply. The operational activities of reservoir management and reservoir recreation are interdependent due to the direct impact and influence of one activity on the other. The knowledge, skills, and goals required to operate effective recreational programs do not differ that greatly from those required to manage efficient water delivery service.

The City's Reservoir Recreation Program is unique in the state of California. No other City has a regionally-operated reservoir program that offers such a wide diversity of recreational activities. Public recreation is a secondary, but highly valued by-product of the reservoir system.

FEE INCREASES:

Since 1913, the Reservoir Recreation program has generated revenues through user fees. Citizens who fish, hunt or go boating on City-operated reservoirs have paid for these services. Fees have not increased for more than ten years. However, maintenance and recreation costs have increased significantly. Proposed fee increases will recover approximately \$625,000 of this cost.

**Table 3:
RESERVOIR RECREATION PROGRAM
PROPOSED FEE INCREASES**

TYPE OF PERMIT	CURRENT FEE	PROPOSED FEE
LAUNCH FEE		
Private Boat Launch	\$5.00	\$7.00
Kayak Launch	\$1.00	\$2.00
FISHING FEE		
Adult	\$5.00	\$8.00
Youth	\$2.50	\$2.50
Senior	\$2.50	\$4.00
WATER CONTACT SPORTS FEE		
Adult	\$5.00	\$10.00
Youth	\$2.50	\$5.00
RENTALS		
Row Boat - All Day	\$12.00	\$15.50
Row Boat - Half Day	\$8.00	\$10.50
Motor Boat - All Day	\$35.00	\$45.00
Motor Boat - Half Day	\$25.00	\$32.50
Canoe/Kayak - Hourly	\$5.00	\$6.50
BARRETT HUNTING / FISHING FEES		
Adult Hunt	\$10.00	\$20.00
Youth Hunt	\$5.00	\$10.00
Hunt Reservation	\$20.00	\$40.00
Hunt Motor (optional)	\$23.00	\$46.00

Table 3:
RESERVOIR RECREATION PROGRAM
PROPOSED FEE INCREASES

TYPE OF PERMIT	CURRENT FEE	PROPOSED FEE
Barrett Fish	\$10.00	\$20.00
Fishing/Boat Reservation (Ticketmaster)	\$40.00	\$80.00

FEE SURVEY:

Within California, the City's Reservoir Recreation program is the only one that does not charge for parking. Fees charged at other reservoirs surveyed are higher than the City's fees. Although other facilities have lower or no fees for fishing, other combined fees for parking and boat launching are higher, except at Poway and Pyramid Lakes. The recommended fee increases above will result in fees that are comparable to average fees for other California lakes.

Table 4: FEE SURVEY OF CALIFORNIA LAKE/RESERVOIR RECREATION PROGRAMS

LAKE / RESERVOIR	PARKING	FISHING	SKIING	LAUNCH	One Fisherman with Boat	All Day Boat Rental
Cachuma	\$6.00			\$6.00	\$12.00	
Casitas	\$8.00			\$7.00	\$15.00	\$85.00
Castaic	\$11.00			\$10.00	\$21.00	
Cuyamaca	\$6.00	\$6.00		\$5.00	\$17.00	\$40.00
Diamond Valley	\$7.00	\$3.00		\$6.00	\$16.00	\$60.00
Elsinore	\$10.00			\$10.00	\$20.00	
Jennings	\$1.00	\$6.00		\$6.00	\$13.00	\$40.00
Morena	\$3.00	\$5.00		\$6.00	\$14.00	\$35.00
Perris	\$8.00		\$8.00	\$8.00	\$16.00	\$45.00
Piru	\$10.00			\$10.00	\$20.00	
Poway	Non-residents parking (\$4)	\$4.50			No private boats allowed	\$20 - electric
Puddingstone	\$10.00		\$7.00	\$10.00	\$20.00	\$85 - PWC
Pyramid		\$4.00		\$6.00	\$10.00	
Silverwood	\$8.00		\$8.00	\$8.00	\$16.00	\$58.00
Skinner	\$5.00	\$5.00		\$2.00	\$12.00	\$55.00
Average Fees	\$6.64	\$4.79	\$7.67	\$7.14	\$15.86	\$52.25
City of SD Fees		\$8.00	\$10.00	\$7.00	\$15.00	\$45.00
Amt Below Avg	\$6.64	(\$3.21)	(\$2.33)	\$0.14	\$0.86	\$7.25

SERVICE LEVEL CHANGES:

In addition to fee increases, several service level changes are recommended. These recommendations will have very limited impact on City residents. Customers will continue to enjoy fishing at all eight reservoirs during the same days and months currently available, be able to rent boats on weekends, enjoy water contact sports, and engage in normal park recreation activities. The changes include:

- Eliminate boat rentals, catfish re-stocking, and duck hunting at Sutherland Reservoir. The low number of customers does not allow for full cost recovery at this facility located north of Ramona. Customers will be allowed to shore fish and use their private boats to fish and to hunt turkey (4-6 weeks) in March - May.
- Eliminate phone reservations for boat rentals and rent boats on a first-come basis. This service was previously provided by the private vendors. City staff continued the service after the vendor contracts expired.
- Eliminate weekday boat rentals at Murray, Miramar, Hodges, and El Capitan. It costs over \$40,000 annually to provide weekday boat rentals. Fee increases could not adequately recover this cost.

Table 5: Summary of Business Process Reengineering Recommendations

Reservoir	Recommendation	Impact	Implementation Schedule
ALL	Increase fees to achieve full cost recovery for water-based recreation activities (fishing, skiing, private boat launch, etc.)	Eliminate General Fund subsidy for 232,000 recreational users participating in water-based sports.	By February 1, 2009
Sutherland	Achieve full cost recovery at this remote Reservoir: Eliminate boat rentals and waterfowl hunting Eliminate catfish re-stocking Require all non-fishing users to pay entrance fee	Services will be reduced for approximately 8,000 users (primarily non-City residents).	By February 1, 2009
El Capitan, Hodges, Miramar, Murray, Otay	Achieve full cost recovery for boat rentals: Increase rental fees Eliminate phone reservations (first-come basis) Eliminate boat rentals on weekdays (except Otay)	Eliminate General Fund subsidy for 17,000 recreational users renting City owned boats & motors.	By February 1, 2009

Although these recommendations will result in staffing reductions (4.08 FTE) for the Reservoir Recreation Program, it is recommended that the staff should be re-allocated to core reservoir maintenance duties under the Water Department. Since 1990, the Lake Reservoir Program staff has been reduced from 72 to 49 employees (32%) while the demands of the recreation program increased. Re-assigning staff will increase reservoir/dam/delivery system maintenance activities and improve operational efficiency for the Water Department.

Table 6: RESERVOIR RECREATION STAFFING IMPACTS

Classification	FY09 Proposed Budget FTE ⁽¹⁾	BPR Changes	Proposed BPR FTE
WATER DEPARTMENT			
Assistant Reservoir Keeper	3.70	(0.15)	3.55
Equipment Mechanic	0.52	0.00	0.52
Lakes Program Supervisor	0.86	0.00	0.86
Lake Aide I (hourly)	3.38	0.00	3.38
Lake Aide II	6.18	(3.68)	2.50
Lakes Program Manager	0.46	0.00	0.46

Ranger/Diver I	1.00	0.00	1.00
Ranger/Diver II	1.00	0.00	1.00
WPO	0.63	(0.10)	0.53
Reservoir Keeper	3.70	(0.15)	3.55
TOTAL Annual Reduction	21.43	(4.08)	17.35

(1) Includes reductions of hourly staff (-3.01 FTE) resulting from pay station implementation and elimination of windsurfing at Hodges.

FISCAL CONSIDERATIONS:

Approval of the BPR recommendations combined with the San Vicente closure will produce a net savings (combined new revenue and cost reduction) of approximately \$1.77 million to the General Fund from the FY08 Reservoir Recreation budget. The following table summarizes the fiscal impact of the BPR recommendations compared to both the FY08 and FY09 budgets:

REVENUE AND EXPENSE VERSUS RECOMMENDATIONS

	FTE	Expense	Revenue	Net Expense (Exp less Rev)
FY08 Budget	32.91	\$3,412,015	\$1,486,833	\$1,925,182
FY09 Budget	21.43	\$1,953,419	\$1,210,484	\$742,935
Proposed budget: Modified Program*	17.35	\$1,994,583	\$1,835,513	\$159,070
Estimated Budgetary Impact (FY09-BPR)		(\$41,164)	\$625,029	(\$583,865)
Percent Change		2%	51%	79%

* The proposed budget includes the closure of San Vicente Reservoir.

Although the total expense for the proposed modified program is \$1,994,583, the approved FY09 Reservoir Recreation budget is \$1,953,419, resulting in a budget deficit of \$41,164. This deficit results because the FY09 budget was inappropriately set \$265,000 too low. However, since we expect to implement the BPR recommendations by February 2009, we expect the City to realize \$561,000 of the estimated savings/revenue increase for FY09 and that the remaining budget can be closed within the City's existing budget. We expect that this BPR will realize \$1,148,600 of cost savings and/or cost recovery from the FY08 baseline. It should be noted, however, that there will continue to be a net cost to program operations moving forward and approximately \$160,000 annually will be required from the General Fund to support this program.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Council Policy 400-03 addresses City Reservoir recreation activities. In January 2007, the City Council authorized the transfer of \$1,498,250 from the unallocated reserve to reimburse the Water Department Enterprise fund for the FY07 net cost of operating the Reservoir Recreation program.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

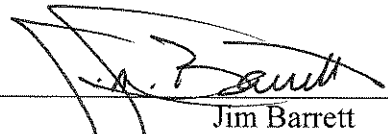
During the BPR study, the committee convened a meeting of stakeholders to provide a public perspective on the Reservoir Recreation program and community priorities. In addition to local business owners and interested citizens, representatives from the following community groups attended a focus group meeting held on December 11, 2006:

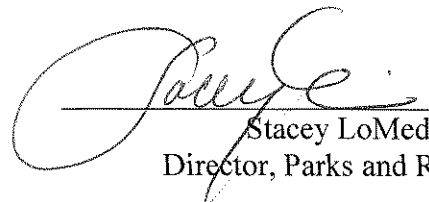
- AFSCME Local 127
- Friends of Lake Murray
- Mira Mesa Recreation Council
- Mission Trails Regional Park Citizens Advisory Committee
- San Diego Bass Council
- San Diego State University (Mission Bay Aquatic Center)
- San Diego Windsurf Association
- SoCAL Water Sports Association

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include residents who use the reservoirs for recreational activity and those Water Department employees that provide the services required to operate the recreation program. Fees for non-passive recreational uses will be increased. However, all services (with little modification) will continue to be offered at all reservoirs, except Sutherland which is located in the unincorporated area north of Ramona.

The employees represented by the AFSCME Local 127 and the Municipal Employees Association will be impacted due to the re-allocation of a portion of reservoir operations staff time to core reservoir maintenance duties. The work related impacts of this BPR have been appropriately covered through the Meet and Confer process with MEA and Local 127.


11.12.08
Jim Barrett
Director, Public Utilities


11-12-08
Stacey LoMedico
Director, Parks and Recreation