

**EXHIBIT D.1**

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD  
ON WEDNESDAY, APRIL 4, 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  
Colleen M.R. Trask, Finance Director  
Jason Sehon, Park & Recreation Director  
David A. Baldosser, Acting Board Secretary

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

**AGENDA:** At 7:00pm President Dennis Mayo called the meeting to order and asked Director David Couch to lead the pledge of allegiance. Director Helen Edwards was absent at the roll call but arrived at 7:02 p.m.

**AGENDA ITEM B- ADDITIONS TO THE AGENDA:** There were no additions to the agenda

**AGENDA ITEM C. PUBLIC HEARINGS**

**C.1 Final Reading-Ordinance 2012-01 Amending the Board Policy Manual to Revise the Board of Directors Compensation Rate**

**MOTION:** It was moved to adopt Ordinance 2012-01 as presented: **AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING THE BOARD POLICY MANUAL TO REVISE THE BOARD OF DIRECTORS COMPENSATION RATE.** The motion was made by John Corbett; second was by Bill Wennerholm. President Dennis Mayo opened public input and the following person addressed the Board:

1. David Elsebusch did not support the increase.

Public comment was then closed and the item was brought back to the Board. There was no further discussion by the Board and President Dennis Mayo asked for the vote to be taken.

**MOTION VOTE: ROLL CALL VOTE:**  
Ayes: John Corbett, Bill Wennerholm, Dennis Mayo  
Nays: David Couch, Helen Edwards  
Absent: none  
Abstain: none

**MOTION SUMMARY:** Motion Passed-3 AYES; 2 NAYs



**AGENDA ITEM D-CONSENT CALENDAR:**

- 1. Consider approval of minutes of the Regular Meeting of March 7, 2012**
- 2. Consider approval of minutes of the March 14, 2012 Special Meeting**
- 3. Consider approval of February 2012 Treasurer's Report**
- 4. DCV Violations this month**

**MOTION:** It was moved to approve the consent calendar items. Motion by John Corbett; second by Bill Wennerholm

**MOTION VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY: Motion Passed**

Ayes: John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

Nays: none

Absent: none

Abstain: none

**E.1 Humboldt Local Agency Formation Commission (LAFCo) Ballot-for Special District Member Election.** The MCSD Board had previously nominated Helen Edwards to fill the seat for the Special District Member. The official ballot was received from LAFCo.

**MOTION:** It was moved to vote for Helen Edwards from McKinleyville CSD to fill the vacancy on the LAFCo Board. Motion by John Corbett; second by Bill Wennerholm

**MOTION VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY: Motion Passed**

Ayes: John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

Nays: none

Absent: none

Abstain: none

**E.2 Consider authorizing purchase of approximately 33 Acres of Real Property Parcel located at/near the junction of North Bank Road and Azalea Road (APN 507-141-017), approval of proposed purchase agreement and adoption of Resolution regarding purchase**

**MOTION:** It was moved to approve Item 1. Resolution 2012-14 authorizing the Board President to sign the purchase agreement and Items 2, 3, 4, and 5 as presented. Motion by John Corbett; second by Helen Edwards.

**MOTION ROLL CALL VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY: Motion Passed**

Ayes: John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

Nays: none

Absent: none

Abstain: none



**E.3 Consider acquisition of all or a portion of Real Property Parcel located at/near 2195 Hewitt Road (APN 509-021-045);**

**MOTION:** It was moved to adopt staff recommendation of appointing GM Norman Shopay and Russ Gans, District Legal Counsel, to negotiate on behalf of the District and to authorize them to negotiate with Doug Shaw and Janne Page. Motion made by Helen Edwards; second by John Corbett

**MOTION VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY: Motion Passed**

Ayes: John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

Nays: none

Absent: none

Abstain: none

**E.4 Review and discussion of MCSD previous Goals and Objectives and request to appoint two Board members to work with staff to revised and update future Goals and Objectives**

President Dennis Mayo appointed Director Helen Edwards and Director David Couch to work with staff on revising current goals and updating future goals and objectives.

**E.5. Adopt Resolution 2012-12 for an Ordinance change to update the wastewater discharge limitations (local limits) in the Rules and Regulations** An email message from Lisa Bernard from the Regional Water Quality Control Board confirming their concurrence of the local limits as presented was handed out by Greg Orsini, Operations Director to each Director and the Board Secretary.

**Motion:** Adopt Resolution 2012-12. Motion by Helen Edwards; Second by Bill Wennerholm.

**MOTION ROLL CALL VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY: Motion Passed**

Ayes: John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

Nays: none

Absent: none

Abstain: none

**E.6 Adopt Resolution 2012-13 to modify the Sewer Use Ordinance.**

**Motion:** Adopt Resolution 2012-13. Motion by Helen Edwards; Second by John Corbett

**MOTION ROLL CALL VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY: Motion Passed**

Ayes: John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

Nays: none

Absent: none

Abstain: none



**E.9 Consider approval of letter to the Humboldt County Board of Supervisors**

(The letter was regarding selection of interim planning director. This item was moved up the agenda by President Mayo due to the pending closed session and its time sensitive schedule. He verified that there were no objections prior to making this decision.)

**MOTION:** To approve the attached letter. Motion by John Corbett; Second by David Couch.

**MOTION VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY: Motion Passed**

Ayes: John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

Nays: none

Absent: none

Abstain: none

**E.8 Consider approval of Parks & Recreation Master Plan** (This item was moved in front of E.7 because of the nature of this item and the members of the public that were in attendance for this item. The change was suggested by General Manager Shopay and then instituted by President Mayo. Again, President Mayo confirmed that there were no objections to this action.)

This Parks & Recreation Master Plan was rife with items that needed further attention. The Parks and Recreation Director was directed to further vet the document prior to bringing it back to the board for approval at the next scheduled meeting per President Dennis Mayo.

**E.7 Informational overview of Quimby Parkland Dedication Funds**

Due to time constraints relating to the closed session, this item will be moved to the next agenda.

**AGENDA ITEM F-REPORTS:**

**F1a-RAC:** Nothing pressing to report by Director David Couch, a right of entry agreement with the Skate Park committee was discussed per Parks Director Jason Sehon.

**F1b-AREA FUND:** John Kulstad provided a list of approved grant applications approved by the McKinleyville Area Fund. A total of \$6,577.00 worth of grants was awarded.

**F1c-RREDC:** Director Bill Wennerholm said that the Airport Deal was the main topic of discussion. Only the information in the newspaper is what he is allowed to share. A new director for RREDC has been appointed.

**F1d-MCKINLEYVILLE SENIOR CENTER:** No report made.

**F1e-AUDIT:** Nothing to report

**F1f-EMPLOYEE NEGOTIATIONS:** Nothing to report

**F1g-WATER TASK FORCE:** President Mayo reported that a meeting was held with HBMWD and ideas were discussed on how to sell their additional water.

**F1h-ADHOC NO DRUGS & TOXICS SOWN THE DRAIN:** Nothing to report



**F1i-LOCAL AND STATE ADVISORY COMMITTEE:** Board of Supervisors expects to discuss the McKinleyville Advisory Committee on Tuesday per Director Helen Edwards.

**F2a-SUPPORT SERVICES DEPARTMENT:** Budget process is continuing, phase 2 will provide draft budgets for water/sewer and parks and recreation prior to a full draft budget, the amended budget has been adopted. Announcement of hiring of the CSR 1 position, support services is now fully staffed per Colleen M.R. Trask

**F2b-OPERATIONS DEPARTMENT:** The tank painting is well underway. Monitoring noise impact on the neighbors is in process per Greg Orsini, Operation Director

**F2c-PARKS & RECREATION DEPARTMENT:** Jason Sehon received a notice that we did not get approved for the Proposition 84 grant funding for School Road and Danco Property. Jason Sehon will be meeting with a state representative regarding the Pierson Park covered picnic area for Land and Water Conservation Fund Grant application.

**F2d-GENERAL MANAGER:** Noting to add.

**F.3-PRESIDENT'S REPORT:** Nothing to add.

**F.4-BOARD MEMBERS' COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:**

Helen Edwards appreciated the state bill summary that General Manager Shopay provides the directors

#### **AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:**

David Elsebusch addressed the board concerning Items E.7 and E.8 that were skipped on this agenda. Penny Elsebusch addressed the board concerning the Hewitt Road Property, Item E.3.

#### **AGENDA ITEM H-CLOSED SESSION DISCUSSION:**

##### **PUBLIC COMMENT**

David Elsebusch provided the Board of Directors and Board Secretary with a letter concerning the performance of the General Manager and expressed his concerns about the General Manager.

Penny Elsebusch expressed her concern regarding the General Manager's performance.

Brian Fallon expressed appreciation with the District and the Board of Directors.

Jeff Dunk expressed his appreciation of the General Manager and the transparency of the District Operations.

Joyce King expressed her satisfaction in her interaction with the General Manager.

**Adjourned to closed session at 8:29 p.m.**

##### **H.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -**

**(Per Government Code Section 54956.8) Property: 2195 Hewitt Road**

(APN 509-021-045). Under Negotiation: Purchase of all or part of the above-referenced property.

MCSD negotiators: Norman Shopay, General Manager; Russell Gans, District legal counsel. The parties with whom MCSD may negotiate: Doug Shaw, Janne Page. Instructions to negotiators include both price and terms of payment.



**No Action to Report.**

**H.2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION** (California Government Code § 54954.5 and 54957) Title: General Manager.

**No Action to Report.**

**H.3 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION-MCKINLEYVILLE COMMUNITY SERVICES DISTRICT v COUNTY OF HUMBOLDT, BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT, CASE NO. CV110632 LITIGATION, pursuant to subdivision (a) of Section 54956.9.**

**ACTION IN CLOSED SESSION:** The Board of Directors instructed its attorneys of record in the pending Humboldt County Superior Court case, MCKINLEYVILLE COMMUNITY SERVICES DISTRICT v COUNTY OF HUMBOLDT, BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT, CASE NO. CV110632, to seek a stipulation from the County of Humboldt to file an amended petition in the existing writ proceeding to challenge the amendment to the Housing Element adopted by the Humboldt County Board of Supervisors on or about March 13, 2012, without further evaluation under the California Environmental Quality Act (CEQA). If no stipulation is forthcoming, the Board of Directors instructed its attorneys of record to file a separate writ petition challenging the March 13, 2012 action, and seek consolidation or coordination of the proceedings

**MOTION:** The motion containing the instructions was made by Director John Corbett

**MOTION VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY:** Motion Passed

**Ayes:** John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**Nays:** none

**Absent:** none

**Abstain:** none

**AGENDA ITEM I-ADJOURNMENT:**

**MOTION:** It was moved to adjourn the meeting at 9:33PM. Motion by John Corbett; Second Helen Edwards

**MOTION VOTE:** Ayes-John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**MOTION SUMMARY:** Motion Passed

**Ayes:** John Corbett, David Couch, Helen Edwards, Bill Wennerholm, Dennis Mayo

**Nays:** none

**Absent:** none

**Abstain:** none

Respectfully Submitted,

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David A. Baldosser, Acting Board Secretary