



September 4, 2013

Mr. Steven P. McPherson, Foreperson
2012-13 Civil Grand Jury
C/o Hon. Brian C. Walsh, Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

FILED

SEP - 9 2013

DAVID H. YAMASAKI
Chief Executive Officer/Clerk,
Superior Court of CA County of Santa Clara
BY STEPHANIE WONG

Dear Mr. McPherson:

The Moreland School District is responding to the 2012-13 Santa Clara Civil Grand Jury's final report as follows. We are very much in agreement with the spirit of the Grand Jury's report.

Finding 1

CABs shift large, compounding interest costs to future taxpayers and will inevitably compound the burdens school districts face in operating effective schools for their students in the future.

We agree that CABs do produce compounding interest costs for future taxpayers, but also believe that CABs can be an effective tool for financing school construction, if used responsibly. As the Grand Jury report reveals, Moreland's two recent CAB issuances have some of the lowest debt service to principal ratios of any CABs issued in Santa Clara County since 2007.

Moreland will not issue a CAB prior to the final resolution of AB 182, pending in the legislature.

Recommendation 1

Each school district in Santa Clara County should adopt a Board policy and any necessary administrative regulation indicating its intent to comply with the moratorium called for by the State Treasurer and the State Superintendent of Public Instruction.

The Moreland School District has heeded the advice of the State Treasurer and the State Superintendent of Public Instruction, and does not intend to issue CABs at this time. We will await the disposition of AB 182, which will likely be passed by the legislature and

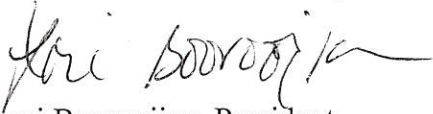
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signed by the Governor in the very near future. At that time, we will decide if it is in the District's best interests to issue CABs, or another type of bond.

Once the new law is in place, the District will adopt new Board policies and/or administrative regulations in accordance with the new law.

Sincerely,

A handwritten signature in black ink that reads "Lori Booroojian". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Lori Booroojian, President
Board of Trustees
Moreland School District

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