



## MOUNTAIN HOUSE COMMUNITY SERVICES DISTRICT

*"To Provide Responsive Service to our Growing Community  
that Exceeds Expectations at a Fair Value"*

### STAFF REPORT

**AGENDA TITLE:** General Manager Update on District Activities

**MEETING DATE:** July 8, 2020

**PREPARED BY:** Steven J. Pinkerton, General Manager

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#### **COVID -19 Response**

The Town Hall and Library will remain closed to the public until we receive further guidance from the County. We have continued the closure of all public restrooms in our parks and are discouraging any gatherings or use of play equipment. Because of recent spikes in positive results for COVID testing, we are unsure when the County will allow continued re-opening or modifying the order regarding recreational activities. I have been receiving daily updates from the San Joaquin County Public Health Department and discussing best practices with other City Managers. We are working on a strategy for re-opening District facilities, including Town Hall. We have retained the services of a consultant specializing in safety and hazmat assessments. The consultant toured the town hall and library and made some initial recommendations such as the use of face masks, social distancing, continued closure to the public, and limitations on occupancy of conference rooms. We are implementing protocols to reduce health risks to staff and to the public, including social distancing, reassignment of seating arrangements, staggered schedules, requirements for face coverings, and reduced hours of service to the public. We are installing additional plexiglass shielding at the service counter and the Board room.

We will continue to comply with state and county directives and following best practices of our neighboring communities. Once we determine when we can have the building COVID-compliant for our staff and customers, we will set a re-opening date for the building. However, even when the building can be opened to the public, we anticipate limited hours of service to the public.

Utility billing and collection continues to be impacted by Governor Newsom's Executive Order temporarily suspending water shutoffs during the COVID-19 health emergency. We are suspending late fees and shut offs for non-payment of utility bills and we are not placing liens at this time. The amounts owed are not being forgiven, therefore we anticipate a large number of requests for payment plan options.

We have suspended facility and field rentals and canceled recreation events until we receive guidelines from the County.

Teleconferencing with fellow staff and consultants is working well. To the extent practicable, staff is working remotely in order to limit exposure. Until further notice, our Board meetings will be conducted using the Zoom platform and public attendance will be restricted.

## **DISCUSSION ITEM 10.2**

We continue to update the District website with links to COVID-19 related materials. Besides including District-specific information, you can also access important materials from the County's Public Health Department, the Governor's office, and the pertinent County and State orders related to COVID-19.

### **Summer Swim Program**

Staff has determined that we will be unable to offer the swim program this summer, due to COVID restrictions.

### **Risk Management/Human Resources**

Nicole Adamo, District Clerk, is coordinating the development of a comprehensive risk management program. Nicole is working with Bonnie Kolesar of Management Strategies Group to conduct a risk assessment of our current risk management program. Nicole is also working with an industrial hygienist, KWA Safety and HazMat Consultants, to develop our return to work strategy.

Nicole is working with Don Turko, our labor negotiator, to review and update the District's personnel policy. This project will help reduce potential liabilities, ensure compliance with federal and state requirements, and result in the development of procedures that will make our processes more efficient and consistent.

### **Administrative Services**

Staff is working with OpenGov to implement another feature of their product line, Open Town Hall. We will use Open Town Hall to provide information to the public about District operations and development activity. We will also use the program to conduct surveys and educate and engage the community. Nicole Adamo and Angel Lamb, Recreation/Communications Coordinator, will take the lead in the on-going upkeep of this program.

Congratulations to Thomas Retchless for his promotion to Finance Director and to Denae DeGough for her promotion to Accounting Manager. Thomas has accomplished many important tasks – more timely audits, an award-winning budget, account conversion and getting OpenGov implemented for this budget season. Based on his observations and expertise, he has implemented numerous procedural changes that improved accuracy, efficiency and timeliness. Denae has been with the District for 7 ½ years. She started as an Accounting Technician and was promoted to Accountant about 5 ½ years ago. Denae is skilled in identifying workflow problems and recommending solutions. Thomas and Denae have completed the interim audit assignments from Richardson & Company for the fiscal year 2019-2020 audit. We expect to have the audit completed by November, 2020. The timeliness of the audit has continued to improve over the last few years.

### **Public Safety**

The General Manager and its public safety consultant met with representatives of the Sheriff's office on April 30, 2020. The status of the Mountain House Sergeant position was discussed and the District's concern regarding the multiple non-MHCSD responsibilities assigned to the Sergeant. Based on our discussion, the Sheriff assigned a new Sergeant to Mountain House. in mid-May. Jason Burk, the new Sergeant, has extensive experience working the Sheriff's community policing program and looks forward to collaborating closely with our community.

## DISCUSSION ITEM 10.2

The fiscal year 2020-2021 public safety budget includes an expansion of the services of Rank Investigation and Protection, Inc. The proposed expenditure plan contemplates Rank will assigning a staff person to serve as the District's Community Service Officer. This officer will work with the Community Development Department to educate and engage the community, assist with Code Enforcement efforts, and help establish Neighborhood Watch groups.

### **Code Enforcement**

Code Enforcement has 54 total citations issued. Roughly 85 percent have been parking related and 15 percent administrative/property/landscaping issues. Six citations have been appealed of which three were approved and three are still under review. The District can expect more appeals within the coming weeks due to the ongoing COVID-19 Pandemic.

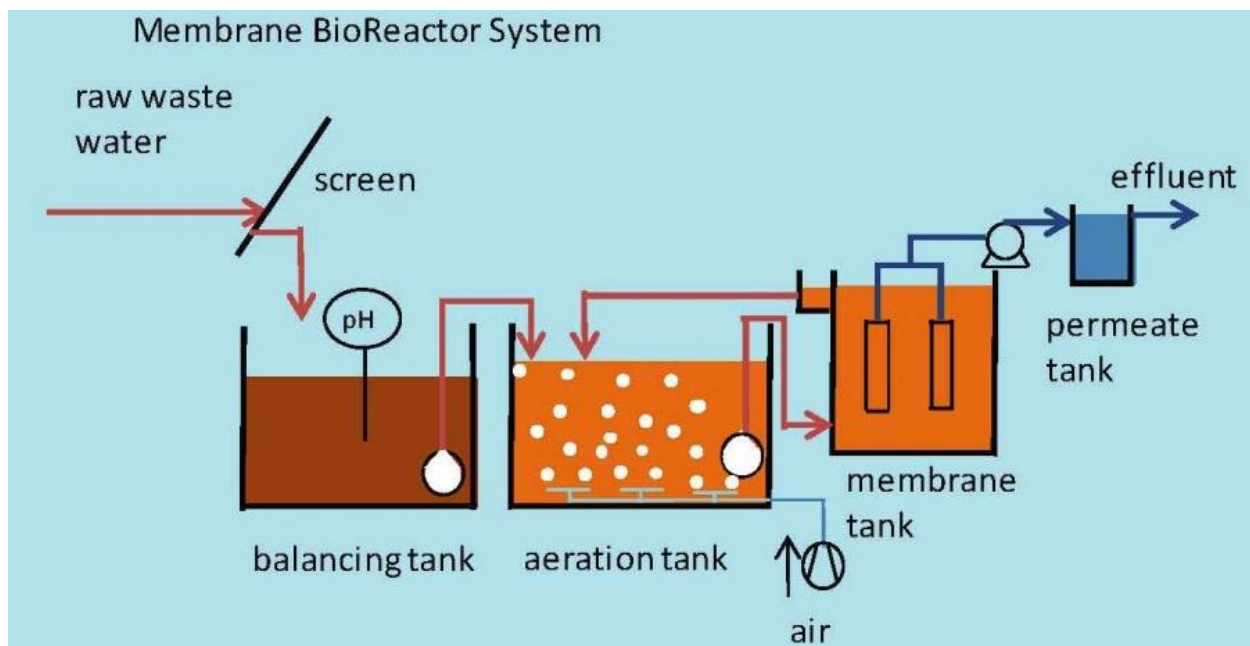
There have been 21 Request for Change or Variation of Master Restrictions (CC&R Compliance)-Homeowner approval permits for property changes. We are in the process of ordering signs to help restrict parking on district streets (in particular, Boats, RVs and Trailers).

### **Potable Water Storage Tank Conversion**

The existing Raw Water Storage Tank that was installed with the first phase of the water treatment plant was to be converted to a potable water storage tank to provide additional storage that is needed for Fire and emergency water storage. The design has been completed and the construction work is underway. They have completed the underground work and welded the top cover and structural support columns and placed the additional steel plates and they are working on installing the Cathodic Protection. The project will be completed later this year.

### **Phase III Wastewater Treatment Plant Expansion**

The design of the expansion project has been completed and the project is ready to go to construction. As soon as the property has been obtained from Trimark, MHD will start the construction. The construction is expected to take 18 to 20 months to complete. This project will convert the Sequence Batch reactor (SBR) treatment process to a Membrane Bioreactor (MBR)



**Annual Reports submitted**

Staff and utility operators completed and submitted the annual Reports for Stormwater Discharge from Small Municipal Separate Storm Sewer System (MS4) General Permit to the State Water Resources Board.

**Road Repairs**

Engineering staff has prepared a design and is working on the bid package to repair streets within Mountain House including Bethany Road and Wicklund Road. Staff is also working with the County to repair Bethany road on a temporary basis until a more permanent fix is identified.

**Town Hall and Library Grand Opening**

We are looking forward to celebrating the long-overdue grand opening of our new facilities. We are coordinating the Grand Opening event with our partners at Stockton/San Joaquin Library.

Once the current COVID-19 restrictions are relaxed and we can ensure the safety of our residents in a large gathering, we will be scheduling a date for the Grand Opening.

In the meantime, Library staff instituted lobby service only on June 11, 2020. Services provided include:

- Table at front door to assist customers
- Retrieval of hold items
- Retrieval of items from shelves
- Quick reference/referral service

Lobby service will not include:

- Access to building
- Issuance of library cards (can still obtain card by phone)

The Lobby Service has been a great success during its first three weeks and are hopeful they can further expand services as our health emergency subsides. During the first 14 days of lobby service, they were open 70 hours and circulated 3,139 items—nearly as many items as had been circulated in the 14 days and 102 hours open last June. A total of 1,002 patron visits were logged during these first 14 days.

The virtual programming the Library has been providing during the closure will continue with slightly less regularity. The Summer Reading program will be offered virtually this year, but all readers will be able to pick up completion prizes at their home branches. The 96 signees for the program have already ready 925 books.

Operating hours for the lobby service would be Mondays, Tuesdays and Wednesdays from 1:00pm to 6:00pm and Thursdays and Fridays from 10:00am to 3:00pm.

**Municipal Incorporation**

The Board of Directors approved the scope of work with Berkson Associates for the Initial Financial Analysis (IFA) at the February Board meeting.

## **DISCUSSION ITEM 10.2**

Staff continues to meet with the lead consultant to compile all the necessary information for the study. We have held several teleconference meetings with the LAFCo Executive Director to discuss the future steps in the process.

In addition, staff has retained the services of a consultant who specializes in assessing the potential for near-term and mid-term commercial development. This consultant will determine the revenue potential for commercial development in Mountain House under alternative scenarios. One will assume municipal incorporation and an active economic development function. The second scenario assumes that the District will remain unincorporated and rely on the County for attracting businesses to the community.

Preparing a detailed analysis of potential commercial development revenue is a key component for determining the fiscal feasibility of incorporation.

We are planning on presenting the commercial development information to the Board in August and the balance of the information at a meeting in the fall.

Our website includes a link to all the previous work done on Incorporation.  
<http://mountainhousecsd.org/about-mountain-house/incorporation>

### **Town Center Shopping Center**

Staff continues its coordination with the County for the processing of the plans for the Shea Commercial development at the corner of Byron Road and Mountain House Parkway.

On June 4, 2020, San Joaquin County completed their design review and formally approved the improvement plan for the project. Having the detailed conditions of approval allows the Developer to prepare the final construction plans for the project and keep the project on schedule.

The shopping center plan includes a 55,000 square foot grocery store, fuel station, and an additional 20,000 square feet of retail that will include a coffee shop and restaurant, among other uses. Work continues to widen Byron Road and Mountain House Parkway to support the shopping center project. These roadway projects should be complete in late 2020. The shopping center construction is expected to start in summer 2020 and be completed in mid-2021.

### **Development Application for a Child Care and Commercial Development**

Staff has received a request for a childcare and commercial development for a 12,050 square feet childcare center and commercial development in Neighborhood C, at the corner of Vecindad Street and Bonner Drive. Staff has reviewed the site plan and is coordinating with the County for project approvals.

### **Utility Systems Revenue Bonds**

The District has significant cash flow available in its utility funds to issue additional bonded debt in 2020. At the March 18, 2020 Meeting, the Board of Directors authorized an agreement with Kosmont Transaction Services (KTS) to initiate the work to put together a Bond Issuance for later this year.

KTS solicited proposals from potential underwriters and received eight responses. KTS narrowed the field to four underwriters. On June 18, KTS and District staff interviewed the four finalists. We selected Piper Sandler based on their previous experience with District debt issues, their

## DISCUSSION ITEM 10.2

understanding of our infrastructure financing and debt securitization, and their recommendation about structuring the debt and explaining the credit-worthiness of the District to rating agencies.

Staff will be working with Kosmont and other members of the financing team to determine the appropriate size of the issue and to strengthen our credit rating.

Interest rates have steadily dropped over the past year down to near historic lows. We expect this favorable interest rate environment will continue.

### **Bergamo Development**

Staff is continuing to coordinate with Shea Homes property for the plan approvals for the Bergamo Development. Bergamo is located at the corner of Central Parkway and De Anza Boulevard, and is a part of Neighborhood H – Questa Final Map. Shea Homes will subdivide this property into 137 single-family homes, zoned R-MH. Shea will be executing a Subdivision Improvement Agreement and will post the appropriate bonds for the project.

### **Parks, Recreation, and Leisure Plan Update**

Staff is continuing to work with MIG and the developers on the Parks, Recreation, and Leisure Plan update. MIG has completed the inventory of the parks and recreational facilities and a progress meeting is scheduled with major developers to receive their input.

### **Recreation Strategic Plan**

The Board approved a contract with MIG to prepare a strategic recreation plan for major community recreation facilities, including our parks, amphitheater, pool, recreation facilities, the community center(s), and the senior center. This strategic plan will identify the District's approach to providing recreation services that are cost-effective and sustainable in the long term. The goal is to develop a forward-looking plan for recreation services, including roles, service provision niches, strategic focus, and financial framework.

### **Bicycle and Pedestrian Master Plan**

The District has executed an agreement with Alta to commence the Bicycle and Pedestrian Master Plan. Alta will be reviewing the current bicycle options in the community and evaluate pedestrian connectivity within the park areas. Pedestrian safety in the school areas will also be assessed. District staff is coordinating with the County Planning Department with this effort.

### **Population/Demographic Data**

The State of California annually publishes detailed ethnicity data for every school in the State. This database provides a good source for measuring changes in ethnicity over time, particularly for school districts that have the vast majority of their schools in one community.

Here is a summary of this data for our school district over the past decade:

<b><u>School Demographics</u></b>	<b><u>2009-10</u></b>	<b><u>2014-15</u></b>	<b><u>2019-20</u></b>
Not Reported	2.2%	0.5%	2.1%
American Indian	0.8%	0.6%	1.0%
Asian	20.7%	23.1%	39.6%
Pacific Islander	0.9%	0.7%	0.4%

## DISCUSSION ITEM 10.2

Filipino	17.3%	13.9%	9.1%
Hispanic	20.3%	19.1%	16.9%
African American	9.6%	8.0%	6.1%
White Not Hispanic	27.4%	29.3%	18.5%
Mixed Race	0.8%	4.8%	6.3%
	100.0%	100.0%	100.0%

On May 1, the State of California issued their annual estimate of population for all cities and counties in California. Here is our transmittal from the state regarding their annual estimate:

*The California Department of Finance (Finance) has prepared the special district population estimate requested by the Mountain House Community Services District as of January 1, 2020 pursuant to Article XIII B of the California Constitution. Below is the estimate of the annual change for your special district:*

### *Date*

*January 1, 2019 – January 1, 2020*

### *Percent Change*

*10.3%*

*The District's population and housing information is as follows:*

Special District Population Estimate	Total Population	Household Population	Group Quarters Population	Housing Units	Households	Vacant Units	Vacancy Rate	Persons Per Household
Mountain House Special District								
Revised Estimate 1/1/2010	9,571	9,571	0	3,205	2,779	426	13.29%	3.444
1/1/10-3/31/10 change data	45	45	0	15	13	2	0.000	0.000
Benchmark Data 4/1/00	9,616	9,616	0	3,220	2,792	428	13.29%	3.444
4/1/10-12/31/10 change data	215	215	0	47	42	5	0.000	0.000
Revised Estimate 1/1/11	9,831	9,831	0	3,267	2,834	433	13.25%	3.444
1/1/11-1/1/12 change data	485	485	0	165	143	22	-0.002	0.025
New Estimate 1/1/12	10,316	10,316	0	3,432	2,977	455	13.05%	3.469
1/1/12-1/1/13 change data	619	619	0	207	179	28	-0.006	0.003
New Estimate 1/1/13	10,935	10,935	0	3,639	3,156	483	12.45%	3.472
1/1/13-1/1/14 change data	1,421	1,421	0	414	400	14	-0.002	-0.007
New Estimate 1/1/14	12,356	12,356	0	4,053	3,556	497	12.26%	3.465
1/1/14-1/1/15 change data	815	815	0	231	205	26	-0.001	0.010
New Estimate 1/1/15	13,171	13,171	0	4,284	3,761	523	12.21%	3.475
1/1/15-1/1/16 change data	856	856	0	271	262	9	-0.005	0.027
New Estimate 1/1/16	14,027	14,027	0	4,555	4,023	532	11.69%	3.502
1/1/16-1/1/17 change data	1,206	1,206	0	327	297	30	-0.002	-0.015
New Estimate 1/1/17	15,233	15,233	0	4,882	4,320	562	11.52%	3.487
1/1/17-1/1/18 change data	657	657	0	260	244	16	-0.003	0.039
New Estimate 1/1/18	15,890	15,890	0	5,142	4,564	578	11.23%	3.526
1/1/18-1/1/19 change data	2,277	2,277	0	651	591	60	-0.002	-0.045
New Estimate 1/1/19	18,167	18,167	0	5,793	5,155	638	11.01%	3.481
1/1/19-1/1/20 change data	1,865	1,865	0	673	599	74	0.000	0.043
New Estimate 1/1/20	20,032	20,032	0	6,466	5,754	712	11.01%	3.524

The high vacancy rate assumed by the State is due to their extrapolation of 2010 Census Data. **We are working with the State to provide them with better vacancy information so that they can refine the population estimates.**

California added 87,494 residents to bring the state's estimated total population to 39,782,870 people as of January 1st, 2020, according to new population estimates and housing data released today by the California Department of Finance.

## DISCUSSION ITEM 10.2

San Joaquin County added over 8,000 residents, with a total population of 773,632. This represents an increase of over 88,000 residents since 2010.

Here is a breakdown by City of the county-wide growth over the past ten years:

	<b><u>2010</u></b>	<b><u>2020</u></b>	<b><u>Growth Rate</u></b>
Escalon	7,132	7,478	4.9%
Lathrop	18,023	26,833	48.9%
Lodi	62,134	67,930	9.3%
Manteca	67,096	84,800	26.4%
Ripon	14,297	15,930	11.4%
Stockton	291,707	318,522	9.2%
Tracy	82,922	95,931	15.7%
 <b>Mountain House</b>	 <b>9,675</b>	 <b>20,032</b>	 <b>107.0%</b>
 Balance of County	 132,320	 136,176	 2.9%
 <b>Total:</b>	 <b>685,306</b>	 <b>773,632</b>	 <b>12.9%</b>