

WRITTEN STATEMENT FOR THE RECORD

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**BEFORE THE HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON WATER AND POWER OF THE COMMITTEE ON NATURAL
RESOURCES**

ON BEHALF OF NAPA COUNTY

**IN THE MATTER OF H.R. 4166 (THOMPSON OF CA) "LAKE BERRYESSA
RECREATION ENHANCEMENT ACT OF 2014"**

JUNE 10, 2014

Thank you Chairman McClintock, Ranking Member Napolitano, and Members of the Subcommittee for the opportunity to testify today regarding H.R. 4166, the Lake Berryessa Recreation Enhancement Act of 2014, which would transfer recreational management authority for Lake Berryessa from the Bureau of Reclamation (BOR) to the Bureau of Land Management (BLM). I would also like to thank Congressman Thompson for introducing this important legislation.

My name is Diane Dillon, and I am a County Supervisor in Napa County, California where Lake Berryessa is located. I have served as a Supervisor for 12 years and was just re-elected to my fourth term. During the past 12 years and still today, all or a major part of the Lake Berryessa area has been within my district.

I have worked more than a decade trying to solve problems and improve the situation with the Bureau of Reclamation at Lake Berryessa. I strongly support this legislation, as does the entire Napa County Board of Supervisors; we are unanimous in our support. Why? Because Lake Berryessa is an important regional recreation destination, which generates tourism critical to the local economy.

At 26 miles long and 3 miles wide, Lake Berryessa is one of California's largest manmade lakes. It is located less than 100 miles from both Sacramento, California and San Francisco, California. Lake Berryessa could provide year-round recreational opportunities along 165 miles of shoreline and throughout the 2,000 acres of wildlife areas located there, IF it were properly managed. Sadly, it is not.

Before the expiration of long-term concessionaire contracts in 2008 and 2009, seven resorts operated at the lake, drawing 1.3 million visitors and generating \$15 million in revenue per year. Today, just one concession has a permanent operator and four are operated under interim contracts, providing only boat launching and camping without hook-ups, showers or running water. The two remaining concession locations are closed. As a result, tourism in the Berryessa area has plummeted. This has had a devastating effect on the Lake area's residents, businesses and the local economy.

The residents of the area – via the Board of Directors of the Lake Berryessa Chamber of Commerce – expressed their vote of no confidence in BOR. Also known as the Napa Lake Berryessa Chamber, its Board sent a letter earlier this year to the Department of the Interior suggesting that another agency within the Department, such as BLM, would be better suited to administer the recreational use of Lake Berryessa. Thus, Congressman Thompson, at the request of Lake Berryessa residents and business owners, filed H.R. 4166. The Napa County Board of Supervisors unanimously passed a resolution supporting H.R. 4166 on April 1, 2014. In our view, BOR has failed to provide and manage adequate concessions at Lake Berryessa in recent years, which has resulted in significant income and job loss.

BOR is not a recreation agency. This is undoubtedly why their website states:

- It is Reclamation's goal to seek other Federal and non-Federal entities to manage recreation on project lands. As a result, there are 64 non-Federal partners comprised mostly of state, county, and city governments that manage 156 of Reclamation's developed recreation areas.
- One hundred-two (102) of Reclamation's initially developed recreation areas have been transferred to other Federal agencies. These areas are currently managed by the National Park Service (NPS), U.S. Forest Service (USFS), Bureau of Land Management, or the U.S. Fish and Wildlife Service (FWS).
- Reclamation solely manages [only] 31 of the 187 developed recreation areas.

We believe that BLM is much better suited to manage this vast recreational and resort area.

History of BOR's Recent Management of Lake Berryessa:

The recreation area has been managed by BOR since 1975.

The Bureau of Reclamation created Lake Berryessa by constructing Monticello Dam, which was completed in 1957. Before it was even full, people began boating on the lake.

The first half century proved to be a difficult time for Lake Berryessa. Rather than public serving facilities, the seven concessions at the lake issued exclusive use permits, which never expired. The permittees installed trailers on their sites, and occupied them for decades as vacation homes. As these sites did not generate transient occupancy tax, and only limited sales tax was collected, there was insufficient revenue to the county to cover the cost of law enforcement and emergency services. Napa County has had to subsidize this recreation lake for years.

The past decade has seen unending issues with management of the Lake. With the final expiration of the old concession contracts approaching in 2008- 09, BOR began a process in 2000 to determine the Lake's future. It took longer than planned and more difficult than anticipated, but 2006 finally saw the release of the Record of Decision for the Future Recreation Use of Lake Berryessa.

Eight years later, only one of seven concessions has a permanent operator, four are operated under interim contracts, three of which have only boat launching and camping, with no running water, showers, or flush toilets, and no RV hookups. Five years after the last of the previous concession contracts expired, tourist numbers have plunged from an average of 1.4 million to a couple hundred thousand. The local economy - which depends on tourists, but which also serves a slender local population - is in tatters. Local retail operations have gone out of business, jobs have disappeared, people have left, and the local school was closed. Locals no longer have gas stations; convenience stores and cafes have closed. At this point we do not know if the few businesses still operating in the small retail center at the Lake will survive.

Reclamation went through a Request for Proposal (RFP) process and selected new concessionaires in April 2008, none too soon as the last concession contracts expired in 2009. By this time the promise of a "seamless transition" to new concession operations had been well and truly broken. With some concessions already closed, and redevelopment yet to begin, the

summer of 2008 was bleak and the local tourist serving economy became very fragile. Nearly a year later in March 2009, with only one of three concession contracts having been signed, Reclamation declared the RFP process to have errors and withdrew the contract awards. In January 2010 after another RFP process, the same concessionaire was selected, this time being awarded 6 of 7 resorts.

Two years later in 2012, with no new developments in sight, that concessionaire was terminated leaving behind unpaid bills, lawsuits, and the remnants of their limited operations that BOR had to clean up. It is not clear how -- through two long, RFP processes -- an operator that apparently did not have sufficient funding managed to get selected *twice* by BOR as the major concessionaire at the Lake.

A third attempt has now been started to find operators for the six concessions that do not have permanent operators. BOR decided to start over again from the beginning with a multi-year, consultant-heavy process to completely re-imagine what concession facilities should be offered at the Lake. According to the schedule they released, we will not have full concession operations until mid-2017. And they are already falling behind on meeting their own deadlines.

Thus, as of today, BOR is no closer to finding a permanent concessionaire to take over 6 of 7 resort areas than they were when the long-term contracts expired in 2008-09.

Lake Berryessa residents and businesses in Napa County depend on the sound management of the lake's recreational facilities, restaurants, and resorts located on federal land to attract visitors and support its local economy. Since the expiration of the long-term concession contracts in 2008 and 2009, tourism has dropped off significantly, and what was once a vibrant, thriving rural community has undergone dramatic changes including the closure of its elementary school, a gas station, a restaurant, and a grocery store.

The Napa County Board of Supervisors agrees with Lake Berryessa residents and businesses, who believe a change of management is necessary to develop and implement a redevelopment plan for Lake Berryessa that will encourage investment in and attract new business and visitors to the recreational and resort area.

Payment in Lieu of Taxes Program (PILT) Does Not Cover County's Costs:

Napa County spends approximately \$1 million per year to support search and rescue operations, sanitation, law enforcement, public safety and road maintenance at Lake Berryessa. Historically, Napa County receives approximately \$150,000 per year in PILT payments. Despite the drop in tourism, Napa County's costs to provide these critical services have not gone down.

Napa Berryessa Resort Improvement District:

The Napa Berryessa Resort Improvement District (NBRID) provides water and sewer service to 347 parcels in the Berryessa Highlands residential neighborhood and to one of the concession areas, Steele Park Resort. NBRID residents voted to approve approximately \$14 million in assessments to fund necessary wastewater and water treatment improvements. The infrastructure

improvements are needed to comply with Regional Water Quality Control Board orders dating to 1995.

Before the expiration of the long-term concession contract at Steele Park, Steele Park Resort was assessed \$4 million. The failure of BOR to contract with a viable concessionaire at Steele Park has resulted in large water and sewer rate increases to NBRID customers, due to loss of revenue generated from Resort operations and surcharge collection fees. The average annual sewer and water rates for developed residential parcels was approximately \$ 619 for Fiscal Year 2006 – 2007. The current annual sewer and water rates for those parcels is approximately \$ 2,808. This does not include the annual 40-year assessment of approximately \$ 1,000 per parcel.

Why the BLM is Better-Suited to Manage Lake Berryessa:

BLM already manages 264 million acres of public lands across the United States and has vast experience successfully managing recreational areas in the nation's West. It oversees areas that feature camping, hunting, fishing, hiking, horseback riding, boating, whitewater rafting, hang gliding, off-highway vehicle driving, mountain biking, birding and wildlife viewing, photography, climbing, all types of winter sports, and visiting natural and cultural heritage sites. BLM is experienced in conserving the natural, scenic, scientific, historic, and other resource values of our nation's public lands to enhance the public use and enjoyment of that land.

The mission of the BLM is more aligned with the duties and responsibilities of managing a recreational and resort area, such as Lake Berryessa, than the BOR's mission, which is to manage water projects, dams, power plants, and canals. In addition, the BLM has centralized decision-making authority within the State of California. In contrast, BOR's decision-making process is decentralized and requires the necessity to get approval through various levels and ultimately, authority resides in Washington D.C.

BLM management of the Lake Berryessa Recreation area would ensure better management and enhanced recreational opportunities for visitors to the lake, which would revitalize the local economy.

Conclusion:

We ask Members of the Subcommittee to support H.R. 4166. Passage of this bill would lead to the implementation of a viable redevelopment plan for Lake Berryessa by BLM, an agency that has demonstrated successful management of vast recreational areas. This, in turn, will help our local economy and help to restore the once-vibrant Lake Berryessa community.

As well, we also respectfully request that necessary appropriations be provided to enable BLM to successfully manage this recreation area.

Thank you for considering these views.