

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, DECEMBER 15, 2010 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 7:05pm with the following Directors and staff in attendance:

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

Norman Shopay, General Manager
Gregory Orsini, Operations Director
Steve Edmiston, Finance Director
Sharon Denison, Board Secretary

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

At 7:00pm President Edwards called the meeting to order with Directors Corbett, Mayo and Wennerholm present. President Edwards led the pledge of allegiance. Director Couch arrived shortly after the beginning of the meeting. There were no additions to the agenda.

AGENDA ITEM B-APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda. Motion by Corbett; second by Wennerholm.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM C-PUBLIC HEARINGS:

C.1-FIRST READING OF ORDINANCE 2010-01 AMENDING THE RULES AND REGULATIONS TO INCREASE FACILITY RENTAL FEES:

MOTION: It was moved to adopt Resolution 2010-10, a Resolution of the McKinleyville Community Services District amending the MCSD Rules and Regulations to increase facility fees. Motion by Corbett; second by Mayo.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Board of Directors' Regular Meeting of November 17, 2010
2. Consider approval of November 2010 Treasurer's Report
3. No DCV Violations this month
4. Re-classify FY10/11 Capital Improvement Plan (CIP) related to Vehicle Purchase

(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: It was moved to approve consent calendar items D1 through D4. Motion by Corbett; second by Mayo

President Edwards then opened public input and David Elsebusch requested consent calendar items D2 and D4 be pulled from the consent calendar for further discussion. President Edwards closed public input. **Director Corbett amended his motion to approve only consent items D1 & D3 and Director Mayo agreed to the amended motion.**

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

Consent Calendar Item D.2-Consider approval of November 2010 Treasurer's Report: As the Directors had no comments on this consent item, President Edwards opened public input and David Elsebusch commented on several payments listed in the cash disbursement detail report. President Edwards closed public input.

MOTION: It was moved to approve consent calendar item D2. Motion by Corbett; second by Mayo.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Consent Calendar Item D.4-Re-classify FY10/11 Capital Improvement Plan (CIP) related to Vehicle Purchase. As the Directors had no comments on this consent item, President Edwards opened public input and David Elsebusch expressed concern with the truck purchase. President Edwards closed public input.

MOTION: It was moved to approve consent calendar item D.4. Motion by Corbett; second by Mayo

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.1-PRESENT "COMMUNITY BUILDER AWARD" TO JOHN KULSTAD: General Manager Shopay reported that this month's "Community Builder Award" was being presented to Mr. John Kulstad, briefly explaining that staff had chosen Mr. Kulstad to receive this award due to his many contributions to the Recreation Advisory Committee and the Community. President Edwards presented the plaque to Mr. Kulstad and thanked him for all of his community support.

AGENDA ITEM E.2-HUMBOLDT BAY MUNICIPAL WATER DISTRICT INTRODUCTION OF NEW BOARD MEMBER MS. SHERI WOO: General Manager Shopay introduced new HBMWD Board Member Sheri Woo and Ms. Woo addressed the Board to introduce herself and briefly go over her qualifications and background. President Edwards said she was looking forward to working with her on many upcoming projects including the proposed Mad River Water line crossing. Each of the Directors welcomed and congratulated her on her recent appointment.

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AGENDA ITEM E.3-CONSIDER APPOINTING NEW MEMBER TO THE RECREATION ADVISORY

COMMITTEE: General Manager Shopay introduced Mr. Pelly and he briefly addressed the Board to express his enthusiasm to serve on the Recreation Advisory Committee.

MOTION: It was moved to approve the appointment of Mr. Al Pelly to the Recreation Advisory Committee. Motion by Corbett; second by Mayo.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

At this time 7:32PM President Edwards adjourned the meeting for a short break.

At 7:40PM President Edwards called the meeting back to order.

AGENDA ITEM E4-DISCUSS RESULTS OF INDEPENDENT SURVEY THAT EVALUATED DESIRED RECREATIONAL ACTIVITIES WITHIN THE COMMUNITY RELATED TO MEASURE B RENEWAL:

General Manager Shopay explained that this was an informational item only tonight. He introduced Jennifer Rindahl from the Lew Edwards Group who gave a power point presentation that outlined the survey results and gave an overview of the process and methodology used. She concluded by saying that the results showed that there was enough public support to proceed with the Measure B renewal and that the Engineer's Report should be ready prior to the December 29, 2010 Board meeting. Public input was received from four people with questions and concerns expressed regarding the survey, with one person suggesting the District put the survey on our website. General Manager Shopay responded that the final report was delivered tonight and the survey was an extensive file and he was unsure how to accomplish that task. Ms. Rindahl offered to work with staff on a summary that could be posted on the website. President Edwards thanked her for the presentation. Further discussion was put on hold until the December 29, 2010 Special Board Meeting.

AGENDA ITEM E5-ELECTION OF MCSD BOARD OFFICERS FOR 2011: There was a brief Board discussion with consensus that it would be best to reappoint the same officers as President and Vice-President as for 2010.

MOTION: It was moved to re-appoint Helen Edwards as president of the Board, Dennis Mayo as Vice-President, Sharon Denison as Secretary and Steve Edwards as Treasurer for calendar year 2011.

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

MOTION SUMMARY: Motion Passed-5 YES; 0 NAYS

AGENDA ITEM E6-DISCUSS MCSD BOARD COMMITTEE ASSIGNMENTS FOR 2011: There was a brief Board discussion with President Edwards asking the Directors to give consideration to the committee assignments and to communicate their preferences to General Manager Shopay for her consideration and appointment at the January Board meeting.

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AGENDA ITEM E7-CONSIDER APPROVAL OF REGULAR MCSD BOARD MEETING DATES, TIMES AND LOCATION FOR 2011 CALENDAR YEAR:

MOTION: It was moved to approve Resolution 2010-25 to confirm that monthly meetings will continue to be held the third Wednesday of each month at 7:00PM at Azalea Hall. Motion by Corbett; second by Couch.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.8-CONSIDER RENEWAL OF CALIFORNIA CONSERVATION CORPS MEMORANDUM OF UNDERSTANDING FOR THE USE OF THE PIERSON PARK TRAILER FOR 2011: General Manager Shopay explained that the only change made to the contract was extending it to a two year contract.

MOTION: It was moved to approve the Memorandum of Understanding with the California Conservation Corps for the use of the trailer and parking lot at Pierson Park. Motion by Corbett; second by Mayo

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.9-CONSIDER APPROVAL OF PROPOSAL RECEIVED FOR LEASE OF FISCHER RANCH

AGRICULTURAL AREA: Operations Director Orsini briefly reviewed the process leading up to receipt of three proposals for lease of the ranch. There were no Board comments as this was to be discussed in closed session later tonight. Public input was received with two people expressing concern that this was not handled in open session and Tim Gomes asked the Board to consider his proposal.

AGENDA ITEM E.10-INFORMATIONAL UPDATE REGARDING THE STATUS OF THE WASTE WATER MANAGEMENT FACILITY NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT THAT IS GOVERNED BY THE REGIONAL WATER QUALITY CONTROL BOARD:

General Manager Shopay gave an update on the status of the NPDES permit and reported that the permit had been sent out yesterday to the RWQCB and that each Director had received a copy of that permit renewal application tonight. He then reviewed that advantages of renewing the permit at this time and reported that the RWQCB had agreed that the permit renewal would be beneficial to both parties. Operations Director Orsini reviewed the history that led up to this permit renewal and advised the Board that this would be on the RWQCB Board agenda for adoption in January 2011. The Directors had a few questions that staff answered and President Edwards praised staff for a job well done. Operations Director Orsini promised to keep the Board apprised of any new regulatory changes that are coming our way in the future.

AGENDA ITEM E.11-CONSIDER APPROVAL OF REVISED MCSD POLICY MANUAL: General Manager Shopay explained that this latest version incorporates the last changes that the Directors had requested. As there were no Board comments President Edwards opened public input and David Elsebusch expressed concern with some of the wording in regards to acceptable public input. President Edwards closed public input. After additional Board discussion it was consensus to table this item, direct staff to have legal counsel review and comment and bring this back to the next Board meeting for consideration and approval

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AGENDA ITEM E.12-DISCUSS POSSIBLE PURCHASE OF LOURENCO REAL PROPERTY AT 1414 FISCHER ROAD, APN: 508-021-008 ADJACENT TO EXISTING SEWER OWNED PROPERTY: Operations Director Orsini advised the Board that this was a new proposal for the Board to consider tonight in closed session. President Edwards opened public input and two people expressed concern with any proposal to purchase this property. President Edwards closed public input

AGENDA ITEM F-REPORTS:

F1a-RAC: Director Couch had nothing to report.

F1b-McK Area Fund: John Kulstad reported that the McK Area Fund had in fact contributed \$10,000 towards the Library addition, as well as having awarded many grants, promising to give a more accurate accounting of that in the future.

F1c-RREDC: President Edwards reported that the November meeting was cancelled, they were not meeting in December and the next scheduled meeting was in January 2011.

F1d-McK Senior Center: Director Wennerholm reported that the seniors had not met.

F1e-Audit: Director Corbett reported that the audit committee had not met, but had received the draft audit report and will be meeting shortly to discuss that.

F1f-Water Task Force: Director Mayo had nothing to report.

F1g-AdHoc No Drugs & Toxics down the Drain: Director Mayo had nothing to report.

F2a-Support Services Department: Finance Director Edmiston had nothing to add to his written report.

F2b-Operations Department: Operations Director Orsini reported that CWEA had given several awards to the District which included James Henry as Supervisor of the year, Bill McBroome as Electrical/Instrument person of the year, MCSD for both collection system of the year, and safety award of the year. The Board praised staff for their many accomplishments.

F2c-Park & Recreation Department: Park and Recreation Director Sehon was absent.

F2d-General Manager: General Manager Shopay reviewed a few of the items in his Manager's report:

1. He would be reporting a cumulative cost saving figure in the future and praised staff for their continued effort in cutting costs.
2. There was a meeting scheduled for February 2, 2011 at Azalea Hall at 6:00pm with the County to discuss with the public the proposed changes to take place on School Road. He advised the Board that District staff will meet with them prior to that meeting to talk about alternatives to lowering the water main in that area.

F3-Chairman's Report: President Edwards reported that she was quite busy keeping up with staff and meetings.

F4-Board Members comments, Announcements and Reports: Director Wennerholm asked General Manager Shopay to look into what other District's do in regards to having legal counsel available or present at Board meetings and report back to the Board with a recommendation.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public input and both David and Penny Elsebusch addressed the Board to express their concerns. President Edwards closed public input and announced that the Board will take a five minute break prior to going into closed session. This was at 9:09pm.

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AGENDA ITEM H-CLOSED SESSION DISCUSSION: At 9:15pm President Edwards announced the Board would now go into closed session for discussion of the following items:

H.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS - (Per Government Code Section 54956.8) Property: 1414 Fischer Road. Under Negotiation: Purchase or Lease of all or part of the above-referenced property. MCSD negotiators: Norman Shopay, General Manager; Steve Edmiston, Finance Director; Greg Orsini, Operations Director; Jason Sehon, Parks and Recreation Director, Russell Gans, District legal counsel. Parties with whom MCSD may negotiate: Fernando Lourenco, Jorge Lourenco. Instructions to negotiators include both price and terms of payment.

H.2 CONFERENCE WITH LEGAL COUNSEL – Potential exposure to litigation pursuant to subdivision (b) of Section 54956.9. Potential cases: One (1). Oral and written statements from David Elsebusch directed to the District, Staff.

H.3 CONFERENCE WITH REAL PROPERTY NEGOTIATORS - (Per Government Code Section 54956.8) Property: 1418 Fischer Road APN No. 508-021-007 Under Negotiation: Lease of all or part of the above-referenced property. MCSD negotiators: Norman Shopay, General Manager; Steve Edmiston, Finance Director; Greg Orsini, Operations Director; Jason Sehon, Parks and Recreation Director, Russell Gans, District legal counsel. Parties with whom MCSD may negotiate: Tim Gomes/Bruno Pelorisi, Collenberg, Marv Peachey. Instructions to negotiators include both price and terms of payment.

TIME OUT OF CLOSED SESSION: At 9:55pm the Board adjourned out of closed session.

ANNOUNCEMENT FROM CLOSED SESSION: President Edwards announced that no action was taken in closed session.

AGENDA ITEM I-ADJOURNMENT: With all business complete President Edwards adjourned the meeting at 9:57pm.

Respectfully Submitted,

Sharon L. Denison,
Board Secretary

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