

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
November 13, 2008**

1. The meeting was called to order by Vice President Lopez at 3:35 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, Lopez and Robak

Directors Absent: None

Staff Present: General Manager Mark Watton, Asst. GM Administration and Finance German Alvarez, Asst. GM Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, Chief of Information Technology Geoff Stevens, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Chief of Operations Pedro Porras, Chief of Administration Rom Sarno, District Secretary Susan Cruz and others per attached list.

4. APPROVAL OF AGENDA

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Bonilla, Croucher, Breitfelder, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to approve the agenda.

5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

6. APPROVAL OF THE MINUTES OF THE REGULAR MEETINGS OF JUNE 10 AND AUGUST 6, 2008

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Bonilla, Croucher, Breitfelder, Lopez and Robak
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Noes: None
Abstain: None
Absent: None

to approve the minutes of the regular board meeting of June 10 and August 6, 2008.

CONSENT CALENDAR

7. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:

A motion was made by Director Breitfelder, seconded by Director Robak and carried with the following vote:

Ayes: Directors Bonilla, Croucher, Breitfelder, Lopez and Robak
Noes: None
Abstain: None
Absent: None

to approve the following consent calendar items:

- a) APPROVE AMENDMENTS TO TWO (2) SEPARATE UTILITY AGREEMENTS (NOs. 31759 AND 31921) WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION
- b) APPROVE CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH ARB, INC. FOR THE CONSTRUCTION OF THE 20-INCH LANE AVENUE CONVERSION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$78,938
- c) APPROVE AN INCREASE TO THE FISCAL YEAR 2009 BUDGET OF \$80,000 FOR THE RALPH W. CHAPMAN WASTEWATER RECYCLING FACILITY – REVERSE OSMOSIS BUILDING AND METER SHOP REMODEL PROJECT REVISING THE PROJECT BUDGET FROM \$495,000 TO \$575,000
- d) ADOPT RESOLUTION NO. 4131 OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT APPROVING THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 OF THOSE LANDS DESCRIBED AS “ROBINSON SEWER ANNEXATION” [FILE NO. 0210-20.306]
- e) APPROVE AND RATIFY THE DISTRICT’S PARTICIPATION IN THE STATE OF CALIFORNIA PURCHASE CARD PROGRAM MASTER SERVICE AGREEMENT (MSA); RATIFY THE GENERAL MANAGER’S APPROVAL OF ADDENDUM TWO (2) TO MSA 5-06-99-01 ADDING THE OTAY WATER DISTRICT AS A PARTICIPATING AGENCY; AND,

AUTHORIZE THE GENERAL MANAGER TO EXECUTE FUTURE AGREEMENTS AND OTHER REQUIRED DOCUMENTATION, INCLUDING ADDENDUMS TO MSA 5-06-99-01, AS REQUIRED TO CONTINUE THE DISTRICT'S PARTICIPATION IN THE STATE OF CALIFORNIA PURCHASE CARD PROGRAM

- f) AUTHORIZE NEGOTIATIONS WITH RANCHO SAN DIEGO INDUSTRIAL CENTER, LLC FOR THE PURCHASE OF VACANT LAND IDENTIFIED AS APN NO. 505-230-52-00 AND APPROVE AN AMENDMENT TO THE FISCAL YEAR 2009 CIP BUDGET TO ADD \$600,000 TO FUND CIP P2479, OPERATIONS YARD PROPERTY ACQUISITION, TO PROVIDE FUNDING FOR THE PURCHASE AND IMPROVEMENT OF THE SUBJECT PROPERTY

ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

- a) APPROVE THE WATER SUPPLY ASSESSMENT REPORT DATED OCTOBER 2008 FOR THE PARAGON MANAGEMENT COMPANY OTAY BUSINESS PARK DEVELOPMENT PROPOSAL AS REQUIRED BY SENATE BILL 610

Chief of Engineering Rod Posada indicated that Senate Bills 610 and 221 became effective in January 2000 to improve the link between water supply and land use decisions. A Water Supply Assessment Report (WSA) was prepared in compliance with SB 610 for the Otay Business Park Project. The report will be included with the CEQA documentation. He noted that SB 221 does not apply to the Otay Business Park Project as it is an industrial project. He presented a slide showing the location of the project in Otay Mesa (see attached copy of presentation); southwest of State Route 11 near the future third border crossing with Mexico.

He indicated that the project was included in the East Otay Mesa Specific Plan Area and is within Otay, San Diego County Water Authority (CWA), and Metropolitan Water District (MWD), thus annexation is required. The project consists of approximately 162 acres with 59 industrial lots and the projected demand is 162 AF per year of potable water and 20 AF per year of recycled water. The Otay Business Park Project is expected to be completed in approximately five years.

The WSA indicates that the regional and local water supply agencies fully intend to develop sufficient reliable supplies to meet the demands of the project. The water suppliers recognize that additional water supplies are necessary and supply portfolios need to be reassessed. He indicated that MWD is in the process of updating its Integrated Water Resources Plan (IRP).

He shared that the state of the current water supply situation is documented in the project's WSA and staff believes that the Board has met the intent of SB 610 statute in that:

- Land use agencies and water suppliers have demonstrated a strong linkage; and
- The Otay Business Park WSA clearly documents the current water supply situation.

He stated that the WSA Report demonstrates and documents that sufficient water supplies are planned for and are intended to be acquired to meet the demands of the project. It also documents the actions necessary to develop these water supplies. He noted that water supply for the Otay Business Park Project and existing and future developments are within the District's 20-year planning horizon and water supplies are planned for and are intended to be made available in normal and in single/multiple dry years.

Chief of Engineering Posada indicated that the following CWA CIP projects will assist with the supplies for the project:

- Emergency Storage Project
- 100 MGD Twin Oaks WTP
- San Vicente Reservoir Expansion Carryover Storage Project
- Pipeline No. 6
- All American Canal Lining Project
- Coachella Canal Lining Project
- IID QSA Water Transfers (Fallow Farmland)

Chief of Engineering Posada indicated that CWA's preferential rights with MWD is about 16.5% of its water sales. However, it currently purchases approximately 25% of MWD's water sales. CWA and all member agencies are working to reduce dependence on MWD by finding new water supplies. MWD's Regional Urban Water Management Plan indicates that through effective management of its water supply, they fully expect to be 100% reliable in meeting all non-discounted, non-interruptible demands throughout the next twenty-five years.

He stated that CWA has also developed a Drought Water Supply Allocation Plan which allows for new demands for growth when land uses are within current water supply planning documents such as the Otay Business Park Project. Under CWA's Drought Water Supply Allocation Plan, Otay WD water supply allocation will increase as a result of this project/growth.

He also noted that the District has a Drought Response Conservation Plan. Currently, a Level I drought watch (voluntary conservation with a target of up to 10% water savings) has been declared by the District. He stated that if the District declared a Drought Level III Critical alert, it would require mandatory conservation with a target of up to 40% water savings and no new potable water meters except under limited conditions will be installed. He indicated that the

developer has been advised that the District will not set new meters if a Level III Drought alert was declared. General Manager Watton clarified that the Board may approve the WSA today, however, if a Level III Drought alert was declared, the developer would not be able to purchase new meters for the development from the District. Chief of Engineering Posada indicated that staff is recommending that the Board approve the SB 610 WSA Report for the Otay Business Park Project.

Director Robak inquired if the WSA Report is normally produced by District staff. Chief of Engineering Posada indicated that staff does develop the report along with a consultant hired by the developer. He also inquired if offset issues are addressed in the WSA. Chief of Engineering Posada indicated that offsets are not necessary for this project as it was included in Otay WD, CWA and MWD's planning documents. As the project was in the planning documents, the District will receive a higher allocation from CWA when the project starts to take water.

President Croucher indicated that the Engineering, Operations and Water Resources Committee reviewed this item at length and also discussed any liability the District might incur should the District not approve the WSA. He stated that the committee concurred with staffs' recommendation.

Director Breitfelder commended staff for their work on the WSA. He indicated that in his view Sycuan was a groundbreaking precedent and was not a unique situation and he is not inclined to vote for any WSA which does not include 100% offset. He stated that he may make an exception to this WSA, if there was consensus from the board to move forward and formulate a policy toward that end in the near future.

Directors Bonilla indicated that he was comfortable with this action and had no objections. President Croucher indicated that the District has situations in its policy that would recommend that WSAs not be approved. However, the District, at this point, has not declared a Level III Critical Alert. He stated that a Drought Level I watch has been declared and it is within the District's policy to move forward with the approval of the WSA at this level and if the District did not approve of the WSA at this point, then the District's policy is incorrect. He stated with the policy in place, the District should move forward as the District has planned for the development. He indicated that the committee fully supported the approval of the WSA.

Director Robak inquired if there are other Districts within the county that are approving large scale projects during the declared Level I Drought alert. General Manager Watton indicated that only Otay WD, Cities of San Diego, Carlsbad and Oceanside have this level of development. He indicated that the City of Carlsbad is approving WSAs, however, the City of San Diego is requiring water needs for developments that are not within the City's plan be offset. If they are within the plan, they are approving the WSAs. He also noted that Olivenhain MWD and the City of Del Mar intend to not sell meters at Drought Level II, but the majority of the agencies will not enforce this until a Drought Level III is declared.

Director Breitfelder indicated that if there was a call for a policy for 100% offset, he felt that it would be more sensible, well short of a moratorium, as it is more constructive, creative and economical. He encouraged the board to reconsider.

A motion was made by Director Robak, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Bonilla, Lopez and Robak
Noes:	Director Breitfelder
Abstain:	None
Absent:	None

to approve staffs' recommendation.

9. ADMINISTRATIVE SERVICES, FINANCE AND INFORMATION TECHNOLOGY

- a) ACCEPT THE DISTRICT'S AUDITED FINANCIAL STATEMENTS, INCLUDING THE INDEPENDENT AUDITORS' UNQUALIFIED OPINION, FOR THE FISCAL YEAR ENDING JUNE 30, 2008

Accounting Manager Jim Cudlip noted that this is the fifth year that Teaman and Ramirez and Smith, Inc. (TRS) have handled the District's audit. He wished to recognize that it is in the first year that TRS worked with the District, that the District completed its first Comprehensive Audited Financial Report (CAFR). He stated that over the five years, the District feels that its CAFR and financial reports have improved greatly and staff wished to recognize TRS for their assistance in developing the financial reports. He stated that the District has made a commitment to bid for new audit services after the five-year period and he wished to note that TRS has done an excellent job in bringing the District's financial reporting to the high level that they are now.

Mr. Rich Teaman of TRS indicated that it was a pleasure to work with the District and commended the District's Finance Department for their professionalism and good work. He stated that there are many different audits and the purpose of this audit is to audit the District's financial statement. The audit firm issues an opinion about whether the numbers in the financial statements are accurate, if the proper accounting principles were applied to the numbers and that they are recorded in a fashion that allows them to be comparable to other jurisdictions. He indicated that he is happy to report that their firm has a clean, unqualified opinion, which is the highest level that can be issued. He indicated that the board might notice that the CAFR format did not change much from last year and the only real change revolves around the Other Post Employment Benefits (OPEB) reporting as per accounting standard GASB 45. He indicated that it was applied this year and there are a couple of line items in a footnote in this year's CAFR that was significantly modified. Other than this change, the rest of the financial statement is very similar to prior years. He indicated that he met with the District's Finance, Administration and Communications Committee and reviewed the financial report, along with other reports associated with the audit, in detail.

He stated that he wished to highlight on the statement of net assets, a line item that indicates the District has prepaid its OPEB obligation. He indicated that the District is one of a very few agencies that has been able to do this and it is forward thinking on the part of the District to fund this over the years. He stated that most of his clients are not in this position and have a large deficit to make up. He also indicated that in the net assets section there is a line item for restricted assets. An explanation was added to clarify that the asset is restricted for "construction."

Mr. Teaman stated that in addition to the financial statements, there are other reports. Typically there is an Internal Control and Financial Compliance Report (CFCR) and in years when there is not a Single Audit Report, the CFCR was a separate document. As the District has a Single Audit Report, the CFCR document has been included with all the other Single Audit Reports. He stated a Single Audit is required when the District has received \$500,000 or more of federal grant monies. As this is true for the District this year, there are additional control items that they must test. He indicated that this is the second year that a Single Audit Report was required and they had no findings or exceptions to report. This is also the second year in which they have issued an agreed upon procedures report relating to the District's investments. He indicated that this is required under the District's Investment Policy. The audit tested the District's investments and investment activity in relation to its Investment Policy, and the audit found no findings.

The Statement in Auditing Standards 114 (SAS 114) updates SAS 61 which requires that the audit firm report to an audit committee if there is an audit committee. Under SAS 114, if an audit committee does not exist, then the audit firm reports to the board. It describes the conduct of the audit (how the process went); any problems encountered, any disagreements with management, reviews the types of journal entries, etc. He stated that he wished to note on page two of this report (Finance Committee Report) there are a couple items noted:

- Identified a new accounting principle GASB 45 which was applied relating to the OPEB reporting requirement.
- Significant estimates relating to investment evaluation and depreciation.

He stated that there were no disagreements with management or major concerns to report.

Mr. Teaman indicated that there was nothing to report in the "Management Letter." He stated that this does not mean that there was no dialog on accounting treatments on various items. There were many discussions throughout the course of the engagement, but all discussions were resolved in a fashion where all parties were in agreement. He stated that overall the audit went very smoothly. Suggestions were acted upon right away and he was very pleased with the process.

Director Robak indicated that the District's Finance, Administration and Communications Committee was very happy with the auditing firm's work and was pleased with the outcome of discussions. He stated that the questions raised were productive and were addressed in a timely matter. He thanked staff for their work on the audit.

General Manager Watton thanked Mr. Teaman for his work on the audit and noted that the District has learned much during his engagement. He stated that the District has improved its process and that Mr. Teaman was very instrumental in the District's success in receiving awards for its CAFR and financial reports.

Director Bonilla inquired if this was the second year that a single audit was performed. Mr. Teaman indicated that that was correct. Director Bonilla inquired if a schedule was determined for the next year. Chief Financial Officer Beachem indicated that the District would be bidding next year for a new audit firm. It is expected that the District will have a single audit performed next year as well as it is believed that the District will receive over \$1 million next year in federal grants.

A motion was made by Director Robak, seconded by Director Breitfelder and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to accept the Audited Financial Statements for the Fiscal Year ended June 30, 2008.

b) PROHIBIT THE PURCHASE OF BOTTLED WATER WITH DISTRICT RESOURCES

Director Robak indicated that the reason he has brought this issue forward is, as many are aware, there is a push around the country to move away from bottled water. He indicated that he agrees with the philosophy, but most importantly Otay is a municipal water district and its business is to provide tap water services. He stated that a gentleman spoke at the District's Finance, Administration and Communications Committee and had noted that at an annual conference for mayors in Miami in June 2008, 250 mayors nationwide adopted a resolution which would prohibit the purchase of bottled water at their prospective cities/agencies except for emergency uses. He indicated that he felt the District should follow suit with an exemption for bottled water purchases for emergency use.

Director Breitfelder indicated that this item did not make it out of committee and it was discussed if the president of the board chose to agendize the item for the full board's discussion, it would be his prerogative. He indicated that it is his perspective that the board trusts staff on much larger issues than the appropriateness of buying bottled water from time to time. He indicated that this

was more of a political correct issue and did not feel it should rise to the board level.

It was noted that CWA had decided not to purchase bottled water and, last year, the City of San Diego also decided not to purchase bottled water. Bottled water, however, is purchased for trips and other such occasions.

Director Bonilla indicated that he did not feel that it was proper for the board to make such a decision for staff at this point and time. He indicated that if the action was taken, for convenience, staff would begin to bring their own bottled water to meetings. He indicated that he felt this was more of a “feel good” political decision and did not feel that we were “there yet” to eliminate bottled water. He indicated that maybe in a year’s time, the General Manager can poll the employees to see their thoughts at that time.

President Croucher indicated that he also felt that this was not an action that should be taken at the board level at this point, however, he felt it should be brought to the board for discussion as a request was made by a member of the board.

Director Robak made a motion to prohibit the purchase of bottled water with District monies except for emergency use. The motion died as it failed to receive a second.

10. BOARD

a) DISCUSSION OF 2008 AND 2009 BOARD MEETING CALENDARS

It was discussed that the December 2008 Regular Board Meeting has been scheduled on December 15, 2008 and all members of the board were available to attend.

11. INFORMATIONAL ITEMS

a) INFORMATIONAL REPORT ON THE REQUEST FROM SYCUAN BAND OF THE KUMEYAAY NATION FOR ANNEXATION TO THE OTAY WATER DISTRICT, SAN DIEGO COUNTY WATER AUTHORITY, METROPOLITAN WATER DISTRICT, AND LOCAL AGENCY FORMATION COMMISSION FOR WATER (SPECIFIED PARCELS ONLY) AND SEWER (CHARLES)

President Croucher indicated that this item is presented to the board as an informational item only and information is provided in staffs’ report.

REPORTS

12. GENERAL MANAGER’S REPORT

General Manager Watton indicated that the 36-inch Potable Pipeline design is scheduled to be completed on December 2008 and the project will be advertised for bid when the design is completed. The contract award is expected to be presented in March 2009. He indicated that the District has lost approximately six months from the original plan, but it is felt that the District can make time up during the bid and construction phase. He stated that Lee and Ro are fully engaged and have done a good job in moving the project forward.

He indicated that the District participated in the Statewide Emergency Preparedness Golden Guardian exercise today. He stated that two issues came out of the exercise, having better coordination with the City of Chula Vista and San Miguel Fire Protection District on critical fire areas (areas they wished to protect first) to assure that the water is available for these areas. He introduced Mr. Ted Cudal who is the District's new Safety Manager. He indicated that Mr. Cudal has a lot of experience in safety and security and is doing a good job.

He shared that the District is receiving good attendance for its rotating sprinkler nozzle class. Over 55 persons attended which indicates that the advertising to conserve water is getting noticed by the public.

General Manager Watton indicated that the School Education Program was contracted out to the Water Conservation Garden Authority. The Garden has provided tours to a total of 174 students and 22 adults, thus far, and 17 tours have been scheduled through the end of the school year. The program is going well and the District is pleased with how things are working with the program.

He indicated that the District has received the Municipal Information Systems Association of California award for the second year in a row for Excellence in IT Practices. He stated that it is a pleasure to receive such recognition.

He stated that Chief of Information Technology Geoff Stevens and Accounting Manager Rita Bell provided a presentation at the AWWA Conference regarding the District's Information Systems (financial reporting, project job costing, etc.). He stated that the City of San Diego preceded the District's presentation and it gave him a new appreciation for the District's system. He stated staff presented the District's system which provides real time numbers and readily available reports. He stated that the presentation and the District's system were very well received.

He noted that the financial reporting information in his report. He stated that these are difficult times, however, the District's portfolio is secure and in good shape. He stated that the financial reports show each investment the District holds and he wished to make note of the reports which is reviewed by the board monthly.

General Manager Watton indicated that the District has received \$1,195,000 in grant money for the District's recycled water facilities. He indicated that this was monies which was not anticipated, but was received because the City of San Diego and other participants in the grant program were not ready to receive the

funding, so the District was granted the funds. He indicated that Congressman Filner is watching the program very closely and is working to assure that the U.S. President's budget included more money for Title XVI Grants. He stated the District expects to receive approximately another \$5 million in grant monies for its recycled projects. Director Bonilla inquired where the monies would be placed. Chief Financial Officer Beachem indicated that monies from grants are placed in the Expansion Fund. This is restricted monies to be used specifically for the recycled program. He noted that the monies are reimbursement to the Expansion Fund for the money the District has already expended for the recycled projects.

He noted that Mexico's water deliveries have terminated as scheduled and it is expected that the deliveries would resume in December 2008. He indicated that in October 2008 the board took an action to allow the General Manager to execute the new addendum to the old agreement. He stated that he had signed the agreement today and it is being forwarded to CWA who will handle the appropriate distribution. This ensures that all is in place to resume deliveries in December. Director Bonilla inquired what the commitment was. Chief Financial Officer Beachem indicated that the District is provided with a list of their water delivery needs which has been within the District's ability to provide through its system. Mexico was taking about 11.6 MGD per day, but the District is unsure what the new schedule will request. It was noted that Mexico has honored every obligation for its water purchases and it is expected that they will honor future obligations. Director Bonilla requested that staff provide the board a memo noting bullet points of the important points in the agreement so they may answer the public's inquiries.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

President Croucher indicated that water conservation remains CWA's primary focus. They had approved \$1.8 million for conservation advertising and received a grant for \$500,000 which increases the advertising budget to \$2.3 million for conservation alone. He stated the board also viewed the "Water: H₂O=Life" exhibit at the San Diego Natural History Museum in Balboa Park. He stated it was an incredible exhibit and encouraged everyone to attend. He stated that CWA will soon be voting on a new chair, vice chair and secretary. He indicated that General Manager Watton may be elected as vice chair which would be a great opportunity for the District. He stated that it is expected that Mr. Bud Lewis will be elected as chair and Mr. Tom Wornham as secretary. It was noted that CWA will not hold a board meeting in November.

13. PRESIDENT'S REPORT

President Croucher congratulated Directors Bonilla, Lopez and Robak on their successful election to the District's board.

14. DIRECTORS' REPORTS/REQUESTS

Director Robak thanked everyone for their support. He shared that SDG&E is sponsoring the LED holiday lighting of the Water Conservation Garden for the holidays. The lighting event is scheduled for this evening. They will also be at the Garden this Saturday for their light exchange program from 11:00 a.m. to 3:00 p.m. where they will exchange three stands of your holiday lights with LED lights.

Director Breitfelder indicated that the Conservation Action Committee received a presentation from Camp Pendleton. They have a long standing conservation program as they utilize well water. They took the opportunity to teach water conservation in the same manner that is practiced by soldiers in the field. He indicated that he had an opportunity to present the water conservation message to the Chula Vista Retired Employees Association. He stated that he was very gratified to see after serious discussion of the water situation that the group was not fazed when the impact to water rates was discussed. He indicated that a presentation regarding VOCAL was provided at the October Water Agencies Association Dinner meeting. He stated that there was a good discussion on the prospects of VOCAL and it looks like there is at least a core with interest and the group will need to build interest from there. He noted that he and General Manager Watton met with City of San Diego Councilmember Ben Hueso. He is very engaged in water issues and it was good to hear him express how much he values the City of San Diego's relationship, on a business basis, with the District. Director Breitfelder also announced that he would be running for Councilmember John McCann's seat on the City of Chula Vista's council. Councilmember McCann will be termed out of office in a couple years and he has graciously endorsed Director Breitfelder. Director Breitfelder indicated that he wished to share this news as he did not wish District staff to be the last to know.

Director Robak inquired with regard to the North District Study that he noted the Regional Quality Control Board had some questions and he wished to know if the project was moving along well. General Manager Watton indicated that the report is in draft form and is being reviewed. The District is receiving comments to finalize the study and it is moving forward.

RECESS TO CLOSED SESSION

15. CLOSED SESSION

The board recessed into closed session at 4:44 p.m. to discuss the following matters:

- g) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9(a)]
 - (l) INFRASTRUCTURE ENGINEERING CORP. v. OTAY WATER DISTRICT, COUNTY OF SAN DIEGO, SUPERIOR COURT, CASE NO. 37-2008-00093876-CU-BC-CTL

(II) CITY OF BANNING v. JAMES JONES CO., COUNTY OF LOS ANGELES, SUPERIOR COURT, CASE NO. BC 321513

h) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
[GOV-ERNMENT CODE §54956.9(b)]

1 CASE

RETURN TO OPEN SESSION

16. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION

The board reconvened at 5:07 p.m (Director Robak left at 4:44 p.m.). General Counsel Yuri Calderon indicated that no reportable actions were taken in closed session.

17. ADJOURNMENT

With no further business to come before the Board, Vice President Lopez adjourned the meeting at 5:08 p.m.

President

ATTEST:

District Secretary