

EXHIBIT D.1

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, OCTOBER 20, 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
John Corbett, Director
David Couch, Director
Bill Wennerholm, Director

Norman Shopay, General Manager
Gregory Orsini, Operations Director
Lesley Frisbee, Recreation Supervisor
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 and there were no additions to the agenda.

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 HEARINGS: NO PUBLIC HEARING

AGENDA ITEM D-CONSENT CALENDAR:

- 1. Consider approval of minutes of the Regular Meeting of September 15, 2010**
- 2. Consider approval of September 2010 Treasurer's Report**
- 3. No DCV Violations this month**
- 4. Consider Approval of revised Employee Handbook**

President Edwards announced that consent calendar items D.1 & D.2 were being pulled for further discussion per a request received.

MOTION: It was moved to approve consent calendar items D3 & D4. Motion by Corbett; second by Wennerholm.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

CONSENT CALENDAR ITEM D.1-Approval of the minutes of September 15, 2010 Board Meeting:

CONSENT CALENDAR ITEM D.2-Approval of September 2010 Treasurer's Report:

(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".)

As the Directors had no comments on these two consent items President Edwards opened public input and David Elsebusch expressed concern with approval of the 2010 Newsletter and activity guide and cash disbursement report. President Edwards closed public input.

MOTION: It was moved to approve consent calendar items D.1 & D.2. 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-PRESENTATION BY HUMBOLDT BAY MUNICIPAL WATER DISTRICT RELATED TO ADVISORY COMMITTEE RECOMMENDATIONS FOR WATER USE OPTIONS PRESENTED IN THEIR

AUGUST 2010 REPORT: General Manager Shopay introduced this item and the three representatives present from HBMWD. Kaitlan Sopoci-Belknap, HBMWD Board President, addressed the Board and gave a brief introduction, thanked Director Mayo for his input on the advisory committee, and Director Couch for his input as a public member. She then gave an overview presentation of the HBMWD advisory committee recommendations for water use options that also covered the components of their system, challenges including an aging infrastructure and loss of customer base. The Directors praised HBMWD for the process that included public input, but there was consensus that detailed cost information was needed for each option identified to begin to make an informed decision on the preferred options. Four members of the public addressed the Board with their questions and concerns. There was a brief Board discussion.

MOTION: It was moved authorize staff to send a letter to HBMWD in support of the four options presented, but with the proviso that the District will need full disclosure of costs for each option prior to making any decisions. Motion by Corbett; second by Mayo.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

At this time, 8:00pm President Edwards adjourned the meeting for a short break. At 8:13pm President Edwards called the meeting back to order.

AGENDA ITEM E.2-CONSIDER REVISED MISSION STATEMENT AND DISTRICT FOCUSED GOALS AND OBJECTIVES FOR SHORT TERM PLANNING PERIOD OF APPROXIMATELY THREE TO FIVE YEARS:

MOTION: It was moved to approve the revised MCSD mission statement and District focused goals and objectives. 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.3-CONSIDER APPROVAL OF REVISED BOARD POLICY MANUAL: The Board briefly discussed the revised manual and Director Corbett had further revisions he wanted considered for addition to the manual to expand access to legal counsel for the Directors. After further discussion this item was tabled and sent back to the committee consisting of President Edwards, John Corbett and staff for discussion and consideration, with a revised version to be brought back to the Board at a future meeting.

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AGENDA ITEM E4-ANALYSIS OF RAMEY PUMP STATION UPGRADE PROJECT FINANCING OPTIONS:

Finance Director Edmiston reviewed the options available and their potential cost to the District, adding that I-Bank may be the best option for the District but that he had no specific recommendation at this time until the District completed the I-Bank application and received approval from them for financing. It was Board consensus to direct staff to proceed with the I-Bank application and report back to the Board on the process. President Edwards thanked Finance Director Edmiston for the update.

AGENDA ITEM E5-CONSIDER LETTER OF SUPPORT TO CALIFORNIA MARINE LIFE PROTECTION ACT

INITIATIVE NORTH COAST REGIONAL STAKEHOLDER GROUP: At the beginning of discussion Director Corbett declared a conflict of interest due to his representation of a client on this matter. He refrained from all discussion on this item. Board President Edwards explained that a presentation was given by the local stakeholder group at a recent RREDC meeting and that as a member of RREDC we were requested to send a letter of support of the proposal. Three people addressed the Board expressing concern that this had no nexus to MCSD and it was not appropriate to respond as a Board.

MOTION: It was moved to approve submission of a letter of support to the California Marine life Protection Act Initiative North Coast Regional Stakeholder Group to be signed by all Directors excluding Director Corbett. Motion by Mayo; second by Wennerholm

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

MOTION SUMMARY: Motion Passed-4 AYES; 1 ABSTENTION

AGENDA ITEM F-REPORTS:

F1a-RAC: Director Couch reported the committee was still working on the Park & Recreation master plan.

F1b-McK Area Fund: President Edwards reported that the MAF will meet next week and will present a check to the McK Library and participate in the Library's ribbon cutting ceremony.

F1c-RREDC: President Edwards reported that RREDC was actively participating in solicitation of additional airlines to our area and the grant for the Headwaters Fund has been put on hold.

F1d-McK Senior Center: Director Wennerholm reported the seniors had not met.

F1e-Audit: President Edwards reported that an RFP was in the process of being prepared and sent out.

F1f-Water Task Force: Director Mayo had nothing to add due to tonight's presentation by HBMWD.

F1g-AdHoc No Drugs & Toxics down the Drain: Director Mayo reported he had been working with Greg Cain from Humboldt Sanitation regarding a P/R campaign to go out to the public regarding the grease receptacle now available at Humboldt Sanitation.

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

F2b-Operations Department: Operations Director Orsini reported that he had received a call from the RWQCB informing us they were going to perform a reasonable potential analysis and there was a possibility that they may completely remove copper limitations from the District's wastewater discharge permit. He promised to keep the Board updated on this.

F2c-Park & Recreation Department: Recreation Supervisor Lesley Frisbee had nothing to add.

F2d-General Manager: General Manager Shopay had nothing to add to his written report in the packet.

F3-Chairman's Report: President Edwards reported that she had attended a meeting with the County and Jill Duffy and had also met with the Sheriff regarding the swap team. She directed staff to add an

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agenda item next month to consider formation of a temporary sub-committee to meet periodically with the County.

F4-Board Members comments, Announcements and Reports: No comments or announcements were made.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public input and David Elsebusch expressed continued concern with the renewal of Measure B.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: no closed session

AGENDA ITEM I-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 9:30pm. Motion by Mayo; 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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