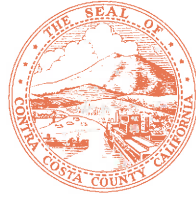


Office of the Auditor-Controller
Contra Costa County

Robert R. Campbell
Auditor-Controller

625 Court Street
Martinez, California 94553-1282
Phone (925) 335-8600
Fax (925) 646-2649



Elizabeth A. Verigin
Assistant Auditor-Controller

Harjit S. Nahal
Assistant Auditor-Controller

July 26, 2018

Mario Gutierrez, Foreperson
Contra Costa County Civil Grand Jury
2017-2018 Civil Grand Jury
725 Court Street
P. O. Box 431
Martinez, CA 94553-0091

Dear Mr. Gutierrez:

Below is my response to Report 1808 of the 2017-2018 Contra Costa County Civil Grand Jury, "Joint Powers Authorities," received by my office on June 7, 2018.

Findings:

F2. The Circular JPAs with a single controlling entity, such as a city council, have the potential to avoid legal debt limits and provide limited disclosures to taxpayer.

Comment: Finding F2. pertains to matters that are not under the control of the County Auditor-Controller. No response is required under Penal Code section 933, subdivision (c).

F3. In Contra Costa County, there are 12 Circular JPAs created by cities with RDAs that no longer exist. These JPAs may no longer be valid because each is a member of another Financial JPA which may take on new debt without the prohibition (Gov. Codes Sections 6505 3416/34170 et seq,) placed on Successor Agencies.

Comment: Finding F3. pertains to matters that are not under the control of the County Auditor-Controller. No response is required under Penal Code section 933, subdivision (c).

F4. Cities that have created the 12 Financial JPAs do not provide JPA-specific financial information in their budget document. As a result, the public may have difficulty evaluating JPA's financial performance.

Comment: Finding F4. pertains to matters that are not under the control of the County Auditor-Controller. No response is required under Penal Code section 933, subdivision (c).

F5. The Contra Costa Auditor-Controller's office maintains information only on JPAs of which the County is a member. The County Auditor could not verify that all JPAs in the County have filed an audit in accordance with Gov. Codes Sections 6505 et seq.

Response: The respondent disagrees partially with the finding. Specifically, the first sentence of the finding is not correct. The Auditor-Controller's Office maintains documents it receives that pertain to all JPAs, including JPAs of which the County is not a member.

Recommendations:

R2. The Auditor-Controller under Health and Safety Code Sections 34182-34188.8, should consider a review of JPAs under ABx1.26 (dissolution of redevelopment agencies and the designation of Successor Agencies) by June 30, 2019 to determine any violation of the prohibition on taking on new redevelopment or debt.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable. Prior to a JPA under ABx1.26 taking on debt the proposed debt must be reviewed and approved by the countywide oversight board and the California Department of Finance.

R3. The Auditor-Controller should consider posting on its website all financial and organizational data received from JPAs associated with an RDA or their Successor Agency in a manner readily available to the public by September 30, 2018.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable. Financial and organizational data pertaining to JPAs that are associated with RDAs or Successor Agencies are available on other websites, including the websites of Successor Agencies and the Contra Costa Local Agency Formation Commission.

I can be contacted at (925) 335-8600 if there are any questions regarding my response.

Sincerely,



Robert Campbell
Contra Costa County
Auditor-Controller

cc: Contra Costa County Board of Supervisors