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BOARD OF DIRECTORS

Jeff Marchini – Division 1
Mario Bandoni – Division 2
David Long – Division 3
Eric Cabral – Division 4
David Souza – Division 5

John Sweigard – President
Phillip McMurray – General Counsel

**TWIN LAKES MANAGEMENT COMPANY
BOARD MEETING**

**Tuesday, December 5, 2023
9:00AM**

**Franklin Yard Facility
3321 N. Franklin Road
Merced, CA 95348**

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CONSIDER CORRECTIONS OR ADDITIONS TO THE AGENDA

The Board will consider corrections or additions to the agenda of items requiring immediate action that have come to the attention of the Board after posting of the agenda.

OPPORTUNITY FOR PUBLIC COMMENT (5 minutes per speaker)

This time is provided for the public to address the Board on matters of concern. Matters presented under this heading may be discussed but no action will be taken by the Board at this time.

CONSENT CALENDAR

All matters listed under Consent Calendar are considered by the Board of Directors and will be adopted by one action of the board unless any Board Member has any question or wishes to make a statement or discuss an item. In that event, the Chair of the Board will remove that item from the Consent Calendar and place it for separate consideration.

1. Unapproved Minutes – October 4, 2022

ACTION/DISCUSSION

1. Sublease Permit to Splash-N-Dash Aqua Park McSwain, LLC

REPORT ITEMS

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Government Code Section 54956.9 (d)(2) & (4) - Initiation of Litigation - One (1) potential matter

NOTE: No action may be taken on any items not appearing on this agenda unless:

- : There is a finding of an emergency situation by majority.
- : A two-thirds vote of the legislative body or a unanimous vote if less than two-thirds of the members are present.
- : An item was properly posted, but carried over for five days.

Any materials that are public records that relate to an agenda item, and are distributed to the Board of Directors less than 72 hours prior to the meeting shall be available for public inspection at the offices of the Twin Lakes Management Company, 744 W. 20th Street, Merced, CA during normal business hours. Additionally, any materials presented during open session are available for public inspection at the same address.

TWIN LAKES MANAGEMENT COMPANY
BOARD MEETING
UNAPPROVED MINUTES
REGULAR MEETING

October 4, 2022

The Board of Directors (“Board”) of the Twin Lakes Management Company (“TLMC”) met on the above date, pursuant to notice at 10:00 A.M. at the Franklin Yard facility for the Merced Irrigation District, located at 3321 N. Franklin Road, Merced, CA 95348.

ROLL CALL

Roll call showed the following Directors present:

Directors:

Jeff Marchini
Mario Bandoni
David Souza
Dave Long
Eric Cabral

The following employees were also present:

General Manager	John Sweigard
General Counsel	Phillip McMurray
Deputy General Manager, Water Rights/Supply	Hicham Eltal
Deputy General Manager, Water Resources	Bryan Kelly
Treasurer/Chief Financial Officer	Don Knapp
Deputy General Manager, Energy Resources	Juan Sandoval
Chief Operating Officer	Victor Moreno

The following MID employees were also present:

Executive Assistant to the General Manager	Sara Supple
Legal Assistant to the General Counsel	Jennifer McMaster

CHANGES/ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

None

CONSENT CALENDAR

Unapproved Minutes – January 11, 2022
Unapproved Minutes – January 7, 2020
Unapproved Minutes – January 8, 2019

Director Long made a motion to approve the Consent Calendar as presented, seconded by Director Cabral; the Board unanimously approved the motion. A roll call vote was taken, the votes were as follows:

Ayes: Bandoni, Marchini, Cabral, Long, Souza
Noes: None
Abstain: None
Absent: None

ACTION/REPORT ITEMS

Mr. Knapp presented summary information regarding the need to update language to the signatory authority for the company 401k profit sharing account. Mr. Knapp responded to questions from the Board regarding the signatory authority.

After further discussion, Director Marchini made a motion to update the TLMC signatory authorities, seconded by Director Cabral; the Board unanimously approved the motion.

Ayes: Bandoni, Marchini, Cabral, Long, Souza
Noes: None
Abstain: None
Absent: None

CLOSED SESSION

None

ADJOURNMENT

At 10:10 AM, Chair Long adjourned the meeting.

Jeff Marchini, Vice Chair/Secretary

APPROVED:

Dave Long, Chair

MEETING OF THE TWIN LAKES MANAGEMENT COMPANY

DATE: December 5, 2023

SUBJECT: The Board will review and consider issuing a Sublease Permit to Splash-N-Dash Aqua Park McSwain, LLC relating to concession operations at Lake McClure.

RECOMMENDED ACTION: Staff recommends the Board issue a Sublease Permit (Sublease) to the Splash-N-Dash Aqua Park McSwain, LLC (Splash-N-Dash), as presented.

BACKGROUND & DISCUSSION:

MID owns Lakes McClure and McSwain on the Merced River and operates the lakes for a variety of important purposes, such as water storage and irrigation operations; hydroelectric generation; flood control; etc. For purposes of this agenda item, MID has also chosen to offer a variety of services and recreational opportunities on Lakes McClure and McSwain. Historically, MID has chosen to offer and manage those recreational opportunities through special use permits and agreements issued to third-party concessionaires, most recently Twin Lakes Management Company (TLMC).

TLMC has historically operated and managed recreational areas on Lakes McClure and McSwain. In general, TLMC is responsible for operations at MID's Barrett Cove Recreational Area and marina, including the store and café; propane and fuel dispensing systems; houseboat and marina infrastructure including moorings and anchor points on Lake McClure, generally; and, the houseboat repair and construction facility located at MID's McClure Point Recreational Area.

Under the terms of the Special Use Permit between MID and TLMC, TLMC has the right to enter into agreements with third parties to sublease its rights and obligations to operate and maintain MID facilities and offer amenity services to the public. In April 2017, TLMC subleased the operation of the café and store operations at MID's Barrett Cove Recreational Area, as well as fuel storage and dispensing operations, to Mr. Steve Marquette. Consistent with the terms relating to assignment of rights and obligations in the MID/TLMC Special Use Permit, MID approved of the sublease to Mr. Marquette. In February 2022, that sublease was terminated and TLMC has managed operations at Barrett Cove since then. Other than that sublease, TLMC has continued to operate and maintain facilities in areas consistent with the terms contained in the Special Use Permit.

Recently, the owner of Splash-N-Dash (who generally operates the marina store and on-water bounce activity at Lake McSwain) expressed a desire to acquire from TLMC the right to operate the café and store, fuel storage and dispensing, and boat slip rental business primarily located at MID's Barrett Cove Recreation Area marina. After discussion with the parties, staff believe it is in the best interests of TLMC to approve a Sublease to Splash-N-Dash, which will allow for improved operation of not only the café and store, but also the adjacent recreational facility.

The substantial terms of the proposed Sublease for Board consideration are as follows:

1. Rights/obligations - Permit Holder shall be granted the exclusive right, privilege and duty to develop, operate and maintain the existing facilities at the Barrett Cove Recreation Area within the area designated in Exhibit "A", (hereafter "Premises") attached hereto.
2. Services - The services to be provided may be generally described as cafe/store operations, fuel storage/dispensing operations as well as boat slip rentals and houseboat, patio or pontoon boat, various small boat, kayak and other similar on-lake and on-shore activities and rentals.
3. Term – Effective date through December 31, 2034, unless terminated sooner by agreement of the parties.

4. Deposits - On or before January 1, 2025, the Permit Holder shall provide an initial security deposit in the amount of \$2,500. On or before January 1, 2026 and each year subsequent thereafter, the Permit Holder shall provide an additional security deposit in the amount of \$1,000.
5. Rent/Fees – Permit holder shall pay to TLMC 5% of all gross revenue generated each year during the term. TLMC shall be paid flat fifty cents (\$0.50) per gallon on each gallon of gasoline dispensed. Permit holder shall pay to TLMC 10% of all gross revenue generated from marina slip rentals and boat rentals (subject to annual increase).

Staff will be available at the Board’s meeting to provide any additional information and respond to any questions.

ALTERNATIVES/PROS AND CONS OF RECOMMENDED ACTION:

Pros – Could result in increased revenue and decreased costs associated with the maintenance and operation of the existing facilities at the Barret Cove Recreation Area. Additional recreational opportunities may result in increased visitation to the park and increased revenues.

Cons – potential liability associated with additional recreational activities.

Alternatives – the Board could reject the proposed sublease agreement, in which case TLMC would continue to be obligated to operate and maintain the existing facilities on its own behalf and without the help of a third party.

DEPARTMENT CONCURRENCES:

N/A

FISCAL IMPACT:

If approved, TLMC will receive additional revenues from rent and sales and likely receive additional revenue from increased visitation at its recreational areas, in an amount not yet determined. TLMC may also realize a decrease in costs associated with TLMC’s maintenance and operation of facilities, also in an amount not yet determined

Exhibit A - Marina/Cafe

