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July 31, 2006

Honorable Mayor Jerry Sanders
City of San Diego
City Administration Building
11th Floor, 202 C Street
San Diego, CA 92101

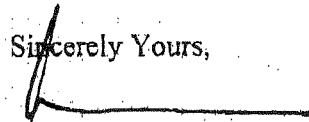
Council President Scott Peters
City of San Diego
202 C Street
MS #10A
San Diego, CA 92101

Dear Sirs:

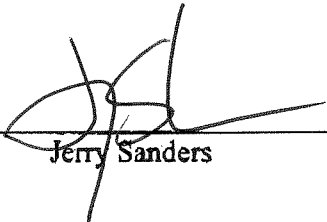
I write on behalf of the City of San Diego Audit Committee ("Audit Committee") to advise you that the Audit Committee has completed its investigation of the San Diego City Employees' Retirement System, the City of San Diego Sewer Rate Structure, and related matters (the "Report") and is prepared to issue its Report to the City Council and the Mayor, by delivery of the same to the City Council Chambers when we make a presentation to the City Council at approximately 8:00 a.m. on Tuesday, August 8, 2006. The Audit Committee, under its engagement with the City Council, regards the delivery of the Report to the City Council as a public release of the Report, and, thus, the Audit Committee, the Mayor and members of the City Council will be free thereafter to discuss the contents of the Report in public. Finally, with regard to the Audit Committee's proposed presentation to the City Council on August 8, 2006, the Audit Committee intends to confine its remarks to the content of the Report, and will not respond to any other questions at that time.

Please indicate your agreement and consent to the above by countersigning a copy of this letter and returning it to the undersigned.

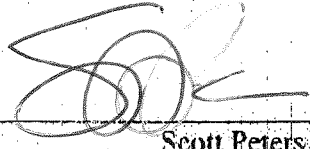
Sincerely Yours,



Benito Romano



Jerry Sanders



Scott Peters