

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, JULY 20, 2011 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:

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
Sharon Denison, Board Secretary
Jason Sehon, Park & Recreation Director

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. Directors Corbett, Couch, Mayo and Wennerholm were present. There were no additions to the agenda, however General Manager Shopay made a request to pull Agenda Item #E.4 as no one from the Department of Housing was able to attend tonight. Director Corbett led the pledge of allegiance.

AGENDA ITEM B-APPROVAL OF THE AGENDA:

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

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM C-PUBLIC HEARINGS: C1-PUBLIC COMMENTS ON UWMP: General Manager Shopay reported that the District is required to update the Urban Water Management Plan (UWMP) every five years and that staff had been working with HBMWD and other municipal users for the past several months. He explained the process and timeline to include taking public comments until the August Board Meeting. He added that a copy of the draft plan was included in the packet, is available at the District office, was posted on the MCSD website and the hearing was advertised in the McKinleyville Press. President Edwards directed staff to bring the UWMP back to the Board in August for final adoption.

AGENDA ITEM D-CONSENT CALENDAR:

- 1. Consider approval of minutes of the Board of Directors' Regular Meeting of June 15, 2011**
- 2. Consider approval of June 2011 Treasurer's Report**
- 3. No DCV Violations this month**

(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".)

There were no Board comments and David Elsebusch requested consent calendar item D.2 be pulled for further discussion.

MOTION: It was moved to approve the consent calendar excluding item D.2. 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.2-Consider approval of June 2011 Treasurer's report: As the Directors had no comments, President Edwards opened public input and David Elsebusch expressed concern with the shortfall in the water budget and asked about the status of Steve Edmiston, Finance Director. President Edwards responded that Mr. Edmiston had resigned and was currently working for the County. She added that the District was in the process of looking at rate adjustments and those water rates will be addressed in the near future.

MOTION: It was moved to approve consent calendar Item D.2. 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-INTRODUCE NEW FULL TIME OPERATIONS DEPARTMENT EMPLOYEE, MR. SETH

MEYNELL: Operations Director Orsini asked Leadman James Henry to introduce the Operations Department new employee Seth MEYNELL. Mr. Henry briefly reviewed the myriad of experience Mr. Meynell brought to the District, the training in process and planned and reported he was adapting well with the field crew. President Edwards welcomed him aboard.

AGENDA ITEM E.2-ADOPT RESOLUTION 2011-18 DECLARING JULY PARKS AND RECREATION MONTH:

MOTION: It was moved to adopt Resolution 2011-18 proclaiming that Parks make life better and recognizing July as Park and Recreation month. Motion by Edwards; Second by Mayo.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.3-PRESENT COMMUNITY BUILDER AWARD TO MCKINLEYVILLE LAND TRUST: Park and Recreation Director Sehon briefly reviewed the many things the Land Trust has done for the McKinleyville Community and the District. There were several land trust members present tonight. President Edwards presented the award to a Trust representative. All of the Directors individually praised the Land Trust. The Trust thanked the Board for the honor.

AGENDA ITEM E.4-INFORMATIONAL PRESENTATION BY CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ON WHAT REGIONAL HOUSING NEEDS ALLOCATION (RHNA) ARE; HOW THOSE NUMBERS ARE DETERMINED AND HOW THEY ARE ALLOCATED TO HUMBOLDT COUNTY:

- This item was pulled from the agenda

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AGENDA ITEM E.5-INFORMATIONAL PRESENTATION BY HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS (HCAOG) ON HOW HCOAG EVALUATES AND ASSIGNS REGIONAL HOUSING NEEDS ALLOCATION (RHNA) NUMBERS AND WHAT IS THE CRITERIA IN DETERMINING HOW LOW INCOME HOUSING IS DETERMINED AND DISTRIBUTED WITHIN THE COUNTY:

General Manager Shopay introduced Marcella Clem from the Humboldt County Association of Governments. He explained that staff had invited her here tonight to provide information on how the RENA numbers are determined and the potential impact on McKinleyville. Ms. Clem addressed the Board, briefly reviewing the process and methodology used for determination of allocation. There was an extensive Board discussion to clarify and understand the process. One of the questions regarded MCSD's request for a voting seat on HCOAG and Ms. Clem explained that both MCSD and the Hoopa Tribe had made that request and they (HCOAG) would be talking about that in the near future and she promised to keep General Manager Shopay updated on that. The Board thanked Ms. Clem and expressed their appreciation for her attendance tonight.

AGENDA ITEM E.6-INFORMATIONAL PRESENTATION BY KIRK GIRARD FROM HUMBOLDT COUNTY EXPLAINING THE CRITERIA USED IN ASSIGNING REGIONAL HOUSING NEEDS ALLOCATION (RHNA) NUMBERS TO MCKINLEYVILLE. WHAT IS THE CRITERIA USED AND WHAT IS THE RELATIONSHIP BETWEEN THE EXISTING COUNTY GENERAL PLAN, THE HOUSING ELEMENT, THE GENERAL PLAN UPDATE AND THE MCKINLEYVILLE AREA PLAN. HOW DO ALL THE PIECES FIT TOGETHER AND HOW ARE THEY RELATED:

General Manager Shopay introduced Kirk Girard from Humboldt County Planning Department who addressed the Board and said he would be happy to answer questions and concerns. President Edwards asked him to explain step by step the process for assigning Regional Housing Needs Allocation (RHNA) numbers. Mr. Girard covered the process and gave a short power point presentation that also addressed McKinleyville growth projections. Director Corbett expressed concern with the methodology being used to solve the housing needs. At 8:27PM President Edwards adjourned the meeting for a short break. At 8:42 President Edwards called the meeting back to order and announced that public input would be taken for both this agenda item and agenda item E.5. Five people addressed the Board, with four people expressing concern with the proposed density changes and appreciation of the open discussion. One person expressed concern with MCSD's request to HCOAG without Board approval. President Edwards directed staff to put this on a future agenda for discussion.

AGENDA ITEM E.7-UPDATE ON THE REVISED GROWTH PROJECTIONS FOR THE MCSD SERVICE AREA BASED ON THE HUMBOLDT COUNTY DEIR FOR THE PROPOSED MULTI-FAMILY PROPERTY RE-ZONING. DISCUSS SERVICE ANALYSIS APPROACH FOR ASSESSING IMPACTS TO SEWER COLLECTION SYSTEM:

General Manager Shopay introduced Lisa Stromme from SHN to present an assessment of the sewer collection system impacts associated with the projected growth alternatives provided by the County. Ms. Stromme gave a PowerPoint presentation reviewing the capacity components, current and maximum capacity components and total anticipated flow with full build-out conditions. She then summarized the impacts to the system. There was an extensive Board discussion with Lisa Stromme addressing questions and concerns. President Edwards opened public input and closed with no comments received. The Board thanked Lisa Stromme for her presentation.

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AGENDA ITEM E.8-DISCUSSION OF MCSD AVAILABLE WATER CAPACITY RELATED TO THE PROPOSED INCREASE IN ADDITIONAL LOW INCOME HOUSING UNITS PROPOSED BY THE COUNTY, BEYOND WHAT WAS INITIALLY PROPOSED IN THE GENERAL PLAN:

Lisa Stromme introduced Dan Love from SHN who gave a brief PowerPoint presentation to address MCSD's ability to provide additional water service in response to potential new demands the County is placing on the District. He gave an overview of the Water Distribution System, including existing water demand, existing storage and plans for additional storage to meet the minimum required by the State and to have a 5 day emergency supply in case of a catastrophic event such as an earthquake. There was a brief Board discussion, followed by public input, with Dan Love addressing questions and concerns. The Board thanked Mr. Love for the presentation.

AGENDA ITEM E.9-CONTINUED DISCUSSION OF REVISED WATER AND SEWER CAPACITY FEES CHARGED WHEN NEW WATER AND SEWER SERVICES ARE INSTALLED FOR NEW CONSTRUCTION AND NEW HOOKUP TO THE WATER AND SEWER SYSTEM:

Manager Shopay explained that staff was asking the Directors for a decision on a number of points to determine what to use in calculating the final revised water and sewer capacity fees and advance the fee study. He reviewed each point and the Directors gave staff direction to help in the final calculations.

- Item No. 1-Capital Improvement Plan (CIP)-After a brief discussion there was Board consensus that the previously approved CIP is reasonable and accurate.
- Item No. 2-Estimated Population Growth Rate-It was Board consensus that the 1.8% estimated growth rate number obtained from the McKinleyville Community Plan was an accurate growth rate.
- Item No. 3-Percentage assignment of CIP related to growth-The Board reviewed the numbers of percentage of the components of our system that could be contributed to growth. 4 people addressed the Board with their concerns with how the percentages were calculated and with the proposed increases. Director Corbett suggested that staff set up a study session, meet with interested parties, review the percentages and methodology and report back at the next Board meeting.
- Item No. 4-Does the Board agree with the proposed minimum of 5 days of water storage capacity in the event of an emergency. There was a brief discussion with the majority of the Board supporting the 5 day storage capacity. Director Couch was concerned with the cost and felt that 2 days of water storage would be adequate in an emergency.

MOTION: It was moved to support the plan for a minimum of 5 days emergency water storage. Motion by Corbett; second by Mayo.

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

MOTION SUMMARY-MOTION PASSED 4 AYES; 1 NAY.

- Staff asked the Board to consider the staff recommendation to temporarily hold the processing of any application for new service until the final capacity fee structure has been adopted by the Board. Director Corbett was opposed to this recommendation and felt that if staff brings this proposed rate increase, after input from the study sessions, back next month he would be ready to proceed on this item.

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AGENDA ITEM E.10-APPROVAL OF I-BANK LOAN DOCUMENTS FOR RAMEY PUMP STATION

UPGRADE: General Manager Shopay reviewed the fiscal analysis and staff recommendations. There were no Board questions or public input. The Board opted for a roll call vote approval of the I-Bank loan.

MOTION #1- It was moved to:

1. Approve the general form of the Enterprise Fund Installment Sale Agreement issued by the California Infrastructure Bank (I-Bank). Motion by Corbett; second by Mayo;
2. Authorize the General Manager to review and make minor modifications if needed after conferring with legal counsel and obtaining their legal opinion to go with the loan documents as a requirement by I-Bank.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

MOTION #2-It was moved to adopt Resolution 2011-19 authorizing the General Manager to execute and deliver the installment sale agreement by and between the MCSD and California Infrastructure Bank and approving certain other matters in connection therewith.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM F-REPORTS:

F1a-RAC: Director Couch reported there was not a quorum for the last scheduled meeting.

F1b-McK Area Fund: President Edwards had nothing to report.

F1c-RREDC: Director Wennerholm reported RREDC took the month off.

F1d-McK Senior Center: Director Wennerholm gave a brief update on items discussed at the last senior meeting.

F1e-Audit: Director Corbett reported that the audit committee will not be meeting until after the audit is completed.

F1f-Water Task Force: Director Mayo reported he had received an e-mail from Carol Rische, Manager HBMWD and they were still working on deciding on the best options and had narrowed down the list.

F1g-AdHoc No Drugs & Toxics down the Drain: Director Mayo reported the last hazardous waste collection day held at Pierson Park was very successful with 90% of attendees from McKinleyville and a lot of toxins diverted from the sewer system.

F1h-Humboldt County Advisory: President Edwards reported no meeting was held.

F1i-McKinleyville Area Planning Commission Formation: President Edwards reported that no meeting was held.

F2a-Support Services Department: There was nothing to add to the written report in the packet.

F2b-Operations Department: Operations Director Orsini had nothing to add to his written report.

F2c-Park & Recreation Department: Park and Recreation Director Sehon had nothing to add to his written report.

F2d-General Manager: General Manager Shopay had nothing to add to his written report.

F3-President's Report: The President had nothing to report.

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F4-Board Members comments, Announcements and Reports: Director Mayo reported that a memorial service was held this past weekend at Azalea Hall in honor of Grant Ramey. He added that the service was well attended and his passing was a big loss to McKinleyville and to him personally.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public input and David Elsebusch expressed concern a letter General Manager Shopay wrote to the Planning commission without Board approval. President Edwards closed public input.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: NONE

AGENDA ITEM I-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 10:41PM. Motion by Corbett; second by Mayo.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted,

Sharon L. Denison,
Board Secretary

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