

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, MARCH 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
Dennis Mayo, Vice President
David Couch, Director
Bill Wennerholm, Director
John Corbett, Director
Russ Gans, Legal Counsel

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 with Directors Corbett, Couch, and Wennerholm in attendance. There were no additions to the agenda. Director Wennerholm led the pledge of allegiance. Director Mayo arrived at 7:05PM.

AGENDA ITEM B-APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda. Motion by Wennerholm; second by Corbett.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM C1-PUBLIC HEARINGS: Protest Hearing for Reformation of the Measure B Assessment

District: Park & Recreation Director Sehon reviewed the timeline and process leading up to tonight's ballot tally and staff recommendations. After a brief Board discussion President Edwards opened public input and the following people addressed the Board:

1. David Elsebusch expressed concern with the Resolution wording and the whole proposal.
2. Penny Elsebusch expressed concern with the Resolution wording and the whole proposal.
3. Nancy-was opposed to the continuance of assessments.

President Edwards closed public input, advised the public that this was the last chance to turn in a ballot and then closed the public hearing.

At 7:11 President Edwards adjourned the meeting for a short break to allow the ballot counting to begin in the senior meeting room. At 7:16 President Edwards called the meeting back to order.

(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".)

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Board of Directors' Regular Meeting of February 16, 2011
2. Consider approval of February 2011 Treasurer's Report
3. DCV Violations this month
4. Main Line Extension Agreement Visser Imeson Subdivision

MOTION: It was moved to approve consent calendar items D1 through D4. 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-DISCUSSION RELATED TO CONSIDERATION OF MCSD FORMING AREA PLANNING COMMISSION OR OTHERWISE FACILITATING MCKINLEYVILLE AREA RESIDENT'S PARTICIPATION DURING EXERCISE OF PLANNING POWERS BY THE COUNTY OF HUMBOLDT, AND REQUEST TO FORM AN MCSD AD-HOC COMMITTEE REPORTING TO THE MCSD BOARD OF DIRECTORS:

General Manager Shopay briefly reviewed staff recommendations and initial objectives of the proposed committee. It was recommended that the committee would consist of two (2) MCSD Board members appointed by the Board President and up to seven (7) public members-one appointed by each Director and 2 approved by a vote of the Board. There was a brief Board discussion on the structure of the committee and discussion of Director's ideas and concerns. President Edwards explained that this will be an informational committee advising the MCSD Board only. President Edwards opened public comments and 7 people addressed the Board, with five people in support of the proposal and two people against the proposal.

MOTION: It was moved to support staff's recommendations with an additional recommendation to make it clear that this committee can be dissolved at any time by the MCSD Board. 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.2-CONSIDER PREPARATION OF LETTER FROM THE MCSD BOARD OF DIRECTORS TO HUMBOLDT COUNTY BOARD OF SUPERVISORS REQUESTING THAT THE COUNTY CONSIDER ESTABLISHING A CITIZEN ADVISORY COMMITTEE (CAC) RELATED TO FORMAL PARTICIPATION IN THE GENERAL PLAN UPDATE.

Director Wennerholm reviewed his letter, asking for input on the content and whether the Directors would like individual letters or one letter signed by all. There was a brief Board discussion, with the following changes suggested:

1. Director Corbett suggested edits to the two major concerns listed in the letter: (1) Put a period after "ten years ago" and delete the rest of the sentence. (2) Put a period after "our community has lost confidence in the process" and delete the rest of the sentence.
2. President Edwards advised researching the Framework Plan Section number as she thought it was 1500 instead of 1550.
3. Director Mayo suggested changing the last sentence to read "Please take time to consider our concerns and suggestions, and more importantly, to put the process on hold until a review of the policies and guidelines has been undertaken and meaningful inputs from McKinleyville are

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considered as per the adopted 2002 McKinleyville General Plan as approved by the Board of Supervisors”.

4. President Edwards requested copies of the letter be sent to the each Humboldt County Supervisor and the Department of Housing and Community Development.

MOTION: It was moved to approve the letter with the edits as requested above. Motion by Corbett and second by Wennerholm. After additional discussion Director Corbett amended his motion to delete the requested change to the second major concern and let that stand as written. Director Wennerholm, as the second to the motion, agreed to the amended motion.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

President Edwards directed staff to follow up on the Department of Finance Guidelines as to what the State would potentially fund.

AGENDA ITEM E.3-CONSIDER APPROVAL OF PROPOSED MCSD/HUMBOLDT COUNTY LIBRARY LEASE

AGREEMENT: Park & Recreation Director Sehon reviewed the Library Lease Agreement and reported if approved tonight it would go to the April 5th Board of Supervisors meeting for their final approval.

MOTION: It was moved to approve the proposed MCSD/Humboldt Library Lease Agreement. Motion by Corbett; second by Wennerholm.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E4-CONSIDER APPROVAL OF PROPOSED HILLER SPORTS COMPLEX YOUTH SPORTS ORGANIZATIONS FACILITY USE AGREEMENT CONTRACTS:

MOTION: It was moved to approve the facility use agreements for McKinleyville Little League, McKinleyville Babe Ruth and Mad River Girls Fast pitch Softball. Motion by Wennerholm; second by Corbett.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E5-REVIEW FIRST PRELIMINARY “DRAFT” PARKS & RECREATION FISCAL YEAR

2011/2012 BUDGET: Finance Director Edmiston briefly reviewed the key items in the budget and reported that a final budget would be brought to the Board on June 15, 2011. He advised the Board that he would be creating separate general ledger numbers to track open space zones and their expenditures. After a brief Board discussion President Edwards opened public input. David Elsebusch expressed concern with the expenditures for public records act, the method for tracking those costs and expressed concern with the Manager. President Edwards closed public input. Director Mayo appreciated staff delineating those costs and Director Wennerholm expressed full support for General Manager Shopay.

AGENDA ITEM E6-DISCUSSION OF THE FINANCIAL ASPECTS OF THE STREETLIGHTS CONDITIONS AND WHAT WE MAY BE EXPECTING REGARDING THE PENDING INSPECTION RESULTS AND NEED TO BORROW FUNDS FROM PARKS & RECREATION GENERAL FUND ACCOUNT TO REPLACE UTILITY POLES:

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Finance Director Edmiston briefly reviewed his financial analysis and concerns with the street light fund and increasing deficit balance. Operations Director Orsini explained that staff was in the process of arranging for the existing streetlight poles to be inspected and anticipated replacing approximately ten percent of the existing poles. He added he was in the process of changing the standards to require developers to use a higher quality pole and was planning on using a higher quality pole on all future replacements and that this would be included in the final budget for 2012. Director Corbett thanked staff for providing accurate information on costs and for being proactive.

AGENDA ITEM E7-CONTINUED BUSINESS ITEM: STATUS REPORT REGARDING NEGOTIATIONS FOR ACQUISITION OF REAL PROPERTY PARCEL LOCATED AT 1414 FISCHER ROAD, MCKINLEYVILLE, AND FOLLOWING RELATED ITEMS:

- (a) Summary report on MCSD efforts to pursue purchase of subject real property parcel following Board action to seek purchase on or about February 17, 2010:
- (b) Persons appointed to serve as the McKinleyville Community Services District's negotiator(s) following Board action on or about February 17, 2010: Norman Shopay, General Manager; Steve Edmiston, Finance Director; Greg Orsini, Operations Director; Jason Sehon, Parks & Recreation Director, Russell Gans and/or Paul Brisso, District legal counsel;
- (c) Person's with whom MCSD's appointed negotiator(s) may negotiate pursuant to Board action on or about February 17, 2010: Fernando Lourenco and Jorge Lourenco; and
- (d) MCSD negotiators request for further instruction regarding price and payment terms in closed session pursuant to Agenda Item H.1., below.

General Manager Shopay advised that this was a continued discussion with Mr. Lourenco and that staff had obtained a revised appraisal and inspections on the property and this was to be discussed in closed session later tonight. President Edwards opened public input on this closed session item and both David and Penny Elsebusch expressed their concern with the proposal to purchase and date of last appraisal. President Edwards closed public input.

AGENDA ITEM F-REPORTS:

F1a-RAC: Director Couch had nothing to report except they would be meeting soon.

F1b-McK Area Fund: President Edwards read a report from Mr. Kulstad that covered the last meeting and a letter from Ann Chaney, McK Area Fund Chair, stating they had nominated John Kulstad to serve another term on the McK RAC committee.

F1c-RREDC: Director Wennerholm reported on the main items discussed at the last meeting:

- 1. They were trying to bring in competition at the airport due to the recent announcement that Horizon Air was pulling out of our area.
- 2. Discussed federal banking requirements in reference State Law regarding accounts for "215" money.

F1d-McK Senior Center: Director Wennerholm referred to the written report included in the Board packet from the senior's last meeting.

F1e-Audit: Director Corbett reported that they were doing a follow-up to the audit in looking at cost allocations and the reserve policy. Finance Director Edmiston reported that he had sent out the RFP's today for a new auditor.

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F1f-Water Task Force: Director Mayo had nothing to report.

F1g-AdHoc No Drugs & Toxics down the Drain: Director Mayo reported he had met with McK high school students and they were working on a grey water symposium concept and he would keep the Board updated on the progress.

F1h-Humboldt County Advisory: President Edwards reported no meeting yet.

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

F2b-Operations Department: Operations Director Orsini had nothing to add to his written report.

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

F2d-General Manager: General Manager Shopay reported that:

1. A Danco representative had contact him to set up a meeting regarding Beau Pre Heights and he may have something to report at the next Board meeting.
2. Kirk Girard had contacted staff with a request to give a presentation to the Board in the near future. He asked for Board input on focus talking points. President Edwards suggested each Director give their ideas for discussion to the Manager.
3. He planned to bring information to the Board soon regarding numbers from the Planning Department for housing units and density.

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

F4-Board Members comments, Announcements and Reports: Director Corbett requested staff extend an invitation to Kirk Girard from County Planning to attend a Board meeting in two months to give the Board time to discuss this and formulate questions for him. President Edwards asked the directors to give thought on what they would like to hear from Mr. Girard and to get those to General Manager Shopay.

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

1. Sandra Spaulding announced the date of next planning meeting regarding density and asked the Directors to attend.
2. Ron Coffman-lives across from Beau Pre Heights and was upset with recent planning action.
3. David Elsebusch expressed his dislike of the 3 minute timer and concern with ballot information being confidential.
4. Daniel-resident at 1835 Mulberry expressed concern with the potholes in his neighborhood. He gave his phone number and staff will contact him with the contact information for County Roads.

President Edwards closed public input.

At 9:58pm President Edwards adjourned the regular meeting for a short break prior to closed session discussion.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: The Board went into closed session for discussion of: H.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS-(Per Government Code Section 54956.8) Property: 1414 Fischer Road. Closed session attendance included: General Manager Shopay, Finance

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Director Edmiston, Operations Director Orsini, Park & Recreation Director Sehon, and Legal Counsel Russell Gans.

Time Out of Closed Session: The Board came out of closed session at 10:18pm and President Edwards announced that no action was taken in closed session. She directed that the ballot counting would stop at this time and continue at 8:00am tomorrow morning at the District office, 1656 Sutter Road, McKinleyville.

AGENDA ITEM I-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 10:18pm. Motion by Corbett; second by Wennerholm.

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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