



## 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:** September 9, 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 closed public restrooms in our parks and are discouraging any gatherings or use of play equipment. We recently added additional signage to help educate our residents and visitors regarding the current protocols for park access. The Sheriff and Rank Security are also educating the public on park protocols as necessary.

Because of recent spikes in positive results for COVID testing, we are unsure when the County will allow re-opening or modifying the orders regarding recreational activities.

I continue to receive daily updates from the San Joaquin County Public Health Department and I am periodically discussing best practices with other City Managers in the region.

We will continue to comply with state and county directives and follow 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 Town Hall can be opened to the public, we anticipate limited hours of service.

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 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, banning in-person meetings with non-employees, and reduced hours of service to the public. We installed additional plexiglass shielding at the first-floor service counter and at the Board room dais. We will install social distancing decals on the floors in the customer service area.

Utility billing and collection continues to be impacted by Governor Newsom's Executive Order temporary suspension of water shutoffs during the COVID-19 health emergency. We are suspending late fees and shut offs for non-payment of utility bills. The amounts owed are not being forgiven, therefore we anticipate many 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 prohibited.

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. We are providing more COVID-related information on our home page as it becomes available.

### **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 (MSG) to conduct a risk assessment of our current risk management program. Nicole is also working with an industrial hygienist, Pamela Murcell of KWA Safety and HazMat Consultants, to develop the return to work strategy described above. Staff meets weekly to discuss risk assessment and avoidance.

Nicole is working with 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 professional, efficient and consistent.

Nicole is also coordinating a salary survey for French Camp McKinley Fire District staff assigned to the District as approved by the Board on July 8, 2020.

### **Administrative Services**

Staff has been trained on the use of Open Town Hall. Nicole Adamo and Angel Lamb, Recreation/Communications Coordinator, will take the lead in the on-going upkeep of this program. 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.

To view the responses to on-line surveys, go to the following link:

[https://www.opentownhall.com/portals/391/forum\\_home](https://www.opentownhall.com/portals/391/forum_home) and click on one of the surveys.

Thomas Retchless, Finance Director, and Denae DeGough, Accounting Manager, are working to close fiscal year 2019-2020 and prepare financial statements. We expect to have the audit completed by December, 2020. The timeliness of the audit has continued to improve over the last few years.

### **District Website**

As technology evolves, our website is nearing the end of its useful life. Staff has retained MoreThanTalk, LLC to assist with a thorough review and update of the District's website. Angel Lamb, Recreation/Communications Coordinator, Danielle Clayton, Management Analyst, and

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Nicole Adamo, will be working with the consultant and District staff to help frame our needs and vision for the website.

Our goal is to design a site that is informative, up-to-date, easy to navigate and maintain, internally consistent, and pleasing to view. Departments will be expected to contribute content by describing areas of responsibilities, providing on-line forms and FAQs, and giving updates on developments that will impact residents, such as road closures during construction. We will be sharing the beta site with the Board as it becomes available. We expect to complete the project within a year.

### **Update on the sewer backup at the Town Hall and Library**

On Thursday July 30, 2020 there was a blockage in the sanitary sewer lateral connection to the main sewer line in the secured parking lot. The blockage caused most of the drains on the first floor to flood the floor surfaces around them. ServPro was contacted and they cleaned up the flooded areas, shampooed the carpets and assessed the damage.

Staff, Inframark, Teichert, and Reeves Knight came to the site and determined that it was a lateral issue and released the pressure by opening the clean out in the planter area, which stopped the flooding.

Nicole Adamo contacted SDRMA, our insurance carrier, to report the incident and file a claim. Nicole requested that ServPro return and make a formal assessment of damages to carpet, baseboards and sheetrock. ServPro removed damaged carpet and sheetrock and installed fans to help remove moisture from the floors and walls. We will be replacing the carpet when the moisture is controlled.

### **Town Hall and Library Operations**

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 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 the library building
- Issuance of library cards, although patrons can still obtain a library card by phone

The lobby service has been a great success and we are hopeful library staff can further expand services as our health emergency subsides.

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 Link+ borrowing system, an agreement the library has with 52 other systems to share materials, had been closed since early spring. It just re-opened on July 27th. Now customers have access once again to materials throughout that system. Operating hours for the lobby service are Mondays, Tuesdays and Wednesdays from 1:00pm to 6:00pm and Thursdays and Fridays from 10:00am to 3:00pm.

**Public Safety**

Staff is working with Management Strategies Group (MSG) and French Camp Fire to finalize the study for the North of Bryon Road Fire Station. MSG is reviewing the previous station design, analyzing response times and determining the timing of improvements to coordinate with development north of Byron Road. We are hoping to wrap up the study in the next 30-60 days.

San Joaquin County Sergeant Daryl Labarthe has been promoted to Lieutenant and will be taking over the responsibilities for Mountain House. Lieutenant Labarthe has extensive experience working in the Community Car program and other community-oriented policing initiatives operated by the Sheriff's Office

**Code Enforcement Statistics**

Total citations issued	130
Parking-related citations	50
Administrative/property/landscaping citations	80
Appeal – parking related	4
Request for change or variations of Master Restrictions	25
Approval permits for property changes approved	15
Approval permits for property changes pending	10

Staff is still waiting for the order and installation of signs to help restrict parking on District streets, particularly boats, RVs and trailers. There are increasing complaints from residents about citations/fines (both administrative and parking). Staff is reviewing adjustments to the citation process/system where possible to reduce complaints, if dispute or appeal is for a valid reason. Due to the COVID-19 pandemic, Code Enforcement will work with those who have administrative citations (i.e. property issues), provided they are not frequent problems or properties that have been issued multiple warnings in the past.

**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 met with the consultant to compile information for the study. We have also held several teleconference meetings with the LAFCo Executive Director and San Joaquin County Planning Department to discuss the future steps in the process.

In addition, staff has retained the services of Kosmont Companies, a firm that specializes in assessing the potential for near-term and mid-term commercial development. This consultant determined the revenue potential for commercial development in Mountain House under alternative scenarios. One scenario assumed municipal incorporation and an active economic

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development function. The second scenario assumed that the District would remain unincorporated and rely on the County for attracting businesses to the community.

Kosmont made a presentation to the Board at the meeting of August 20, 2020. We are hoping to provide the Board with a final draft of the IFA in the next 45 days.

Our website includes a link to all the previous work done on Incorporation. <http://mountainhousecsd.org/about-mountain-house/incorporation>. The website will be updated with the information presented to the Board on August 20.

### **Utility Systems Revenue Bonds**

The District has significant cash flow available in its utility funds to issue additional bonded debt in 2020. The District's Revenue Bond Rules require the District issue revenue bonds whenever a minimum of \$10 million can be issued in compliance with the rate covenant and additional indebtedness test.

It is estimated that the District has between \$80 million and \$130 million of available revenue bond capacity at this time.

At the March 18, 2020 meeting, the Board of Directors authorized an agreement with KTS to initiate the work to put together a bond issuance for later this year. Interest rates have steadily dropped over the past year down to near historic lows. We expect this favorable interest rate environment will continue.

On June 18, KTS and District staff interviewed underwriters and selected Piper Sandler, based on their previous experience with District debt issues, their 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 has been working with KTS, Piper, and other members of the financing team to determine the appropriate size and structure of the issue and investigate strategies to strengthen our credit rating. Staff and members of the financing team met with Standard & Poor's on August 26, 2020 for a preliminary assessment of bond ratings. KTS will be making a presentation on financing options to the Board on September 9, 2020.

### **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. The project is out to bid and being advertised for bidding. We expect construction to start in 2021.

### **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 conversion is almost completed with interior coating preparation work in progress. Tank 2 is expected to be ready for California Department of Public Health sign off and placed in service for potable water storage in November. After Tank 2 is placed in service, work will begin on Tank 1. Tank 1 is expected to be put back in service in

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March 2021. All site improvements, including grading, paving, cleanup, etc. is expected to be completed by June 2021.

### **Grant Line Road West Improvements (Alameda County)**

Design alternatives for intersection upgrades at Grant Line Road at Altamont Pass Road and at Mountain House Road have been prepared for two options. The first option is a traffic signal at both of these two intersections, and the second option is a roundabout concept. These concepts, including estimates of probable costs, have been completed and were transmitted to Alameda County. County staff has reviewed these options and have given MHCSD the green light to proceed with the design alternatives to the 30% design level, at which time, a preferred option will be selected and will be advanced to final design phase.

We are in discussions with Mountain House Developers and Mountain House Investors to develop a financing plan for these projects. Both improvements are in the Traffic Impact Fee program and are the obligation of the two developers

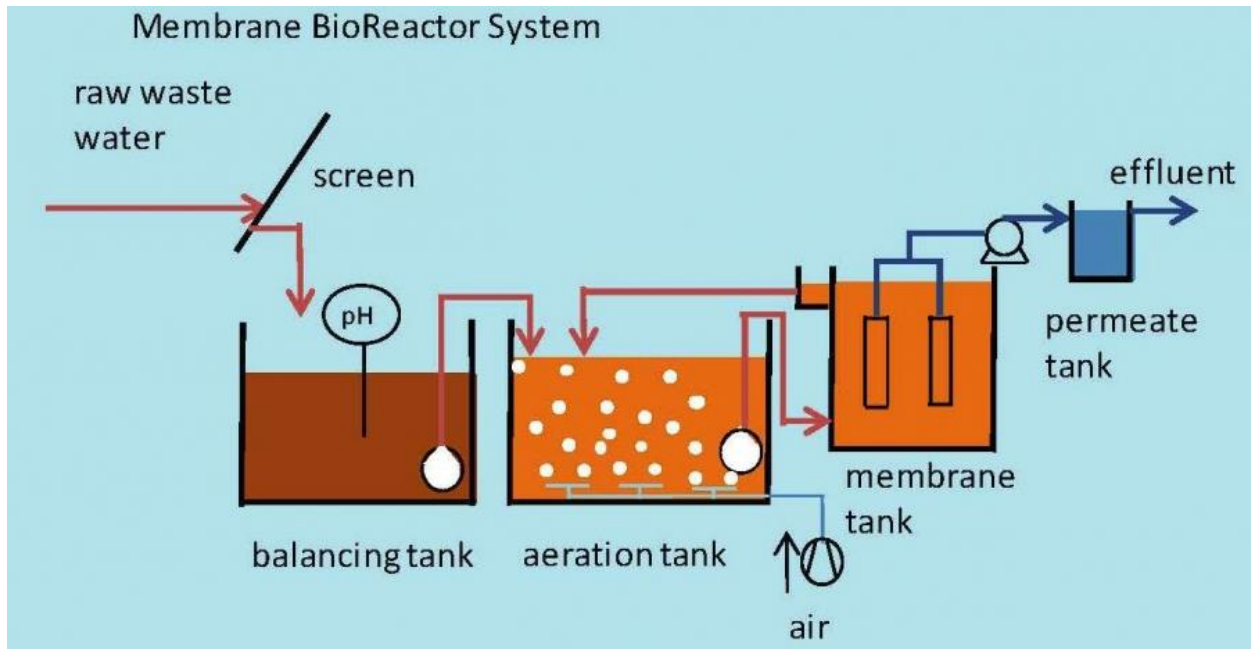
### **Water Master Plan Update**

Staff has been working with West Yost Associates to update the Water Master Plan. The Water Master Plan should be updated every five years. This new update has reviewed the water demand as well as identification of alternative potable water sources. The draft plan has been completed and has been submitted to the developers for review. One of the main conclusion of the report is the need for Water Treatment Plant expansion from 15 million gallons per day (mgd) to 20 mgd and upgrades to the pump stations. Once the developers have reviewed the draft plan, staff will present the study to the Board for final adoption.

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

The design of the expansion project has been completed and the project is ready to proceed 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).

This year's approved budget included an allocation for consulting services to manage the project and manage the RFP for utility operations and billing/collection services. The District's agreement with Inframark expires on June 30, 2021. We are hoping to have the outside assistance retained by the end of the month.



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

MIG has completed the online survey from the community using the Open Town Hall platform. Recommendations have been developed, which will be presented to the Board. Once we receive Board direction, we will meet with developers to finalize the design concepts and proceed with the final design of some of the on-going projects, such as the Linear Park, Central Community Park and Neighborhood A Park.

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

Alta has started the inventory of the bicycle and pedestrian facilities. Due to the success of the Open Town Hall survey platform, we have requested Alta conduct an online survey, similar to the Parks, Recreation and Leisure Plan update. We will also initiate an interactive map with the survey, where the residents can comment on specific locations for bicycle and pedestrian improvements. A main emphasis of the plan will be to provide safe and connected corridors along the entire community for pedestrian and bicycle activities. As a part of the study, Alta will also be meeting with LUSD to understand safety concerns and to provide recommendations on safe routes to school. This meeting is scheduled for mid-September.

### **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. 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 consist of 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 late summer 2020 and be completed by October 2021.



**Grant Line Road Construction (Mountain House)**

Grant Line Road construction is moving ahead of schedule. The Contractor has removed all of the existing pavement and is in the process of preparation of sub-grade. We have encountered no major issues during construction.

Phase II project from Central Parkway to Great Valley Parkway will begin in November. It is not anticipated that Phase II will require roadway closure.

It is expected that roadway widening between Central Parkway and Mountain House Parkway will be substantially completed by December 2020, with the overall completion between Great Valley Parkway and Mountain Hose Parkway by December 2021. The following photo from late August shows construction progress.





**DISCUSSION ITEM 10.2****Building Permits for Fiscal Year 2019-2020**

For the fiscal year ending June 30, 2020 building permits for 337 housing units were issued by the District. In addition, final occupancy was approved for 630 units. In 2019, permits for 702 units were issued and 695 units received final occupancy.

Total completed units in the District as of June 30, 2020 now total 6,763 including 590 second units. There are 248 units under construction (including 27 second units). Total units, including units under construction is now at 7,011.

In the first two months of the current fiscal year, permits were issued for a total of 89 units while final occupancy was approved for 73 units.

Below is a summary of the total number of units issued permits since construction began in 2003:

<b><u>As of June 30, 2020</u></b>								
	<b>Auth.</b>	<b>Permits</b>	<b>Units</b>	<b>Remaining</b>	<b>Second</b>		<b>Total</b>	
<b><u>Neighborhood</u></b>	<b><u>Permits</u></b>	<b><u>Issued</u></b>	<b><u>Finished</u></b>	<b><u>Authorized</u></b>	<b><u>Issued</u></b>	<b><u>Finaled</u></b>	<b><u>Issued</u></b>	<b><u>Finaled</u></b>
Bethany	1372	1295	1295	77	68	68	1363	1363
Wicklund	1518	979	979	539	67	67	1046	1046
Altamont	1217	890	890	327	62	62	952	952
Questa	1638	1077	1077	561	70	70	1147	1147
Hansen	1280	1055	993	225	172	169	1227	1162
Cordes	1297	956	834	341	141	132	1097	966
<u>Costa (A/B)</u>	1763	142	105	1621	37	22	179	127
<b>Subtotal</b>	<b>10,085</b>	<b>6,394</b>	<b>6,173</b>	<b>3,691</b>	<b>617</b>	<b>590</b>	<b>7,011</b>	<b>6,763</b>
<b>Future Neighborhoods</b>								
I	1427							
J	1137							
K	1192							
L	1381							
Town Center	440							
<b>Subtotal</b>	<b>5,577</b>			<b>5,577</b>				
<b>Total</b>	<b>15,662</b>			<b>9,268</b>				