



ADMINISTRATION
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June 13, 2007

Honorable Judge Rodney Melville
Superior Court
312-M East Cook Street
Santa Maria, CA 93455-5165

Santa Barbara County Grand Jury
Attention: Foreman
1100 Anacapa Street
Santa Barbara, CA 93121

Dear Judge Melville,

The purpose of this letter is to respond the 2006/2007 Santa Barbara Grand Jury Report entitled, *Certificates of Participation in Public Finances: Is more Scrutiny Needed?* This response was approved by the Guadalupe City Council on June 12, 2007.

Response to Findings and Recommendations:

1. PUBLIC NOTICE REQUIREMENTS:

The City of Guadalupe agrees with the finding and complies with mandatory public notice and approval process prior to sale of COPs.

2. ASSURANCES OF COP PROJECTS:

The City of Guadalupe agrees with the finding and follows standard guidelines for funding COP projects. We recently funded a water storage tank that increased the city's water storage capacity to 1.5 million gallons of water. All environmental and standard assurances were met prior to the issuance of COPs.

3. TERM OF PROJECT:

The City of Guadalupe is committed to using funding sources that provide the optimum investment for the citizens. Comparative analysis of all sources is a necessary decision making tool in executing long term versus short term financing.

4. REGULATIONS REGARDING COPS:

The City of Guadalupe maintains strict use of funds solely for the project intended. COP projects and related funding should progress rapidly through completion eliminating the issue of idle funds and interest earnings.

5. NOTICE TO OTHER AGENCIES:

The City of Guadalupe will review and update the public notice procedure to include County Government and other affected municipal agencies. Improved communications will assist in future planning of projects.

CONCLUSION:

The City appreciates the Grand Jury's recommendations and thank you for your assistance regarding Certificates of Participation.

Yours truly,

Carolyn Galloway-Cooper
City Administrator

Enclosures

c: file

File: wp/grand jury response to COPS 6 5 07