32400 PASEO ADELANTO SAN JUAN CAPISTRANO, CA 92675 (949) 493-1171 (949) 493-1053 FAX www.sanjuancapistrano.org

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August 4, 2015

Glenda Sanders, Honorable Presiding Judge Orange County Superior Court 700 Civic Center Drive West Santa Ana, CA 92701

Honorable Glenda Sanders, Presiding Judge:

This letter is in response to the 2014-2015 Orange County Grand Jury Report: "Joint Powers Authorities: Issues of Viability, Control, Transparency, and Solvency." The report requires the City of San Juan Capistrano to respond to Finding 1 and Recommendation 1.

Finding 1: Orange County has nine "inactive" Joint Powers Authorities that have no viable activity, revenue, expenditure, assets, or liabilities. The Grand Jury determined that these Joint Powers Authorities serve no benefit to the public or the taxpayers and have the potential for misuse or obfuscation of public funds.

Response: The City does not have sufficient information to agree or disagree with Finding 1 because:

- (1) The City is not a member of any of the nine "inactive" JPAs listed in the report, and;
- (2) The City is unfamiliar with the finances or operations of these JPAs, thus lacks the knowledge of whether these JPAs provide a public benefit.

Recommendation 1: All Orange County Joint Powers Authorities that are "inactive" should submit the official paperwork with the State of California requesting termination of their existence or provide at the next public meeting the justification for continuing the Joint Powers Authority.

Response: This recommendation has not been implemented because the City is not a member of an inactive JPA.

Should you have any questions, please do not hesitate to contact me at (949) 443-6315 or Tom Bokosky, Human Resources Manager at (949) 443-6321.

Sincere

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Mayor