



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: April 15, 2020

PREPARED BY: Steven J. Pinkerton, General Manager

COVID -19 Response

San Joaquin County Public Health and County Office of Emergency Services are holding regular tele-briefings regarding the ongoing Pandemic. I am participating in these calls and coordinating with the pertinent staff as necessary.

The Town Hall and Library will remain closed to the public until we receive further guidance from the County. In addition, we have closed all public restrooms in our Parks and are discouraging any gatherings or use of Play equipment.

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.

The safety of employees is of paramount concern. We are implementing State directives, analyzing District workflow needs, and working with the SEIU to determine if and how employees can be accommodated with teleconferencing, remote capabilities, or alternative schedules. Our offices are closed to the public, staff observes social distancing, and we have asked the janitorial service to take additional measures to sanitize surfaces.

We are using teleconferencing for staff and public meetings. The use of this technology requires patience and resourcefulness and it will play an important role in how we conduct business even after the COVID-19 crisis subsides.

District staff, in conjunction with our contractors will continue to maintain all of our public spaces in a decent, safe and sanitary manner. All public utilities remain fully staffed and operational. Key staff continue to work at Town Hall, with the majority of the staff teleworking part or all of the time.

The District's home page on our website includes links to a number of important 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.

Public Safety

More than Talk, LLC facilitated a training on emergency evacuation procedures and building security for the new Town Hall for all District employees on Monday March 16 – the District’s first full day of occupancy in the new building.

The Sheriff’s office has not modified their staffing levels during the current state of emergency. In addition, Rank is now fully staffed and providing overlapping coverage seven days a week. Both entities are fully moved into the new Public Safety Headquarters in Town Hall.

We are currently finalizing a proposed budget for Fiscal Year 2020-2021 that anticipates continuing at the existing staffing levels for the Sheriff. For Rank Security, we will be proposing an additional position to coordinate Neighborhood Watch and Crime Prevention programs.

Code Enforcement

District staff and Legal Counsel are working with More Than Talk LLC, to implement the action items approved by the Board of Directors at the March 18, 2020 and December 11, 2019 meetings.

The main priority is to ensure that the new citation software is operational in conjunction with the effective date of the ordinance that will be considered for finalization at the April 15, 2020 Board of Directors Meeting.

More Than Talk, LLC is also finalizing educational materials including a video.

Fire Services

The District’s current contract for Fire services expires in September of 2020. In addition, home construction north of Byron, which should commence sometime next year, will require an expansion of Fire Services to ensure adequate coverage in that area.

In the December GM Update, I informed you that I approved a scope of work with Management Strategies Group (MSG) to address the future delivery of Fire Services in the District. MSG currently provides Human Resources support to the District through the work of Don Turko. They are also reviewing the District’s policies regarding Risk Management and Employee Safety.

Scott Kenley, another MSG professional with over five decades of experience in Fire Services, is the lead for this study.

The study is being undertaken to answer the following questions:

- The viability of the current Fire Department
- Assessment of other Fire Agencies which could provide Fire and Life Safety Services
- Assessment of the need for a second fire station
- Determining the specific RFP process to ensure that the District’s needs are adequately addressed.

There are a number of factors outside the control of the District and Consultant that have extended the time necessary to gather the appropriate data for the study.

DISCUSSION ITEM 10.1

I am in discussions with the Fire Chief to put together an extension to the current contract in order to give the District the necessary time to fully evaluate the District's future fire service needs and alternatives for service delivery.

On April 8, 2020, President Tingle and I had a video conference with the French Camp Fire District Board Chair and Fire Chief to discuss a contract extension.

Town Hall and Library Grand Opening

After months of preparation and planning, we moved into our new facilities over the weekend of March 13, 14, 15 and 16. Unfortunately, immediately after the move we announced the closure of the Town Hall and Library to the public in response to COVID-19.

The move required tremendous effort from staff. Danielle Clayton, Management Analyst, played a large role in coordinating the move. She worked on the selection of the movers, procured supplies for packing, developed schedules, worked with ISD to set up equipment, and assisted library staff with their move and delivery of new books.

I have retained the services of Port City Marketing Solutions to assist the District with a Grand Opening Celebration for the Town Hall and Library. We are coordinating the Grand Opening event with our partners at Stockton/San Joaquin Library.

The original date for the Grand Opening was scheduled for April 4, 2020 from 2pm to 4pm.

Once the current shelter at home order is removed, we will be scheduling a new date for the Grand Opening.

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.

Staff has held three meetings with the lead consultant to compile all the necessary information for the study. A follow up meeting will be held later this month. We also held a teleconference meeting with the LAFCo Executive Director last month 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 to determining whether or not incorporation is financially feasible.

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

Town Center Shopping Center

Shea Commercial has officially submitted plans to the San Joaquin County Community Development Department for the construction of the shopping center at the corner of Byron Road and Mountain House Parkway. 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.

The County is expediting the plan review process, with review of the project's signage plan going to the Planning Commission for review in the near future.

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.

Shea Homes Litigation

Consistent with the Settlement Agreement approved at the March 23, 2020 Board of Directors Meeting, Shea Homes filed a request for dismissal with the Superior Court. The dismissal is attached. There isn't an endorsed copy to share with you at this time as the current COVID-19 protocols for the Superior Court require parties to leave filings in the Court's drop box. Periodically, the Court Clerks will retrieve documents and file them as of the date of receipt. We expect to receive an endorsed copy later this month.

Utility Systems Revenue Bonds

On July 10, 2019, the Board authorized the Mountain House Financing Authority to refinance the outstanding 2007 and 2011 Utility Revenue Bonds and to issue up to \$10 million in new money.

Since that time, District staff worked with our financial advisor to put together the information necessary for the sale of the bonds.

The sale process took longer than anticipated due to a lengthy process to finalize a credit rating from S&P along with determining the final amount necessary to issue consistent with the District's Revenue Bond Rules.

In late December, the District successfully issued and sold \$33.69 million of Utility System Revenue Bonds., Series 2019A, and Taxable Series 2019B. The majority of the bonds were used to refinance higher interest rate bonds issued in 2007 and 2011. The balance of the revenue generated by the issue (\$10 million of new funds) will be used to pay down a portion of the District's obligations to repay developer costs related to the construction of wet utility improvements.

Interest rates have steadily dropped over the past year down to near historic lows. This favorable interest rate environment resulted in debt service payments for the new bonds nearly equivalent to the payments on the existing obligations – despite the District gaining \$10 million in additional proceeds as part of the issue.

The District has significant cash flow available in its utility funds to issue additional 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.

DISCUSSION ITEM 10.1

Staff recently held a kickoff tele-meeting with KTS. KTS is in the process of soliciting proposals from potential underwriters and putting together the balance of the financing team.

Specific Plan Area III Update

The District, County Community Development staff, Mountain House Investors (MHI) and Century Homes recently held their second meeting to discuss updates to Specific Plan Area III (SP3). SP3 includes all of the land south of Grant Line Road (neighborhoods A/B) along with much of the easterly third of the Cordes neighborhood.

Lammersville Unified School District (LUSD) has opted to only build one school south of Grant Line Road, which will necessitate an update to the Specific Plan III. This update provides an opportunity to review the current open space and park allocations in the two neighborhoods as well as the potential zoning for the unused school site in Neighborhood A. In addition, Delta College has expressed an interest in participating in the planning process as they review their long term plans for their property.

Potential proposed changes to SPIII could also lead to consider changes to other future open space/park requirements in the neighborhoods north of Byron Road as well.

Any changes to the park requirements would necessitate an update to the Mountain House Master Plan. In addition, the Parks, Recreation and Leisure Plan is in need of an update. Staff has retained the services of MIG, an expert in the field, to assist staff with the updates. MIG's scope of services is District wide and will include all of the North of Byron area. I will be reporting back to you soon on the public participation process for the updates.

OPENGOV

Staff recently finalized a contract and scope of work with OPENGOV, the industry leader in Enterprise Cloud Solutions for Government. Over 2,000 agencies use OPENGOV's budgeting, performance management, communications and reporting software. OPENGOV solutions include providing solutions to streamline the budgeting process, improving the means to make informed, data-driven decisions, expanding the ability for agencies to better communicate financial information to the public and adding the capability of getting real time feedback from the public.

Staff is now meeting on a regular basis with OPENGOV staff to coordinate uploading of financial information and formatting charts and graphs. We hope to have the District's financial information available online in the near future.

Staff Development

Danielle Clayton, Management Analyst, attended the Winter Forum sponsored by the Municipal Management Association of Northern California (MMANC). The group toured Mare Island and attended sessions on intentional growth and economic development incentives. The District's membership in MMANC provides opportunities for training, improving skills, and networking and is an important resource for keeping updated with best practices and trends. Danielle has been accepted into the Credentialed Government Leader program, which provides foundational tools, experiences and connections designed to develop knowledge, self-awareness, and management and leadership skills.

Operating Budget Award of Excellence

I recently reported to you that the District received recognition for its fiscal year 2019-2020 budget from the California Society of Municipal Finance Officers for implementing the highest standards and best practices in public sector budgeting. I am pleased to report that the District received similar recognition for the fiscal year 2019-2020 budget from the Government Finance Officers Association of the United States and Canada (GFOA).

GFOA bestows their budget award on municipalities and districts that achieve the highest standards in budgeting in terms of the budget document's comprehensiveness and ease of use for decision-makers and community members.

This recognition reflects the hard work, expertise and diligence of staff tasked with contributing to and compiling the budget. Special thanks and congratulations to Assistant Finance Director Thomas Retchless and his finance team for achieving this award.

Budget Schedule

Staff used the new OPENGOV system for entering fiscal year 2020-2021 budget requests. We are now working on compiling the budget document and updating strategic goals. We plan to distribute the proposed budget to the Board by April 29 in preparation for the budget workshop on May 6.

Construction Activity

In January, I provided you with calendar year building permits totals. Total permits for 2019 totaled 644 versus 753 in 2018, but far more than the 431 issued in 2017 and 260 issued in 2016. Previously we also provided you with a historical summary of total building permits issued and permits finalized through the end of 2019. In February we provided you with housing growth rates over the past ten years,

Staff is now working on finalizing a chart showing the number of units by type (single family, condo and second unit) and by neighborhood.

ATTORNEY OR PARTY WITHOUT ATTORNEY: STATE BAR NO: 112997 NAME: Geoffrey L. Robinson FIRM NAME: Perkins Coie, LLP STREET ADDRESS: 505 Howard St., 10th Floor CITY: San Francisco STATE: CA ZIP CODE: 94105 TELEPHONE NO.: 415.344.7000 FAX NO.: 415.344.7056 E-MAIL ADDRESS: grobinson@perkinscoie.com ATTORNEY FOR (Name): Petitioner Shea Homes Limited Partnership	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN JOAQUIN STREET ADDRESS: 180 E. Weber Ave. MAILING ADDRESS: CITY AND ZIP CODE: Stockton, CA 95202 BRANCH NAME:	
Plaintiff/Petitioner: Shea Homes Limited Partnership Defendant/Respondent: Mountain House Community Services District	
REQUEST FOR DISMISSAL	CASE NUMBER: STK-CV-UWM-2019-6700
A conformed copy will not be returned by the clerk unless a method of return is provided with the document.	
This form may not be used for dismissal of a derivative action or a class action or of any party or cause of action in a class action. (Cal. Rules of Court, rules 3.760 and 3.770.)	

1. TO THE CLERK: Please **dismiss** this action as follows:
- a. (1) ☒ With prejudice (2) ☐ Without prejudice
- b. (1) ☒ Complaint (2) ☒ Petition
- (3) ☐ Cross-complaint filed by (name): on (date):
- (4) ☐ Cross-complaint filed by (name): on (date):
- (5) ☐ Entire action of all parties and all causes of action
- (6) ☐ Other (specify):*
2. (Complete in all cases except family law cases.)
- The court ☐ did ☒ did not waive court fees and costs for a party in this case. (This information may be obtained from the clerk. If court fees and costs were waived, the declaration on the back of this form must be completed).

Date: April 1, 2020

GEOFFREY L. ROBINSON

(TYPE OR PRINT NAME OF ☒ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)

*If dismissal requested is of specified parties only of specified causes of action only, or of specified cross-complaints only, so state and identify the parties, causes of action, or cross-complaints to be dismissed.



(SIGNATURE)

Attorney or party without attorney for:

- ☒ Plaintiff/Petitioner ☐ Defendant/Respondent
- ☐ Cross Complainant

3. TO THE CLERK: Consent to the above dismissal is hereby given.**

Date:

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)

(SIGNATURE)

** If a cross-complaint – or Response (Family Law) seeking affirmative relief – is on file, the attorney for cross-complainant (respondent) must sign this consent if required by Code of Civil Procedure section 581 (i) or (j).

Attorney or party without attorney for:

- ☐ Plaintiff/Petitioner ☐ Defendant/Respondent
- ☐ Cross Complainant

(To be completed by clerk)

4. ☐ Dismissal entered as requested on (date):
5. ☐ Dismissal entered on (date): as to only (name):
6. ☐ Dismissal **not entered** as requested for the following reasons (specify):

7. a. ☐ Attorney or party without attorney notified on (date):
- b. ☐ Attorney or party without attorney not notified. Filing party failed to provide ☐ a copy to be conformed ☐ means to return conformed copy

Date:

Clerk, by _____, Deputy

REQUEST FOR DISMISSAL

Plaintiff/Petitioner: Shea Homes Limited Partnership
 Defendant/Respondent: Mountain House Community Services District

CASE NUMBER:
 STK-CV-UWM-2019-6700

COURT'S RECOVERY OF WAIVED COURT FEES AND COSTS

If a party whose court fees and costs were initially waived has recovered or will recover \$10,000 or more in value by way of settlement, compromise, arbitration award, mediation settlement, or other means, the court has a statutory lien on that recovery. The court may refuse to dismiss the case until the lien is satisfied. (Gov. Code, § 68637.)

Declaration Concerning Waived Court Fees

1. The court waived court fees and costs in this action for *(name)*:
2. The person named in item 1 is *(check one below)*:
 - a. ☐ not recovering anything of value by this action.
 - b. ☐ recovering less than \$10,000 in value by this action.
 - c. ☐ recovering \$10,000 or more in value by this action. *(If item 2c is checked, item 3 must be completed.)*
3. ☐ All court fees and court costs that were waived in this action have been paid to the court *(check one)*: Yes No

I declare under penalty of perjury under the laws of the State of California that the information above is true and correct.

Date: _____

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☐ PARTY MAKING DECLARATION)

(SIGNATURE)

PROOF OF SERVICE BY MAIL

I am a citizen of the United States and employed in San Francisco County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 505 Howard Street, Suite 1000, San Francisco, California 94105-3204. I am readily familiar with this firm's practice for collection and processing of correspondence for mailing with the United States Postal Service. On April 1, 2020, I placed with this firm at the above address for deposit with the United States Postal Service a true and correct copy of the within document(s):

REQUEST FOR DISMISSAL

in a sealed envelope, postage fully paid, addressed as follows:

John Bakker
Meyers Nave
555 12th Street, 15th Floor
Oakland, CA 94607

Steven A. Herum
Herum Crabtree & Suntag
5757 Pacific Avenue, Suite 222
Stockton, CA 95207

Attorneys for Mountain House Community
Services District

Attorneys for Trimark Communities, LLC

Following ordinary business practices, the envelope was sealed and placed for collection and mailing on this date, and would, in the ordinary course of business, be deposited with the United States Postal Service on this date.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on April 1, 2020, at Vallejo, California.

/s/ Catherine L. Berte
Catherine L. Berte