

## EXHIBIT D.1

### **MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, MAY 18, 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  
Steve Edmiston, Finance 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. Director Wennerholm 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 Wennerholm.

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

**MOTION SUMMARY:** Motion passed-5 AYES; 0 NAYS

#### **AGENDA ITEM C-PUBLIC HEARINGS-none**

#### **AGENDA ITEM D-CONSENT CALENDAR:**

1. Consider approval of minutes of the Board of Directors' Regular Meeting of April 20, 2011
2. Consider approval of April 2011 Treasurer's Report
3. No DCV Violations this month
4. Consider Approval of the Sewer System Management Plan (SSMP)
5. Consider approval of the Summer Newsletter and Recreation Activity Guide
6. Consider approval of Senior Center Lease Agreement
7. Consider approval of mainline extension agreements for Fudali and McKinleyville Middle School

Director Couch made a request to pull item D.4 from the consent calendar and David Elsebusch made a request to pull Item D.6.

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( In accordance w/Robert's Rules of Order, 10<sup>th</sup> 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 D.1, D.2, D.3 & D.5 & D.7. Motion by Mayo; second by Corbett.

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

**MOTION SUMMARY:** Motion passed-5 AYES; 0 NAYS

**Consent Calendar Item D.4-Consider Approval of the Sewer System Management Plan (SSMP):**

Director Couch had a concern with the generic list of prohibited discharges included in the permit. Operations Director Orsini assured him that would be addressed in combination with an update to the Sewer Ordinance and would be brought to the Board in the next few months.

**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

**Consent Calendar Item D.6-Consider approval of Senior Center Lease Agreement:** David Elsebusch expressed his concerns with the contract.

**MOTION:** It was moved to approve the Senior Center Lease Agreement. 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-RESOLUTION 2011-09 TO HONOR CHERYL MALIN UPON HER RETIREMENT FROM MCSD:**

**MOTION:** It was moved to adopt Resolution 2011-09 to honor retired employee Cheryl Malin. 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 E.2-PRESENT COMMUNITY BUILDER AWARD TO THE MCKINLEYVILLE PRESS:** Both General Manager Shopay and Park & Recreation Director Sehon praised the McKinleyville Press and Jack Durham for their continued support and contributions to the District and community. President Edwards presented a plaque to Mr. Durham. The Directors offered their thanks to the Mck Press for their years of coverage of McKinleyville news.

**AGENDA ITEM E.3-UPDATE ON THE RECENTLY RENEWED NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) AND STATUS OF 20-YEAR FACILITY PLANNING PROCESS FOR THE WASTE WATER MANAGEMENT FACILITY (WWMF):** General Manager Shopay reported that the District along with the help of SHN Engineers had spent a lot of time and effort working on the NPDES permit and that the approved renewal of the permit was a major accomplishment for the District. He introduced Lisa Stromme from SHN who was here tonight to participate in discussion and answer questions. Lisa gave a powerpoint presentation and update on the twenty year facility plan and NPDES permit renewal and reviewed the important changes negotiated with the Regional Water Quality Control Board. She then reviewed the tentative timeline leading to update and approval of the twenty

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year facility plan by December of this year if all went according to schedule. There was a brief Board discussion ending with Director Corbett complementing Ms. Stromme on the structure of the permit submitted to the RWQCB.

**AGENDA ITEM E.4-UPDATE ON THE RECENTLY PREPARED GROWTH PROJECTIONS FOR THE MCSD SERVICE AREA AND THE HUMBOLDT COUNTY NOTICE OF PREPARATION (NOP) FOR THE PROPOSED MULTI-FAMILY PROPERTY REZONING. REVIEW SERVICE ANALYSIS APPROACH FOR ASSESSING**

**IMPACTS:** Lisa Stromme, from SHN gave a brief introduction and explained that this agenda item was in response to a notice of preparation received from Humboldt County and a list of identified parcels. She introduced Kirk Girard, Community Service Development Director and Senior Planners Michael Richardson and John Miller. Mr. Girard gave some background on the rezoning process and the potential impact on the District. He reported that community meetings to address the proposed changes would be held at several venues, including McKinleyville, and the dates and times for those meetings would be advertised far and wide. County Senior Planner Michael Richards addressed the Board to explain the County-wide goal was a total of 980 additional units, with a portion of those to be allocated to McKinleyville. General Manager Shopay along with the MCSD Directors expressed concern with the impact on growth in McKinleyville and MCSD's ability to provide services to the additional units. There was an extensive discussion and five public members addressed the Board their various concerns with the proposal. The Board thanked Lisa Stromme and the representatives from Humboldt County Planning Department for attending the meeting and addressing concerns, feeling it was essential to have a collaborative relationship with the County.

At this time, 8:40PM President Edwards adjourned the meeting for a short break.

At 8:50PM President Edwards called the meeting back to order.

**AGENDA ITEM E.5-REVIEW AND APPROVAL OF PROPOSAL TO CONDUCT AN INDEPENDENT EVALUATION, ANALYSIS AND REVIEW MCSD'S CURRENT UTILITY USER RATE STRUCTURES IN ORDER TO DEVELOP AN EQUITABLE SYSTEM OF UTILITY RATES THAT RECOVER THE DISTRICT'S COSTS OF PROVIDING SERVICE:** General Manager Shopay reviewed the process and staff recommendations.

**MOTION:** It was moved to approve Willdan Financial Services as the lowest and most responsive bidder; approve an expenditure of \$27,324 and authorize the General Manager to enter into a professional services agreement with Willdan Financial Services. Motion by Mayo; second by Wennerholm.

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

**MOTION SUMMARY:** Motion Passed-5 AYES; 0 NAYS

**AGENDA ITEM E.6-IN CONNECTION WITH POTENTIAL ACQUISITION OF PROPERTY FROM THE MCKINLEYVILLE UNION SCHOOL DISTRICT (MUSD) AT/NEAR WASHINGTON AVENUE AND SCHOOL ROAD IN MCKINLEYVILLE, CALIFORNIA, CONSIDER AND ENTER FINDING THAT EXISTING PUBLIC LANDS IN THE VICINITY OF THE MUSD PROPERTY ARE ADEQUATE TO MEET THE EXISTING FORESEEABLE NEEDS OF THE COMMUNITY FOR PLAYGROUNDS, PLAYING FIELDS, OR OTHER OUTDOOR RECREATIONAL AND OPEN SPACE PURPOSES PURSUANT TO CALIFORNIA EDUCATION CODE SECTION 17492:**

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**MOTION:** It was moved to make the finding that public lands in the vicinity of the McKinleyville Union School District Property (MUSD) on Washington and School Road are inadequate to meet the existing and foreseeable needs of the community for playgrounds, playing fields, or other outdoor recreational and open space purposes pursuant to California Education Code § 17492. Motion by Corbett; second by Wennerholm.

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

**MOTION SUMMARY:** Motion Passed-5 AYES; 0 NAYS

**AGENDA ITEM E.7-ADOPT A PLAN FOR THE PURCHASE OF THE MCKINLEYVILLE UNION SCHOOL DISTRICT (MUSD) PROPERTY AT/NEAR WASHINGTON AVENUE AND SCHOOL ROAD IN MCKINLEYVILLE, CALIFORNIA, PURSUANT TO CALIFORNIA EDUCATION CODE SECTION 17493:**

**MOTION:** It was moved to approve staff's recommendation to adopt the plan for acquisition of McKinleyville Union School District (MUSD) Property at/near Washington Avenue and School Road pursuant to California Education code § 17493. Motion by Corbett; second by Couch.

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

**MOTION SUMMARY:** Motion Passed-5 AYES; 0 NAYS

**AGENDA ITEM E.8-REVISE DISTRICT'S WATER LEAK ADJUSTMENT POLICY:** As there were no comments by Directors, President Edwards opened public input and 4 people addressed the Board in favor of the changes but felt an appeal process needed to be included in the policy. The Directors discussed amending the Ordinance to add an appeal process.

**MOTION:** It was moved to approve Resolution 2011-10-A resolution establishing a policy for billing adjustments due to water leaks with the following changes:

Condition #5-"The maximum amount of any single adjustment by the General Manager shall not exceed \$500.00".

Condition #6-"The decision by the General Manager shall be final unless the Chair finds there would be good cause for a Board hearing".

Motion by Corbett; second by Wennerholm.

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

**MOTION SUMMARY:** Motion Passed-5 AYES; 0 NAYS

**AGENDA ITEM E.9-DECIDE PARAMETERS FOR NOVEMBER BOARD OF DIRECTORS ELECTION:** Director Corbett abstained from discussion as his term was expiring and he announced his intention to run for re-election.

**MOTION:** It was moved to approve staff recommendation that each candidate would pay all publishing costs for their candidate statements and the statements would be limited to 200 words. Motion by Mayo; second by Couch.

**MOTION VOTE:** Ayes: Couch, Mayo, Wennerholm, Edwards / Abstain: Corbett

**MOTION SUMMARY:** Motion Passed-4 AYES; 0 NAYS; 1 ABSTAIN

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**AGENDA ITEM E.10-CONSIDER APPROVAL OF FISCAL YEAR 2011/2012 BUDGET:**

**MOTION:** It was moved to adopt the District budget for the fiscal year ending June 30, 2012. Motion by Couch; second by Wennerholm.

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

**MOTION SUMMARY:** Motion Passed-5 AYES; 0 NAYS

**AGENDA ITEM F-REPORTS:**

**F1a-RAC:** Director Couch reported they had met and are continuing to work on the Parks Master Plan Update.

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

**F1c-RREDC:** Director Wennerholm reported that RREDC did not meet due to lack of a quorum.

**F1d-McK Senior Center:** Director Wennerholm reported the seniors had met and he reviewed the minutes of the meeting. He added he had not been notified of the meeting.

**F1e-Audit:** Director Corbett reported that the audit committee planned to meet in the near future and would be reviewing the three RFP's received for auditor services.

**F1f-Water Task Force:** Director Mayo reported the task force was scheduled to meet next week.

**F1g-AdHoc No Drugs & Toxics down the Drain:** Director Mayo reported that he was still working on a grey water seminar.

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

**F1i-McKinleyville Area Planning Commission Formation:** President Edwards reported they had not met. General Manager Shopay added that he had heard from Supervisor Sundberg today regarding the request to place the MAC consideration on the Supervisor's agenda. He reported a meeting was scheduled for Tuesday, May 23<sup>rd</sup> and Directors Corbett and Mayo and President Edwards reported that they planned to attend this meeting.

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

**F2b-Operations Department:** Operations Director Orsini reported that the Department of Health had done their annual inspection and that no deficiencies were noted in the inspection report. He added this was a testament to the Operations staff and the good job they do. He also reported, in response to a question earlier tonight, that the cost savings for reduced testing and potential fines as per the District's new NPDES permit could amount to over \$40,000 annually.

**F2c-Park & Recreation Department:** Park and Recreation Director Sehon reported that staff was busy preparing for Pony Express Days and the CCC had been working on Central Avenue in preparation for the parade. President Edwards complemented him on the Banners placed along Central Avenue advertising Pony Express Days.

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

**F3-President's Report:** No report was given.

**F4-Board Members comments, Announcements and Reports:** No comments were made.

**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 proposal for District to become a member of HCOAG.

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2. George Wheeler expressed concern with recent herbicide spraying done at the Fischer Ranch.
3. Jeff Dunk gave the Board and staff a thumbs up for the room set-up and the discussion and interaction with County staff.

President Edwards closed public input and after a brief Board discussion directed staff to look into the report of herbicide spraying and to report back to the Board on this issue. Director Corbett felt it would be appropriate to post information about this on the District's website.

**AGENDA ITEM H-CLOSED SESSION DISCUSSION: NONE**

**AGENDA ITEM I-ADJOURNMENT:**

**MOTION:** It was moved to adjourn the meeting at 10:00PM. Motion by Corbett; second by Couch.

**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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