

## EXHIBIT D.1

### **MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, OCTOBER 19, 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  
Sharon Denison, Board Secretary  
Jason Sehon, Park & Recreation Director  
Russell Gans, District Attorney

#### **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. Director Corbett led the pledge of allegiance. President Edwards announced that item E.5 had been added to the agenda at the last minute on Friday. Staff assured the Board that the revised agenda was posted on Friday prior to close of business.

#### **AGENDA ITEM B-APPROVAL OF THE AGENDA**

**MOTION:** It was moved to approve the agenda with the addition of item E.5. Motion by Corbett; second by Mayo.

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

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

#### **AGENDA ITEM C1- PUBLIC HEARING-NONE**

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

1. Consider approval of minutes of the Special Meeting of September 13, 2011
2. Consider approval of minutes of the Regular Meeting of September 21, 2011
3. Consider approval of minutes of the Special Meeting of September 28, 2011
4. Consider approval of September 2011 "Draft" Cash Disbursement Report and Investments and Cash Flow Report.
5. No DCV Violations

President Edwards requested consent calendar items D.2 and D.3 be pulled for discussion. President Edwards then opened public input and David Elsebusch requested item D.4 be pulled.

**MOTION:** It was moved to approve consent calendar item D.1. Motion by Corbett; second by Mayo

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

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

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**Consent Calendar Item D.2-Consider Approval of Minutes of the Regular Meeting of September 13, 2011:** President Edwards requested an edit to Page 4 in regards to Board direction to “work with the concerned public to develop a list of future alternatives for Fischer Ranch use and the pros and cons **AND COSTS** associated with those alternatives”.

**MOTION:** It was moved to approve the minutes of September 21, 2011 with the requested change. 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.3-Consider approval of Minutes of Special Meeting of September 28, 2011:** President Edwards requested a correction to the vote of the Board in the announcement from closed session to read “The vote of the Board was 4 AYES and “0” Nays”.

**MOTION:** It was moved to approve the minutes of September 28, 2011 with the requested change. 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.4-Consider Approval of the September 2011 Draft Cash Disbursement Report and Investments and Cash Flow Report.** David Elsebusch expressed concern with several expenditures in the cash disbursement report and concern with replacement of the MCSD Finance Director. The Board had no comments.

**MOTION:** It was moved to approve the September 2011 Cash Disbursement Report and Investments and Cash Flow Report.

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

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

**AGENDA ITEM E.1-UPDATE ON MEASURE B-TEEN/FAMILY CENTER PROJECT:** Park and Recreation Director Sehon gave an update on the progress made on the teen/family center and reported that staff is working with the Architect on a preliminary design. He briefly reviewed the timeline included in the packet for the project and promised to keep the Board informed over the next several months on the status. Two members of the public addressed the Board with their suggestions for design and use.

**AGENDA ITEM E.2-PRESENTATION OF DRAFT 20 YEAR FACILITIES PLAN AND START OF PUBLIC**

**COMMENT PERIOD:** Operations Director Orsini introduced this item, briefly reviewed the process and introduced Lisa Stromme from SHN Engineers, present tonight to give a brief presentation on the 20 year facility plan and begin the public comment period. Ms. Stromme explained that the draft plan would be available for public comment until December 14, 2011 and a workshop was planned for November 7<sup>th</sup> to review the plan, receive input and answer any questions. She then reviewed the history of the facility planning process, highlighted the major milestones and major objectives of the plan and cost analysis. Her power point presentation covered an outline of the plan and highlighted the major objectives. Director Couch expressed concern that public input was included in the plan, asked to see data on the Poplar Tree Pilot Study done and suggested an odor study be done on all of the

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alternatives. Director Corbett felt it was critical to consider all alternatives and Director Mayo was concerned that the 1.8% projected growth rate over the 20 year period was an accurate number. After a brief Board discussion President Edwards opened public comments and the following people addressed the Board:

1. Penny Elsebusch suggested using ocean outfall or a tertiary system and asked for costs for each alternative.
2. Ron Coffman supported the plan with the 1.8% growth rate but felt that number should be reviewed periodically.
3. Jeff Dunk was concerned with the 1.8% growth rate over the full 20 years and suggested including alternatives in the plan.
4. George Wheeler expressed concern with AG Poisons applied to Fischer Ranch and asked the District to address continued application and freedom to apply.
5. David Elsebusch expressed concern that the plan was 3 years in the making and expense.

President Edwards closed public input and the Board thanked Lisa Stromme for the excellent presentation.

**AGENDA ITEM E.3-CONSIDER ADOPTION OF RESOLUTION 2011-24 FOR THE PREPARATION AND SUBMISSION OF AN APPLICATION FOR GRANT FUNDING THROUGH THE LAND AND WATER**

**CONSERVATION FUND:** Park and Recreation Director Sehon reviewed staff recommendations and the need for this Resolution in order to apply for grant funding through the Land and Water Conservation Fund.

**MOTION:** It was moved to adopt Resolution 2011-24 approving the preparation and submission of an application for grant funding through the Land and Water Conservation Fund. Motion by Mayo; 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.4-CONSIDER ACQUISITION OF ALL OR A PORTION OF REAL PROPERTY PARCEL LOCATED AT/NEAR THE JUNCTION OF SCHOOL ROAD AND WASHINGTON AVENUE, MCKINLEYVILLE (APN 508-242-008):**

Park and Recreation Director Sehon reviewed staff recommendations for the potential use of this property and recommended the Board meet in closed session to continue discussion of the status of negotiations related to price and terms and to obtain Board direction. President Edwards opened public input on this closed session item. David and Penny Elsebusch both supported the acquisition of only three acres. Jeff Dunk suggested the Board consider the entire ten acres for purchase. President Edwards closed public input.

**AGENDA ITEM E.5-CONSIDER RESOLUTION 2011-25, A RESOLUTION REQUIRED BY THE PUBLIC**

**EMPLOYEES RETIREMENT SYSTEM DUE TO THEIR JUST COMPLETED SYSTEM UPGRADE:** Secretary Denison explained that staff had been notified by PERS late Friday afternoon that the District did not have this Resolution on file and that until received all payroll reporting would be put on hold.

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**MOTION:** It was moved to approve Resolution 2011-25 for submission to the Public Employees Retirement System. 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:** Director Couch reported that the committee had met and heard concerns from the Bocce ball players with the surface of the recently completed courts and discussed a letter received from the Friends of the Library asking for consideration of an allotment of free time per month for their group. Park & Recreation Director added that they started work on an Integrated Pest Management Plan and will be bringing that to the Board for consideration in the future.

**F1b-McK Area Fund:** President Edwards reported the fund will be meeting next month.

**F1c-RREDC:** President Edwards reported she had attended the last RREDC meeting, briefly reviewed the agenda and turned in a copy for the file. She added she would be attending the next meeting in place of Director Wennerholm.

**F1d-McK Senior Center:** Director Wennerholm had nothing to add to the written report in the packet.

**F1e-Audit:** Director Corbett had nothing to report at this time.

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

**F1g-AdHoc No Drugs & Toxics down the Drain:** Director Mayo reported that they had met prior to the last RAC meeting and discussed Fischer Ranch and toxic applications and addressed several misconceptions. He added that they had also talked about infiltration, an addendum to the Fischer Ranch lease and a vision for the future use of Fischer Ranch and planned to meet again prior to the next RAC meeting.

**F1h-Humboldt County Advisory: See F1i**

**F1i-McKinleyville Area Planning Commission Formation:** President Edwards reported that the Advisory and McK Area Planning Commission had morphed into one unit named the McKinleyville Advisory Committee. She added that a draft had been created for the committee and submitted to Michael Richardson and Kirk Girard for review and submission to County Counsel and would come back to the Board for a future workshop and public input.

**F2a-Support Services Department:** Scott Gordon had nothing to add to his written report in the packet.

**F2b-Operations Department:** Operations Director Orsini had nothing to add to his written report. President Edwards commended Greg for the cost savings realized from projects completed in-house.

**F2c-Park & Recreation Department:** Park and Recreation Director Sehon reported that attendance at the Recreation programs has increased substantially recently and 380 youth had attended the last Junior High Dance at the activity center. He commended the Recreation Department Staff for increasing Recreation Program opportunities. President Edwards commended him for keeping up on the grant opportunities.

**F2d-General Manager:** General Manager Shopay reported that the annual HWMA hazardous waste collection event held at Pierson Park was very successful and was money well spent in keeping potential hazardous waste out of the District's system. He briefly reviewed recent cost savings opportunities, in particular the current no cost employment of a Cal-Works employee in the Support Staff Department.

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

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**F4-Board Members comments, Announcements and Reports:** Director Mayo reported that he was not notified of a meeting that took place last week at the County regarding the Housing Element due to poor communications. He announced that the next meeting was scheduled for November 4<sup>th</sup> at Azalea Hall.

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

1. Megan O'Brien spoke regarding Fischer Ranch and the use of herbicides and thanked Dennis Mayo, Jason Sehon and Manager Shopay for meeting with the neighbors and being open to options and asked that this to be placed on the November Board agenda.

President Edwards reiterated that this needed to be discussed at the committee level as to suggested alternatives and associated costs for those alternatives prior to coming to the Board. After a brief discussion she assigned Director Corbett to work with General Manager Shopay to address what will be ready for the November Board agenda, including the addendum to the Peachey Fischer Ranch Lease.

2. Jeff Dunk had questions regarding the draft for the McKinleyville Advisory Committee submitted to County Counsel.
3. Penny Elsebusch expressed concern with application of toxics in the Parks without proper notification.
4. David Elsebusch expressed concern with herbicide use and District response to concerns, and asked the Board to dismiss the lawsuit with the County.
5. George Wheeler was concerned with being able to rely on the Board to enforce lease provisions.

President Edwards closed public comment and written communications. Davis Elsebusch asked to comment on the closed session item and suggested the Board approve the purchase of a three acre parcel for what he called "peanuts".

At 8:50pm President Edwards adjourned the regular meeting for a ten minute break after which the Board would adjourn into closed session.

At 9:00 PM President Edwards called the meeting back to order, asked for the room to be cleared and adjourned into closed session for discussion of item H.1 as noticed on the agenda:

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

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

(Per Government Code Section 54956.8) Property: 1700 Washington Avenue, McKinleyville, California. Under Negotiation: Purchase of the above-referenced property. MCSD negotiators: Norman Shopay, General Manager; Jason Sehon, Parks and Recreation Director, Russell Gans, District legal counsel. Parties with whom MCSD may negotiate: Dena McCullough, Superintendent, McKinleyville Union School District (MUSD), MUSD Board of Trustees, Stephen L. Hatsell, General Counsel. Instructions to negotiators include both price and terms of payment.

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**TIME OUT OF CLOSED SESSION:** At 9:35 PM the Board adjourned into open session. President Edwards announced that no action was taken in closed session.

**AGENDA ITEM I-ADJOURNMENT:**

**MOTION:** It was moved to adjourn the meeting at 9:36 PM. Motion by Corbett; second by Mayo.

**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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