

EXHIBIT D.1

MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, AUGUST 18, 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 7:00pm 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
Jason Sehon, Park & Recreation 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, Couch, Mayo and Wennerholm present. Director Wennerholm led the pledge of allegiance. There were no additions to the agenda.

AGENDA ITEM B-APPROVAL OF THE AGENDA: It was consensus to approve the agenda with no changes.

AGENDA ITEM C-PUBLIC HEARINGS: none

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Board of Directors' Regular Meeting of July 21, 2010
2. Consider approval of July 2010 Treasurer's Report
3. DCV Violations
4. Approve conveyance for facilities at the School Ridge Subdivision, AP#508-351-040.
5. Approve conveyance for facilities at the Valadeo Subdivision, AP#510-341-013.
6. Consider renewal of caretaker contract at Hiller Park.
7. Consider Memorandum of Understanding (MOU) between the MCSD and McKinleyville Union School District regarding provision of after school program.
8. Consider approval to declare 2000 Chevy utility truck surplus.
9. Consider approval of a facilities extension agreement for Santos Subdivision.

President Edwards announced a request to pull consent item D.6 and a member of the public asked for item D.8 be pulled for further discussion.

MOTION: It was moved to approve Consent Calendar items D.1-5, & D.7 & D.9. Motion by Wennerholm; second by Corbett.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, 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-5 AYES; 0 NAYS

Consent Calendar Item D.6-Consider Renewal of caretaker contract at Hiller Park: Park and Recreation Director Sehon explained that an item was left out of the caretaker contract included in the packet. He explained that this item would be listed as item E and would clarify that the "District will cover the duties of the contractor due to their absence for up to 15 days per year."

MOTION: It was moved to approve consent calendar item D.6 with the addition as requested by staff. 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.8-Consider approval to declare 2000 Chevy Utility Truck Surplus: As there were no Board comments, President Edwards opened public input and one person expressed concern.

MOTION: It was moved to approve consent calendar item D.8. 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 KIWANIS CLUB:

Park & Recreation Director Sehon reported that Kiwanis Club was being honored this month for their contributions to the District and McKinleyville, which included financial backing of two drop in programs at the McKinleyville Activity Center, donations of playground equipment and donation and planting of trees at the Hiller Sports Complex. President Edwards then presented an engraved plaque to Mary Rose from the Kiwanis Club and thanked them for their generous support.

AGENDA ITEM E.2-FIELD TRIP TO OBSERVE RESULTS OF COMMUNITY GARDEN, BOCCE BALL COURT

AND LIBRARY CONSTRUCTION PROGRESS: General Manager Shopay announced that a short field trip would start now and include a look at the library addition the community garden and bocce ball courts. Approximately 20 people joined the tour and were impressed with the progress on the Library, the bounty in the gardens and the new bocce ball courts.

AGENDA ITEM E.3-BIENNIAL REVIEW OF CONFLICT OF INTEREST CODE AND SUGGESTED NON-SUBSTANTIVE CHANGES:

MOTION: It was moved to adopt Resolution 2010-12 to accept the MCSD conflict of Interest code with the revisions as recommended. 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 E4-CONSIDER PROPOSAL TO PROVIDE ASSESSMENT ENGINEERING PROPOSITION 218

SERVICES: Park & Recreation Director Sehon reviewed the RFP, proposed timeline and staff recommendations.

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MOTION: It was moved to approve executing an agreement with Wildan Financial at a not to exceed amount of \$36,000 to provide assessment engineering and balloting services related to the proposed re-establishment of the existing Measure B assessment district. Motion by Corbett; second by Mayo.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E5-CONSIDER APPROVAL OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN MCSD AND MCKINLEYVILLE LAND TRUST: Park & Recreation Director Sehon briefly reviewed the proposal and answered Directors questions.

MOTION: It was moved to approve the Memorandum of Understanding between MCSD and the McKinleyville Land Trust. Motion by Corbett; second by Wennerholm.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E6-CONSIDER ADJUSTMENT OF APPROPRIATIONS LIMIT AND RECALCULATION OF FY 07-08 AND 08-09 APPROPRIATIONS SUBJECT TO LIMIT: Finance Director Edmiston reviewed the summary and background information that explained the methodology for appropriation calculations and corrections needed to prior years as recommended by the MCSD auditor. Director Corbett commended staff for following up with resolution of this audit finding.

1st MOTION: It was moved to adopt Resolution 2010-13 to revise the appropriation limit for fiscal years 07-08 and 08-09. 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

2nd MOTION: It was moved to adopt Resolution 2010-14 to adopt the appropriation limit for fiscal year 09-10. 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 F-REPORTS:

F1a-RAC: There was nothing to report.

F1b-McK Area Fund: No report was made.

F1c-RREDC: There was nothing to report.

F1d-McK Senior Center: Director Wennerholm reported they would be meeting at 7:15am tomorrow morning.

F1e-Audit: Director Corbett advised the Board that the audit committee would be meeting before the end of the month to discuss the amortization of employee benefits as recommended by the Auditor.

F 1f-Negotiations: There was nothing to report.

F1g-Water Task Force: Director Mayo reported that the task force had successfully completed the work of the last 18 months, have come up with a draft proposal and will be asking the public for input on the process of looking at the proposals and narrowing down the choices. Director Couch asked Operations Director Orsini to bring information to the next Board Meeting regarding an expenditure in 2008 for AlgaRhythms for algae testing at the WWMF.

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F1h-Adhoc No Drugs & Toxics Down the Drain: Director Mayo had nothing to report.

F1i-AdHoc-Review Goals, Objectives and Mission Statement: President Edwards reported that the committee was working on the Goals and Objectives, had another meeting scheduled and would report to the Board on progress made.

F1j-AdHoc Financial Reserve Committee: There was nothing to report.

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

F2b-Operations Department: Operations Director Orsini had nothing to add to his written report. President Edwards thanked Operations Director Orsini for the cost savings made on shipping by coordinating with United Rental and for his work on initiating a pretreatment program for Industrial sewer customers.

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

F2d-General Manager: General Manager Shopay shared information included in his staff report regarding recent efforts by staff that saved the District considerable money. He reported that he hoped to have future statistics for the Board regarding Hazardous waste collected on the last collection day held at Pierson Park.

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

F4-Board Members' comments, Announcements and Reports: No report was given.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public comments and three members of the public addressed the Board. President Edwards closed public comment .

ADJOURNMENT OF REGULAR MEETING: President Edwards adjourned the regular meeting at 8:20pm for a short break to clear the room for closed session discussion.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: The Board adjourned into closed session at 8:25pm for discussion of the following item:

H1-Conference with Legal Counsel-anticipated litigation: Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9. One potential case: Written correspondence/threats of potential litigation received from Mr. David Elsebusch, dated July 30, 2010. A copy of the written statement is available for inspection pursuant to Government Code § 54957.5.

TIME OUT OF CLOSED SESSION: The Board adjourned out of closed session at 8:55pm.

ANNOUNCEMENT FROM CLOSED SESSION: President Edwards announced there was nothing to report from closed session.

AGENDA ITEM I-ADJOURNMENT:

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

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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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