

EXHIBIT D.1
MINUTES OF THE REGULAR MEETING OF THE MCSD BOARD OF DIRECTORS HELD ON
WEDNESDAY, JANUARY 21, 2009 AT AZALEA HALL, 1620 PICKETT ROAD,
MCKINLEYVILLE

AGENDA ITEM A-CLOSED SESSION-PERSONNEL GC SECTION 54957-EMPLOYMENT

GENERAL MANAGER: At 6:00pm President Wennerholm called the meeting to order with Directors Dunk, Edwards and Mayo present. Director Corbett arrived at 6:30pm. President Wennerholm announced that the Board would be adjourning into closed session to meet with Pam Derby of C.P.S. regarding the General Manager Recruitment under Government Code 54957. The Board came out of closed session at 6:59pm.

AGENDA ITEM A-CALL TO ORDER, FLAG SALUTE AND ROLL CALL: At 7:00pm President Wennerholm called the regular meeting to order and asked Director Mayo to lead the pledge of allegiance. All Directors were present.

President Wennerholm announced that there was nothing to report from closed session.

AGENDA ITEM B1-PUBLIC HEARING FOR FORMATION OF SLZ #92 FOR THE LAZZAR/AVELAR SUBDIVISION ON JONES AVENUE:

President Wennerholm opened the public hearing and closed with no comments received.

MOTION: It was moved to approve Resolution 2009-1 to initiate formation of Street Light Zone #92 for the Jones Subdivision. Motion by Corbett; second by Dunk. Director Mayo reiterated his philosophical objection to street lighting.

MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Dunk, Edwards, Mayo, Wennerholm.

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM B2-PUBLIC HEARING FOR THE FORMATION OF SLZ #93 FOR THE LAWRENCE TASI LANE SUBDIVISION:

President Wennerholm opened the public hearing and closed with no comments received.

MOTION: It was moved to approve Resolution 2009-2 to initiate formation of Street Light Zone #93 for the Tasi Lane Subdivision. Motion by Corbett; second by Dunk.

MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Dunk, Edwards, Mayo, Wennerholm.

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM C-ORAL AND WRITTEN COMMUNICATIONS:

1. **Letter from Cal Trans regarding mitigation work on Mad River Beach at the Vista Point:** Manager Marking reviewed the mitigation project that Cal-Trans is proposing and reported that their letter is included in the Newsletter.
2. **Letter from David Elsebusch:** David Elsebusch said he would be addressing his letter at the time of the agenda discussion on the legal contract.
3. **Introduction of Jeff Saunders from RREDC:** Manager Marking reported that Mr. Saunders was unable to attend tonight.
4. **Public Comments:**
 - Tera Prucha asked the Board to follow up on the Alternative Energy Committee.
 - Penny Elsebusch felt MCSD should carefully look into ocean outfall requirements.
 - Director Dunk thanked Director Corbett for his service as Board President the past year.

AGENDA ITEM D-CONSENT CALENDAR:

1. **Accept Minutes of the December 17th Regular Meeting**
2. **Accept November Treasurer's Report**
3. **Accept December Treasurer's Report**
4. **Approve Service Disconnection for DCV Violations**
5. **Approve Newsletter**

6. Approve Annual Audit for 2007/08

Manager Marking requested the newsletter be pulled from the consent calendar. Director Corbett requested the Annual audit be pulled from the consent calendar.

MOTION: It was moved to approve consent calendar items 1-4. Motion by Corbett; second by Mayo.

MOTION VOTE: Ayes: Corbett, Dunk, Edwards, Mayo, Wennerholm.

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

Consent Calendar Item 5-Newsletter

Manager Marking referred to the updated copy of the newsletter handed out and explained that there was a minor typo on pg. 1 and he wanted the Board to be aware of the ballot included from the McK Chamber of Commerce asking for the public to vote on changing the name of the "Azalea Festival" back to "Pony Express Days."

MOTION: It was moved to approve the newsletter for publication. Motion by Mayo; second by Corbett.

MOTION VOTE: Ayes: Corbett, Dunk, Edwards, Mayo, Wennerholm.

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

Consent Calendar Item 6-Approve Annual Audit for 2007/2008

Director Corbett reported that the Audit Committee had met and reviewed the audit, budget and Management Letter. He reviewed the Committee conclusions that the District finances were very solid and the District was well positioned for the upcoming economic storms, giving recognition to Manager Marking.

MOTION: It was moved to approve the Annual Audit for 2007/2008.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E1-APPOINT COMMITTEE ASSIGNMENTS FOR THE 2009 CALENDAR

YEAR: There was a brief Board discussion on committee interest. Manager Marking noted that staff notes should correctly indicate that Bill Wennerholm was appointed President and Jeff Dunk was appointed Vice President at last month's meeting. The committee assignments finalized were:

- Rec Advisory: Dunk
- RREDC: Edwards, Wennerholm (alternate)
- Audit: Corbett, Edwards
- McK Senior Center: Wennerholm
- McK Area Fund: John Kulstad
- Negotiations: Wennerholm, Mayo
- Water Task Force: Dunk, Mayo (alternate)
- General Manager Hiring: Dunk, Wennerholm
- AdHoc No Drugs & Toxics Down The Drain: Mayo

AGENDA ITEM E2-REVIEW BOARD OF DIRECTORS POLICY MANUAL AND MODIFY AS

APPROPRIATE: Manager Marking suggested that Director Corbett, with his expert knowledge, may be willing to assist the Board regarding appropriate modifications or changes to the Board Policy Manual. Director Corbett said he was willing to work with the Manager regarding revisions to the Policy. It was Board consensus for Director Corbett to work with Manager Marking to review the Policy Manual and to bring suggested changes to the Board for discussion next month.

AGENDA ITEM E3-REVIEW/MODIFY DISTRICT LEGAL SERVICES AGREEMENT WITH MITCHELL, BRISSO, DELANEY AND VRIEZE:

Manager Marking reviewed the minor conflict discovered in the legal agreement that needed to be changed to comply with the Board Policy Manual.

MOTION: It was moved to approve the change as recommended to the legal services agreement with Mitchell, Brisso, Delaney and Vrieze. Motion by Corbett; second by Mayo.

MOTION VOTE: Ayes: Corbett, Dunk, Edwards, Mayo, Wennerholm.

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E4-DISCUSS CIVIL LIABILITY COMPLAINT FROM THE RWQCB ON PENDING FINES FOR 2005/06 PERIOD FOR PERMIT VIOLATIONS: Manager Marking reviewed the Civil Liability Complaint received from RWQCB for MCSD violation of effluent standards. He also reviewed the history leading to construction of the marsh and the method to resolve the complaint which included sending a \$10,000 check to RWQCB along with a request that the \$50,000 balance be applied against the Wetland Compliance Project. After a brief discussion and public input the Board thanked the Manager for the update and the complaint was received and filed.

AGENDA ITEM E5-CONSIDER REQUEST BY DIRECTOR MAYO TO FUND TRAVEL FOR A DIRECTOR TO WASHINGTON DC FOR LOBBYING EFFORTS: There was considerable discussion on this request from Director Mayo.

MOTION: It was moved to authorize the expenditure of up to \$2000 to send Director Mayo to Washington DC to the ACWA conference to lobby for identified projects for McKinleyville and to approve a town hall meeting prior to the trip to come up with a mandate. Motion was by Dunk; second by Corbett.

MOTION VOTE: Ayes: Corbett, Dunk, Mayo, Wennerholm. Nay: Edwards

MOTION SUMMARY: Motion Passed-4 AYES; 1 NAYS

AGENDA ITEM F-REPORTS:

F1a-Support Services Department-none

F1b-Operations Department: Operations Director Orsini had nothing to add.

F1c-Parks & Recreation Department: Park Director Sehon had nothing to add.

F1d-General Manager: Manager Marking briefly reviewed his Manager's report and added:

- He had heard back from HBMWD regarding their Advisory Committee and if MCSD were appointed it would not be a problem for an alternate to be on the Committee.
- He reported that the McKinleyville Library was interested in expanding their building and that the February agenda would include information and details on their proposal and an agreement extension.
- Director Dunk noted that the monthly discharge permit information was not included in the packet. Manager Marking thanked Director Dunk for bringing that to his attention and promised to get a copy to him and include this month's report in the next packet.

F2a-RAC: Director Dunk reported that the RAC would be meeting next Tuesday.

F2b-RREDC: Director Edwards had nothing to report.

F2c-McKinleyville Senior Center: President Wennerholm reported that the seniors had not met.

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

F4-Announcements From directors on Topics of Interest: No announcement was made.

AGENDA ITEM G-ADJOURNMENT: With all business complete President Wennerholm adjourned the meeting at 9:30pm.

Respectfully Submitted,

Sharon L. Denison
Board Secretary