

**EXHIBIT D.1**

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT  
HELD ON WEDNESDAY, JANUARY 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:

Helen Edwards, Board President  
David Couch, Director  
Bill Wennerholm, Director  
John Corbett, Director  
Dennis Mayo, Director

Norman Shopay, General Manager  
Gregory Orsini, Operations Director  
Sharon Denison, Board Secretary  
Jason Sehon, Park & Recreation Director

**AGENDA ITEM A-CALL TO ORDER-INSTALLATION OF NEW DIRECTORS:**

At 7:00pm President Edwards called the meeting to order and asked Board Secretary Sharon Denison to administer the oath of office to newly re-elected Directors Edwards and Corbett. Secretary Denison administered the oath of office at the podium and had each Director sign the certification of oath for County Elections.

**AGENDA ITEM A.1-CERTIFICATE OF ELECTION RESULTS FROM NOVEMBER 8, 2011 FOR MCSD:** No comments were made in regard to the certified election results.

**AGENDA ITEM A-ROLL CALL, PLEDGE OF ALLEGIANCE AND ADDITIONS TO THE AGENDA:** At 7:05pm President Edwards called the meeting to order, roll call was taken with all Directors present and Director Couch 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 HEARING-NONE**

**AGENDA ITEM D-CONSENT CALENDAR:**

1. Consider approval of minutes of the Regular Meeting of November 16, 2011
2. Consider approval of minutes of the Special Meeting of December 16, 2011
3. Consider approval of November 2011 Treasurer's Report
4. DCV Violations this month
5. Main Sewer Extension Agreement for Loren Lane

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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 the consent calendar. 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.1-ELECTION OF BOARD OFFICERS, COMMITTEE ASSIGNMENTS AND APPOINTMENTS FOR 2012 CALENDAR YEAR:**

**MOTION:** It was moved to appoint Helen Edwards as President of the Board and David Couch as Vice President for 2012 year; Sharon Denison as Secretary to the Board and General Manager Shopay as interim Finance Director. Motion by Mayo; second by Wennerholm. President Edwards respectfully declined the appointment. After a brief discussion: Director Mayo amended his motion to appoint David Couch as Vice President, Sharon Denison as Board Secretary and General Manager Shopay as interim Finance Director. This motion was seconded by Director Corbett.

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

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

**MOTION:** It was moved to appoint Dennis Mayo as President of the Board for 2012. Motion by Corbett; second by Wennerholm.

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

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

Director Corbett thanked Chairman Edwards for her hard work and said it was an honor to serve with her. Director Mayo thanked her for doing a tremendous job for the last two years.

At 7:10pm President Edwards adjourned the meeting for a short break to allow the new President and Vice President time to assume their places at the podium.

At 7:15pm newly appointed President Mayo called the meeting back to order for continuation of the discussion of E.1-Committee Assignments and appointments for 2012 Calendar year

**MOTION:** After a brief discussion it was moved to

1. re-appoint the committees as listed with no change for committees 1-6;
2. Appoint Director Couch as the chair of the AdHoc No Drugs & Toxics Down the Drain Committee with direction to schedule the meetings to be held just prior to the RAC committee meetings;
3. Change the Name of the McKinleyville Advisory Committee to LOCAL AND STATE ADVISORY COMMITTEE and appoint Director Edwards and Corbett to chair the committee;
4. Approve activation of the EMPLOYEE NEGOTIATION COMMITTEE and appoint Directors Wennerholm and Edwards to chair the committee. Motion by Edwards; second by Corbett.

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

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

**AGENDA ITEM E.2-PRESENTATION OF MCSD EMPLOYEE OF THE YEAR AWARD TO JAMES HENRY, LEAD**

**PERSON-OPERATIONS DEPARTMENT:** General Manager Shopay asked James Henry to come up to the podium for this recognition and briefly reviewed how the selection for this is made, and Mr. Henry's

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many accomplishments that led to this selection by his fellow employees. The Board and Operations Director Orsini praised Mr. Henry for his accomplishment.

**AGENDA ITEM E.3-REQUEST FROM MICHAEL RICHARDSON FOR WAIVER OF ALL WATER AND SEWER CONNECTION FEES RELATED TO HIS PROJECT:** General Manager Shopay briefly reviewed the request for waiver of fees and introduced Michael Richardson to the Board. Mr. Richardson addressed the Board as a McKinleyville land owner to plead his case for the reduction of fees for his project on a parcel that was deed restricted for affordable low income housing. After much discussion and public input a motion was made:

**MOTION:** It was moved to deny the request for waiver of water and sewer connection fees as requested. Motion by Edwards; second by Couch

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

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

**AGENDA ITEM E.4-REVIEW AND APPROVE FORM OF FISCHER RANCH LEASE AGREEMENT REVISED LANGUAGE REVIEWED BY DISTRICT LEGAL COUNSEL AND PROPOSED MODIFICATIONS TO SAME:**

**FIRST MOTION:** It was moved to accept the original addendum to the lease as signed by Mr. Peachey with direction to staff to work on developing a District wide policy to address Herbicide, Chemical, and Pesticide Application. Motion by Edwards; second by Wennerholm.

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

**MOTION SUMMARY:** Motion failed-2 AYES; 2 NAYS; 1 Abstain

**2<sup>ND</sup> MOTION:** After much discussion it was moved to strike the words “pesticide , herbicide” from the first sentence and the last sentence of Section 1. Herbicide/Chemical/Pesticide Application Restrictions in the First Addendum to Lease, Page 82 of packet. Motion by Corbett: second by Couch. As there was still some confusion and clarification needed Director Edwards requested this item be tabled until we have further clarification of exact wording desired due to the lateness of the hour and the long agenda in front of the Board. Both the maker of the motion and the second agreed to table the item with the understanding that it will come back to the Board with an agenda item to include a clearly formatted motion and direction to staff to proceed with the development of a District Wide pest management policy. The item was tabled.

**AGENDA ITEM E.5-CONSIDER RENEWAL OF RIGHT OF ENTRY AGREEMENT WITH MCKINLEYVILLE SKATE PARK ORGANIZATION:** Parks & Recreation Director Sehon reviewed the history of the proposal from the organization, changes made over time and current staff recommendations. President Mayo opened public input and 10 people addressed the Board, all expressing concern with the proposed changes which include a location change to Hiller Park from Pierson Park. Director Edwards commended the group for all the work they have been doing to accomplish their goal.

**1<sup>ST</sup>-MOTION:** It was moved to deny the right of entry agreement and to not encumber the \$25,000 in Quimby Inland Park Dedication Funds. Motion by Edwards. THIS MOTION DIED FOR LACK OF A SECOND.

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**2<sup>ND</sup> MOTION:** It was moved to continue this item to the next Board meeting. Motion by Corbett; second by Couch.

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

**MOTION SUMMARY:** Motion passed-4 AYES; 1 NAY

At 10:05 PM President Mayo adjourned the meeting for a short break to allow legal counsel and the General Manager to consult. At 10:15PM President Mayo called the meeting back to order. General Manager Shopay asked the Directors to listen to the presentation from Lisa Stromme from SHN tonight (Agenda Item E-7-20 year facility plan) and to continue the balance of the items (E.6, E.8 and E.9 to tomorrow morning. There was Board consensus to do that.

**AGENDA ITEM E.7-20-YEAR FACILITY PLAN UPDATE:** Manager Shopay introduced Lisa Stromme from SHN who was present tonight to give a report on the status of the 20-year facility plan update. She gave an update on the facility plan process and reviewed the objectives of the plan, the conclusions and comments received from the public and their response to those comments. She reported that the final plan was scheduled to be presented to the Board at the February meeting. The Board thanked SHN and Lisa for the progress report and for keeping the Board informed up to date.

**AGENDA ITEM I-ADJOURNMENT:**

**MOTION:** At 10:55pm it was moved to adjourn the meeting and continue it to 9:00am tomorrow January 5<sup>th</sup> at 1656 Sutter Road, McKinleyville to cover the rest of the agenda items. Motion by Edwards; second by Wennerholm

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

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

Respectfully Submitted,

Sharon L. Denison,  
Board Secretary

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