

EXHIBIT D.1

MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, NOVEMBER 16, 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
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 and Wennerholm were present. Director Mayo was absent. Director Wennerholm led the pledge of allegiance. President Edwards announced items E.4, H.1 and H.2 were being removed from the agenda tonight. General Manager Shopay requested to add an agenda item E.6-County Update on School Road Project, which was inadvertently left off the agenda and was informational only.

AGENDA ITEM B-APPROVAL OF THE AGENDA: The agenda was approved with the requested changes.

AGENDA ITEM C- PUBLIC HEARING-NONE

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Regular Meeting of October 19, 2011
2. Consider approval of minutes of the Special Meeting of October 26, 2011
3. Consider approval of October 2011 Treasurer's Report
4. DCV Violations this month

MOTION: It was moved to approve the consent calendar. Motion by Corbett; second by Wennerholm President Edwards opened public input and David Elsebusch requested pulling consent item D.3.

AMENDED MOTION: Director Corbett and Wennerholm agreed to an amendment to their motion to approve agenda items D.1, D.2, & D.4 and pull Item D.3 for further discussion.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

Consent Calendar D.3-Consider Approval of October 2011 Treasurer's Report:

David Elsebusch was concerned with the cost of financial services and selection of a Finance Director.

MOTION: It was moved to approve consent calendar item D.3. Motion by Corbett; second by Wennerholm.

MOTION VOTE: Ayes: Corbett, Couch, Wennerholm, 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 SUMMARY: Motion Passed-4 AYES; 0 NAYS

AGENDA ITEM E.1-20 YEAR FACILITIES PLAN DISCUSSION: General Manager Shopay introduced Lisa Stromme and from SHN who gave a power point presentation and overview of the recommended alternative identified in the Wastewater Facilities Plan. Ms. Stromme reported that after reviewing several alternatives it was determined that an In-basin extended aeration system would be the recommended alternative for the District. She gave an overview of the typical design of this type of system and reviewed the cost advantage and overall benefits of this recommended alternative. She thanked the Board for the opportunity and reported the next step would be a field trip to an operating facility with a similar technology in Windsor, California, with the date and time for that to be announced in the near future. She added that the public comment period would close at 5:00pm on December 14, 2011 and encouraged the Board and Public to get their comments in before that date. Director Corbett asked for a brief explanation of the submerged aquatic vegetation project completed and the results. Director Couch expressed concern with submerging plants due to the potential for algae to shade their growth and concern with the proposed 25% engineering fee included in the Engineer's Opinion of probable costs for the collection system improvements for all phases of the project. He passed out information to the Board and staff on engineering fee schedules for public facilities projects. Ms. Stromme explained that that estimated fee includes construction management, planning and permitting fees. President Edwards opened public input and the following people addressed the Board:

1. David Elsebusch suggesting asking the firms who offer this technology to give a presentation to the Board.
2. Ron Coffman felt the plan needed to be a full twenty year plan and a cohesive package.
3. Jeff Dunk supported the overall plan but asked the Board to look into alternative energy sources and was concerned with accurate growth projection numbers and the effect on the cost.
4. George Wheeler supported consideration of solar/alternative energy sources.

President Edwards closed public input and thanked Ms. Stromme for her presentation.

AGENDA ITEM E.2-FISCHER RANCH LEASE ADDENDUM: General Manager Shopay explained that the addendum includes a provision to require notification and approval by the District prior to the application of any substance at Fischer Ranch by the lessee. Director Corbett advised the Board he would be presenting an amendment to the addendum after public input was received. President Edwards opened public input and eight people addressed the Board to express their concern with application of pesticide and safety to the neighboring property owners and public.

1st MOTION: It was moved to approve staff's recommended addendum to the Fischer Ranch lease as written. Motion by Corbett; second by Couch.

After a brief discussion Director Corbett moved to substitute for the pending motion language for the lease addendum, Section 1. Herbicide/Chemical/Pesticide Application Restrictions to read "The lessee shall not apply any pesticide or herbicides on the Premises. The MCSD reserves the right to apply or to grant the right to apply herbicides or pesticides to a third party after the District declares an emergency requiring such an application". President Edwards did not support the motion due to "emergency" being undefined and her feeling that this should be done through policy adoption and wait until the District completes a District wide policy for pest management. After a brief discussion President

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Edwards again opened public input. Six people addressed the Board, with five supporting Director Corbett's proposed amendment, but expressing concern with lack of a definition of what constitutes an emergency. One person was not in support of the amendment for that reason. President Edwards closed public input. Director Wennerholm supported Director Corbett's amendment in regards to this particular lease. President Edwards felt the addendum should be accepted as written and recommended by staff. After a brief discussion President Corbett called for the question. It was moved to accept staff recommendations with the amendment to Section 1 as proposed by Director Corbett. Motion by Corbett: second by Wennerholm

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

MOTION SUMMARY: Motion passed—3 AYES; 1 NAY

Manager Shopay assured the Board he would rewrite the language in section 1 of the addendum, have legal counsel review it, with any changes other than minor revisions to come back to the Board for approval.

AGENDA ITEM E.3-2012 SCHEDULE FOR BOARD MEETING DATE, TIME AND PLACE:

MOTION: It was moved to approve changing the regular meeting date to the first Wednesday of each month at 7:00pm at Azalea Hall; authorize an amendment to the Board Policy Manual and cancel the December 21, 2011 regular meeting.

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

MOTION SUMMARY: Motion Passed—4 AYES; 0 NAY

AGENDA ITEM E.4-CONSIDER ACQUISITION OF ALL OR A PORTION OF REAL PROPERTY PARCEL LOCATED AT/NEAR THE JUNCTION OF SCHOOL ROAD AND WASHINGTON AVENUE, MCKINLEYVILLE (APN 508-242-008): This item was pulled from the agenda at the beginning of the meeting.

AGENDA ITEM E.5-MCSD ELECTION RESULTS: Manager Shopay briefly reviewed the unofficial election results from the November 8, 2011 election with the apparent winners John Corbett and Helen Edwards. He reported that the final certified results would be received in about two weeks and congratulated the Directors on their successful re-election.

ADDED AGENDA ITEM:

AGENDA ITEM E.6-COUNTY UPDATE ON THE SCHOOL ROAD PROJECT: Chris Whitworth from County Public Works gave an update of progression to date on the School Road Project and a timeline for completion of the next phases. He passed out plan details for the Directors of the proposed round-about design and reported that the final phase will begin in 2013 and would provide an improved alternate access to McKinleyville.

AGENDA ITEM F-REPORTS:

F1a-RAC: Director Couch deferred to Park & Recreation Director Sehon who reported that the RAC had met and discussed the re-surfacing of the bocche ball courts and library conference room fee use and would meet next in December. He added that the teen center draft design would soon be ready to go out for RFP's.

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F1b-McK Area Fund: President Edwards reported the fund had not met.

F1c-RREDC: President Edwards reported no meeting in November or December.

F1d-McK Senior Center: Director Wennerholm gave a brief overview of the last meeting.

F1e-Audit: Director Corbett had nothing to report.

F1f-Water Task Force: Director Mayo was absent and Director Corbett had nothing to report.

F1g-AdHoc No Drugs & Toxics down the Drain: Director Mayo was absent.

F1h-McKinleyville Advisory Committee: President Edwards reported that the draft plan submitted to County Planning had been reviewed by Girard and Richardson and after legal review would be placed on the Board of Supervisors agenda for consideration.

F2a-Support Services Department: Scott Gordon had nothing to add to his 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 reported the Holiday Banners were up on Central Avenue and costs were covered by property owners within the open space zone.

F2d-General Manager: General Manager Shopay directed the Board's attention to the SDRMA letter in the packet congratulating MCSD for no claims in program year 2011, noting this was a significant accomplishment by staff. Operation Director Orsini explained some of the measures taken by the field crew to address safety issues.

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

F4-Board Members comments, Announcements and Reports: Director Couch noted that there was a short segment on Arcata on-line at Al Jazeera/Earthrise and he was featured in the segment. Director Wennerholm congratulated Director Corbett and Edwards on their re-election.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public input and the following people addressed the Board:

1. David Elsebusch expressed concern with the legal action taken against Humboldt County.
2. George Wheeler thanked the Board for their Fischer Ranch action tonight.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: None- Items pulled from the agenda.

AGENDA ITEM I-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 8:55 PM. Motion by Corbett; second by Couch.

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

MOTION SUMMARY: Motion Passed-4 AYES; 0 NAYS

Respectfully Submitted,

Sharon L. Denison,
Board Secretary

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