

**LOCAL AGENCY FORMATION COMMISSION
MENDOCINO COUNTY**

The Local Agency Formation Commission convened a regular meeting on Monday, March 2, 2009 at 10:00 a.m. at the City of Ukiah Council Chambers, 300 Seminary Ave., Ukiah, CA.

AGENDA ITEM 1 - CALL TO ORDER / ROLL CALL

Chairman Melo called the regular meeting of the Local Agency Formation Commission of Mendocino County to order at 10:04 a.m. The following Commissioners were present and seated: Commissioners McCowen, Shoemaker, Smith and Chair Melo. Commissioners Kisslinger and Rodin had called to indicate their expected absence. Commissioner Ruff had not previously indicated his expected absence. Alternate Commissioners Orth, Ward, Brown and Executive Officer McMichael were also present. Alternate Commissioner Madrigal had emailed to indicate her expected absence. Alternate Commissioners Ward and Orth were immediately seated.

AGENDA ITEM 2 - PUBLIC EXPRESSION

There was no one in attendance from the public who indicated an interest in speaking.

Commissioner Orth requested permission to speak and upon direction of the Chair reported his attendance at the North Coast Energy Independence conference in Weaverville, CA and asked that there be an agenda item for the April meeting for a presentation by him regarding energy opportunities in the region. The Commission agreed that an agenda item for this issue would be appropriate for the April meeting.

AGENDA ITEM 3 – APPROVAL/CORRECTION/ADOPTION OF MINUTES

Upon a motion by Commissioner McCowen, seconded by Commissioner Smith the minutes of February 2, 2009 were approved as submitted by the following vote: Ayes: Shoemaker, Smith, McCowen and Chair Melo; Nays: None; Abstain: Orth and Ward; Absent: Kisslinger, Rodin and Ruff

Upon a motion of Commissioner Smith seconded by Chair Melo the minutes of the February 19, 2009 Executive Committee were approved by the following vote: Ayes: Smith and Chair Melo; Nays: None; Abstain: None; Absent: Kisslinger.

AGENDA ITEM 4 –DISCUSSION REGARDING CASPAR SOUTH

Upon direction of Chair Melo, Executive Officer McMichael provided a review of this issue and the agenda report. After that presentation, Commissioners questioned E.O. McMichael about the circumstances of the District, the Service Company, the latent powers process and LAFCO's role in the Caspar South receivership process. After that period of questioning and before allowing public input, Chair Melo read the email and letter received from Jeanne Keevan-Lynch, member of the Board of Directors of the Caspar South Water District. After that reading, Jack Shearin provided a presentation and copies of various documents to the Commission. Mr. Roy Falk and Mr. Alan Stein also spoke regarding this issue.

After approximately an hour-and-half of these presentations and questions by Commissioners, the Commission directed Deputy County Counsel Terry Gross, who was functioning as LAFCO counsel, to prepare an opinion as to the latent powers issue, receivership process for CSSC and the removal and appointment process for CSWD board of directors for directors who are not continuing to function as board members. No additional direction or decision was provided by the Commission beyond this direction.

AGENDA ITEM 5—RECEIPT OF FINAL AUDIT FOR 2007-2008

The Commission received copies of the Final Audit in their agenda packet and after discussion and upon a motion by Commissioner Ward seconded by Commissioner Orth accepted the Final Audit as submitted on the following vote: Ayes: Shoemaker, Smith, McCowen, Orth, Ward and Chair Melo; Nays: None; Abstain: None: Absent: Kisslinger, Rodin and Ruff

AGENDA ITEM 6—WORKSHOP ON PROPOSED FY 2009-2010 BUDGET

The Commission reviewed the Proposed FY 2009-2010 as submitted by the Executive Committee. After discussion of some of the changes in line item costs, and upon a motion by Commissioner McCowen seconded by Commissioner Orth, the Commission unanimously directed that Executive Committee Proposed Budget be the Commission's Proposed Budget for notice for the first public hearing to be held at the April 6, 2008 meeting. The motion also included the acceptance of the recommendation of the Executive Committee that no changes be made to the LAFCO Fee Schedule.

AGENDA ITEM 7—ADJOURNMENT

Having no further business, the meeting adjourned at 12:10 p.m.