

**EXHIBIT D.2**

**MINUTES OF THE SPECIAL MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT  
HELD ON WEDNESDAY, MARCH 14, 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:

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

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

**AGENDA ITEM A-CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE AND ADDITIONS TO THE**

**AGENDA:** At 7:00pm President Mayo called the meeting to order, roll call was taken with all Directors present and Director Edwards led the pledge of allegiance. There were no additions to the agenda.

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

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

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

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

**AGENDA ITEM C- PUBLIC HEARING-NONE**

**AGENDA ITEM D-CONSENT CALENDAR: No Consent Calendar Items**

**AGENDA ITEM E.1-DRAFT FISCAL YEAR 2012/2013 CAPITAL IMPROVEMENT PROGRAM (CIP) FOR**

**PROJECTS THROUGH 2022:** In compliance with the Board's designated funds policy, which includes a reserve for capital asset repair and replacement, Finance Director Trask provided information on a draft Capital Improvements Budget covering a 10 year time span. Larger projects were explained in greater detail by Parks & Recreation Director Sehon, Operations Director Orsini and General Manager Shopay. Director Corbett asked that more narrative on the large expenditures be included in future reports.

**AGENDA ITEM E.2-PARKS & RECREATION MASTER PLAN UPDATE:** Park & Recreation Director Sehon briefly reviewed the progress made on the plan update. He reported that staff had been working on the

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update for more than a year, had gathered and included public input and had posted the plan on the web site. He handed out the draft plan to the Board tonight and advised them he would bring the final plan to the Board next month. There were no Board or public comments.

**AGENDA ITEM E.3-POTENTIAL BOYD ROAD ANNEXATION INTO MCSD'S SPHERE OF INFLUENCE AND CONTINUED SERVICE DISCUSSION:**

Rebecca Crow from GHD, Inc. presented an overview of her investigation of the existing water services on Boyd Road and reviewed the four options the District could pursue. There was a lengthy discussion on the pros and cons of the options.

**MOTION:** It was moved to approve staff recommendation to prepare and submit an application to LAFCo to annex the Boyd Road Area for water service only. Motion by Edwards; second by Wennerholm

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

**MOTION SUMMARY:** Motion Passed-4 AYES; 1 ABSTENTION

**AGENDA ITEM E.4-RESOLUTION REQUESTING MCSD BE CONSIDERED FOR MEMBERSHIP ON THE HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS (HCAOG):**

**FIRST MOTION:** It was moved to adopt Resolution 2012-11 to request HCAOG consider MCSD for inclusion in HCAOG and appointment of a MCSD representative to HCAOG's Board of Directors. Motion by Corbett; second by Edwards

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

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

**AGENDA ITEM E.5-PUBLIC COMMENT: CONSIDER ACQUISITION OF ALL OR A PORTION OF REAL PROPERTY LOCATED AT/NEAR THE JUNCTION OF NORTH BANK ROAD AND AZALEA ROAD (APN507-141-017); APPOINTMENT OF MCSD NEGOTIATORS: NORMAN SHOPAY, GENERAL MANAGER; RUSSELL GANS, DISTRICT LEGAL COUNSEL AND DESIGNATION OF PARTIES WITH WHOM MCSD MAY NEGOTIATE: KEVIN MALLOY, GRANITE CONSTRUCTION CO:**

General Manager Shopay identified the parcel and explained the proposal to be discussed by the Board in closed session at the end of the regular meeting tonight.

**MOTION:** It was moved to appoint Norman Shopay and Russell Gans as MCSD negotiators and Kevin Malloy of Granite Construction as the party whom MCSD may negotiate with. Motion by Corbett; second by Edwards

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

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

President Mayo opened public input and 4 people addressed the Board, with two people supporting the purchase and two people expressing concern with the cost and need to charge non-residents a fee to use. President Mayo closed public input.

**AGENDA ITEM E.6-CONSIDER APPROVAL OF A RESOLUTION IN SUPPORT OF PAUL HELLIKER OF ACWA REGION 1:**

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**MOTION:** It was moved to adopt Resolution 2012-10 in support of Paul Helliker as chair of ACWA Region 1. Motion by Edwards; second by Wennerholm

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

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

**AGENDA ITEM F-REPORTS:**

**F1 ACTIVE COMMITTEE REPORTS-NO COMMITTEE REPORTS SCHEDULED**

**F2a-SUPPORT SERVICES DEPARTMENT:** Finance Director Trask had nothing to add to her written reports.

**F2b-OPERATIONS DEPARTMENT:** Operations Director Orsini updated the Board on the Norton Tank Painting Project, answering Directors questions and concerns.

**F2c-PARKS & RECREATION DEPARTMENT:** Park & Recreation Director Sehon reported that staff would be interviewing candidates for the teen center architecture and planning services the last week of March. He added that the RAC was scheduled to meet Thursday night at 6:00pm at the District conference room.

**F2d-GENERAL MANAGER:** GM Shopay had nothing additional to report.

**F3-CHAIRMAN'S REPORT:** Chairman Mayo had nothing to report.

**F4-BOARD MEMBERS COMMENTS, REPORTS AND AGENDA ITEM REQUESTS:** Director Corbett asked staff to include correspondence from the public in future Board packets.

**AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:** President Mayo opened public input and David Elsebusch expressed concern with the multiple meetings planned and objected to an increase in Directors fee to \$125. Jeff Dunk asked staff to use a slide projector as reference on presentations like the CIP.

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

President Mayo opened public comments on the closed session item and Penny Elsebusch expressed concern with the sale price/value of the property.

**RECESS AND CONTINUE MEETING IN CLOSED SESSION:** At 8:35PM President Mayo adjourned the regular meeting for a short recess after which the Board would go into closed session for discussion of:

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

(Per Government Code Section 54956.8) Property: APN 507-141-017, North Bank Road  
Under Negotiation: Purchase of the above-referenced property. MCSD negotiators:  
Norman Shopay, General Manager; Russell Gans, District legal counsel. Parties with  
whom MCSD may negotiate: Kevin Malloy, Granite Construction. Instructions to  
negotiators to include both price and terms of payment.

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**RECESS AND CONTINUE MEETING IN OPEN SESSION:** At 8:55PM the Board adjourned out of closed session.

**REPORT OUT OF CLOSED SESSION:** President Mayo announced that no reportable action was taken in closed session.

**AGENDA ITEM I-ADJOURNMENT:**

**MOTION:** A motion was made to adjourn the meeting at 9:00PM. Motion by Wennerholm; second by Couch.

**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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