

### EXHIBIT D.3

#### **MINUTES OF THE SPECIAL MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, FEBRUARY 22, 2012 AT 9:00AM AT THE DISTRICT OFFICE, 1656 SUTTER ROAD, MCKINLEYVILLE**

The special meeting of the Board of Directors of McKinleyville Community Services District convened at 9:05 AM with the following Directors and staff in attendance:

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

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

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

At 9:05 am President Mayo called the meeting to order. Directors Corbett, Edwards and Wennerholm were present and Director Couch was absent. Director Wennerholm 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, Edwards, Wennerholm, Mayo

**MOTION SUMMARY:** Motion Passed- 4 AYES; 0 NAYS

#### **AGENDA ITEM C- PUBLIC HEARINGS-NONE SCHEDULED**

At this time 9:06am Director Wennerholm excused himself for a brief recess, leaving the room.

At 9:08 Director Wennerholm returned to the meeting.

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

##### **D.1 Approve Signatory Change for Finance Director Colleen Trask for Umpqua Bank and/or other agencies as may be required.**

David Elsebusch requested this item be pulled from the consent calendar for further discussion. As the Directors had no questions or concerns, President Mayo opened public input and David Elsebusch expressed concern as to whether Ms. Trask was working for the District and no response from the Board or Manager to his questions regarding her employment.

**MOTION:** It was moved to approve the signatory change to Umpqua Bank, other agencies, County and/or other banks and credit cards to add the new Finance Director Colleen Trask. Motion by Edwards; second by Corbett.

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

**MOTION SUMMARY:** Motion Passed-4 AYES; 0 NAYS

**AGENDA ITEM E.1-Humboldt County Local Agency Formation Commission (Humboldt LAFCo) Notice of Vacancy and Request for Nomination for Humboldt LAFCo Special District Representative:**

General Manager Shopay briefly discussed this request for nominations and reviewed the time commitment required. Director Edwards announced she was willing to serve if nominated. David Elsebusch expressed concern with nominating Director Edwards. Ron Coffman supported the nomination.

**MOTION:** It was moved to nominate Director Edwards to apply for the vacant Special District position on the Humboldt LAFCo Commission. Motion by Corbett; second by Wennerholm

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

**MOTION SUMMARY:** Motion Passed-4 AYES; 0 NAYS

**AGENDA ITEM E.2-Consider adopting Resolution 2012-02 for grant funding through Land and Water Conservation Fund:**

**MOTION:** It was moved to adopt Resolution 2012-02 for the preparation and submission of an application of grant funding through the Land and Water Conservation Fund. Motion by Edwards; second by Wennerholm

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

**MOTION SUMMARY:** Motion Passed-4 AYES; 0 NAYS

**AGENDA ITEM F-REPORTS-NO REPORTS SCHEDULED**

**At this time 9:20 AM President Mayo reiterated the proper conduct expected at Board Meetings which included no threatening, aggressive or violent behavior and the consequences thereof.**

**AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:**

1. Penny Elsebusch expressed concern with the presence of a security guard at Board meetings.
2. David Elsebusch expressed concern with the guard presence, opposed MCSD involvement in the Muni Advisory Committee and requested a GM performance review.

Prior to adjourning into closed session President Mayo opened public input on the closed session noticed item and the following people addressed the Board:

1. Ron Coffman hoped the settlement focus would be towards the Central part of McKinleyville.
2. Penny Elsebusch expressed concern with the overall expense.
3. David Elsebusch expressed concern with the expense to the County and MCSD ratepayers.

**AGENDA ITEM H-CLOSED SESSION DISCUSSION**

At 9:30 AM President Mayo announced that the Board would be going into closed session for discussion of the following item:

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**AGENDA ITEM H.1-CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION-MCKINLEYVILLE COMMUNITY SERVICES DISTRICT v COUNTY OF HUMBOLDT, BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT, CASE NO. CV110632 LITIGATION, pursuant to subdivision (a) of Section 54956.9.**

**At 11:07 AM the Board adjourned out of closed session. President Mayo announced that no members of the public were present for the announcement and that no reportable action was taken.**

**AGENDA ITEM I-ADJOURNMENT:**

**MOTION:** It was moved to adjourn the meeting at 11:08 AM. Motion by Edwards; second by Corbett

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

**MOTION SUMMARY:** Motion Passed-4 AYES; 0 NAYS

Respectfully Submitted,

Sharon L. Denison,  
Board Secretary

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