

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT and OTAY SERVICE CORPORATION
January 4, 2012**

1. The meeting was called to order by President Bonilla at 3:31 p.m.

2. ROLL CALL

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

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

3. PLEDGE OF ALLEGIANCE

4. ELECTION OF BOARD PRESIDENT

A motion was made by Director Gonzalez, seconded by Director Croucher and carried with the following vote:

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

to elect Director Lopez as President.

Director Lopez indicated that he recently retired from the San Diego Fire Department and is dedicated to continue his strong commitment to the Otay Water District. He stated that it is also his goal to continue to provide the assurance of quality services to the District's ratepayers.

5. ELECTION OF BOARD VICE PRESIDENT

A motion was made by Director Bonilla, seconded by Director Croucher and carried with the following vote:

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

to elect Director Gonzalez as Vice President.

6. ELECTION OF BOARD TREASURER

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

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

to elect Director Croucher as Treasurer.

7. APPROVAL OF AGENDA

A motion was made by Director Croucher, seconded by Director Bonilla and carried with the following vote:

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

to approve the agenda.

8. RECESS FOR A PRESENTATION TO OUTGOING BOARD PRESIDENT AND RECEPTION

A presentation was provided for outgoing Board President Jamie Bonilla.

On behalf of the Board of Directors, Director Croucher thanked Director Bonilla for his dedicated services to the District and presented him with a Recognition Award for his services as President in the years 2001, 2006, 2010 and 2011. Director Croucher stated that one word comes to mind when describing Director Bonilla, "Honorable." He indicated that Director Bonilla has brought stabilization to the District and was very instrumental in the District's achievement in being the 6th lowest water provider of the 23 member agencies in San Diego County.

Director Bonilla thanked everyone for the Recognition Award and indicated that it is important to him because it is recognition from his peers. He stated that the award is not only for him, but also for the District employees. He stated that he highly respects the employees and is very proud of the work that they do on behalf of the District. He indicated that the District has grown to be one of the most efficient water agencies in the region.

The Otay Water District board meeting recessed at 3:42pm for a reception.

9. RECONVENE OTAY WATER DISTRICT BOARD MEETING

The Otay Water District board meeting reconvened at 3:59pm.

10. 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

Ms. Suzanne Till, Professor, Cuyamaca College, addressed the Board to thank the District for its interest in the Water Conservation Garden (Garden). She indicated that the District was instrumental in the establishment and use of the Garden and stated that the facility provides the opportunity for Cuyamaca College to apply for grants in science technology, engineering and math for the development of teachers and students. Ms. Till indicated that the college received a \$250,000 grant for two workshops: 1) Monarch Butterfly and 2) Climate Change. She stated that the Garden is a wintering place for butterflies and indicated that the Garden promotes water conservation which helps eliminate/reduce green gases for positive climate change. She shared because of the success of the two workshops, Cuyamaca College was able to apply for a \$1 million dollar grant from National Science Foundation to expand their programs.

Mr. Enrique Morones, owner of Puentes Latinos, addressed the Board with several concerns about the Union-Tribune's (UT) recent news article entitled "Otay Chairman's Allies Got Pacts." He indicated that he felt the article was an attack on his, and those named in the article, credibility and noted that the UT had published the names of only Latino consultants to the District. He stated that he felt that there was increased biased reporting at the UT since the firing of its three (3) most prominent Latino reporters. As a result, he formed a Latino Advisory Board for the UT in hopes to increase diversity at the executive level. Mr. Morones provided a history of his background that included a full scholarship to University of San Diego in which he received a Bachelor's and Master's degree in International Marketing and Executive Leadership. He indicated that he was the former President of the San Diego County Hispanic Chambers, former Vice President of Marketing for San Diego Padres, and now owns Puentes Latinos in which his clients include the Boston Red Sox, University of California San Diego, and restaurants (Coco's and Carrow's). In addition, Mr. Morones has been invited to speak at Universities such as Princeton, Notre Dame, and Yale to teach individuals about tolerance. He stated that he contacted Board President Jaime Bonilla and suggested that the District respond to the article to provide accurate information about the District. He indicated that with his experience, he believes he is highly qualified to provide services to the District.

Mr. Jon Gardner, public member, addressed the Board with his concerns about the UT article and stated that he felt compelled to voice his support for the District as he believes the District has worked hard to provide reliable water resources for its customers. He indicated that during the blackout in October 2011, the District was one of the very few water agencies who provided water services to its customers without any disruption. Mr. Gardner stated that

services occurred as normal because the District plans and prepares for the future. He indicated that he had sent four (4) positive news articles to the UT and the Voice of San Diego regarding the District, but none of the articles were ever published. Mr. Gardner noted that before the UT's recent report of the dry snowpack in 2012, which is where the majority of California's water supply comes from, the District had been researching other water supply sources, including desalination. He indicated his support for the District and stated that he felt it was doing a good job.

Mr. Mark Valdez, public member, addressed the Board to voice his outrage towards the UT's recent news article and stated that the District should be given a fair shake.

Mr. Peter Silva, Silva-Silva International, addressed the Board and stated that his company was one of the five contractors listed in the UT's news article. He indicated that he did speak with UT Watchdog reporter, Mr. Aaron Burgin, but he had not inquired about his credentials and only reported on his social relationship with Director Bonilla. Mr. Silva stated that he felt the UT's innuendo was that he had no credentials at all, but received a contract with the District because of his relationship with Director Bonilla. Mr. Silva provided a history of his credentials that include thirty-four (34) years of experience in the wastewater field which is essential to the District's desalination project.

Mr. Steve Castaneda, PRM Consulting, addressed the Board to indicate his displeasure with the UT's innuendo in its recent news article. He indicated that he wrote a letter to UT owner John Lynch. Mr. Castaneda read the letter into the record and provided a copy to the Board (attached).

11. RECESS OTAY WATER DISTRICT BOARD MEETING AND CONVENE A MEETING OF THE OTAY SERVICE CORPORATION

The Otay Water District board meeting was recessed at 4:25 p.m. and a meeting of the Otay Service Corporation board was convened.

12. ROLL CALL

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

13. ADOPT ORDINANCE NO. 100 OF THE OTAY SERVICE CORPORATION TO AMEND THE CORPORATION BYLAWS TO ADD AN OFFICER WITH THE TITLE OF EXECUTIVE DIRECTOR WHO SHALL BE IN CHARGE OF THE DAY-TO-DAY OPERATIONS OF THE CORPORATION

A motion was made by Director Bonilla, seconded by Director Croucher and carried with the following vote:

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

Absent: None

to adopt Ordinance No. 100 of the Otay Service Corporation to amend the Corporation Bylaws to add an officer with the title of Executive Director who shall be in charge of the day-to-day operations of the Corporation.

14. ELECTION OF OFFICERS: PRESIDENT, VICE-PRESIDENT AND TREASURER

A motion was made by Director Croucher, seconded by Director Bonilla and carried with the following vote:

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

to elect Director Lopez as President, Director Gonzalez as Vice President and Director Croucher as Treasurer.

15. APPOINTMENT OF OFFICERS: EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER AND SECRETARY

A motion was made by Director Croucher, seconded by Director Gonzalez and carried with the following vote:

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

to appoint General Manager Watton as Executive Director, Joe Beachem as Chief Financial Officer and District Secretary Susan Cruz as Secretary.

16. ADJOURN OTAY SERVICE CORPORATION BOARD MEETING AND RECONVENE THE OTAY WATER DISTRICT BOARD MEETING

President Lopez adjourned the Otay Service Corporation meeting at 4:28 p.m. and convened the Otay Water District board meeting.

17. APPROVAL OF THE MINUTES OF THE REGULAR MEETINGS OF SEPTEMBER 7, 2011, OCTOBER 5, 2011, AND NOVEMBER 2, 2011; AND SPECIAL MEETING OF NOVEMBER 30, 2011

A motion was made by Director Bonilla, seconded by Director Croucher and carried with the following vote:

Ayes: Directors Bonilla, Croucher, Gonzalez, Lopez and Robak
Noes: None

Abstain: None
Absent: None

to approve the minutes of the regular meetings of September 7, 2011, October 5, 2011, and November 2, 2011; and special board meeting of November 30, 2011.

18. REDISTRICTING WORKSHOP I

- a) RECEIVE REPORT REGARDING THE REDISTRICTING PROCESS AND LEGAL REQUIREMENTS, CONSIDER APPROVING THE RECOMMENDED CHANGES TO THE BOUNDARIES OF THE DISTRICT'S FIVE DIVISIONS (REDISTRICTING MAP), AND AUTHORIZE STAFF TO PROVIDE NOTICE TO THE PUBLIC OF THE DISTRICT'S INTENT TO CHANGE THE BOUNDARIES OF THE DIVISIONS OF THE DISTRICT AND TO HOLD A HEARING FOR THE PUBLIC COMMENT AT THE NEXT REGULAR BOARD MEETING PURSUANT TO GOVERNMENT CODE §74431 AND §74432

Mr. Steve Castaneda of PRM Consulting provided a workshop on redistricting for the Board to consider approving recommended changes to the District's five division boundaries.

Mr. Castaneda indicated that Federal and State law require that states, municipalities, and political subdivisions, redraw their voting district/division lines at least once every ten years coinciding with the release of the Federal decennial census. He stated that in March 2011 the results of the 2010 census were released. He began the District's redistricting process to ensure that voting districts reflect population changes and comply with voting rights statutes. He stated that the District's Redistricting Project was completed in 2011.

Mr. Castaneda discussed the population changes that have occurred throughout the District's service area in the last ten years and also discussed the Voting Rights Act and its Standards in which the District must comply when preparing a redistricting plan. He indicated that the traditional criteria to be observed when preparing a redistricting plan include:

- District compactness
- Contiguity
- Avoiding splits of political subdivisions and precincts
- Preserving communities of interest
- Preserving basic shapes of existing districts
- Protecting incumbents and avoiding pairing of incumbents
- Political fairness or competitiveness
- Voter convenience and effective administration of elections

Mr. Castaneda indicated that Division 1 experienced a growth of 123% and skewed the population level, which would not be legal if it were ignored. He indicated that while each division population level need not be exact, they must

be substantially equal. He stated that the five redistricting options to be presented observes a maximum population deviation of +/- 5% of the mean and therefore adheres to the controlling legal standard.

He presented five different redistricting options for each of the District's five divisions, which included maps and population/demographic charts. He stated that the Redistricting Project was a bit of a challenge as the District's record of population figures was not matching the 2010 U.S. Census. He indicated that during the development of the initial population analysis, it was determined that the District's outer boundary split multiple census blocks. PRM developed a methodology to estimate partial block populations using parcel maps and County Assessor records. Mr. Castaneda noted that PRM also hand-counted parcels to estimate the District's population figures and stated that he believes the 207,946 estimate is very accurate.

Director Bonilla stated that he sat on the Ad Hoc Redistricting Committee and indicated that it was important to the committee that current sitting Directors stay within their divisions. He noted that PRM originally presented 15 different redistricting options and the Committee selected what was felt were the five best alternatives for presentation to the full Board.

General Counsel Dan Shinoff stated that the California Voters Rights Act has received much publicity with regard to claims filed challenging the lack of minorities on a board. He inquired how this analysis insulates the District's board from any potential litigation from a demographic perspective.

Mr. Castaneda stated that the District has over 2000 census blocks that have equal representation of various minorities/class and indicated that the previous redistricting plan was used as the benchmark and the Voters' Rights Act indicates that all class populations cannot decrease but they can increase when the new divisional boundaries are drawn. The proposed redistricting options meet this requirement.

Director Croucher indicated that the District had consulted another firm in 2007 and stated that the maps presented by the firm to the Board did not make sense. He said that the Board decided to scrap the firm's proposed maps and consulted with PRM. Director Croucher believes it was a good decision to use PRM because it is professional and uses the latest technology, census and community information. He indicated that he was very impressed with PRM's abilities and is proud to be associated with the firm.

In response to a question by Director Robak, Mr. Castaneda stated that PRM does have the District's previous demographics that were used to adjust its divisional lines in 2001 following the completion of the 2000 U.S. Census. He indicated that the proposed 2011 redistricting plan for the District does meet the Voters Rights Act and Standards requirement that redistricting plans be similar or improve the projected classes' ability to vote.

Director Robak inquired if the proposed maps factor in future growth. Mr. Castaneda stated that by law, the 2010 Census must be used for the District's redistricting plan; therefore future growth was not included in the maps. He noted that if there are any legal challenges to the District's 2011 redistricting plan, the 2010 Census would be the referenced.

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

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

to approve Option 5 for the redistricting of the District's five divisions (Redistricting Map), and authorize staff to provide notice to the public of the District's intent to change the boundaries of the divisions of the District and to hold a hearing for public comment at the next Regular Board meeting pursuant to Government Code §74431 and § 74432.

INFORMATIONAL ITEMS

19. THIS ITEM IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:

a) UPDATE ON DIRECTOR'S EXPENSES FOR THE 1ST QUARTER OF FISCAL YEAR 2012

Sean Prendergast, Finance Supervisor Payroll and Accounts Payable, presented the expenses for each director from July 1, 2011 thru September 30, 2011. He indicated that directors' expenses totaled \$3,800.37 for the first quarter of Fiscal Year 2012. It was projected that directors' expenses for Fiscal Year 2012 would total approximately \$15,200 based on the first three months of actual expenses.

Director Bonilla thanked the Board of Directors for their efforts in being fiscally responsible by keeping the District's expenses down by waiving some of their meeting per diems.

b) CAPITAL IMPROVEMENT PROGRAM STATUS REPORT FOR THE 1ST QUARTER OF FISCAL YEAR 2012

Mr. Daniel Kay, Associate Civil Engineer, presented the Quarterly CIP Budget Update and indicated that the overall expenditures through the first quarter of FY 2012 totaled approximately \$2.8 million, which is about 12% of the District's fiscal year budget.

He indicated that the District's FY 2012 CIP budget consists of 74 projects that total \$22.6 million and is divided into four categories:

- Capital Facilities= \$10.6 million
- Replacement/Renewal= \$9.1 million
- Capital Purchases= \$2.0 million
- Developer Reimbursement= \$0.9 million

The PowerPoint presentation included the following:

- Total Life-to-Date Expenditures
- CIP Budget Forecast vs. Expenditures
- Major CIP Projects
- CIP Projects in Construction
- Construction Contract Status thru September 30, 2011 of projects, contract amount with allowances, net change orders, percent of project completion, and estimated completion date
- Consultant Contract Status of contract amounts, approve payments to date, change orders, dates when contracts were signed and the end date of contracts
- Expenditures thru September 30, 2011

Mr. Kay presented a graphic comparison of 1st Quarter CIP expenditures and projected 2012 expenses and indicated that the forecast may change each fiscal year depending on the projects planned for construction.

c) **INFORMATIONAL REPORT REGARDING THE DISTRICT'S CONSULTANT SELECTION PROCESS**

Mr. Kay, Associate Civil Engineer, indicated that in response to a recent newspaper article regarding the District's selection of Infrastructure Engineers for As-Needed Traffic Engineering services, staff determined that an additional step be added to the District's selection process when hiring consulting firms.

He noted that District Policy 21 is the official policy for the selection of Professional Services Consultants, and that Engineering staff also uses a guideline for the selection process (copies of the policy and guideline are included with staffs' report). Staff stated that the guideline was updated to add a step in the selection process that would include an internet search (i.e., Google) for additional information about consulting firms.

Mr. Kay indicated that staff contacted various local agencies to inquire if they performed background checks and found that a majority of the agencies were consistent with the District's process and with industry standards. The result of that research is provided as Exhibit C to staff's report.

He stated that for General Consulting services contracts, such as financial, actuarial, public relations, safety, labor negotiations and relations, the guideline will also be updated to include background and reference checks consistent with the Professional Services Consultants selection process.

Mr. Kay stated that for public work construction contracts, the District will continue to check the references provided by the contractor and perform an internet search to check for any articles or references and also request the Contractor to submit their safety record from OSHA.

CONSENT ITEMS

20. 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 Bonilla, seconded by Director Croucher and carried with the following vote:

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

to approve the following consent calendar items:

- a) REJECT ALL CONSTRUCTION BIDS FOR THE 30-INCH POTABLE WATER PIPELINE IN HUNTE PARKWAY
 - b) TERMINATE CONTRACT WITH AS-NEEDED TRAFFIC CONSULTANT INFRASTRUCTURE ENGINEERS
 - c) APPROVE A PROFESSIONAL SERVICES CONTRACT TO ARCADIS/MALCOM PIRNIE FOR VALUE ENGINEERING AND CONSTRUCTABILITY REVIEW FOR THE RANCHO DEL REY GROUNDWATER WELL AND OTAY INTERCONNECT PIPELINE PROJECTS IN AN AMOUNT NOT-TO-EXCEED \$153,628
 - d) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO SAN DIEGO FREIGHTLINER IN THE AMOUNT OF \$107,216.36 FOR THE PURCHASE OF ONE (1) CLASS 7 DUMP TRUCK
 - e) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO TUTTLE CLICK TRUCK CENTER IN THE AMOUNT OF \$104,216.20 FOR THE PURCHASE OF ONE (1) CLASS 4 SERVICE LINE TRUCK
 - f) ADOPT RESOLUTION NO. 4191 TO REVISE AND UPDATE BOARD OF DIRECTORS POLICY NO.S 48, ADA/FEHA DISABILITY POLICY, AND 50, ANTIFRAUD POLICY
21. BOARD
- a) DISCUSSION OF 2011 BOARD MEETING CALENDAR

Director Croucher indicated that he will not be able to attend the September 5, 2012 Board meeting because he will be out-of-town for work.

General Manager Mark Watton indicated that the District will seek an alternative date for the July 4, 2012 Board meeting and it falls on the Independence Day holiday.

REPORTS

22. GENERAL MANAGER'S REPORT

In response to those who spoke during the public participation portion of the meeting, General Manager Watton commended Mr. Steve Castenada, PRM Consulting, and stated that his firm does have the expertise for the project that the District has retained his firm to perform. He indicated that the same is true for Mr. Enrique Morones and all the vendors assigned to the District's desalination project. General Manager Watton indicated that he met with Mr. Aaron Burgin, UT Watchdog reporter, to discuss the desalination project and its issues. He indicated how proud he was of the vendors who are involved with the desalination project and believes the District could not have a better group of consultants. He stated that he felt that the District has top notch consultants and a team who is second to none.

General Manager Watton indicated that the 1st snow survey reported .14" of snow, which the snow level is a record breaking absent and there may be a shortage in a year or two. He noted that one good snow year does not make a good water year in upcoming years.

General Manager Watton indicated that several handouts were provided to the Board, which included:

- Letter from the Office of the Mayor, City of Chula Vista and the Beautify Chula Vista Day committee
- PowerPoint presentation of County Water Authority's Water Purification/Demonstration Project
- PowerPoint presentation of County Water Authority's Fiscal Sustainability Project Overview
- County Water Authority's Newsletter about the San Vicente Tunnel and Pipeline System

He presented his report which included the District's involvement in Community Outreach and its participation in the 50th Annual Starlight Parade in Chula Vista, the Speakers Bureau Activities, Water Conservation School Program, the Mixed Meter Conversion Feasibility Study, that Chief of Information Technology Geoff Stevens conducted a presentation at a CIO Forum on, "Otay Communications Systems and Strategies," an update on the Banking Services RFP, that status of the Rancho del Rey Well Project, Mexico's request for water delivery, and Potable Water Purchases.

Director Robak inquired if the snow report included a prediction of what can be expected for the rest of the year. General Manager Watton stated that it is hard to predict because it has been unseasonably warm. Although the reservoirs are full, if normal rain patterns don't return, there may be a potential drought in 2013.

23. DIRECTORS' REPORTS/REQUESTS

Director Robak commented on the difficult press the District has been receiving and stated that he would like to make it clear that he wants the District to be portrayed in the best possible light. He indicated his concerns about the inaccuracies of the articles concerning the District and stated that he and the General Manager had talked about it last week. He requested that the District engage him in the District's business as he would like to know what is going on in terms of knowing the people who have been hired and what services they are providing. He felt that this was not always the case, but indicated that it does not mean that the District did not hire competent people. He indicated his concern that he was being interviewed by a reporter last week regarding several consultants and he did not have any idea that they have been hired and what they were doing. He stated that it put him in a pretty difficult position. He again requested that if the District is engaging people to provide services, he be informed of who these people are and what they are doing.

Director Croucher indicated that he was assigned to a CWA committee to review per diems to ensure directors are attending appropriate meetings. He was also assigned to CWA's Fiscal Sustainability workgroup.

Director Lopez commended Director Croucher and General Manager Watton for their involvement at CWA. He reported that he attended the District's holiday dinner and stated that it went well and that he enjoyed the event.

Director Gonzalez reported that he and his family participated in the 50th Annual Starlight Parade in Chula Vista on December 3rd. On December 6th he attended the South County Development Council Breakfast meeting.

24. PRESIDENT'S REPORT

President Bonilla reported on meetings he attended during the months of November and December 2011. He stated that on November 8 and December 2 he attended Ad Hoc Redistricting Committee meetings to discuss the redistricting of the District's divisional boundaries. He shared that on November 30 he attended the Otay WD Special Board meeting and approved a contract for General Counsel Services. On December 2 he attended an Agenda Briefing meeting to discuss items to be presented at the January 2012 board meeting. On December 28 he met with John Lynch, Vice Chairman and CEO of the Union Tribune. Director Bonilla indicated that Mr. Lynch invited him to toast in the New Year and to discuss the Union Tribune's plans and his interest in expanding its reach into the Hispanic community. He also indicated that he updated Mr. Lynch on a few Otay matters.

Director Bonilla stated that Mr. Lynch informed him of his plans for the UT and his plan to publish a newspaper for the Hispanic Community that would be as large as the UT and would be distributed throughout the region and across the border into Tijuana. Director Bonilla indicated that Mr. Lynch wished to inquire about his knowledge of the Hispanic market and any contacts that he may have in the news industry that may have an interest in partnering with the UT. Mr. Lynch also provided him a tour of the U-T newspaper and shared his plan to reorganize the UT to make it more efficient.

Director Bonilla stated that at the time he met with Mr. Lynch, he had no knowledge that Mr. Burgin's article would be published and believes that Mr. Lynch also had no knowledge based on his demeanor during their meeting.

Director Bonilla expressed his concerns regarding the article and felt that the article was unfair and unprofessional. He stated that he felt that it only discredits the UT because it was very poor reporting. He indicated that he understands that people who are running for elected positions will try to discredit others by making things up, but what he did not understand is somebody sitting on the District's board who doesn't know how to acknowledge what is the truth. For somebody to sit here and claim, "I wasn't aware of anything," is completely dishonest. Director Bonilla indicated that the District's business is presented in all of the District's reports and if anybody on the District's board asked every question and doubted everything, it was Director Robak.

Director Bonilla indicated that District records show that in 2006, Mr. Hector Mares' contract was presented to the board for approval. Director Bonilla stated that Director Robak is a coward for his comment to the U-T reporter that he was unaware of the consultant's contract.

Director Bonilla stated that while he was President of the Board for two years, he took it upon himself to instruct the General Manager to respond to any questions Director Robak may have to avoid accusations of hiding District business from him.

He stated that he believes that reporters know to contact Director Robak for negative District information, and therefore does not believe Director Robak's comment about being misquoted in the news article. He stated that Director Robak has discredited many people because he was not "man" enough to admit what he knew and his mistakes.

Director Bonilla also indicated that Director Robak attended a forum in Mexico City and that Hector Mares took him to Los Pinos which is the White House in Mexico City. He stated that he could not believe that Director Robak would deny knowing Mr. Mares and then imply that Mr. Mares is associated with Director Bonilla.

Director Bonilla suggested that the District write a letter to the U-T, directed to John Lynch, with all of the Public Participants' letters. He suggested that the

letter should be signed by him because he was the president at the time the news article was published. General Counsel Shinoff indicated that no action was required by the board because it was within his authority as President.

RECESS TO CLOSED SESSION

25. CLOSED SESSION

The board recessed to closed session at 5:51 p.m. to discuss the following matters:

- a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [GOVERNMENT CODE §54956.9]
 - (l) SALT CREEK GOLF, LLC, UNITED STATES BANKRUPTCY COURT, CASE NO. 11-13898-LA11
- b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [GOVERNMENT CODE §54956.9(a)]
 - (l) MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER AND FILED WITH THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO CONSOLIDATED UNDER CASE NO. 37-2007-00077024-CU-BC-SC

RETURN TO OPEN SESSION

26. 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 6:24 p.m. and General Counsel Daniel Shinoff indicated that no reportable actions were taken in closed session.

27. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 6:24 p.m.

President

ATTEST:

District Secretary