

EXHIBIT D.1

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, MAY 2, 2012 AT 7:00PM AT AZALEA HALL,
1620 PICKETT ROAD, MCKINLEYVILLE**

The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:00pm with the following Directors and staff in attendance:

Dennis Mayo, Board President
David Couch, Vice-President
John Corbett, Director
Bill Wennerholm, Director
Helen Edwards, Director

Norman Shopay, General Manager
Gregory Orsini, Operations Director
Sharon Denison, Board Secretary
Jason Sehon, Park & Recreation Director

AGENDA ITEM A-CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE AND ADDITIONS TO THE

AGENDA: At 7:00PM President Mayo called the meeting to order, roll call was taken with all Directors present except for Director Corbett. Director Wennerholm led the pledge of allegiance and there were no additions to the agenda. Director Corbett arrived shortly after roll call.

AGENDA ITEM B-APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda; Motion by David Couch.

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM C1- PUBLIC HEARING: FIRST READING OF ORDINANCE 2012-02 AMENDING THE MCSD RULES AND REGULATIONS TO INCREASE RECREATION PROGRAM AND FACILITY FEES:

MOTION: It was moved to accept staff recommendations:

1. Open the public hearing for the first reading of Ordinance 2012-02. The public hearing was opened and closed with no comments received.
2. Direct staff to make any required revisions to the Ordinance
3. Set a public hearing for the second reading and adoption of the Ordinance at the June 6, 2012 Board Meeting.

Motion by Helen Edwards

MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Regular Meeting of April 4, 2012
2. Consider approval of March 2012 Treasurer's Report
3. DCV Violations this month
4. Consider approval of 2011 Consumer Confidence Report:

MOTION: It was moved to approve the consent calendar. Motion by Helen Edwards

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.1-CONSIDER APPOINTING MEMBERS TO THE RECREATION ADVISORY COMMITTEE:

MOTION: It was moved to appoint Jim Flint as a member of the RAC and Bernie Garrigan as an alternate member. Motion by Helen Edwards.

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.2-RAC RECOMMENDATIONS REGARDING SKATE PARK RIGHT OF ENTRY AGREEMENT:

Park & Recreation Director Sehon passed out copies of a revised right of entry agreement that was received back from legal counsel after the Board packet was published. There was a brief discussion on the revised agreement and consensus that due to the changes proposed by legal counsel this should be referred back to the Recreation Advisory Committee and the Skate Park Organization for review and recommendations. Staff was directed to bring this back to the Board for consideration and action as soon as that was accomplished.

AGENDA ITEM E.3-INFORMATIONAL OVERVIEW OF QUIMBY PARKLAND DEDICATION FUNDS: Park & Recreation Director Sehon gave a brief presentation and overview of the Quimby Parkland Dedication Funds. He explained how the funds are collected by Humboldt County from developers to mitigate the impacts of property improvements and development in McKinleyville. He then explained how the funds can be obtained from the County, use restrictions and estimated fund balances. Director Edwards thanked Mr. Sehon for the presentation.

AGENDA ITEM E.4-INFORMATIONAL OVERVIEW OF REQUEST FROM FISCHER RANCH LESSEE TO APPLY FERTILIZER TO BOTTOM PORTION OF RANCH: General Manager Shopay explained that he was bringing this to the Board due to the recent controversy regarding herbicide and pesticide use at the ranch property. He briefly reviewed the request and reported that he planned to approve this request as per the recent lease addendum approving such use. There was a brief Board discussion and no comments from the public. President Mayo thanked General Manager Shopay for keeping the Board informed and Director Edwards thanked Mr. Peachey for working with the Board and District Staff.

AGENDA ITEM E.5-LOCAL AGENCY INVESTMENT FUND (LAIF) RESOLUTION AUTHORIZING AND CONFIRMING DISTRICT SIGNATORIES:

MOTION: It was moved to approve Resolution 2012-15 to authorize investment of monies in the Local Agency Investment Fund. Motion by Helen Edwards.

MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.6-ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA), JOINT POWERS INSURANCE AUTHORITY (JPIA) RESOLUTION APPROVING MEMBERSHIP IN THE ACWA-JPIA, RATIFYING THE CHANGE OF NAME FROM THE "ACWA HEALTH BENEFITS AUTHORITY":

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MOTION: It was moved to approve Resolution 2012-16 approving membership in the ACWA Joint Powers Insurance Authority and directing the General Manager or Finance Director to execute all necessary documents. Motion by Corbett.

MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.7-INFORMATIONAL OVERVIEW OF STATUS OF PARKS AND RECREATION INTEGRATED PEST MANAGEMENT PLAN (IPM): After clarifying this plan was specific to Parks & Recreation only, Park & Recreation Director Sehon gave a brief presentation on status to date. He reported that staff had been researching IPM's adopted by other agencies and was in the process of drafting a plan in-house that would be specific to the McKinleyville climate and park facilities. He added that the Recreation Advisory Committee had reviewed the draft and supported the concept and that staff would continue to work on the plan and would provide information to the Board as changes are made.

AGENDA ITEM E.8-INFORMATIONAL OVERVIEW OF FY 2012/13 DRAFT OPERATING BUDGET FOR GENERAL FUND AND ENTERPRISE FUND: Finance Director Trask briefly reviewed the draft operating budget for the general and enterprise funds, reporting that they were based on current costs, trends and best estimates. She referred to the summary budget in the packet, noting inclusion of grafts and specific line items with more detail as requested. She welcomed Directors questions and reported she would be happy to meet with any Director to discuss the draft budget and answer questions and concerns.

AGENDA ITEM E.9-APPROVE LDA PARTNERS AS THE SUCCESSFUL BIDDER FOR ARCHITECTURE AND PLANNING SERVICES FOR THE TEEN AND COMMUNITY CENTER REQUEST FOR PROPOSAL (RFP):

REPORTS: Park & Recreation Director Sehon reviewed the process leading up to the RFP for the teen and community center and staff recommendations. Director Edwards made a motion to approve staff recommendations. The motion was seconded by Director Corbett. After a brief Board discussion President Mayo opened public input and Travis Schneider, President of Pacific Affiliates, turned in a letter for distribution to the Board in regards to their proposal submitted and deemed non-responsive by staff. He asked the Board to take no action tonight and reconsider the ruling that their proposal was non-responsive. There was an extensive Board discussion with consensus that this needed to go to legal counsel for an advisory opinion on the action taken and then be brought back to the Board for reconsideration. Both Director Edwards, as the maker of the motion, and Director Corbett withdrew their motion.

F.1.a- RAC: Director Couch reported the RAC continued to work on the Park & Recreation Master Plan.

F.1.b-Area Fund: John Kulstad reported that they had distributed grant funding, entered into a new agreement with the Humboldt Area Fund and their next meeting was scheduled for May 16th.

F.1.c-RREDC: Director Wennerholm reported they had not met.

F.1.d-McK Senior Center: Director Wennerholm reported they had not met.

F.1.e-Audit: Director Corbett reported they had not met.

F.1.f-Employee Negotiations: No meeting was held.

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F.1.g-Water Task Force: President Mayo reported a lot of information was being exchanged regarding the issue of security at water sources.

F.1.h-Adhoc No Drugs and Toxics: Director Couch reported they had not met.

F.1.i-Local and State Advisory Committee: Director Edwards thanked Supervisor Sundberg for getting the formation of the McKinleyville Municipal Advisory Committee on the Board of Supervisors agenda and was pleased to announce it passed with flying colors and a few minor changes. President Mayo thanked Director Edwards for her patience in working on this and Director Corbett personally thanked Supervisor Sundberg for his leadership in building for a better future.

F.2.a-Support Services Department: Finance Director Trask reported that the final budget would be presented at next month's meeting and staff was working on reviewing and updating policies and procedures and looking in to electronic document management.

F.2.b-Operations Department: Operations Director Orsini reported that the tank painting project was continuing, giving a brief update on progress to date. Director Edwards asked about the status of creation of a water model and Operations Director Orsini assured her this work in progress would come to the Board in the near future. Mr. Orsini reported that the RFP was completed and distributed for the Waste water Management Facility with a June 13th deadline and he was excited to see the response.

F.2.c-Parks & Recreation Department: Park & Recreation Director Sehon reported that he was working on the newsletter and the recreation activity guide. He announced that staff had received a \$395.00 Grant from the McKinleyville Area Fund and a \$10,000 donation from Coast central Credit Union for the Pierson Park tot lot. Director Corbett suggested developing a process to thank donors. Director Edwards asked for an update on the status of the Skate Park funding and Park & Recreation Director Sehon reported that they were to begin quarterly reporting starting May 25th.

F.2.d-General Manager: General Manager Shopay reported he was including grants in the cost savings report in his monthly GM report, adding that staff was aggressively looking for new grants. He added that a town hall meeting was scheduled for May 14, 2012 at 5:30Pm at Azalea Hall regarding the Draft Impact Report for the Humboldt County General Plan Update. Director Edwards asked GM Shopay in the future to highlight the most important legislative items for Board review.

F.3.-Chairman's Report: President Mayo reported that the ACWA website was very informative on legislative issues. He added he would be attending the ACWA annual conference next week and will report to the Board when he gets back. President Mayo announced that he would be reminding the public of a new policy that all handouts for the Directors should go in the box next to the podium for staff to hand out to the Board.

F.4.-Board Members Comments, Announcements, Reports and Agenda Item Requests: No additional comments were made.

AGENDA ITEM G-PUBLIC COMMENTS AND WRITTEN COMMUNICATIONS: President Mayo opened public input and John Kulstad commented on the shoulder improvement needed on Washington/School Road and asked if it was possible to use Quimby funds for that. President Mayo closed public input.

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AGENDA ITEM H-CLOSED SESSION DISCUSSION: NO CLOSED SESSION SCHEDULED

AGENDA ITEM I-ADJOURNMENT:

MOTION: At 9:20PM it was moved to adjourn the meeting. Motion by Edwards

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Mayo, Wennerholm

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted

Sharon L. Denison,
Board Secretary

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