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W. James Wagoner
Air Pollution Control Officer

Robert McLaughlin
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December 22, 2006

Ms. Catherine Witherspoon
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Dear Ms. Witherspoon:

The Butte County Air Quality Management District (District) is contacting you regarding the Air Resources Board (ARB) Carl Moyer Air Quality Standards Attainment Program Audit Report which was received by the District on December 4, 2006. In response to ARB recommendations for future program improvement which includes Findings 1 - 3 and required actions, the District submits the following.

Finding 1: No documentation of notification of an incomplete application – The District will be providing the required notification beginning with the Year 9 funding cycle. The BCAQMD Policy and Procedures Manual Section VII, & Appendix D includes requirements for the notification to applicants for Carl Moyer Program Year 9 applications. The Draft BCAQMD Policies and Procedures Manual was submitted to ARB on November 15, 2006 and was approved by the District Governing Board on December 21, 2006.

Finding 2: Minimum contract requirements for projects funded with Year 8 funds were not included in the District's Year 8 contract – District legal counsel advises that in many instances the Agreement language is sufficient, but recommends that the Agreement be amended for clarity and completeness, and that for those Agreements already executed for year 8, a contract amendment will be executed. (The authority for such minor amendment is provided in District Resolution 2005-49.) Attached is an example of the proposed changes for each section of the Agreement discussed in the Audit Report. We expect these contract amendments will be executed by January 31, 2007. The Year 9 sample contract is included in the Policy and Procedures Manual and complies with the State guidelines.

Finding 3: Minimum application requirements were missing from Year 8 applications – The actions required by ARB have been incorporated into BCAQMD Year 9 applications (included in the Policy and Procedures Manual).

We would like to express our appreciation for the professionalism of your staff during this audit. If you have any questions or comments, please do not hesitate to contact the District.

Sincerely,

A handwritten signature in black ink that reads "W. James Wagoner".

W. James Wagoner
Air Pollution Control Officer

Enclosure: Proposed Amendment to Year 8 Carl Moyer Contract