



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: February 12, 2020

PREPARED BY: Steven J. Pinkerton, General Manager

Public Safety

More than Talk LLC, Rank Investigation and Protection, San Joaquin County Sheriff, and District staff continue to work on a number of initiatives to develop cost effective public safety measures for Mountain House. In addition to reviewing potential security camera locations, staff is finalizing the purchase of dash cams and body cams for District vehicles and personnel, mobile license plate readers, a District-dedicated drone and potential dispatch services via Rank's operation.

Rank and the Sheriff are also coordinating space planning for the public safety wing of the new Town Hall.

Rank is finalizing training for new staff and they are very close to meeting their maximum budgeted staffing level of 32 hours per day, seven days a week. Rank is also updating their design of the "Mountain House Public Safety" logos to place on their patrol vehicles. A copy of the graphics for the vehicles is attached.

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 December 11, 2019 meeting. Besides ensuring that the new citation software is operational, potential ordinance updates are being reviewed. The first potential ordinance update, to modify the appeal process, should be presented for Board consideration at the March, 2020 meeting.

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

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.

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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. I will report back to you in the near future regarding 2020 debt issuance requirements consistent with the District's Revenue Bond rules.

Attached to this report are charts showing historical rates for municipal bonds over the past 24 months and past 50 years.

Town Hall and Library Grand Opening

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 tentative date for the Grand Opening is April 4, 2020 from 2pm to 4pm. We are hoping to finalize that date by the end of the month.

School Facilities Agreement with Lammersville Unified School District (LUSD)

Staff attended the December LUSD Facilities Committee Meeting in order to discuss the renewal of the agreement to use the High School pool for our summer swim program.

Staff and the committee agreed to minor changes to the agreement including a request by our staff to make it a two year agreement instead of a one year agreement.

The updated agreement is going back to the LUSD Facilities Committee this month.

After Committee review, they are planning on taking to the LUSD Board later this month. We've also tentatively scheduled it for consideration at the March, 2020 Board of Directors Meeting.

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

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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.

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. I will be reporting back to you in the next month 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.

Budget Schedule

Staff has been expediting the implementation of OPENGOV internally so that it can be used for data input for the 2020-2021 MHCSB Budget.

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Draft budget projections are due to me by February 18. We are targeting the first two weeks of May for a budget workshop. I am hoping to get feedback from the Board of Directors at the February Board Meeting regarding potential dates for the workshop.

Operating Budget Award of Excellence

The District received recognition for its fiscal year 2019-2020 budget from the California Society of Municipal Finance Officers (CSMFO) for implementing the highest standards and best practices in public sector budgeting.

CSMFO bestows their budget award on California 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 alike.

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. The award certificate is attached.

Angel Lamb Elected as CPRS delegate

Congratulations to Angel Lamb, Recreation/Communications Coordinator, who was recently elected as the California Parks and Recreation Society (CPRS) District 5 delegate. The District's CPRS membership provides opportunities for training and networking and is an important resource for keeping updated with park and recreation best practices, trends and regulatory requirements.

Construction Activity

Last month, 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.

We also provided you with a historical summary of total building permits issued and permits finalized through the end of 2019. The numbers provided last month include unit counts for both primary residences and second units. Staff is in the process of further refining the data to ensure an accurate count of second units. There may be some minor refinements to the unit counts, but they shouldn't substantively change the data presented to date.

Based on the current data, here is the growth rate for finished units over the following time periods:

One Year Growth Rate: 11.9%
Two Year Growth Rate: 12.4% per year
Three Year Growth Rate: 10.0% per year
Five Year Growth Rate: 8.8% per year
Ten Year Growth Rate: 7.4% per year

Increase in Completed Housing Units (6352 total):

Last Decade: 105% (3252 units)
Past Five Years: 52% (2182 units)
Past Three Years: 33% (1584 units)

Wastewater Plant Expansion

The growth noted above has necessitated the imminent expansion of our treatment capacity at the Wastewater Plant.

The District is in the process of finalizing an amendment to Project Acquisition Agreement-3 (PAA-3) with Mountain House Developers (MHD) in connection with the expansion of the District's Wastewater Treatment Plant (WWTP).

In conjunction with the approval of Neighborhood C, MHD was obligated to fund, design and construct a phased expansion of the WWTP of sufficient capacity to serve all their developing lands. MHD had a number of other map conditions in addition to the expansion of the WWTP. PAA-3 would memorialize these agreements related to the map conditions. We hope to bring this agreement to the Board of Directors for approval at a meeting in the near future.

Plans for the expansion project were finalized and the project was bid. The bids came in substantially higher than the Engineer estimates. MHD and MHCSD agreed on some items to be deferred in order to re-bid the project and get better bids. The bids were received in the second half of December. The overall cost of the project after the deferred items were taken out was reduced by several million dollars. MHD is in the process of determining the low bidder and negotiating the contract amount.

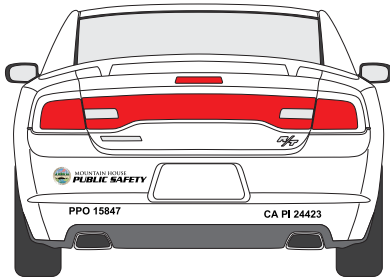
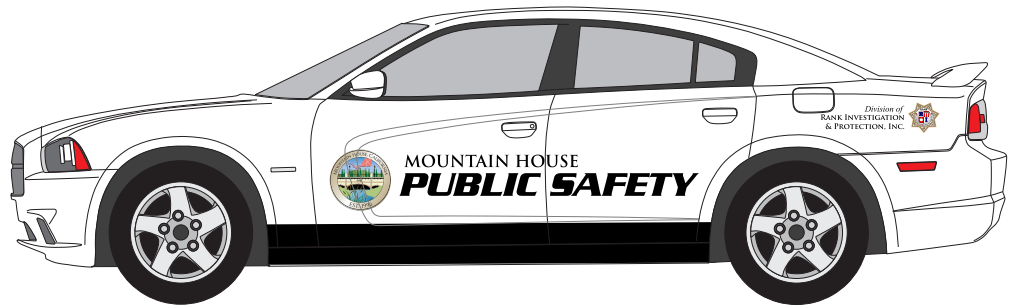
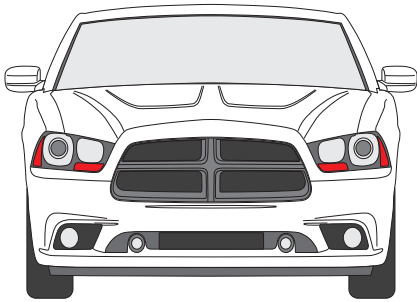


FUNCTIONGRAPHICS

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Mountain House



Rank_MHFleet2.fs

CHECK CAREFULLY (sizes, colors, spelling, etc.)

All final drawings are to be approved and signed by the client.
Any mistakes depicted on the proof, overlooked and approved
by client will be fixed at client's expense.

X

date_____

ALL DESIGNS, ARTWORK AND SKETCHES ARE PROPERTY OF FUNCTION GRAPHICS AND ARE NOT TO BE USED OR RECREATED WITHOUT PERMISSION.



ARE
YOU
A GOOD
NEIGHBOR?



Mountain House

Community Services District

Where Villages Create a Community

WHAT TO DO?

Please contact our
Code Enforcement Department
for approval on any property changes.
Changes include but are not limited to:

- Landscaping
- Concrete
- Artificial turf
- Yard structures
- Exterior paint
- Water softeners
- Fencing
- Driveway extension

Mountain House

Community Services District

(209) 831-2300

230 S. Sterling Drive, Suite 100

Visit www.mountainhousecsd.org to learn
more about our master restrictions and CC&Rs



Mountain House
Community Services District

ARE YOU A GOOD NEIGHBOR?

Visit www.mountainhousecsd.org to learn more
about our master restrictions and CC&Rs



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Debris or storage in yard?



Converted Garage?

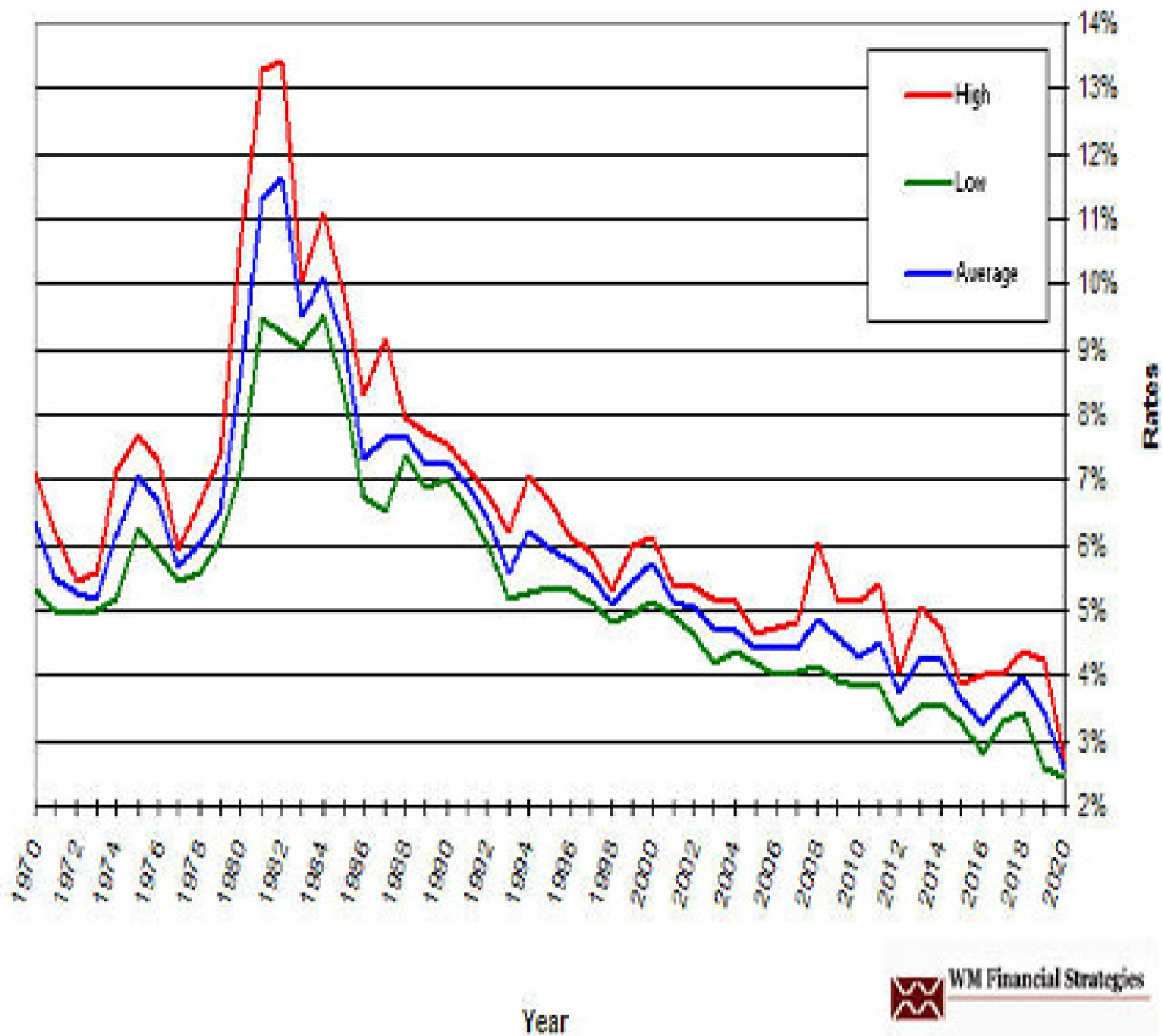


Water Conservation?

THE 20-BOND INDEX LAST 24 MONTHS - BY WEEK



20-BOND BUYER INDEX 1970-PRESENT



California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2019-2020

Presented to the

Mountain House Community Services District

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

January 31, 2020



A handwritten signature in black ink, appearing to read "Steve Heide".

Steve Heide
CSMFO President

A handwritten signature in black ink, appearing to read "Yolanda Rodriguez".

Yolanda Rodriguez, Chair
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting