

CITY OF AMERICAN CANYON

Finance Department

Gateway to the Napa Valley



May 12, 2008

The Honorable Francisca P. Tisher
The Honorable Raymond A. Guadagni
Presiding Judges 2007/2008
Superior Court of the State of California
County of Napa
825 Brown Street
Napa, CA 94559

FILED

JUN 11 2008

Clerk of the Napa Superior Court
By: *A. Brennan*
Deputy

Dear Judges Tisher and Guadagni:

The City of American Canyon has received and reviewed the Findings and Recommendations of the 2007-2008 Grand Jury Final Report on Renovation of Farmworker Housing Centers by the Napa Valley Housing Authority. We provide this response as required by the California Penal Code. The Grand Jury report requires the City of American Canyon to respond to Recommendation 6.

Grand Jury Recommendation 6: Agreements to which local governmental agencies are parties not contain false statements in the recitals.

The City of American Canyon agrees with the statement that agreements between governmental agencies should not contain false statements.

The recommendation refers to a sentence in one of the recitals (L) within the Farmworker Housing Settlement Agreement signed by all the Napa entities, which includes the City of American Canyon. The statement in question is the first sentence of Recital L which identified the County Counsel's conclusion. It was not a statement of fact as suggested by the manner in which the Grand Jury question was posed. Therefore, it is our contention that we did not sign an agreement containing a false statement. The full text of Recital L (following) indicates that the intent of this statement is to identify one of several issues that comprise the "Disputes" that are resolved by the Settlement Agreement.

Full text of Recital L:

"L. The NVHA Executive Director did not obtain the approval of the NVHA Board of Commissioners to execute any of the additional work which resulted in the Total Cost Overages. Nor did the NVHA Executive Director obtain authority from the City Council of Napa or the Board of

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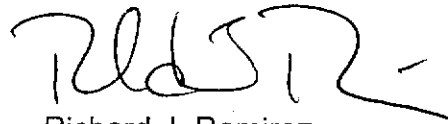
Commissioners of HACN to commit the revenues of the Napa Entities to cover the Total Cost Overages. Upon learning of the Total Cost Overages, representatives of the governing boards of NVHA, the member agencies of NVHA, and the Napa Entities each disputed responsibility for payment of all or some portion of the Total Cost Overages. The reasons for the additional work and the cost overages and a determination of the parties responsible for payment of the cost overages are currently in dispute ('The Disputes')."

The elected officials and staff of the City of American Canyon wish to recognize the effort put into the report by the Grand Jury members. We would like to thank you for the objective review and constructive recommendations.

Respectfully yours,



Leon Garcia
Mayor



Richard J. Ramirez
City Manager