



Mountain House Community Services District

Municipal Service Review and Sphere of Influence Plan 2022 Update

Prepared by MHCSD for
San Joaquin LAFCO

June 8, 2022

TABLE OF CONTENTS

<i>I. EXECUTIVE SUMMARY</i>	1
A. DETERMINATIONS REGARDING SPHERE OF INFLUENCE BOUNDARIES	2
1. Present and Planned Land Use within the Current Sphere of Influence.....	2
2. Present and Probable Need for Public Facilities and Services	3
3. Present Capacity of Public Facilities and Adequacy of Public Services	3
4. Existence of Social and Economic Communities of Interest	3
B. Municipal Services Review Determinations Regarding the MHCS D's Ability to Provide Services ...	4
Determination #1: Growth and Population Projections	4
Determination #2: Disadvantaged Unincorporated Communities	4
Determination #3: Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies	4
Determination #4: Financial Ability of the Agency to Provide Service	5
Determination #5: Status of, and Opportunities for, Shared Services.....	6
Determination #6: Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.....	6
<i>II. INTRODUCTION</i>	8
<i>III. SPHERE OF INFLUENCE PLAN</i>	9
A. SPHERE OF INFLUENCE BOUNDARIES	10
1. Present and Planned Land Uses	10
Map III-1 Mountain House Master Plan Land Uses.....	12
Map III-2 MHCS D and Remaining Annexation Areas within Master Plan	13
B. PROJECTED POPULATION WITHIN THE SPHERE OF INFLUENCE	14
C. DETERMINATIONS	14
1. Present and Planned Land Use within the Current Sphere of Influence.....	14
Map III-3 Presently Approved Land Uses	16
2. Present and Probable Need for Public Facilities and Services	17
3. Present Capacity of Public Facilities and Adequacy of Public Services	18
4. Existence of Social and Economic Communities of Interest	18
<i>MUNICIPAL SERVICE REVIEW</i>	19
<i>IV. DETERMINATION #1: GROWTH AND POPULATION PROJECTIONS</i>	19
A. CURRENT POPULATION AND DWELLING UNITS	19
B. PROJECTED POPULATION	19
Table IV-1 Projected Population.....	20
C. DETERMINATIONS	20
<i>V. Determination #2: Disadvantaged Unincorporated Communities</i>	21
<i>VI. Determination #3: Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies</i>	22
A. FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES	22
Fire & EMS Service Delivery.....	23

MOUNTAIN HOUSE COMMUNITY SERVICES DISTRICT
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN 2022 UPDATE
JUNE 8, 2022

Training	24
Equipment	24
Fire and EMS Responses	25
Table VI-1: Fire - EMS Summary Statistics (2021)	25
Ability to Serve Existing and Future Development.....	25
Map VI-1 Fire Stations in SCFA Service Area	27
B. LAW ENFORCEMENT.....	28
Table VI-2: San Joaquin Sheriff’s Department Response Times to Mountain House	29
Table VI-3 San Joaquin Sheriff’s Department Calls for Service to Mountain House FY2020-21 and FY2021-22 (year-to-date through March)	31
C. WATER SUPPLY, CONSERVATION AND TREATMENT	32
1. Water Distribution System	33
2. Water Treatment Plant and Storage	33
3. Water Conservation Measures.....	33
4. Future Supply and Demand and Improvements to the System.....	34
D. WASTEWATER COLLECTION AND TREATMENT.....	35
1. Wastewater Collection System.....	36
2. Wastewater Treatment Plant	36
Table VI-4 Total Annual Average Day Flow (AADF) in million gallons per day	37
3. Effluent Discharge, Sludge Disposal and Industrial Waste Regulation	37
4. Future Wastewater Demand and Systems Improvement.....	37
E. STORM WATER DRAINAGE.....	38
1. Existing Storm Water Collection System and Planned Expansion.....	39
2. Storm Water Discharge Permit and Water Quality Management Program	40
3. Future Storm Water Drainage Demands and System Improvements	40
F. Determinations	41
<i>VII. Determination #4: Financial Ability of the Agency to Provide Service</i>	<i>43</i>
A. INFRASTRUCTURE FINANCING	43
B. OPERATING SERVICES FINANCING.....	44
1. Utility Services	45
2. General Government Services.....	46
3. Services to Assist Developers	47
C. School Construction Financing	47
D. Other Assessment Districts	47
E. Opportunities.....	48
F. Determinations	48
<i>VIII. Determination #5: Status of, and Opportunities for, Shared Services.....</i>	<i>50</i>
A. Current and Future Potential Shared Facilities	50
1. Law Enforcement, Fire and Emergency Medical Services.....	50
2. Utility Services	50
3. Landscape Maintenance.....	51
4. Library Services	51

MOUNTAIN HOUSE COMMUNITY SERVICES DISTRICT
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN 2022 UPDATE
JUNE 8, 2022

5. Parks and Recreation	51
6. Infrastructure.....	52
7. Transit	52
B. Determinations	52
<i>IX. Determination #6: Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.....</i>	<i>53</i>
A. Governmental Structure.....	53
1. Incorporation	53
2. Public Information and Participation	53
B. Evaluation of Operational Efficiencies.....	54
1. Method of Establishing New Operating Systems and Procedures.....	54
C. Determinations.....	55
<i>Exhibit I Mountain House Master Plan Land Use Summary</i>	<i>56</i>
<i>Exhibit II Buildout Potable Water Distribution System.....</i>	<i>57</i>
<i>Exhibit III Buildout Wastewater Collection Facilities.....</i>	<i>58</i>
<i>Exhibit IV On-site Watershed Drainage Map.....</i>	<i>59</i>

I. EXECUTIVE SUMMARY

California has established a Local Agency Formation Commission (LAFCO) for every county. LAFCO's purposes include discouraging urban sprawl and encouraging the orderly formation and development of local agencies and districts.

LAFCOs have numerous powers, but those of primary concern are the power to act on local agency and district boundary changes and to adopt spheres of influence. The "Sphere of Influence" (SOI) means a plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO commission.¹

The 2022 Municipal Services Review (MSR) and Sphere of Influence (SOI) update has been prepared for the San Joaquin Local Agency Formation Commission in order to comply with the 2000 Cortese-Knox-Hertzberg Act (Act). The Act requires that an MSR be prepared prior to or concurrent with an update of a SOI. Moreover, this 2022 updated MSR and SOI will be used by the San Joaquin LAFCO when reviewing amendments and annexations of immediate and surrounding lands into the Mountain House Community Services District's (MHCS D's) SOI and require adequate public services and facilities. The MSR reviews the MHCS D's ability to provide services to residents and businesses within its existing boundaries and for future annexed areas. The 2022 MSR updates the MSR adopted by LAFCO in 2017.²

State law and LAFCO Policies and Procedures for Spheres of Influence, Service Reviews, and Annexations require this Municipal Service Review (MSR) to make written determinations with regard to the ability of an agency to provide services:³

- (1) Growth and population projections for the affected area
- (2) The location and characteristics of any disadvantaged unincorporated communities within and contiguous to the sphere of influence
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence
- (4) Financial ability of agencies to provide services
- (5) Status of, and opportunities for, shared facilities
- (6) Accountability for community service needs, including governmental structure and operational efficiencies
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy

¹ Gov't Code 56076.

² Municipal Service Review and Sphere of Influence Plan, January 12, 2017, Final.

³ Gov't Code Sec. 56430(a).

This 2022 MSR updates the 2017 MSR prepared for MHCSO.⁴ The MSR addresses the current sphere of influence and each of these municipal service determinations in a separate chapter.

A. DETERMINATIONS REGARDING SPHERE OF INFLUENCE BOUNDARIES

The MHCSO SOI covers an area of 4,784 acres or approximately 7.5 square miles. The 1994 adopted Master Plan for Mountain House identified the Sphere of Influence boundary to coincide with the ultimate MHCSO community "buildout" boundaries.

The MHCSO SOI was established when the original boundaries of the Mountain House Master Plan area were adopted by the County Board of Supervisors. The intention of the requirements and policies in the Master Plan is that these boundaries not change so that planned public facilities, services, and the financing plan continue adequately to meet the needs of the current and future populations of the Mountain House Community. The following determinations are each consistent with the original plans for Mountain House and affirm the MHCSO's ability to provide adequate services to existing and future populations within the SOI boundaries.

Additional information and detail supporting these SOI determinations can be found in **Chapter III. Sphere of Influence Plan** and in the MSR determinations that follow beginning with **Chapter IV.**

1. Present and Planned Land Use within the Current Sphere of Influence

Present and planned land uses are consistent with the adopted Master Plan and SOI boundaries. The MHCSO Master Plan includes goals, policies, and implementation programs that address growth, development, and conservation of open space. The present and planned land uses are appropriate for serving existing and future residents of Mountain House within the SOI boundaries. The Master Plan provides for a range of residential densities, commercial and industrial uses, open space and public facilities designed to adequately serve the community and to provide a diverse mix of uses supporting a vibrant and economically vital community. Infrastructure and facilities are planned and sized appropriately to serve the current and planned buildout.

Currently, approximately 2,000 acres, or about 45 percent of Mountain House Master Plan acreage is developed.⁵ Present population of 25,673 represents about two-thirds of projected buildout population anticipated by 2040; recent data indicate 6,931 existing units (as of December 27, 2021, excluding 685 second units) will increase by 8,484 future units to total 15,415 units by buildout.⁶ MHCSO anticipates about 2.3 million of commercial and industrial uses remain to be developed.⁷

⁴ Municipal Service Review and Sphere of Influence Plan, January 12, 2017, Final.

⁵ Correspondence with MHCSO received May 6, 2022.

⁶ MHCSO, as of March 31, 2022.

⁷ Correspondence with MHCSO received April 7, 2022, file: "Projected Projects.xlsx".

2. Present and Probable Need for Public Facilities and Services

The ability of the MHCS D to provide services is presented in this MSR with an analysis that shows MHCS D's capability in providing adequate public facilities and services to meet the existing and growing needs of the community.

MHCS D entered into a Public Services Allocation (PSA) agreement that defines which services will continue to be the responsibility of the County and which will be provided by the District. The County will provide land use and building approval/inspection services, while the MHCS D provides services under its eighteen legal powers as defined in the California government code establishing the MHCS D for water, wastewater, storm water, garbage, law enforcement, fire and EMS, street lighting, library and building services, road maintenance, transportation services, graffiti abatement, CC&R enforcement, flood control protection, pest and weed abatement, wildlife habitat mitigation, telecommunication, dissemination of information, and park and recreation. Many of these services are currently provided through contracts for service. As the community grows and/or incorporates, contract for services will be continually re-evaluated for cost-effectiveness, efficiency, and service quality to the community.

Public facilities, including all water, wastewater, storm water, streets/signals/lighting, parks, schools, community centers, public safety buildings, library, corporation yard, and town hall are specified in the Master Plan, along with binding agreements with developers to ensure proper funding and triggers for construction of the facilities are met. New development within the SOI will lead to population growth and the need for additional public facilities and service provisions as stipulated within the development and financing agreements that serve as implementation of the Master Plan.

Master Plan policies, including financing mechanisms, are in place to ensure adequate service provisions for current and future populations. Greater detail regarding present and planned public facilities is in **Chapter III**.

3. Present Capacity of Public Facilities and Adequacy of Public Services

The determinations included in this MSR beginning with **Chapter IV** demonstrate that public facilities and services are adequate to meet the needs of the current population, are being improved over time, and specific timeframes and triggers have been established to meet the public facility and public service needs of future populations.

4. Existence of Social and Economic Communities of Interest

No change in the Mountain House Sphere of Influence is being proposed. Thus, no adjacent community or population will be impacted any differently than anticipated in the environmental review of the Master Plan and subsequent Specific Plans.

B. Municipal Services Review Determinations Regarding the MHCSD's Ability to Provide Services

Determination #1: Growth and Population Projections

The Mountain House Master Plan and Specific Plans provide the basis for development of the community. Together, these plans detail the approved land uses and project the population in the land uses that will need the services provided by the MHCSD.

As shown in **Table IV-1**, the current population of 25,673 as of January 1, 2021, is projected to continue to grow. According to the Master Plan, the buildout population is projected to be approximately 39,000. The updated projected buildout year is year 2040.

Recent data indicate that 6,931 existing units (as of December 27, 2021, excluding 685 second units) will increase by 8,484 future units to total 15,415 units by buildout.⁸

Facilities, services and infrastructure described in Chapter VI are adequate to meet the needs of the projected buildout population of the Master Plan and Sphere of Influence area.

Determination #2: Disadvantaged Unincorporated Communities

According to the Department of Water Resource's Disadvantaged Communities mapping instrument,⁹ there are no communities within or contiguous to the City's SOI that meet the definition of a disadvantaged unincorporated community.

Determination #3: Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies

The ability of the MHCSD to provide services is presented in this MSR with an analysis that shows MHCSD's capability in providing adequate public facilities and services to meet the existing and growing needs of the community.

MHCSD entered into a Public Services Allocation (PSA) agreement that defines which services will continue to be the responsibility of the County and which will be provided by the District. The County will provide land use and building approval/inspection services, while the MHCSD provides services under its eighteen legal powers as defined in the California government code establishing the MHCSD for water, wastewater, storm water, garbage, law enforcement, fire and EMS, street lighting, library and building services, road maintenance, transportation services, graffiti abatement, CC&R enforcement, flood control protection, pest and weed abatement, wildlife habitat mitigation, telecommunication, dissemination of information, and park and recreation. Many of these services are currently provided through contracts for service. As the community grows and/or incorporates, contract for services will be continually re-evaluated for cost-effectiveness, efficiency, and service quality to the community.

⁸ MHCSD, as of March 31, 2022.

⁹ DAC Mapping Tool, <https://gis.water.ca.gov/app/dacs/>

Public facilities, including all water, wastewater, storm water, streets/signals/lighting, parks, schools, community centers, public safety buildings, library, corporation yard, and town hall are specified in the Master Plan, along with binding agreements with developers to ensure proper funding and triggers for construction of the facilities are met. New development within the SOI will lead to population growth and the need for additional public facilities and service provisions as stipulated within the development and financing agreements that serve as implementation of the Master Plan. MHCS D track and forecasts the timing and amount of new development to anticipate and plan for needed public facilities and infrastructure; the District continually updates its long-term plans and its 5-Year Capital Improvement Program.

Master Plan policies and plans are in place to ensure adequate service provisions for current and future populations. Greater detail regarding present and planned public facilities is in **Chapter III**.

Determination #4: Financial Ability of the Agency to Provide Service

Revenue from the current fee and tax structure is adequate to fund the projected level of services needed at buildout of the community, except utility rate charges for water and wastewater operations and maintenance costs. As stated previously, ongoing rate analysis for water and wastewater operations and maintenance enterprise funds is conducted to eliminate General Fund subsidies for utilities. All property owners and residents will pay their fair proportionate share toward the provision of services based on the fee and tax structure adopted by the MHCS D Board of Directors.

A financing plan was developed that projected the costs of providing an urban level of service to the Master Plan area at buildout of the community and established financing mechanisms sufficient to fund needed facilities. Details regarding the level of services are contained in the Master Plan and subsequent supporting documents approved by the County. Sufficient funds are currently available to meet the needs of the present population and are projected to be sufficient to meet the needs of the population at buildout. The sufficiency of funding has been reviewed by the County each time it has approved a Specific Plan.

The MHCS D receives funds from utility user service charges, property and special parcel taxes, franchise and permit fees, and developer reimbursement of MHCS D costs in support of developer construction of infrastructure and planning activities. As land within the Master Plan and Sphere of Influence area are annexed to the MHCS D, the tax and fee structure of the District will apply equally to the newly annexed territory.

The expanded tax base that results from new development will provide funding for these facilities and services. Development fees collected when building permits are issued are used to pay back developers for constructing community facilities, while utility debt service fees collected as part of the monthly utility bill are used to pay back the Master Developer for design and construction of the state-of-the-art water, wastewater and storm water treatment systems. Development and connection fees will fund capital costs with user charges funding

operating and maintenance (O&M) expenses. Current O&M rates are under review by the MHCS D to ensure revenues cover O&M expenses.

Determination #5: Status of, and Opportunities for, Shared Services

The MHCS D has multiple planning processes in place to assess whether levels of service provided are adequate to accommodate new growth, including appropriately noticed and managed Board meetings, the Master Plan and Specific Plans, financial planning and audits, strategic planning, capital improvement plans, pavement management plans, annual budgeting process, master planning processes for water supply and distribution, wastewater and sewer systems, urban water management plan, as well as fire protection and law enforcement services. The financial department is now preparing non-mandated, but appropriate, Comprehensive Annual Financial Report (CAFR) as a tool to provide high level financial integrity in the District's systems. Through these processes the MHCS D will continue to monitor and assess whether future opportunities for shared facilities will improve levels of service in a cost-effective manner.

Determination #6: Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

The present governance structure of the MHCS D changed to that of an independent district in December 2008. The establishment of a voter-approved MHCS D resulted with the seating of a newly elected Board of Directors. The Board of Directors make the final decisions concerning fee structures and provisions of service subject to state law. The MHCS D Board of Directors reviews its fee structures for fire protection and emergency medical, water, sewer, and storm drainage on a nearly continual basis, but no less than once every five years. MHCS D Master Plan and other documents have numerous goals, objectives, policies, and actions to ensure that adequate services are provided in a cost effective manner to accommodate new growth; the documents are publicly reviewed and posted to assure transparency.

MHCS D has submitted an application to LAFCO to incorporate and become a city. LAFCO is in the process of preparing a Comprehensive Fiscal Analysis (CFA) as required by to determine financial feasibility. The Incorporation Feasibility Analysis (IFA) prepared by MHCS D in advance of its application to LAFCO concluded that a new city could be financially viable while increasing and improving local services and facilities provided to the community.¹⁰

Mechanisms are in place within the organization to effectively provide for public participation in the planning and development process to address government structure options to provide efficient and cost effective public facilities and services. Most of the planning, operational and financial systems of the MHCS D are continually being improved as the District staff implement large infrastructure projects and establish new services for the growing community. MHCS D staff continues to seek approval and direction from the Board in prioritizing goals and

¹⁰ MHCS D Incorporation Feasibility Analysis (IFA), Oct. 2, 2020, prepared by Berkson Associates.

objectives to assess service levels, appropriate staff levels for the needed services, and to monitor the effectiveness of service delivery.

The MHCS D's use of its budget process and long range infrastructure planning processes ensure that it is able to provide directly, and through contract, adequate levels of service in a cost-effective manner within its service areas. The MHCS D has demonstrated the ability to work with other service providers and districts to ensure that adequate, reliable services are provided in a cost effective manner. Efforts to ensure effective government structure for the provision of fire protection and emergency medical, law enforcement, water supply, wastewater treatment, and storm drainage facilities demonstrate the MHCS D's foresight to plan and provide for future service needs as MHCS D boundaries expand due to annexations and population increases.

II. INTRODUCTION

In accordance with the 2000 Cortese-Knox-Hertzberg Act, the San Joaquin County Local Agency Formation Commission (LAFCO) is required to prepare a Municipal Services Review (MSR) for the Mountain House Community Services District (MHCS D) prior to establishing or updating the MHCS D sphere of influence (SOI). This MSR has been prepared by the District for LAFCO to reconfirm the existing sphere of influence and to make determinations regarding the MHCS D's ability to provide services.

State law and LAFCO Policies and Procedures for Spheres of Influence, Service Reviews, and Annexations require this Municipal Service Review (MSR) to the following written determinations with regard to the ability of an agency to provide services:¹¹

- (1) Growth and population projections for the affected area
- (2) The location and characteristics of any disadvantaged unincorporated communities within and contiguous to the sphere of influence
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence
- (4) Financial ability of agencies to provide services
- (5) Status of, and opportunities for, shared facilities
- (6) Accountability for community service needs, including governmental structure and operational efficiencies
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy

This 2022 MSR updates the 2017 MSR.¹² The MSR addresses the current sphere of influence and each of these municipal service determinations in a separate chapter.

This MSR is exempt from the California Environmental Quality Act because it is an information document that is intended only to be used in the consideration of future actions that have not been approved or funded. LAFCO will prepare a notice of exemption as part of the process of reviewing this MSR.

¹¹ Gov't Code Sec. 56430(a).

¹² Municipal Service Review and Sphere of Influence Plan, January 12, 2017, Final.

III. SPHERE OF INFLUENCE PLAN

The California Government Code defines a Sphere of Influence (SOI) as a "plan for the probable physical boundaries and service area of a local agency, as determined by the commission."¹³ It is an area within which a city or district may expand through the annexation process.

The SOI is a planning tool and the establishment of a SOI or the inclusion of property within a SOI of an existing governmental entity does not automatically mean that the area is being proposed for annexation and development at this time. LAFCO is responsible for determining that an agency is reasonably capable of providing needed resources and basic infrastructure to serve areas within the MHCSO and in the SOI. The information in this MSR supports the MHCSO current boundaries to expand via annexation to buildout of the master plan community, which coincides with the existing SOI.

This chapter describes the MHCSO SOI Plan and analyzes the District's ability to serve both the current residents and the projected buildout population within the SOI boundaries. Analysis is provided that will permit LAFCO to make determinations for the following factors required to be considered:¹⁴

- Present and planned land uses in the area, including agricultural and open-space lands.
- Present and probable need for public facilities and services in the area.
- Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
- Present and probable need for those public facilities and services¹⁵ of any disadvantaged unincorporated communities within the existing sphere of influence.

LAFCO's guidelines for determining spheres of influence (SOI)¹⁶ provide that territory that is currently receiving services from the MHCSO, or is projected to need services from the MHCSO, within a 30 year timeframe may be considered for inclusion within the MHCSO SOI. LAFCO requires that "Sphere Horizons," or planning increments, should depict the District's logical boundaries at a time period between 5 and 10 years and up to a 30-year time period. The territory must be consistent with the General Plan Land Use element. The adopted SOI must also consider the County general plans, and policies for growth management, annexation, resource management and any other relevant policies, unless the plans or policies conflict with

¹³ Gov. Code Sec. 56076.

¹⁴ Gov. Code Sec. 56425(e).

¹⁵ Per Gov. Code Sec. 56425(e)(5) which applies to an SOI update of a "...special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012.

¹⁶ San Joaquin LAFCO Policies and Procedures for Spheres of Influence, rev. Dec. 14, 2012.

the legislative intent of the Cortese-Knox-Hertzberg Act.¹⁷ LAFCO Policies and Procedures make it clear that LAFCO's preference is for sphere of influence proposals that are based on general plan policies for implementing ordinances and programs that address smart growth principles, infill and redevelopment strategies, mixed use and increased densities, job development centers, community buffers, and conservation of habitat, agricultural land, and open space.

The SOI determinations are based on this updated 2022 MSR and the MSR determinations described in subsequent chapters.

A. SPHERE OF INFLUENCE BOUNDARIES

The MHCSO was created by the County of San Joaquin to provide services within the boundaries of the master planned Mountain House community. A General Plan and three Specific Plans have been adopted that encompass the entirety of the 4,784-acre territory (approximately 7.5 square miles) intended to be the maximum geographic extent of growth for MHCSO. **Map III-1** shows the Master Plan's land use designations and Master Plan boundaries, which are the same as the established boundaries of the MHCSO Sphere of Influence. This MSR is only intended to provide LAFCO with the information and determinations to reaffirm the existing Sphere of Influence for the MHCSO.

1. Present and Planned Land Uses

As shown in **Map III-1**, the Mountain House Master Plan provides for a range of land uses including residential, commercial, mixed use, industrial, open space, and public (schools, transit, and utilities). **Exhibit I** includes the Master Plan Land Use Summary showing total planned buildout by land use. Buildout land use includes approximately 2,486 acres of residential, 501 acres of commercial, 382 acres of industrial, 524 acres of open space, and 423 acres of public/school land use.

Currently, approximately 2,000 acres, or about 45 percent of Mountain House Master Plan acreage is developed.¹⁸ Present population of 25,673 represents about two-thirds of projected buildout population anticipated by 2040; recent data indicate 6,931 existing units (as of December 27, 2021, excluding 685 second units) will increase by 8,484 future units to total 15,415 units by buildout.¹⁹ MHCSO anticipates about 2.3 million of commercial and industrial uses remain to be developed.²⁰

Not all of the area within the Master Plan and Sphere of Influence has been annexed to the District, although Specific Plans have been adopted for the entire area. **Map III-2** shows the current boundaries of MHCSO and the portions of the Master Plan area that have not been annexed. The non-MHCSO property in **Map III-2** is expected to be annexed when the property owners complete their infrastructure design and are ready for construction. These annexations

¹⁷ Gov. Code Sec. 56000 et seq.

¹⁸ Correspondence with MHCSO received May 6, 2022.

¹⁹ MHCSO, as of March 31, 2022.

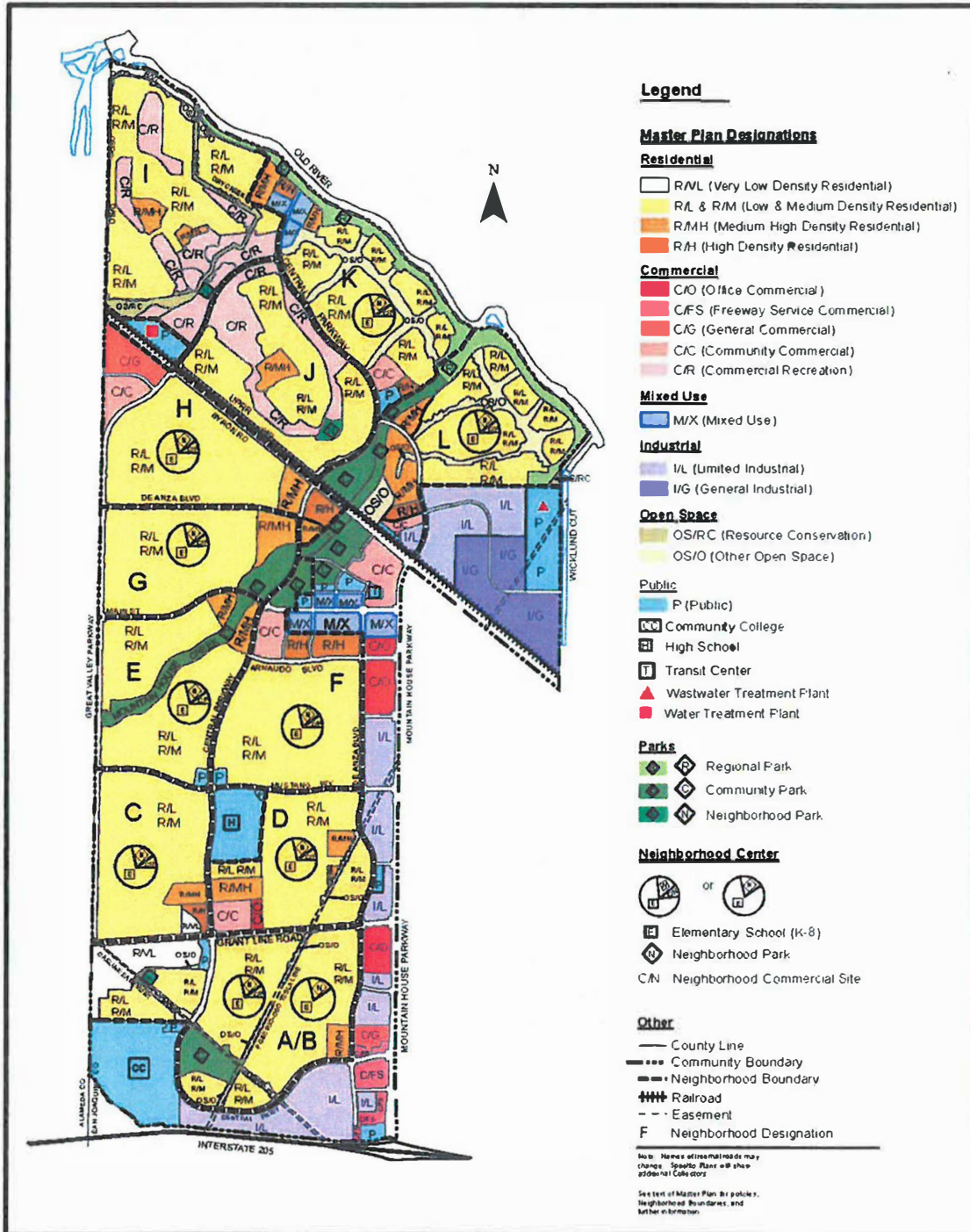
²⁰ Correspondence with MHCSO received April 7, 2022, file: "Projected Projects.xlsx".

are anticipated in the Master Plan and all of the associated public facility and public financing plans for Mountain House.

Map III-2 also shows two proposed projects requiring annexation to MHCS D. The proposed projects include a 34.17 acre parcel, the "College Annexation Area" (more specifically referred to as College Park - Q & N) and a 141.28 acre parcel, the "Machado Annexation Area" (more specifically referred to as Machado - P). The Machado project has an existing Tentative Map approval. The Machado application also includes Specific Plan amendments to convert a school site to residential and a Tentative Map on that site as well as swapping certain locations of Office Commercial and Limited Industrial designations.

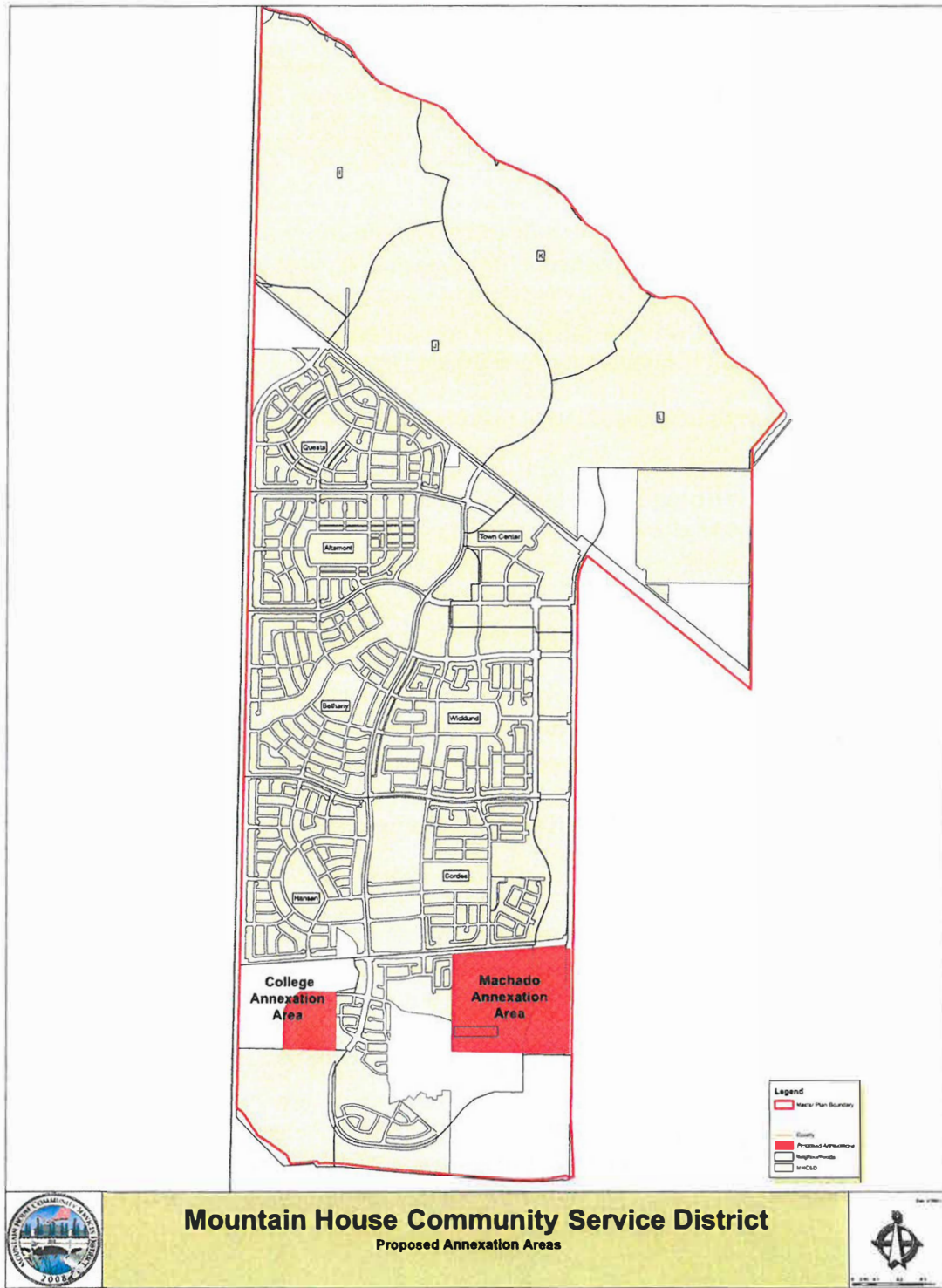
MOUNTAIN HOUSE COMMUNITY SERVICES DISTRICT
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN 2022 UPDATE
JUNE 8, 2022

Map III-1 Mountain House Master Plan Land Uses



Revised April 2004, February & November 2005, December 2006, September 2007, November 2017, April & November 2019

Map III-2 MHCSO and Remaining Annexation Areas within Master Plan



B. PROJECTED POPULATION WITHIN THE SPHERE OF INFLUENCE

As described under Determination #1, recent data indicate that 6,931 existing units (as of December 27, 2021, excluding 685 second units) will increase by 8,484 future units to total 15,415 units by buildout²¹ and a buildout population of 39,062.

C. DETERMINATIONS

MHCSD is not requesting, nor does it intend to change the current sphere of influence boundary. Therefore, the determinations in the following sections describe the continuing ability of the MHCSD to provide services adequate to meet the needs of both the current population within the Mountain House Master Plan and Sphere of Influence boundaries as well as the projected population at buildout of the Master Plan area.

1. Present and Planned Land Use within the Current Sphere of Influence

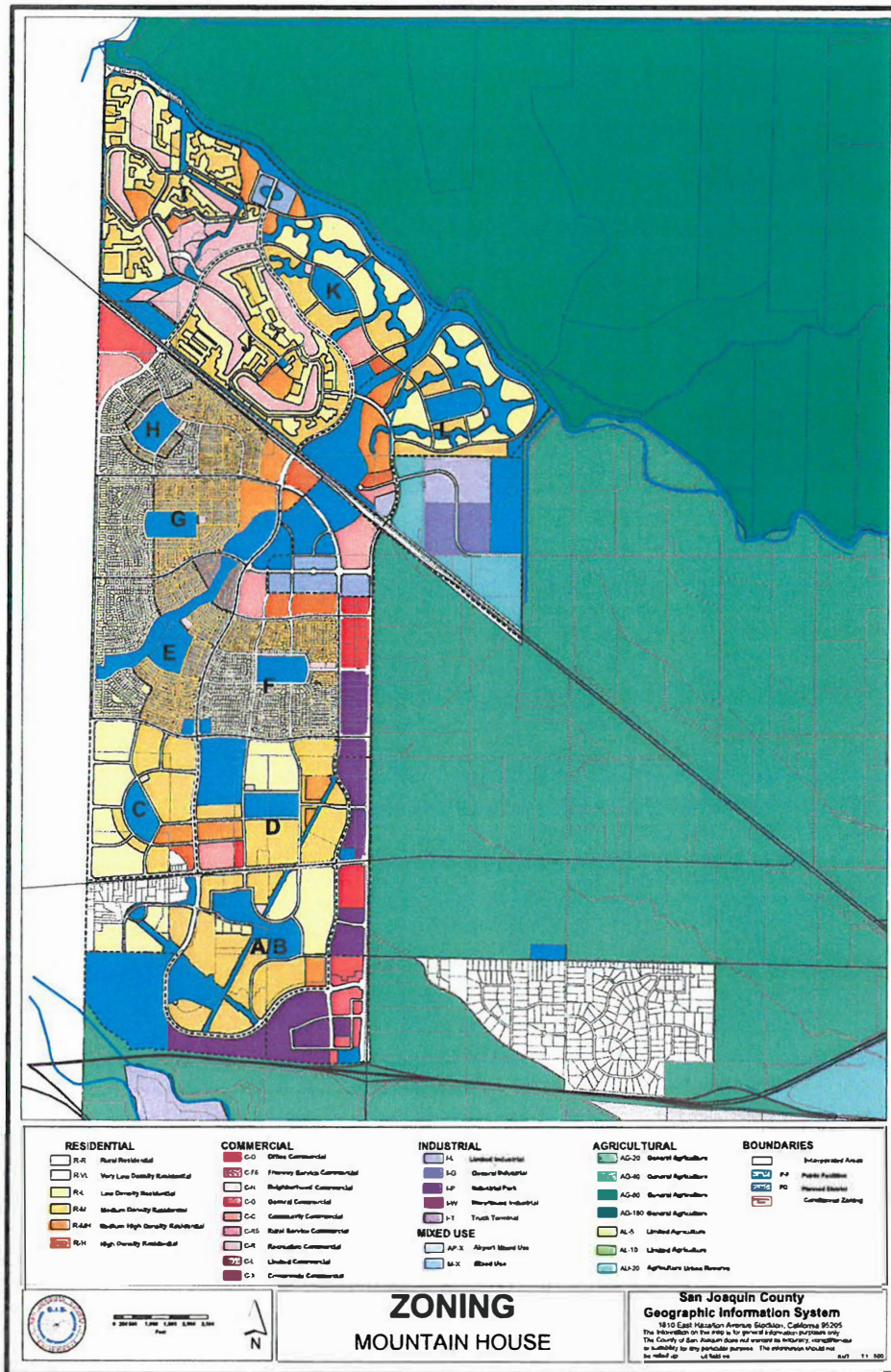
The Mountain House Master Plan and Specific Plan I were adopted by the San Joaquin County Board of Supervisors on November 10, 1994, Specific Plan II adopted on February 8, 2005, and Specific Plan III adopted on November 22, 2005. The total Master Plan area is 4,784 acres. Presently approved land uses are reflected on **Map III-3**. The land uses reflect a mix of Low- to High-Density residential, commercial and industrial uses to provide job opportunities for those that want to work in the community, and to provide housing that is affordable to those working residents. Open space and recreational facilities have been provided in the Master Plan, with their implementation provided in greater detail in the Specific Plans. Fiscal policies to ensure the implementation of community amenities are provided in the Mountain House Public Financing Plan (PFP) and the Master Acquisition and Reimbursement Agreements (MARA) with each developer. A buffer around the community is provided by policies of San Joaquin County as well as sizing the infrastructure to serve only the geographic area and population within the sphere of influence/master plan area.

Present and planned land uses as specified in the Master Plan, SOI, and Specific Plans (Plans) are appropriate for serving existing and future residents of the Mountain House community. Together, these Plans are consistent with land use goals, policies, and objectives contained in the existing and current draft San Joaquin County General Plans. All of these plans include goals, policies, and implementing programs that address growth, development, and conservation of open space. Present and planned land uses as specified in the Master Plan include Very Low Density Residential, Low Density Residential, Medium Density Residential, Medium-High Density Residential, High Density Residential, Neighborhood Commercial, Community Commercial, General Commercial, Freeway Service Commercial, Mixed Use, Office Commercial, Recreation Commercial, Limited Industrial, General Industrial, Industrial Park,

²¹ MHCSD, as of March 31, 2022.

Open Space/Resource Conservation, Open Space/Other, Public Facilities, Neighborhood Park, Community Park, and Regional Park.

Map III-3 Presently Approved Land Uses



The 2035 San Joaquin County General Plan Land Use Map remains unchanged for Mountain House from what is shown in the current County General Plan 2010. The updated 2035 General Plan is also carrying forward all the current policies from the 2010 General Plan regarding Mountain House to the General Plan 2035. No new policies or map updates are being added. Open space and recreational facilities have been provided in the Master Plan, with their implementation provided in greater detail in the Specific Plans. Fiscal policies to ensure the implementation of community amenities are provided in the Mountain House Public Financing Plan (PFP) and the Master Acquisition and Reimbursement Agreements (MARA) with each developer. A buffer around the community is provided by policies of San Joaquin County as well as sizing the infrastructure to serve only the geographic area and population within the sphere of influence/master plan area.

Currently, approximately 2,000 acres, or about 45 percent of Mountain House Master Plan acreage is developed.²² Present population of 25,673 represents about two-thirds of projected buildout population anticipated by 2040; recent data indicate 6,931 existing units (as of December 27, 2021, excluding 685 second units) will increase by 8,484 future units to total 15,415 units by buildout.²³ MHCSD anticipates about 2.3 million of commercial and industrial uses remain to be developed.²⁴

The 2035 San Joaquin County General Plan Land Use Map remains unchanged for Mountain House from what is shown in the current County General Plan 2010. The updated 2035 General Plan is also carrying forward all the current policies from the 2010 General Plan regarding Mountain House to the General Plan 2035. No new policies or map updates are being added.

2. Present and Probable Need for Public Facilities and Services

The ability of the MHCSD to provide services is presented in this MSR with an analysis that shows MHCSD's capability in providing adequate public facilities and services to meet the existing and growing needs of the community.

The MHCSD entered into a Public Services Allocation (PSA) agreement that defines which services will continue to be the responsibility of the County and which will be provided by the District. The County will provide land use and building approval/inspection services, while the MHCSD provides services under its eighteen legal powers as defined in the California government code establishing the MHCSD for water, wastewater, storm water, garbage, law enforcement, fire and EMS, street lighting, library and building services, road maintenance, transportation services, graffiti abatement, CC&R enforcement, flood control protection, pest and weed abatement, wildlife habitat mitigation, telecommunication, dissemination of information, and park and recreation. Many of these services are currently provided through contracts for service. As the community grows and/or incorporates, contract for services will be

²² Correspondence with MHCSD received May 6, 2022.

²³ MHCSD, as of March 31, 2022.

²⁴ Correspondence with MHCSD received April 7, 2022, file: "Projected Projects.xlsx".

continually re-evaluated for cost-effectiveness, efficiency, and service quality to the community.

Public facilities, including all water, wastewater, storm water, streets/signals/lighting, parks, schools, community centers, public safety buildings, library, corporation yard, and town hall are specified in the Master Plan, along with binding agreements with developers to ensure proper funding and triggers for construction of the facilities are met. New development within the SOI will lead to population growth and the need for additional public facilities and service provisions as stipulated within the development and financing agreements that serve as implementation of the Master Plan.

Master Plan policies, including financing mechanisms, are in place to ensure adequate service provisions for current and future populations. Greater detail regarding present and planned public facilities is in **Chapter III**.

3. Present Capacity of Public Facilities and Adequacy of Public Services

The determinations included in this MSR beginning with **Chapter IV** demonstrate that public facilities and services are adequate to meet the needs of the current population, are being improved over time, and specific timeframes and triggers have been established to meet the public facility and public service needs of future populations.

4. Existence of Social and Economic Communities of Interest

No change in the Mountain House Sphere of Influence is being proposed. Thus, no adjacent community or population will be impacted any differently than anticipated in the environmental review of the Master Plan and subsequent Specific Plans.

MUNICIPAL SERVICE REVIEW

IV. DETERMINATION #1: GROWTH AND POPULATION PROJECTIONS

This part of the Municipal Services Review provides information on the current and projected population in Mountain House that will create the need for the services discussed in Chapter III.

Occupancy in Mountain House began in 2003 following the conclusion of the 2000 United States federal census, therefore detailed demographic data for the current population were not available until the 2010 census, where records show a population as of April 1, 2010, of 9,675. Estimated current population is based on California Department of Finance estimates. Projections are from the draft Mountain House Urban Water Management Plan (2022).

A. CURRENT POPULATION AND DWELLING UNITS

The most recent 2020 census reports a population of 24,499. The present population of Mountain House is currently estimated by the California Department of Finance to be 25,673 as of January 1, 2021, and the persons per household is 3.812.²⁵

The overall average 3.8 persons per household is higher than the 3.04 persons/unit from a 2006 special census noted in the 2017 MHCS D MSR. The average density is expected to decline as higher density residential units are constructed.

B. PROJECTED POPULATION

Table IV-1 shows current and projected population for Master Plan and Sphere of Influence buildout expected by 2040. Recent data indicate that 6,931 existing units (as of December 27, 2021, excluding 685 second units) will increase by 8,484 future units to total 15,415 units by buildout²⁶ and a buildout population of 39,062.

The anticipated growth is based on the land uses approved in the most recent Specific Plans and tentative maps and General Plan designations.

²⁵ Cal. Dept. of Finance letter to MHCS D, Sept. 7, 2001.

²⁶ MHCS D, as of March 31, 2022.

Table IV-1 Projected Population²⁷

Population Served	2020	2025	2030	2035	2040	2045(opt)
	24,499	28,140	31,781	35,421	39,062	39,062
<p>NOTES: 2020 population is based on the 2020 Census. Buildout of the Mountain House community is estimated in 2040, and buildout population is based on the MHCS D's 2020 PWSMP. Population is assumed to grow linearly between 2020 and 2040 and remain flat between 2040 and 2045.</p>						

C. DETERMINATIONS

The Mountain House Master Plan and Specific Plans provide the basis for development of the community. Together, these plans detail the approved land uses and project the population in the land uses that will need the services provided by the MHCS D.

As shown in **Table IV-1**, the current population of 25,673 as of January 1, 2021, is projected to continue to grow. According to the Master Plan, the buildout population is projected to be approximately 39,000. The updated projected buildout year is year 2040.

Recent data indicate that 6,931 existing units (as of December 27, 2021, excluding 685 second units) will increase by 8,484 future units to total 15,415 units by buildout.²⁸

Facilities, services and infrastructure described in Chapter VI are adequate to meet the needs of the projected buildout population of the Master Plan and Sphere of Influence area.

²⁷ 2020 Urban Water Management Plan (UWMP), Draft Report November 2021, Prepared for MHCS D by West Yost.

²⁸ MHCS D, as of March 31, 2022.

V. Determination #2: Disadvantaged Unincorporated Communities

According to the Department of Water Resource's Disadvantaged Communities mapping instrument,²⁹ there are no communities within or contiguous to the City's SOI that meet the definition of a disadvantaged unincorporated community.

The State Codes describe a "Disadvantaged unincorporated community"³⁰ to mean inhabited territory,³¹ or as determined by commission policy, that constitutes all or a portion of a "disadvantaged community" as defined by the Water Code.³²

²⁹ DAC Mapping Tool, <https://gis.water.ca.gov/app/dacs/>

³⁰ Gov. Code Sec. 56033.5.

³¹ As defined by Gov. Code Sec. 56046.

³² Water Code Sec. 79505.5.

VI. Determination #3: Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies

The purpose of this section is to evaluate infrastructure needs and identify potential deficiencies of services provided by the MHCSO, especially as they relate to current and future users. LAFCO is required to make a determination regarding the infrastructure needs, or deficiencies, within the MHCSO and the SOI.

This section of the MSR will address the provision of the following public services, some of which are directly provided by the MHCSO and others which are provided through contracted services:

- Fire Protection and Emergency Medical Services
- Law Enforcement
- Water Supply and Treatment
- Wastewater Collection and Treatment
- Storm Water Collection, Treatment, and Discharge and Flood Protection
- Parks, Schools and Libraries.

In order to approve a change in the SOI and annexation of land into the MHCSO, LAFCO must determine that the necessary infrastructure and public services exist to support the new uses at comparable service levels. The information put forward in this MSR demonstrates support for the MHCSO build-out SOI boundaries.

A. FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES³³

Fire and Emergency Medical Services are managed through a combination of service providers. The Fire and Emergency Medical Services (Fire and EMS) is managed through a contract³⁴ with the French Camp McKinley Fire District (FCMFD), also referred to as the Mountain House Fire Department (MHFD), since September 13, 2015. Prior to this date the contracted fire services were managed through Tracy Rural Fire Protection District (TRFPD - by contract with the City of Tracy through the South County Fire Authority).³⁵ The MHFD holds a public protection classification of "03/3X".³⁶

³³ Response to 4/8/2022 data request, Marty Cornilsen, Fire Chief, French Camp McKinley Fire District.

³⁴ Fire Protection and EMS Agreement Between MHCSO and French Camp McKinley Rural County Fire Protection District, Second Amendment, Aug. 11, 2021.

³⁵ MHCSO 2017 MSR.

³⁶ ISO, January 23, 2017. This means properties located within 5 road miles of municipal water supply were classified as a 3. Properties located within 5 road miles of a fire station were classified as a 3X.

The MHFD is a recognized member of the San Joaquin County Fire Chief's Association and participates in the local and statewide mutual aid system. Automatic aid agreements exist between MHFD and the following organizations: The Defense Logistics Agency (Tracy Depot), Montezuma Fire District, along with additional resources available through the San Joaquin County Mutual Aid system. Currently MHFD and SCFPA have a standing mutual aid response that is activated through the two dispatch agencies. Both organizations are members of the SJC Fire Chiefs Association, and currently attend county training and EMS meetings held within the county. MHFD is open to any correspondence with SCFPA and would participate in any joint meeting or training that would enhance both organizations.

The Emergency Medical Services are provided through a combination of expanded scope Basic Life Support 7 (Expanded Scope BLS provides additional life saving measures beyond BLS) through MHFD with transport provided primarily by American Medical Response (AMR); AMR provides basic life support (BLS), advanced life support (ALS), critical care transport, and neonatal transport. The expanded BLS scope provided by MHFD allows department personnel to administer Epinephrine in severe allergic reaction cases and Naloxone to reverse the effects of opiate (pain killers, narcotics) overdoses. These were formerly only allowed to be given by Paramedic Personnel. MHFD is the first fire department in the County to participate in this program under the San Joaquin EMS Agency.³⁷

The MHD Fire and EMS is staffed through a contract with the FCMFD. FCMFD is considered a combination agency, with Full-Time line staff and Reserve Firefighter personnel. FCMFD employs approximately 29 personnel: 24 full time firefighters working a 48-96, on a three-shift platoon schedule. One full time Fire Chief and one full time Administrative Assistant, working a 40 hour a week schedule. 3 Reserve Fire Fighters that are in a support roll to the paid firefighting staff. Reserve Firefighters have the qualifications to assist in firefighting and driver operating roles as needed by the fire district.

French Camp Station 11-1 is staffed with three personnel one officer, engineer, and firefighter. Mountain House Station 16-1 is staffed with two officers (Captain & Lieutenant) two engineers, and one firefighter. The district responded to approximately 1,900 emergency calls between Mountain House and French Camp (2021). The French Camp McKinley Fire District has several significant life-safety hazards such as the San Joaquin County Jail, San Joaquin County Juvenile Justice Center, Honor Farm, San Joaquin County Sheriff's Office, San Joaquin County General Hospital, and Interstate 5.

Fire & EMS Service Delivery

MHFD operates out of Mountain House Fire Station 1 (aka Station 16-1) at 911 Tradition Ln. Mountain House Station 1 is staffed with 5 personnel daily, with an on-duty officer to oversee major incidents. Station 1 houses two type 1 engines, a ladder truck, and a type 6 wildland apparatus.

³⁷ MHCS 2017 MSR.

Station 16-1 continues to staff five personnel, 24 hours a day, 7 days a week, with an available Duty Officer. They work on a 48-96 hours three platoon system. The shift includes one Captain (Duty Officer) one Lieutenant, two engineers or certified driver operator, and one firefighter. This allows for a 3-person engine company and a two person cross-staffed truck or wildland unit to be always available. MHFD's five fire personnel provide expanded services to the Mountain House community beyond traditional Fire & EMS duties that include the following: assistance in emergency preparedness to include the MHCS's Emergency Operation Plan and Emergency Operations Center, Incident Action Plans, Community Emergency Response Team, education in the classrooms from K-12, and participation in community events such as National Night Out, Music in the Park, 4th of July, Bike Rodeo, Farmers Market, Veterans Day, and Santa's Parade and Tree Lighting.

Training

The Department's Fire and EMS training officers are assigned to two of the current shift captains. The training captains are responsible for the delivery of all fire and EMS programs, through both cognitive and psychomotor skills. Staff training consists of fire operations, including live fire training, technical rescue, special operation, auto extrication, Hazmat First Responder Operations (FRO) and Decontamination (Decon), professional development courses, prevention courses, EMS operation and procedures. These training requirements are scheduled annually by the training officers using local, state, and national standards. Department training standards are two hours of training per shift with a minimum of 240 hours per year. Department utilizes on-line training in conjunction with a hands-on training program.

Equipment

Equipment at Mountain House Station 16-1:

Vehicle	Type	Make/Model	Year	Flow	Capacity
E16-1	Type 1	Rosenbauer	2014	1500 gpm	1000 gal
E16-2	Type 1	KME	1999	1750 gpm	500 gal
T16-1	Aerial 75'	Pierce	1991	1750 gpm	300 gal
BC11-1		Ford F150	2017		
BR16-1	Type 6	Ford F550	2008	95 gpm	300 gal

Equipment at French Camp Station 11-1:					
Vehicle	Type	Make/Model	Year	Flow	Capacity
E11-1	Type 1	Spartan	2010	1500 gpm	500 gal
E11-2	Type 1	Spartan	1995	1500 gpm	750 gal

E11-3	Type 3	Pierce	2012	500 gpm	500 gal
Ch11-1		Chevrolet	2021		
UT11-1		Ford F150	2010		
OES4606	Type 6	Ford F550	2020	500 gpm	280 gal

(State owned vehicle)

Currently MHFD is awaiting the delivery of a 2021 Rosenbauer 109' Viper EXT Aerial Apparatus in June 2022. This new aerial will replace the 1991 Pierce 75' aerial that MHFD currently has in service. MHFD is also in the process of presenting proposals for two new type 1 engines to replace and add to the current fleet. One type 1 engine will be replacing the 2016 Rosenbauer and putting it into a reserve status at Station 16-1. The MHFD recommends that the second type 1 engine be put into service at Station 16-2 when the new station is operational.

Fire and EMS Responses

Calls are dispatched through the Valley Regional Emergency Communications Center (VRECC), as part of a Joint Powers Agreement with the San Joaquin County Joint Radio Users Group (JRUG) in which the FCMFD participates as a voting member.

As shown in the table below, the average response time (turn out time after receiving the assignment plus travel time) to all calls is 6 minutes and 32 seconds.³⁸ The response time for ninety percent of all calls is 9 minutes and 39 seconds or less; for ninety percent of fire emergencies the response time is 9 minutes and 31 seconds or less.

Table VI-1: Fire - EMS Summary Statistics (2021)³⁹

Mountain House Data January 1-December 31 2021		Total								
		Count	Pick up to Dispatch	Average			90th Percentile			
Assign Time	Turn Out			Travel Time	Pick up to Dispatch	Assign Time	Turn Out	Travel Time		
Fire Emergency	Total	242	0:01:44	0:00:16	0:01:02	0:04:51	0:03:04	0:00:23	0:02:00	0:07:31
Medical Emergency	Total	474	0:03:06	0:00:14	0:01:20	0:05:32	0:04:08	0:00:24	0:01:57	0:07:41
All Responses	Total	716	0:01:45	0:00:15	0:01:14	0:05:18	0:03:07	0:00:23	0:01:58	0:07:41

Note: "Pick up to Dispatch" plus "Assign Time" equals the total "Call Assignment, Received to Dispatch" time applicable to the dispatch center's activity.

Ability to Serve Existing and Future Development

The Mountain House Master Plan, consistent with the County General Plan, specifies that the MHCS D will provide a suburban level of fire protection service and emergency medical services either as direct provider or by contracting for services. Fire protection is required to be

³⁸ Correspondence from Chief Cornilsen, French Camp McKinley Fire District, 6/7/2022.

³⁹ *ibid*, Chief Cornilsen, 6/7/2022.

provided in compliance with County General Plan requirements and all applicable standards adopted by the MHCS. The MHFD's ISO rating of "3" has not changed since 2017, although since then, MHFD has added one type 1 reserve engine and a 75' aerial truck to its fleet, and currently a second station is in planning stage and should be completed in the fall of 2024. These additions should improve the next ISO rating.

The contract with the FCMFD provides for staffing additional fire stations and engine companies as the need occurs. A second fire station is planned north of Byron Road and as noted above should be completed in 2024. National Fire Protection Administration and Insurance Service Office performance standards are met through the current Fire and EMS level and will continue to be met as demands increase from the growing population, equipment is added, and when the second fire station is operational.

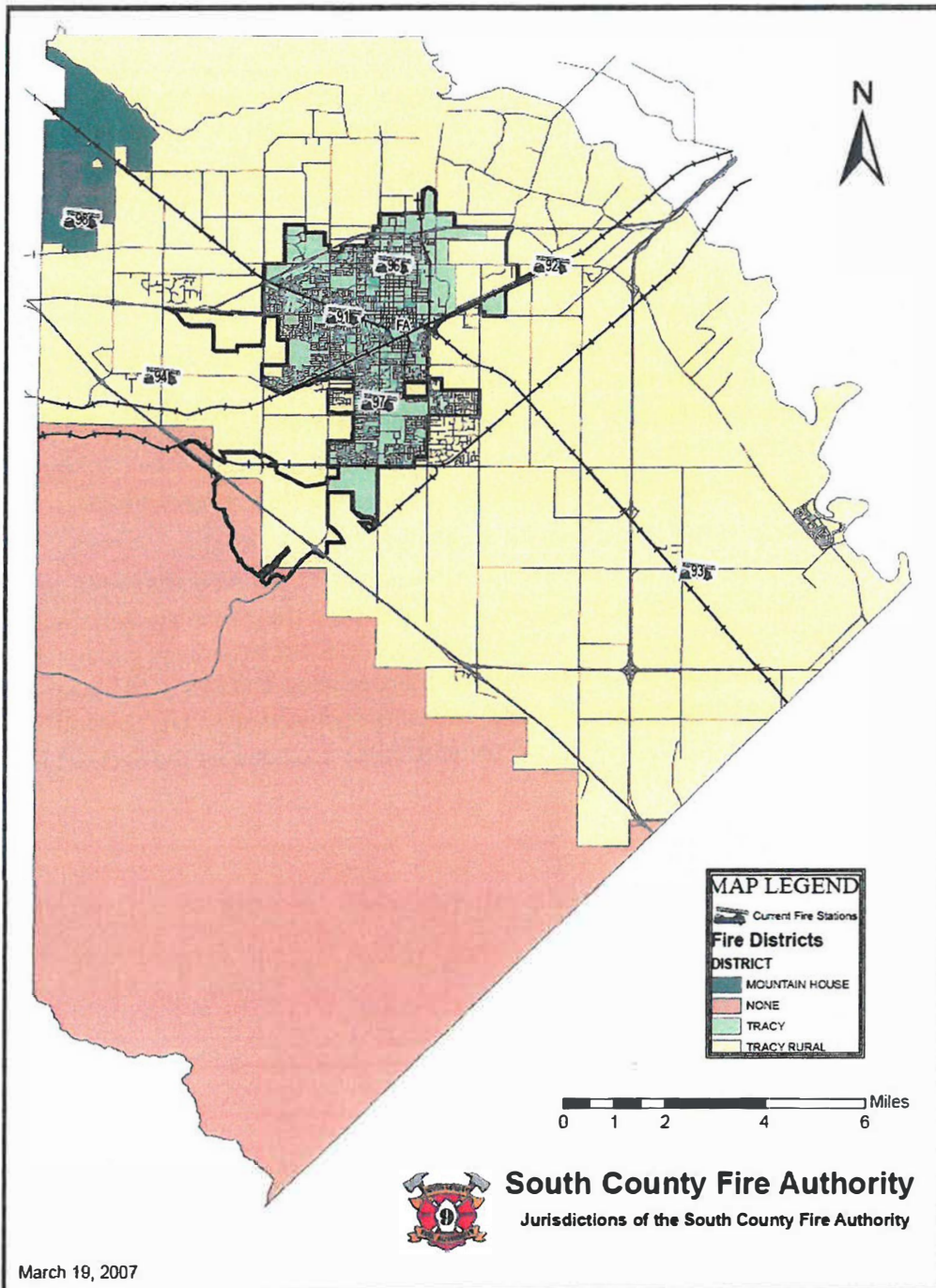
Map VI-1 shows the location of existing Mountain House Fire Station No. 1 located at 911 Tradition Street, in Mountain House, and the surrounding *South County Fire Authority* fire stations which all have available services for the Master Planned Mountain House community and SOI areas. A second new fire station Mountain House Fire Station No.2 is to be located north of Byron Road, in the Mountain House SOI and master planned areas, to help respond to calls from development north of Byron Highway. With the new station added, MHFD will have a total of three companies (2 engine/1 truck/ 1 duty office) and nine total personnel when build-out is complete. The addition of a new station, more personnel and new engines will improve response times and services.⁴⁰

The adopted Fiscal Year 2021-22 budget by the MHCS for Fire and Emergency Medical Services contracted services is \$2,541,035 which is sufficient to cover the current staffing levels and operations and maintenance of the fire station and equipment.⁴¹ The need for additional personnel in the future will be addressed by the Board of Directors, MHCS General Manager, the FCMFD Board of Directors, and the FCMFD Fire Chief, as response times are reassessed and as the budget allows and as new development occurs.

⁴⁰ *ibid*, Chief Cornilsen, 6/7/2022.

⁴¹ MHCS 2021/2022 Adopted Budget, pg. 97.

Map VI-1 Fire Stations in SCFA Service Area⁴²



⁴² South County Fire Authority—Fire Department Standards of Cover Study
Volume 2—Technical Report, Citygate Associates, May 2, 2017, pg. 16.

B. LAW ENFORCEMENT

Law enforcement is contracted through the San Joaquin County Sheriff's Office (SJCOSO).⁴³ The SJCOSO command staff and deputies operate out of two facilities: (1) a satellite office located at the MHCSO Town Hall, 251 E. Main Street, Mountain House, California; and (2) the SJCOSO headquarters located at 7000 Michael Canlis Blvd, French Camp, California. As the community grows, a separate law enforcement headquarters building is planned to be constructed adjacent to Town Center Community park near Byron Road. No date for construction has been established; its timing is dependent on the needs of law enforcement and the community.

The SJCOSO presently assigns six patrol officers and a sergeant full time to Mountain House; this number will increase with the addition of another full time deputy expected in 2022.⁴⁴ Additional law enforcement service is provided by the deputies assigned to Beat 8, a "beat area" that includes Mountain House and the adjacent unincorporated county area. Investigative and all other law enforcement support services are provided through the SJCOSO.⁴⁵ **Table VI-2** summarizes response times by call priority; the high priority calls require a longer response time due to the need for additional backup required by serious crimes.

The California Highway Patrol (CHP) is responsible for all traffic related matters that occur within the unincorporated areas of the state, including Mountain House. Specific to Mountain House, the CHP is responsible to enforce traffic laws, as outlined in the California Vehicle Code, investigate traffic accidents, investigate vehicle thefts that occur from a roadway and respond to parking and other traffic complaints. As a law enforcement agency, the CHP also assists other local and state agencies when requested for general law enforcement and traffic control.⁴⁶ MHCSO contracts with the CHP for services to supplement those provided by the SJCOSO.⁴⁷

⁴³ Agreement, Police Protection Services, A-04-432, June 15, 2004.

⁴⁴ Correspondence from San Joaquin County Sheriff's Office to MHCSO, 4/27/2022.

⁴⁵ MHCSO 2017 MSR, pg. 31.

⁴⁶ MHCSO 2017 MSR, pg. 33.

⁴⁷ Department of California Highway Patrol and Mountain House Community Service District CHP Agreement# 20R266000, 12/1/2020 through 11/30/22.

Table VI-2: San Joaquin Sheriff’s Department Response Times to Mountain House⁴⁸

Priority	Description	Avg. Response Time
Priority 1	Highest Priority, requires immediate dispatching, A crime, typically in-progress, where the physical well-being of a person is in jeopardy, e.g., assault, homicide, kidnapping, robbery, home invasion, burglary (suspect possibly on premises), brandishing a weapon, bomb threats, coroner’s case, missing or lost children, disaster, etc.	9.6 minutes
Priority 2	Priority 2 calls do not require an immediate response but should be dealt with as soon as possible. Non-violent persons’ crimes and property crimes with known suspects, e.g., family disturbance, suspicious person (no weapons seen), burglary (suspect not on premises), theft of property with possible suspect lead, welfare check, etc.	5.4 minutes
Priority 3	The majority of calls fall into Priority 3; these calls are handled in the order in which the call is received. Property crimes with no suspect leads, incidents where the victim delayed reporting the crime. Examples include cold burglary, property theft or damage, mail theft, noise complaints, information requests, etc.	27.6 minutes

Crime rates are typically low in Mountain House, especially when compared with other communities located in northern San Joaquin Valley and compared to other metrics as shown in **Table VI-3**. Mountain House property and violent crime rates per 100,000 population were among the lowest by comparison to other San Joaquin County communities. Property crime rates and violent crime rates both declined from 2017 through 2019.

⁴⁸ Correspondence with Sgt. Burke, SJCOSO, 2022-05-03.

Table VI-3 Comparison of Violent and Property Crime Rates per 100,000 2017-2019⁴⁹

City	2017 Violent Crime Rate per 100000	2018 Violent Crime Rate per 100000	2019 Violent Crime Rate per 100000	2017 Property Crime Rate per 100000	2018 Property Crime Rate per 100000	2019 Property Crime Rate per 100000
Mountain House	61	43	36	1677	1302	1078
Lathrop	NA	790	362	NA	2932	1299
San Ramon	73	56	76	1276	1027	1439
Ripon	83	63	81	1826	1417	1540
Pleasanton	117	129	133	1967	1700	1942
Tracy	214	216	179	2414	2534	1984
Escalon	448	274	209	2267	1620	1766
Livermore	183	203	211	2185	1851	1700
Manteca	326	316	238	2851	2822	2213
Lodi	497	417	351	2584	2561	2452
Stockton MSA- San Joaquin County	809	795	785	2935	2956	2836
National Crime Rate	384	370	367	2363	2210	2109
California	449	397	441	2497	2672	2331
Suburban Cities 10K-24K	224	216	218	1973	1784	1712
Non Suburban Cities 10K -24K	422	413	401	3274	3077	2821

Table VI-4 shows 1,190 total monthly calls for service for FY2020-21 compared to FY2021-22 year-to-date through March 2022. MHCSO staff works closely with the SJCOSO command staff and deputies to proactively address concerns, such as crime or traffic safety. The Sheriff's Office collects monthly statistical data for Mountain House that is available online at the (1) Sheriff's web page⁵⁰ and (2) the MHCSO website in the monthly Board agenda packages.⁵¹

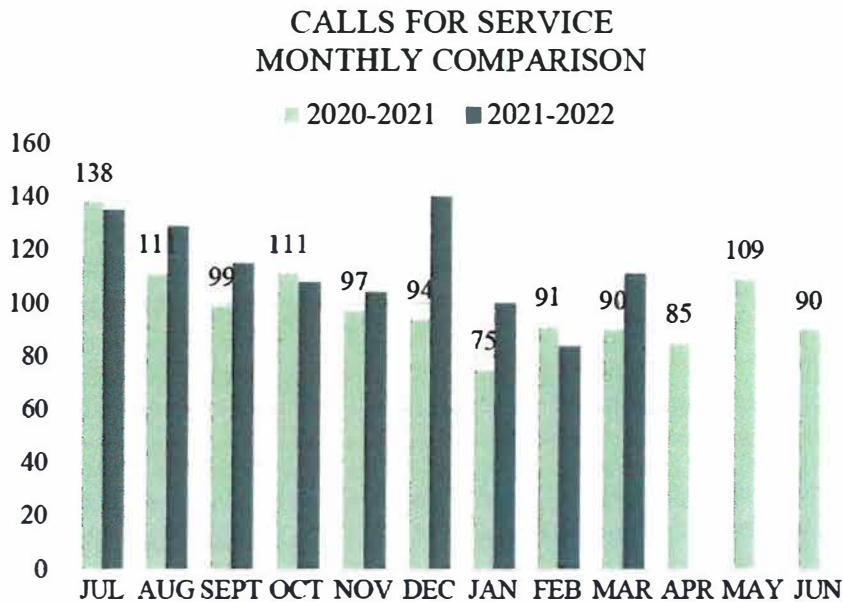
⁴⁹ Kirchoff and Associates, Report to MHCSO, March 3, 2021, Exh. II-C.

⁵⁰ www.sjsheriff.org and mapping of calls at:

<https://www.communitycrimemap.com/?address=San+Joaquin+County>

⁵¹ <https://www.mountainhousecsd.org/government/board-meeting-agendas-and-minutes>

Table VI-4 San Joaquin Sheriff’s Department Calls for Service to Mountain House
FY2020-21 and FY2021-22 (year-to-date through March)



Through its contract with the San Joaquin County Sheriff's Department for law enforcement, the MHCS D provides the Mountain House community with six full-time (Full-Time Equivalents or FTEs) deputies; the service levels are planned to increase as noted below. Mountain House is designated by the Sheriff's Department as Beat 8. The Sheriff's Office also provides additional deputy support to Mountain House through its assignment of one full-time deputy for the western part of the county defined as Beat 8.

The Fiscal Year 2021-22 MHCS D Budget contains funds to hire the additional staff for full-time assignment to Mountain House that will ensure a patrol unit 24 hours per day, 7 days a week present within the MHCS D boundaries and SOI. The current budget also contains funds to provide 'enhanced' traffic enforcement by the SJCOSO in Mountain House, with assistance by the California Highway Patrol. The Fiscal Year 2021-22 MHCS D adopted budget for law enforcement services is \$2,863,523 which is sufficient to cover the current law enforcement services.⁵² The budget includes \$50,000 for California Highway Patrol traffic enforcement services to supplement existing services in Mountain House.

The Master Plan includes policies and implementation measures that would allow for the MHCS D to continue providing adequate staffing levels. The Mountain House Master Plan provides that sworn officers will be added at levels specified in the County General Plan

⁵² MHCS D 2021/2022 Adopted Budget, pg. 96.

consistent with standards for comparable urban communities within the County and any additional needs determined by the community.

As the community of Mountain House grows, the need for additional law enforcement personnel will be addressed by the Board of Directors, MHCS D General Manager, the County's Board of Supervisors, and the Sheriff's Department. The analysis will include an assessment of crime statistics, response times, community needs, and revenue availability.

C. WATER SUPPLY, CONSERVATION AND TREATMENT

The MHCS D serves drinking water to the Mountain House community. The MHCS D water system consists of one water treatment plant, three storage tanks, three booster pump stations, and approximately 74 miles of pipelines.⁵³ All water supply infrastructure, including the diversion point, conveyance facilities, treatment plant, storage, and pump stations is designed for ultimate buildout of the community. MHCS D owns the water treatment plant and distribution system and contracts operations and maintenance (O&M) to a private operator to meet MHCS D contract specifications and State and Federal laws and permit conditions.

Prior to development, the San Joaquin County Board of Supervisors approved a water supply reliability analysis conducted as part of an Environmental Impact Report in 1994 for Specific Plan I; subsequently, Specific Plan II and Specific Plan III were the subject of water supply assessments (WSAs)⁵⁴ that demonstrated an adequate, reliable water supply.

MHCS D is in the process of updating its Urban Water Management Plan (UWMP) which is a requirement of State law⁵⁵ to help water suppliers assess the availability of their water supplies with current and projected water use to help ensure reliable water service under different conditions. The UWMP evaluate conditions for the next 20 to 25 years, so required updates every five years ensure continued, long-term water supply planning. The UWMP provides further detail about the MHCS D water system including how it is meeting conservation targets, achieving water service reliability, and preparing a plan to respond to water shortages.

The MHCS D's current water supplies are exclusively purchased from the Byron Bethany Irrigation District (BBID). BBID's primary source of supply is the State Water Project (SWP), which diverts surface water from the Sacramento-San Joaquin Delta (Delta). The raw water is provided by BBID through their pump station located along the California Aqueduct downstream of the Harvey O. Banks Pumping Plant (BBID's diversion and pumping facilities pre-date the State Water Project system, and therefore, the BBID possesses a settlement agreement with the SWP recognizing BBID's right to divert) and is delivered through a BBID-owned 30-inch pipeline to the treatment plant, where the raw water becomes the responsibility of MHCS D's O&M operator.⁵⁶

⁵³ 2020 Urban Water Management Plan (UWMP), Draft Report November 2021, Prepared for MHCS D by West Yost.

⁵⁴ WSAs were required by SB 610 and SB 221 (statutes adopted by the California State Legislature in 2001)

⁵⁵ Urban Water Management Planning Act.

⁵⁶ MHCS D 2017 MSR.

1. Water Distribution System

The existing water distribution system includes distribution mains, a treated water storage tank and pump station located at the water treatment plant (WTP) site, the Westside Booster Pump Station, and two College Park Storage Tanks and booster pump stations (BPS).⁵⁷

The existing distribution system consists of approximately 74 miles of pipelines ranging from 6 to 36 inches in diameter. Most existing pipelines are polyvinyl chloride, with the remainder being ductile iron or cement-lined steel.

2. Water Treatment Plant and Storage⁵⁸

The BBID diversion to Mountain House is located approximately three miles northwest of the MHCS D WTP. The WTP began operations in 2002 and is currently operated under a third-party contract with Inframark Water & Infrastructure Operations (Inframark). While the WTP has a current capacity of 15 million gallons per day (MGD), it will ultimately be expanded to a capacity of approximately 20 MGD.

At the WTP site, raw water from BBID is stored in a 4-million gallon (MG) raw water storage tank before entering the compact water treatment facility containing an absorption clarifier, filter, and filter well. The treated water is then pumped through an ultraviolet disinfection system, chlorinated, and stored in a 4.5 MG treated water storage tank.

The existing water system has three treated water storage tanks, which provide water to meet hourly demand fluctuations, supply demands during emergency and power outage conditions, and provide a fire flow reserve. The 4.5-MG treated water storage tank at the WTP is described above. The other two tanks (College Park Tanks 1 and 2) are 3.7 MG each and provide water to the Zone 1 and Zone 2 booster pumps.

3. Water Conservation Measures

MHCS D continues to implement demand management measures (DMMs) to promote conservation and reduce demands on water supplies. DMMs include water waste prevention ordinances, required water metering, conservation pricing, public education and outreach, and programs to assess and manage distribution system losses. MHCS D also provides staff to support its residential water conservation program and its large landscape irrigation conservation program.⁵⁹

By implementing the DMMs summarized above and described in Chapter 9 of the 2015 UWMP, MHCS D achieved its interim and final targets established in the 2015 UWMP.⁶⁰

⁵⁷ Ibid, 2020 UWMP.

⁵⁸ Ibid, 2020 UWMP.

⁵⁹ Ibid, 2020 UWMP.

⁶⁰ Ibid, 2020 UWMP.

4. Future Supply and Demand and Improvements to the System

The MHCS D reviewed development and planning documents to estimate water demands for a fully developed community (i.e., buildout), which is expected in 2040. Mountain House is projected to develop the remaining 6 residential neighborhoods over the next 20 years. The Town Center/Central Commercial area and the industrial and office space areas of the Master Plan are yet to be built out. Mountain House plans to align with the overall community goals outlined in the Master Plan as a self-sufficient community offering employment, goods, services, and recreation to a growing population.

Based on data presented in the 2020 Potable Water System Master Plan Update⁶¹ (2020 PWSMP), the buildout land use includes approximately 2,486 acres of residential, 502 acres of commercial, 382 acres of industrial, 525 acres of open space, and 423 acres of public/school land use.⁶² The MHCS D's 2020 service area population is based on the 2020 US Census and estimated at 24,499. Buildout of the Mountain House community is expected in 2040. Per the MHCS D's 2020 Potable Water System Master Plan Update (2020 PWSMP), buildout population is projected to be 39,062, an increase of approximately 59 percent from 2020.

Current total water demand for 2020 of 4,672 Acre Feet (AF), including system losses, is projected to grow to 9,595 AF by buildout expected in 2040.⁶³ Water demand is expected to remain constant between 2040 and 2045 because buildout is anticipated around 2040.⁶⁴

MHCS D is expected to continue to purchase water from BBID. In the future, the MHCS D will be able to use the riparian water rights on properties north of Byron Road as they are developed. MHCS D is in the process of finalizing the transfer and ability to use these riparian rights.⁶⁵ These rights allow for the beneficial use of Old River water within those properties, and the projected increase in water supply is approximately 2,570 AF.⁶⁶ For the MHCS D to use Old River water, certain properties near the river must be developed. After development, Old River water must be used within those properties.

Table VI-5 compares projected buildout demand to future supplies. As shown in the table, MHCS D will have a surplus of 2,788 AF/yr.⁶⁷ Therefore, MHCS D will be able to meet projected buildout demands with available water from BBID and riparian rights. The District is pursuing additional sources and conservation measures to further bolster water supplies.

⁶¹ MHCS D 2020 Potable Water System Master Plan Update, Nov. 2020, West Yost Associates.

⁶² *ibid*, 2020 UWMP.

⁶³ *ibid*, 2020 UWMP, Table 4-3.

⁶⁴ *ibid*, 2020 UWMP.

⁶⁵ Correspondence from MHCS D, Nadir Shareghi, May 25, 2022.

⁶⁶ *ibid*, 2020 UWMP, Table 6-5.

⁶⁷ *ibid*, 2020 Potable Water System Master Plan Update, pg. 4-3.

Table VI-5 Comparison of Water Supplies to Projected Demands⁶⁸

Origin	BBID, af/yr	Riparian, af/yr	Total, af/yr
Specific Plan I	2,662	-	2,662
Specific Plan II	5,246	2,570 ^(a)	7,816
Specific Plan III	1,505	-	1,505
Additional Contracted Amount	400	-	400
Total Supplies	9,813	2,570	12,383
Projected Buildout Demands (Raw and Potable)			9,595
Projected Supply Surplus			2,788
(a) Because riparian water is not a right to a particular quantity of water, the projected amount of riparian water supply available (2,570 af) is based on the current estimate of customer demands within the riparian area at buildout (subject to the availability of riparian water). The amount of riparian water supply available to the MHCS D is subject to change based on the actual amount of water used by customers on the land with riparian water rights.			

The MHCS D does not currently have plans to use recycled water (i.e., highly treated wastewater) or develop groundwater supplies, though it may in the future.

Existing distribution systems are sized to serve the community at buildout with additional lines to be constructed by the developers as future neighborhoods are built. The existing WTP is designed to be expanded by adding treatment equipment into existing treatment bays with new water storage tanks to be constructed as a requirement to meet future development needs.

MHCS D maintains two funds to support its water enterprise fund: (1) annual Operations and Maintenance fund; and (2) Capital Improvement Plan (CIP)⁶⁹ to fund water system upgrades. Both plans are updated each year and adopted as part of the overall annual operation budget for the MHCS D. Revenues for these funds are generated from water rates. Water rates are reviewed and updated as needed periodically to assure adequate funds are available for required water system upgrades and maintenance. Expansion to the system to serve new development is funded by developers.

D. WASTEWATER COLLECTION AND TREATMENT⁷⁰

The MHCS D provides wastewater collection and treatment infrastructure for the master planned Mountain House community. Key documents and primary sources of information include:

- *Mountain House-Master Plan (November 10, 1994), the Mountain House-Specific Plan I (November 10, 1994)*

⁶⁸ ibid, 2020 Potable Water System Master Plan Update, Table 4-2.

⁶⁹ MHCS D prepares and annually updates (or more frequently, as needed) its 5-year CIP.

⁷⁰ 2017 MSR has been updated based on review and comment by MHCS D DPW, 5/4/2022.

- *MHCS D Sanitary Sewer Collection System Study (dated June 1, 1999, revised May 17, 2001)*
- *Amendment to the Sanitary Sewer Collection System Study (May 17, 2001)*

The master plans and studies outline a long-term strategy for meeting future discharge and capacity requirements in order to meet the community needs for buildout of the Master Plan. A drawing of the Wastewater System Master Plan is attached as **Exhibit III**.

The wastewater collection and treatment system are managed by the MHCS D's Public Works Department. Operations and maintenance services (O&M) are contracted to a private entity, currently Inframark (formerly known as Severn Trent), for the wastewater collection and treatment system to meet MHCS D contract specifications, State and Federal laws, and permits conditions. The wastewater O&M contract was originally approved by the MHCS D Board of Directors in May 2008, but has since been renewed, including an extension in 2020 through 2024.⁷¹

The wastewater treatment plant (WWTP) and additional lift stations and collection lines will be constructed by developers as needed to connect the trunk sewer lines as new development comes online.

1. Wastewater Collection System

The wastewater system serving the Mountain House community includes a wastewater collection, treatment and disposal system. Approximately 80% of the service area drains by gravity through a backbone collection system to the treatment plant. The remaining 20% is and will be pumped as development occurs to the treatment plant through lift stations and force mains. For instance, the wastewater collection system located south of Byron Road is a gravity system to the treatment plant, currently consisting of approximately 67 miles of collection lines. The wastewater treatment and disposal system were designed and built to serve build out of the community with phasing for expansion of equipment within the treatment plant to be added as necessary to meet development needs. The existing system serves Neighborhoods A (Delta College), B, C, D (High School, Fire Station), E, F, G and H. Additional wastewater infrastructure will be constructed by the developers, as development occurs to meet new demands.

At buildout of the community, all wastewater will flow to the WWTP located within the community master plan and SOI boundaries.

2. Wastewater Treatment Plant

The WWTP will be sized at total buildout to provide 5.4 million gallons per day (mgd) Average Dry Weather Flow (ADWF) of treatment capacity (all future references to treatment plant capacity will be ADWF). During 2007, the present Phase II treatment system and the associated

⁷¹ Amendment Renewing Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Facilities and Utility Billing Services for the MHCS D, effective June 1, 2021 through June 30, 2024.

infrastructure were replaced with 3.0 mgd Sequential Batch Reactor (SBR) system. Subsequent improvements changed the SBR system to a Membrane Bioreactor (MBR) treatment system. All new treatment plant facilities have extensive instrumentation and control (I&C) systems, such as SCADA, and an integrated state-of-the-art security system.

Design of the additional expansion of the WWTP is complete and construction is anticipated as development triggers the need per the master plan. Final phase of the WWTP expansion will bring the plant treatment capacity to a total dry weather treatment capacity of 5.4 mgd, sufficient to treat all of the wastewater generated within the Master Plan and SOI boundaries and contained within the existing permit conditions.

Past, current (2021) and projected annual flows at the wastewater treatment plant are as shown in **Table VI-6**:

Table VI-6 Total Annual Average Day Flow (AADF) in million gallons per day

	2008	2015	2021	Estimated Buildout 2040
Flows (MGD)	0.60	0.70	1.25	5.4

The actual amount of wastewater treated each year between now and buildout of the community will depend upon the pace of development as determined by market conditions.

3. Effluent Discharge, Sludge Disposal and Industrial Waste Regulation

Treated effluent is discharged to the Old River pursuant to Wastewater Discharge Requirements in the Order No. R5-2017-0119 , NPDES Permit No. CA0084271 and Time Schedule Order No. R5-2017-0120. These orders and the permit are effective February 1, 2018 and expire on January 31, 2023.

Sludge generated in the Sequential Batch Reactors is removed as needed and recycled on permitted lands or disposed of in a landfill of appropriate classification.

The MHCS D Board of Directors has adopted an ordinance "Regulating Industrial Waste into the Mountain House Wastewater Collection and Treatment System."⁷² MHCS D is responsible for administration of the programs to enforce the provisions of this ordinance and expects day-to-day monitoring to be the responsibility of the contracted services provider. The MHCS D's WWTP is governed by an NPDES permit issued by the Central Valley Regional Water Quality Control Board (Regional Board), which is required to be reviewed every five years.

4. Future Wastewater Demand and Systems Improvement

Based on projected wastewater generation factors for various land use, the projected buildout plant capacity is 5.4 mgd. An evaluation is underway that estimates the capacity to be 4.0 mgd

⁷² See Div. 6. – Wastewater Control and Pretreatment Ordinance, MHCS D Municipal Codes.

and the current expansion is for a 4.0 mgd MBR treatment plant that can be expanded to 5.4 mgd if necessary, by adding additional membranes.

The Wastewater Operations and Maintenance (O&M) Fund and the Capital Improvement Plan (CIP) Fund pay for necessary O&M as well as any system upgrades necessary to meet regulatory conditions and infrastructure repairs. Revenues for these two funds are generated from wastewater rates which are reviewed and updated as necessary. Rates are planned to be reviewed every five years to ensure O&M expenses and CIP requirements are met. Infrastructure expansion to serve new development is funded by developer impact fees.

The MHCS D evaluates its rates and pledged facilities fee structure on a continuous basis to assure that sufficient funds are generated to pay for the various public improvements needed to provide wastewater treatment and collection services for the existing and increased population, and to reimburse initial developers of infrastructure.

Current ongoing maintenance and CIP projects include evaluation of pumps and mixers to determine indications of bearing or bus ing failure; based on this assessment and age of the equipment, certain units may be marked for removal and replacement. An amount of \$368,000 is budgeted in the FY2021-22 CIP budget for this testing and repair.⁷³

During Phase III of the Wastewater Treatment Plant expansion the plant was designed and is being constructed as an MBR plant with a 4.0 mgd capacity which is expandable to 5.4 or any capacity needed for the buildout of the community.

E. STORM WATER DRAINAGE

The MHCS D provides storm water drainage infrastructure for the master planned Mountain House community. The Mountain House Master Plan establishes objectives, policies and implementation measures for the community's storm drain collection system, including off-site watershed, primary storm drain facilities, secondary storm drain facilities, Mountain House Creek, BMP treatment, flood protection, and phasing of the storm drain collection system. Subsequent storm water master plan updates revised the Master Plan. A drawing of the Storm Water Drainage System Master Plan is attached as **Exhibit IV**.

The storm water drainage system is managed by the MHCS D's Public Works Department. Although managed by the MHCS D, the operations and maintenance services are contracted to a private entity, currently Inframark (formerly known as Severn Trent), for the storm water drainage system to meet MHCS D contract specifications, State and Federal laws, and permits conditions. The MHCS D NPDES permit is also managed by the Public Works Department. The contract was originally approved by the MHCS D Board of Directors in May 2008, but has since been renewed, including an extension through 2024.⁷⁴

⁷³ MHCS D 2021/2022 fiscal year budget, pg. 139.

⁷⁴ Amendment Renewing Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Facilities and Utility Billing Services for the MHCS D, effective June 1, 2021 through June 30, 2024.

1. Existing Storm Water Collection System and Planned Expansion⁷⁵

The existing "state-of-the-art" storm water collection system collects, filters, conveys, and treats runoff from within the master planned SOI area and from within the watersheds to Old River via a gravity flow system.

The Mountain House storm water collection system is a gravity system consisting of street inlets, carbon filters located at the inlets, water quality storage ponds and treatment basins, an engineered Mountain House Creek (for further treatment), culverts, inlets, and approximately 78.14 miles of lines.⁷⁶

The storm water collection system has been designed for buildout through its various master infrastructure plans. The current system will be expanded as development occurs within the master planned and SOI area. Additional lines and infrastructure will be constructed by the developers as neighborhoods are ready for development and as development occurs in Town Center and other planned development areas.

The charcoal filters located at each existing inlet within the developed area provides initial treatment of runoff collected from rooftops and streets. The primary treated storm water flows from the street level inlets to water quality detention and treatment ponds where secondary treatment occur allowing sediments, debris, and chemicals to settle before runoff is allowed to enter the primary channel of Mountain House Creek, and ultimately Old River. Maintenance of the detention basins is contained in a Mountain House Creek O&M plan. Further filtration of water quality occurs in Mountain House Creek as flow meanders through vegetated areas. In addition to treatment, the ponds serve as temporary storage regulating storm water flow to the system downstream. Additional water quality detention basins currently exist north of Byron Road, adjacent to the railroad and Mountain House Creek, and south of Grant Line Road at Central Parkway.

Storm water quality standards imposed and monitored by the EPA and the State Water Resources Control Board through the City's storm water NPDES permit require treatment of storm water runoff prior to its release into the sloughs, creeks, rivers or the Delta. Treatment is often provided within the detention basins in a separate "wet" area that is adjacent to the main basin. Other treatments are being provided by on-site source control and by site specific BMP measures such as inlet filtration fabrics, and street sweeping.

Mountain House Creek has been enlarged to maintain the minimum required freeboard for 100-year flood conditions and to contain detention ponds to regulate flow downstream. MHCS D has updated a hydraulic model of Mountain House Creek showing capacity to contain flows in excess of the 100-year flood event. In accordance, with Senate Bill 5 and interrelated flood management bills passed by the California Legislature in 2007, the County of San Joaquin defined a 200-year discharge event in terms of flow. In 2022 MHCS D updated the previous

⁷⁵ MHCS D 2017 MSR.

⁷⁶ Correspondence from MHCS D, 4/25/2022.

Mountain House floodplain mapping analysis (2017) that analyzed flood risks to the MHCSO lands to incorporate the consideration of future hydrologic projections due to climate change.⁷⁷

2. Storm Water Discharge Permit and Water Quality Management Program

MHCSO has obtained a NPDES Storm Water Discharge permit from the Central Valley Regional Water Quality Control Board.⁷⁸ These permits issued by the Regional Board set forth the regulatory requirements that MHCSO is required to follow in order to operate and maintain its storm water facility with the goal of minimizing any environmental impact to the waterways of the state. These requirements are contained in the Regional Board's Basin Plan and are better known as Best Management Practices (BMPs), which identify the following programmatic requirements to protect water quality. BMPs include the following: educational activities, street sweeping, periodic testing of storm water runoff and working with commercial and industrial businesses to minimize their contribution of polluting elements contained in runoff that goes into the storm water system. The MHCSO has installed individual storm drain catch basin carbon-based filter inserts to treat and capture various debris, litter, waste, and other contaminants at its collection points prior to entering the storm water conveyance facilities.

A Storm Water Management Program (SWMP) was developed in August 2008.⁷⁹ In October 2015, the SWMP was revised to comply with the NPDES Phase II requirements for small municipal separate storm sewer systems (MS4s). The goal of the SWMP is to reduce the discharge of storm water pollutants to the Maximum Extent Practicable (MEP), protect water quality and satisfy the requirements of the Clean Water Act (CWA). The SWMP includes the implementation of best management practices (BMPs) in each of six categories, an implementation schedule, and measurable goals to help ensure that storm water discharged is of the highest quality that is economically possible.

3. Future Storm Water Drainage Demands and System Improvements

MHCSO maintains a Storm Water Master Plan (May 2003) with updates (2006) for the Mountain House community. The existing storm water infrastructure is designed to employ a variety of drainage concepts, the most critical being the ability to exceed 100-year flood protection. In 2006, development located along Old River added and graded material to protect against a 100-year flood event.

The storm water system also serves to improve water quality and enhance the community's natural aesthetics by providing open space and nature trails along the perimeter of Mountain House Creek, the primary storm water conveyance that collects storm water from the residential villages and conveys the storm water to the downstream discharge at Old River.

⁷⁷ Mountain House 200-Year Climate Change Floodplain Mapping, Prepared by R&F Engineering, Inc., March 9, 2022.

⁷⁸ NPDES permit numbers for Mountain House MS4 Small Non-Traditional Stormwater: ORDER NO. 2013-0001 DWQ NPDES NO. CAS000004.

⁷⁹ MHCSO Storm Water Management Program, August 2008, Prepared by Jacobs Carter Burgess.

According to modeling studies,⁸⁰ Mountain House Creek is able to convey the 200-year flood event, with several areas of minor over topping of the creek's banks adjacent to woodland and park areas that can store and regulate the 200-year storm water event without damage to critical infrastructure or residential areas.

MHCS D has an Operations and Maintenance Manual - Mountain House Creek.⁸¹ The purpose of this manual is to determine and provide O&M guidelines for proper management and engineering of Mountain House Creek.

The Capital Improvement Plan contained in the FY2021-21 adopted MHCS D Operating and Capital Improvement Budget includes \$575,000 for Stormwater Facility Repair for permit related consultation, establishment of staging areas and access for Creek Park maintenance, and work related to beaver burrows. The funding source for this project is identified from the Storm Water Fund.

MHCS D evaluates its storm water fee structure on a continuous basis to assure that sufficient funds are generated from development to pay for the various public improvements needed to serve the increased population.

F. Determinations

The ability of the MHCS D to provide services is presented in this MSR with an analysis that shows MHCS D's capability in providing adequate public facilities and services to meet the existing and growing needs of the community.

MHCS D entered into a Public Services Allocation (PSA) agreement that defines which services will continue to be the responsibility of the County and which will be provided by the District. The County will provide land use and building approval/inspection services, while the MHCS D provides services under its eighteen legal powers as defined in the California government code establishing the MHCS D for water, wastewater, storm water, garbage, law enforcement, fire and EMS, street lighting, library and building services, road maintenance, transportation services, graffiti abatement, CC&R enforcement, flood control protection, pest and weed abatement, wildlife habitat mitigation, telecommunication, dissemination of information, and park and recreation. Many of these services are currently provided through contracts for service. As the community grows and/or incorporates, contract for services will be continually re-evaluated for cost-effectiveness, efficiency, and service quality to the community.

Public facilities, including all water, wastewater, storm water, streets/signals/lighting, parks, schools, community centers, public safety buildings, library, corporation yard, and town hall are specified in the Master Plan, along with binding agreements with developers to ensure proper funding and triggers for construction of the facilities are met. New development within the SOI will lead to population growth and the need for additional public facilities and service

⁸⁰ Pace Advanced Water Engineering Technical Memorandum, 200-Year Flood Elevations in Mountain House Creek, November 2015

⁸¹ Operations and Maintenance Manual - Mountain House Creek, 2016.

provisions as stipulated within the development and financing agreements that serve as implementation of the Master Plan. MHCSD track and forecasts the timing and amount of new development to anticipate and plan for needed public facilities and infrastructure; the District continually updates its long-term plans and its 5-Year Capital Improvement Program.

Master Plan policies are in place to ensure adequate service provisions for current and future populations. Greater detail regarding present and planned public facilities is in **Chapter VI**.

VII. Determination #4: Financial Ability of the Agency to Provide Service

This chapter of the Municipal Services Review describes the financing system currently in place that provides the Mountain House Community Services District with the ability to fund all of the services contemplated in the original Master Plan and the Public Service Allocation Agreement between the MHCS D and San Joaquin County. The financing system was described in the Public Financing Plan adopted by the County as one the "Community Approvals" that provide the guidance for the implementation of the Master Plan.

A. INFRASTRUCTURE FINANCING

All infrastructure needs for the Mountain House Master Plan area and SOI are described in the Mountain House Master Plan and detailed in the Specific Plans and the tentative maps. The concept approved by the San Joaquin County Board of Supervisors (from the beginning and carried out today) is that developers would install and fund all infrastructure necessary for buildout of Mountain House.

Developers would be reimbursed from subsequent development and from bond proceeds as development occurs for the costs associated with installing this "backbone" infrastructure. This financial system is managed by the MHCS D as developers construct the various required facilities contained within the conditions of approvals for each map. Required facilities include utility collection and distribution lines, water and wastewater treatment plants, pump and lift stations, storm water basins, arterial and many of the collector streets and associated street lighting, traffic signals, parks and public facilities - all facilities necessary to provide a high quality of life for Mountain House residents. These facilities are detailed in the various planning documents. Costs for infrastructure within the boundaries of individual "tracts" that serve individual parcels are not reimbursable since this is the developers' cost of preparing parcels for building.

Developer reimbursements occur through two financial vehicles. The first primary financial reimbursement is to the Master Developer, Trimark, for the construction of the water, wastewater, and stormwater treatment facilities required prior to any construction in Mountain House. Located on Mountain House ratepayer monthly utility bills is a line item for debt service. These line items represent water, wastewater, and stormwater notes payable to the Master Developer that constructed the original improvements. The current debt balance for the systems identified above is \$135.9 million.⁸² Bonds typically contain a fixed repayment schedule at an identified interest rate; notes can have a repayment schedule as well, but in the case of Mountain House, the debt payments are paid as they are received from the ratepayers, which means there is no repayment schedule or term that is defined when the debt should be paid in full, which is projected to be around the year 2050. MHCS D discloses the debt numbers and supporting documentation in the annual financial statements, the most recent available is for the fiscal year ending June 30, 2021. According to the "Payment Requirements for Debt

⁸² MHCS D Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021, Long-term debt, pg. 11.

Service", an explanation reads as follows: "Due to the unknown amount and timing of future debt payments on the pledged (debt service) notes payable, the future maturity schedules for these payables are not available.⁸³

The second financial vehicle for reimbursing developers for constructing public facilities and roads is through the Community Facility Fee (CFF) and Transportation Improvement Fee (TIF) programs. As the community develops, maps are approved that contain conditions of approval requiring the construction of public facilities, many of which contain triggers when certain public facilities and roads must be built. Once the facilities are built, MHCS D accepts and certifies the facility following a detailed inspection to ensure it meets all standards and specifications. Once accepted by MHCS D, the facility ownership and responsibility for operations and maintenance (O&M) is transferred to MHCS D. The certification process and the Master Acquisition and Reimbursement Agreement (MARA) stipulate the amount to be reimbursed to the developer. As building permits are pulled, a certain amount of each permit goes into restricted CFF and TIF funds maintained by the MHCS D, which are then paid to the developer next in line for reimbursement.

B. OPERATING SERVICES FINANCING

The Public Finance Plan for the Mountain House Community Services District was coordinated with the Public Service Allocation Agreement (PSAA) between the MHCS D and San Joaquin County to ensure that the MHCS D has sufficient funds at buildout to provide the services that the Agreement delegates to the District without a financial impact to the County. This chapter of the MSR addresses the source and adequacy of funding for each type of service.

Operating Services have five principal sources of funding. Utility Services are funded through user fees. General government services such as public safety, parks and recreation, and road maintenance are funded through a combination of Parcel Taxes designated for particular services, property taxes, and franchise and permit fees from the gas and electric and other utility type providers and the refuse collection provider. Services to oversee developer construction of infrastructure are funded entirely through charges to the developers.

Gas Tax, Motor Vehicle in lieu taxes and Sales Taxes are unavailable to the CSD and retained by the County to provide a source of funding for county land use, law enforcement (MHCS D also funds law enforcement via contract with the county described elsewhere within this document), social and health services available and provided to Mountain House residents.

Four special taxes by parcel exist in Mountain House - one of the primary funding mechanisms to adequately fund services and to ensure that the Master Plan community of Mountain House is not a financial burden to existing San Joaquin County residents. The table below reflects the

⁸³ Notes to Basic Financial Statements, June 30, 2021, Page 37

use of the tax and the amount paid by the average sized residential property in Mountain House.⁸⁴ Rates are subject to adjustment annually by the MHCSD Board.

Table VII-1: Special Parcel Tax Use and Annual Rate

<u>Tax</u>	<u>Use</u>	<u>Rate for Average Size Home</u>
Special Tax No. 1 - Roads, Transportation and Community Services	Maintenance of streets, public transportation, and operational costs not adequately funded from other sources	\$984
Special Tax No. 2 - Public Safety	Fire, police, ambulance, security, graffiti abatement and animal control	\$505
Special Tax No. 3 - Parks	Parks, landscaping, open space and community facilities maintenance and operation and provision of recreation services	\$86
Special Tax No.4 - Public Works	Street lighting and traffic signals, and other public works services.	\$92

Approximately 15.9 percent of the 1 percent of property tax collected on property within the MHCSD is returned to the District to fund services. The Byron Bethany Irrigation District collects 11 percent of the 1 percent of the property tax within MHCSD because Mountain House is located within BBID's irrigation district service area, which provides access to the pre-1914 water rights.

1. Utility Services

Water, wastewater and storm water utilities are intended to be funded through user fees, billed monthly to the customers. The user fee rates were initially set to require the use of property tax revenue to supplement user fee revenue in the first five years, assuming that land within the Mountain House Master Plan area would be developed at the rate last projected in 2002. It was understood that fixed costs to operate the utilities would change largely at the rate of inflation and in response to any new federal or state regulatory conditions. Some costs, such

⁸⁴ Avg. rate per home estimated based on current rates per ordinances adopted June 9, 2021. Rates assume average home size of 2,650 sq.ft. on an average lot of 4,000 sq.ft. and 42% FAR. Actual rates will vary depending on home and parcel size.

as purchase of raw water from the Byron Bethany Irrigation District, would increase in proportion to the rate of development in Mountain House.

With the downturn in the housing market in 2008, the projected growth did not occur leaving single-family residential construction significantly behind expectations, along with little in the way of retail, commercial, or industrial development. As a result, utility user fees revenue continued to be insufficient to cover all of the costs of operating the three utilities, requiring the use of property tax revenue to balance the utility enterprise. As described in the District's budget, in order to address the unsustainable subsidy of the water and sewer enterprises, the District conducted a rate study during the 2016/2017 fiscal year to determine the appropriate rates needed to make the enterprises self-supporting. The District is entering the fifth year of the adopted plan and reviewed and approved utility rates in 2022.⁸⁵ The goal is to eliminate the subsidy by the end of the 2021/2022 fiscal year. MHCSD will need to perform another rate study for the five-year period beginning in fiscal year 2022/2023.⁸⁶

2. General Government Services

MHCSD is legally responsible to provide eighteen (18) general government services. Eighteen of the primary general government services for which the MHCSD is responsible are the following:

1. Water Service
2. Sewer Service
3. Garbage Service
4. Fire Protection
5. Public Recreation
6. Street Lighting
7. Library Buildings and Services
8. Convert Utilities to Underground
9. Police Protection
10. Road Maintenance
11. Transportation Services
12. Graffiti Abatement
13. Covenant Codes & Restrictions Enforcement
14. Flood Control Protection
15. Pest and Weed Abatement

⁸⁵ Fees were reviewed and approved by the MHCSD Board 5/11/2022.

⁸⁶ MHCSD 2021/2022 Adopted Budget, pg. 8.

16. Wildlife Habitat Mitigation
17. Telecommunication Services
18. Dissemination of Information

Some of the regulatory powers provided to MHCS D by law, such as "Convert Utilities Underground," are not applicable, since all utilities are designed and built underground per the Master Plan since the inception of the community. Services that do apply are funded through Special Taxes, Property Taxes, Franchise Fees and Permit revenue. The most recent fiscal model prepared for the adoption of Specific Plan III illustrates that there is sufficient funding available at buildout of the Master Plan and Sphere of Influence area to finance the required services.

3. Services to Assist Developers

As developers construct water, wastewater and storm water facilities, parks, roads and community buildings, MHCS D checks the plans to ensure that they conform to the Master Plan requirements and that the detailed plans and specifications will provide a facility that is long lived and meets the expectations of levels of service in various detailed planning documents such as the Mountain House Water, Wastewater and Storm Water Master Plans and the Park and Leisure Plan. As facilities are constructed, the MHCS D inspects them to ensure they are constructed according to the approved plans. This work is preceded by extensive meetings with the developers as they plan the timing of facility construction. The Master Acquisition and Reimbursement Agreement (MARA), tentative map conditions, and fee schedule collectively provide developer funding requirements for MHCS D staff time and materials to facilitate approval of infrastructure development and community planning. No general government funds are used to support developer activities. Rather, the developers are invoiced and reimburse MHCS D for the cost of services.

C. School Construction Financing

Prior to approval of a final map, the developer must reach a financing mitigation agreement with the Lammersville Unified School District (LUSD). To date, those mitigation measures have been the formation of a Mello-Roos District, pursuant to the Mello-Roos Community Facilities Act of 1982, to have each property pay a tax to generate the revenue for school construction. While each developer may use some other financing arrangement to pay the cost of school construction, it is anticipated that all of the property within the Mountain House Master Plan and Sphere of Influence area will be included in a Mello-Roos District to generate the needed school construction funds. MHCS D is not legally responsible or involved in any way with the LUSD and development activities regarding the payment and construction of schools.

D. Other Assessment Districts

If the developer chooses to provide open space, park land or lighting infrastructure in excess of the standards established for Mountain House, they are required to form an assessment district under the appropriate state code provisions, so that the properties that will benefit from the

higher level of infrastructure to pay the cost of on-going maintenance. The MHCS D is in the process of forming several lighting and landscape assessment districts at the request of developers pursuant to this policy.

E. Opportunities

The residents of Mountain House and Board of Directors of the MHCS D have the following opportunities to increase revenue to fund District services:

- Increase utility user charges to reduce the amount of general tax money needed to fund utility services. This option would trigger the statutory requirement for a protest ballot vote contained within Proposition 218 requirements approved by California voters in 1996. MHCS D reviewed and updated its utility fees in 2022.⁸⁷
- Increase the special tax rate. The MHCS D Board is limited to increasing the rate not more than 4% per year to offset the impact of inflation on service costs. The Board has limited past increases because of concerns regarding high property taxes, assessments, and rates in Mountain House.
- Establish a community-wide Mello Roos District to fund a higher level of service than the present tax and fee revenue might allow.
- Establish and periodically review and update park and recreation fees to help offset operating costs as recreation services are implemented and community facilities, such as community centers and swimming pools, are constructed and operated.

F. Determinations

Revenue from the current fee and tax structure is adequate to fund the projected level of services needed at buildout of the community, except utility rate charges for water and wastewater operations and maintenance costs. As stated previously, ongoing rate analysis for water and wastewater operations and maintenance enterprise funds is conducted to eliminate General Fund subsidies for utilities. All property owners and residents will pay their fair proportionate share toward the provision of services based on the fee and tax structure adopted by the MHCS D Board of Directors.

A financing plan was developed that projected the costs of providing an urban level of service to the Master Plan area at buildout of the community and established financing mechanisms sufficient to fund needed facilities. Details regarding the level of services are contained in the Master Plan and subsequent supporting documents approved by the County. Sufficient funds are currently available to meet the needs of the present population and are projected to be

⁸⁷ Fees were reviewed and approved by the MHCS D Board 5/11/2022.

sufficient to meet the needs of the population at buildout. The sufficiency of funding has been reviewed by the County each time it has approved a Specific Plan.

The MHCS D receives funds from utility user service charges, property and special parcel taxes, franchise and permit fees, and developer reimbursement of MHCS D costs in support of developer construction of infrastructure and planning activities. As land within the Master Plan and Sphere of Influence area are annexed to the MHCS D, the tax and fee structure of the District will apply equally to the newly annexed territory.

The expanded tax base that results from new development will provide funding for these facilities and services. Development fees collected when building permits are issued are used to pay back developers for constructing community facilities, while utility debt service fees collected as part of the monthly utility bill are used to pay back the Master Developer for design and construction of the state-of-the-art water, wastewater and storm water treatment systems. Development and connection fees will fund capital costs with user charges funding operating and maintenance (O&M) expenses. Current O&M rates are under review by the MHCS D to ensure revenues cover O&M expenses.

VIII. Determination #5: Status of, and Opportunities for, Shared Services

This chapter is a review of the current use of shared facilities by MHCS D and the opportunity for sharing additional facilities and resources. MHCS D provide an appropriate level of fire protection and emergency medical services, law enforcement, water, wastewater (sewer), and storm water services in a cost efficient manner to areas within the master planned area and SOI as buildout continues.

A. Current and Future Potential Shared Facilities

1. Law Enforcement, Fire and Emergency Medical Services

Currently, the MHCS D has a joint fire station and sheriff's administrative substation located in the same building. Dedicated office space is also located within the MHCS D offices that the Sherriff's patrol deputies utilize on a 24/7 basis. Law enforcement support services originate from the main Sheriff's Department facility, approximately 20 minutes driving time from Mountain House. At times, the Sherriff's department utilizes personnel and resources from the California Highway Patrol, from the nearby CHP Tracy, California station. Additionally, the new, permanent Town Hall has been built with a significantly larger police substation within the shared town hall.

Additionally, the MHCS D main fire station and the planned second station north of Byron Road are part of an overall fire response and emergency medical system for the community of Mountain House. Mutual and Automatic Aid is received from and provided to fire districts adjacent to Mountain House providing additional Fire and EMS services. This sharing of resources and facilities avoids duplication and overlapping service areas while providing all of the residents with a properly spaced set of fire stations and a timely response from not only the closest station but also quick and adequate backup from nearby fire stations.

The current fire station has provided sharing opportunities for community meetings to take place by sharing their conference rooms for meetings and assembly. The Emergency Operations Center is housed at the current fire station and is available for shared emergency response and the California Office of Emergency Services. The fire station parking facility also is utilized for shared parking of MHCS D official vehicles.

2. Utility Services

The current contract for utility operations and maintenance provides that the operator can establish a state certified laboratory at the Mountain House facility. This laboratory results in cost savings to the MHCS D by having the ability to conduct tests with on-site staff rather than send them to another laboratory. The certified lab was established however it is not currently staffed and tests are sent to an outside facility. The lab could be re-established in the future.⁸⁸

⁸⁸ Correspondence from MHCS D, N.Shareghi, May 13, 2022.

3. Landscape Maintenance

Presently, the contractor providing landscape maintenance services stores equipment outside of Mountain House because storage and work yard facilities are not available. The MHCS D has considered the usefulness of the contractor leasing a portion of a 3-5 acre site outside the wastewater treatment plan compound that would include a power supply and an area for equipment and a job trailer; no plans for leasing have been implemented, however, the option remains open for future discussion.⁸⁹ Once the corporation yard is constructed by the developer, the landscape maintenance contractor intends to share a portion of the MHCS D corporation yard to house its equipment. This will provide a faster response and lower cost of service to the MHCS D through the lease revenue.

4. Library Services

The Mountain House branch library is part of the Stockton-San Joaquin County unified library system. The Master Plan for the community and the Public Service Allocation Agreement between the County and the MHCS D both note that the library services will be provided to Mountain House through this arrangement. The MHCS D, like other communities with branch libraries of the countywide system, provides the library building and building operating expenses. The initial collection of library material and all furnishings were also provided by the MHCS D. The library system provides the staff and replacement/enhancement of the collection. Funding for the library system's responsibility comes from a portion of the County property tax revenue that is earmarked by the County to fund library services to the branches outside of the City of Stockton and to provide access for all county residents to both the main library in Stockton and any branch library. Materials can be reserved and will be delivered to Mountain House from other branches upon request by a library patron.

MHCS D included a new permanent library co-located with the new permanent community Town Hall on Main Street in the Town Center. The two new buildings share a common conditioned lobby and courtyard, as well as share a multi-purpose room and conference rooms accessible to the community. Both facilities are designed to serve the community through buildout of the Master Plan and SOI.

5. Parks and Recreation

The Mountain House community in conjunction with the MHCS D has individual neighborhood parks located in each of the twelve villages and a Central Community Park to provide ample park and recreational shared facilities with various parties, groups, vendors, bands, and others who wish to hold events, activities, and recreation. The Master Plan discusses the planned regional trail system that can have the opportunity to share and link with other regional trails such as the Alameda County's East Bay Regional Park District's trail system. This trail system connectivity will provide shared facilities for recreational use on a regional level. Portions of the

⁸⁹ Correspondence from MHCS D, D.Louie, May 16, 2022.

regional trail system including the trail along the creek have been built. A proposed trail along the river located north of Byron Road will be built as development occurs in the area.

6. Infrastructure

The current infrastructure in terms of poles, public facilities, and lands offers shared opportunities with high-tech companies to provide modern technologies (i.e., cell phone towers, Wi-Fi antennas, 5G facilities, etc.) to the master planned population while providing an additional revenue stream for the MHCS D from franchise fees.

7. Transit

The planned Transit Center located within the Town Center will provide shared facilities with other transit agencies, operators, and entities to/from the master planned community for commuting or mobility purposes. These shared transit opportunities and facilities will serve and provide quality of life benefits for the current and future population within and outside the master plan and SOI boundaries. MHCS D is also working with Commute Connection and Regional Transit to develop Park-N-Rides strategically located throughout the Mountain House community using a phased approach to begin providing this service at the earliest possible date. During this interim period, the MHCS D parking lot is used as a Park-N-Ride for commuters to meet and carpool.

B. Determinations

The MHCS D has multiple planning processes in place to assess whether levels of service provided are adequate to accommodate new growth, including appropriately noticed and managed Board meetings, the Master Plan and Specific Plans, financial planning and audits, strategic planning, capital improvement plans, pavement management plans, annual budgeting process, master planning processes for water supply and distribution, wastewater and sewer systems, urban water management plan, as well as fire protection and law enforcement services. The financial department is now preparing non-mandated, but appropriate, Comprehensive Annual Financial Report (CAFR) as a tool to provide high level financial integrity in the District's systems. Through these processes the MHCS D will continue to monitor and assess whether future opportunities for shared facilities will improve levels of service in a cost-effective manner.

IX. Determination #6: Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

This chapter of the Municipal Services Review considers the accountability for community service needs given the MHCS D's government structure and operational efficiencies. LAFCO is required to consider the advantages and disadvantages of any options that might be available to provide the services. In reviewing potential government structure options, consideration may be given to financial feasibility, service delivery, quality and cost, regulatory or government frameworks, operational practicality, and public reference.

A. Governmental Structure

The initial stage in the process of creating a district that is representative of the Mountain House community residents was to create a "dependent district," with the San Joaquin County Board of Supervisors serving as the District Board of Directors. The state legislation creating the district specified that an election would be held to determine if the residents wanted to change the district to an "independent district." This election was held in November 2008, and the residents voted to convert to an "independent district" governmental structure also known as the MHCS D. The election for the Mountain House Board of Directors was also held in November 2008 and the new Board took office in December 2008.

The functions of the MHCS D Board of Directors are the same as those of the Board of Supervisors who initially acted as the District Board of Directors. These functions are spelled out in the Public Services Allocation Agreement as well as the Master Plan. The County Board of Supervisors retained and continues to provide responsibility through its planning and building department for land use decisions, as originally planned. The sources of revenue for the district have remained unchanged and all ordinances, resolutions, board orders and agreements approved by the San Joaquin County Board of Directors to-date have remained in effect.

1. Incorporation

MHCS D has submitted an application to LAFCO to incorporate and become a city. LAFCO is in the process of preparing a Comprehensive Fiscal Analysis (CFA) as required by to determine financial feasibility. The Incorporation Feasibility Analysis (IFA) prepared by MHCS D in advance of its application to LAFCO concluded that a new city could be financially viable while increasing and improving local services and facilities provided to the community.⁹⁰

2. Public Information and Participation

Since its creation and election, the MHCS D and its Board of Directors have been holding public meetings in the evening. Such Board meetings and other meetings are widely advertised in advance per the Brown Act and encourage the community to attend/participate. These same meetings are streamed live online. In addition, for those who are not able to attend, or are not

⁹⁰ MHCS D Incorporation Feasibility Analysis (IFA), Oct. 2, 2020, prepared by Berkson Associates.

able to watch real time via streaming services, community members can watch a recording of the board meeting available thru the MHCS D website. Over the past few years, the community has communicated and ramped up its public participation processes and the MHCS D has exchanged public information through expanding use of social media. Representatives of the Sheriff's Department and the Fire Department, the Library and local medical providers continue to make presentations at MHCS D Board meetings and MHCS D sponsored community Town Hall meetings. The use of "Town Hall" meetings is very successful and meetings are well attended, which serves to convey important and timely information to the community.

MHCS D publishes a monthly newsletter mailed to all of the residents and notifies them of special community events and other information. Further, the District's website allows staff to update the website on a continual basis to provide dynamic, current information to the community. To assure inclusion of non-digital residents, the MHCS D conducts an annual public survey thru a combination of either or both hard copy mailings and home visits. MHCS D offices and staff are public and directly accessible to the public.

B. Evaluation of Operational Efficiencies

1. Method of Establishing New Operating Systems and Procedures

As a participatory form of local government, residents ultimately have input and oversight on the provision of community service needs and public services. Residents elect its Board of Directors through staggered four-year (4) terms. Elected directors take an oath of office to serve in the best interest of the community. In turn, the Board of Directors appoints a General Manager responsible for carrying out the day-to-day policy decisions and direction of the Board. The General Manager is responsible for overseeing and directing the MHCS D staff and resources for meeting the community service needs.

Since the principal focus of the staff is necessarily on designing and implementing infrastructure and services, the MHCS D uses the services of consultants experienced in managing all aspects of urban services to develop the detailed plans, ordinances, policies, standards and financial systems. Where possible, MHCS D has continued to use the services of the County. However, the MHCS D has also developed its own personnel rules and labor relations policy, purchasing ordinance, waste management, water and sewer ordinances. Many new operating systems and procedures are continually being developed, implemented, or purchased as they are needed.

The MHCS D is constantly evolving to add new operating systems, policies, and procedures. The MHCS D staff via the General Manager brings these issues to the attention of the Board of Directors, along with the history and status of policies and procedures, and recommends new operating systems, policies, and procedures for the Board to adopt. The Board of Directors work with the General Manager to ensure that staffing levels are appropriate to the level of service desired by the community and that work processes are prioritized to the needs of the community and are the most cost effective.

C. Determinations

The present governance structure of the MHCS D changed to that of an independent district in December 2008. The establishment of a voter-approved MHCS D resulted with the seating of a newly elected Board of Directors. The Board of Directors make the final decisions concerning fee structures and provisions of service subject to state law. The MHCS D Board of Directors reviews its fee structures for fire protection and emergency medical, water, sewer, and storm drainage on a nearly continual basis, but no less than once every five years. MHCS D Master Plan and other documents have numerous goals, objectives, policies, and actions to ensure that adequate services are provided in a cost effective manner to accommodate new growth; the documents are publicly reviewed and posted to assure transparency.

MHCS D has submitted an application to LAFCO to incorporate and become a city. LAFCO is in the process of preparing a Comprehensive Fiscal Analysis (CFA) as required by to determine financial feasibility. The Incorporation Feasibility Analysis (IFA) prepared by MHCS D in advance of its application to LAFCO concluded that a new city could be financially viable and increase services provided to the community.⁹¹

Mechanisms are in place within the organization to effectively provide for public participation in the planning and development process to address government structure options to provide efficient and cost effective public facilities and services. Most of the planning, operational and financial systems of the MHCS D are continually being improved as the District staff implement large infrastructure projects and establish new services for the growing community. MHCS D staff continues to seek approval and direction from the Board in prioritizing goals and objectives to assess service levels, appropriate staff levels for the needed services, and to monitor the effectiveness of service delivery.

The MHCS D's use of its budget process and long range infrastructure planning processes ensure that it is able to provide directly, and through contract, adequate levels of service in a cost-effective manner within its service areas. The MHCS D has demonstrated the ability to work with other service providers and districts to ensure that adequate, reliable services are provided in a cost effective manner. Efforts to ensure effective government structure for the provision of fire protection and emergency medical, law enforcement, water supply, wastewater treatment, and storm drainage facilities demonstrate the MHCS D's foresight to plan and provide for future service needs as MHCS D boundaries expand due to annexations and population increases.

⁹¹ MHCS D Incorporation Feasibility Analysis (IFA), Oct. 2, 2020, prepared by Berkson Associates.

Exhibit I Mountain House Master Plan Land Use Summary

Table 3.1: Land Use Summary									
LAND USE		Gross Area AC	% Acres	Expected Density DU/AC	Expected Units DU	Person/ DU	Population	Jobs per Acre	Jobs
RESIDENTIAL									
RVL	Residential/Very Low	63.7	2.0%	2.0	121	3.12	378		
RL	Residential/Low	921.8	37.1%	4.5	4,108	3.12	12,811		
RL	Residential/Low - Active Adult	277.2	11.1%	4.5	1,247	1.60	2,245		
RM	Residential/Medium	878.0	35.3%	6.0	5,338	2.70	14,415		
RM	Residential/Medium - Active Adult	104.7	4.2%	6.0	628	1.80	1,130		
RMH	Residential/Medium High	149.7	6.0%	14.0	2,075	2.00	4,150		
RMH	Residential/Medium High - Active Adult	29.4	1.2%	14.0	412	2.00	824		
RMH	Residential/Medium High - Senior Housing	5.0	0.2%	14.0	70	2.00	140		
RH	Residential/High	45.2	1.8%	20.0	904	2.00	1,808		
RH	Residential/High - Senior Housing	11.5	0.5%	20.0	230	2.00	460		
MX	Mixed Use (Town Center)				200	2.00	400		
	SUBTOTAL	2,688.2	100.0%		16,332		38,791		
ADDITIONAL & BONUS UNITS									
	Additional Units (Town Center)				240	2.00	480		
	Bonus Units (For HD Housing)				90	2.00	180		
	SUBTOTAL				330		660		
COMMERCIAL									
CN	Neighborhood Commercial	12.8	2.0%					24	307
CC	Community Commercial	97.4	19.4%					24	2,338
CG	General Commercial	41.8	8.3%					24	1,003
CO	Office Commercial	50.8	10.1%					44	2,235
CFS	Freeway Service Commercial	24.8	4.9%					24	585
CR	Commercial Recreation	215.5	43.0%					0.5	108
MX	Mixed Use (Town Center)	39.8	7.9%					51	2,030
MX	Mixed Use (Old River)	18.4	3.7%					51	938
	SUBTOTAL	601.4	100.0%						9,654
INDUSTRIAL									
IL	Limited Industrial (N. of Byron)	87.6						28	2,278
IL	Limited Industrial (S. of Byron)	187.9						32.3	6,089
IG	General Industrial	108.6						14	1,452
	SUBTOTAL	384.1							9,819
OPEN SPACE									
NP	Neighborhood Park	61.2						0.2	12
CP	IMH Creek Community Park	92.2						0.2	18
CP	Central Community Park	41.6						0.2	8
CP	Other Community Parks	53.3						0.2	11
RP	Regional Park	88.2						0.2	18
OS/O	Lakes	95.6						0.2	19
OS/O	Water Quality/Retention Basins	20.8						0	0
OS/O	Other Open Space (bullpens, gas/electric corridors)	41.2						0.2	8
OS/RC	Wetland / Resource Conservation	17.2						0	0
OS/RC	Dry Creek	13.0						0.2	3
	SUBTOTAL	624.4							97
SCHOOLS									
	K-8	160.0						2.5	400
	High School	46.5						2.5	116
	Community College	107.9						n/a	532
	SUBTOTAL	314.4							1,048
PUBLIC									
P	Wastewater Treatment Plant/Service Areas	48.2						5	241
P	Water Treatment Plant	16.9						5	85
P	Transit (includes designated paratransit lots)	10.9						5	55
P	Public Facilities (public)	22.3						5	112
P	Public Facilities (private)	10.2						5	51
	SUBTOTAL	108.6							643
TOTALS		4,317.0			16,992		39,421		21,082

- Notes:
- 1) All acreages exclude Arterial roadways. In Town Center, acreages also exclude Collector roads. RVL, RL and RM areas include Collector and local roadways (including some roads serving non-residential uses) and areas under powerline easement.
 - 2) Neighborhood 0 total excludes the high school and fire station. 1.8 acres of Neighborhood Commercial in Neighborhood F is for a community pool.
 - 3) Dwelling units are "Expected Units." For "Minimum Units" and "Maximum Units", see Table 3. Second unit dwellings are not included in Expected Units.

Exhibit II Buildout Potable Water Distribution System

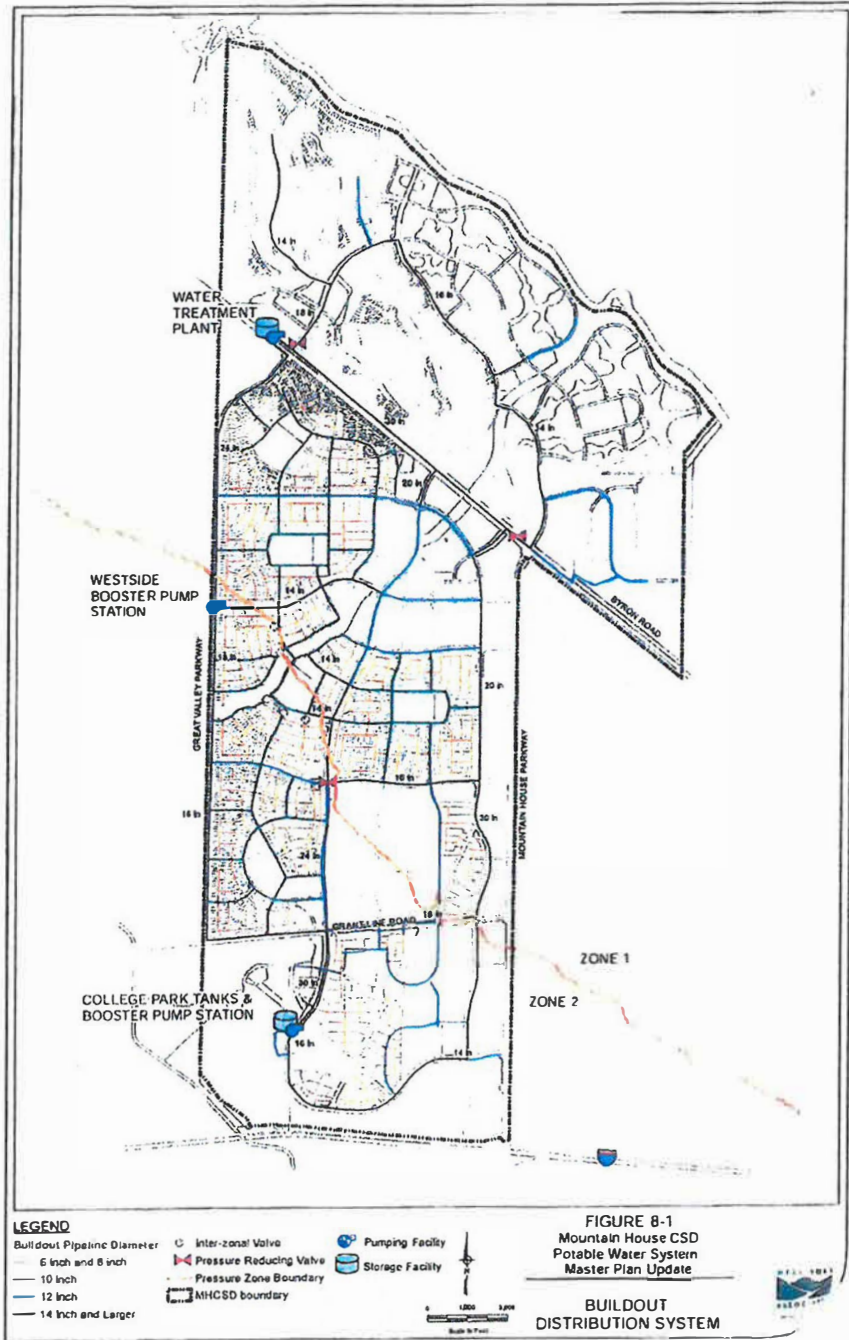


Exhibit III Buildout Wastewater Collection Facilities

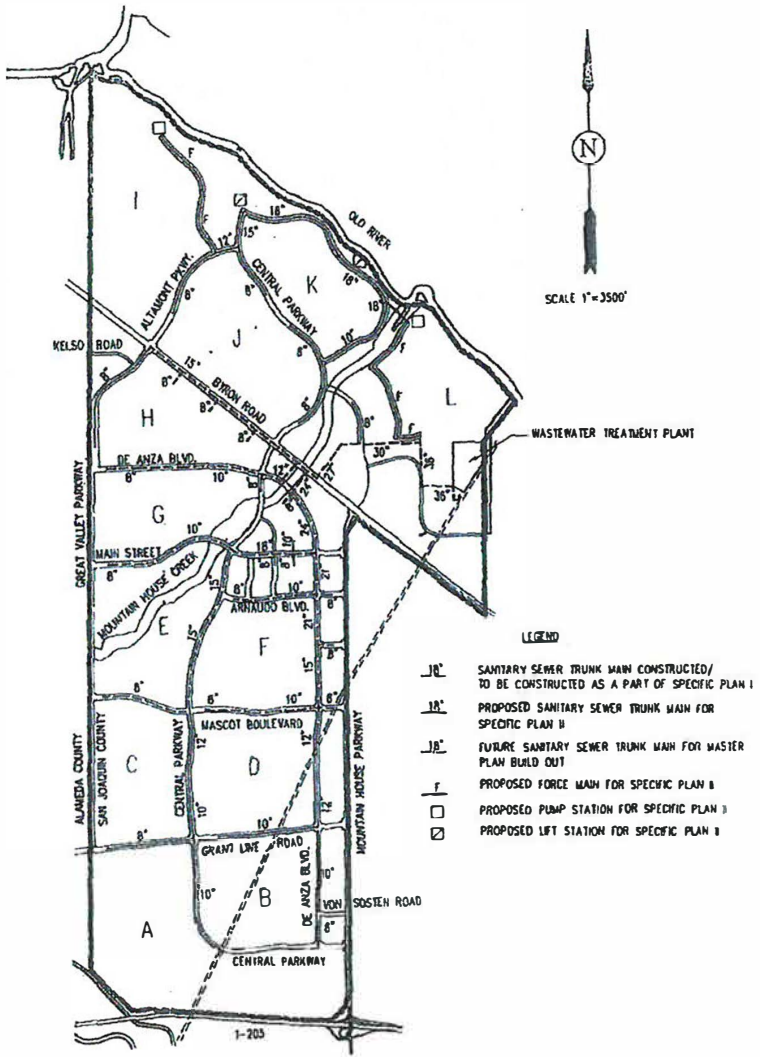


Exhibit IV On-site Watershed Drainage Map

