



Linda S. Adams
Secretary for
Environmental Protection

Air Resources Board

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

August 30, 2007

Mr. Seyed Sadredin
Air Pollution Control Officer
San Joaquin Valley Air Pollution Control District
1990 East Gettysburg Avenue
Fresno, California 93726

Dear Mr. Sadredin:

Enclosed for your information is the complete audit package regarding the San Joaquin Valley Air Pollution Control District's (District) Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) and Lower-Emission School Bus Program (School Bus Program). That package includes the Air Resources Board's (ARB) audit report, the Department of Finance Office of State Audits and Evaluations (Department of Finance) audit report, and the District's corresponding response and plan of action in regard to the audit findings contained in each of those reports.

In order to properly document the District's successful fulfillment of its plan of action to rectify ARB's audit findings, we request that you provide us with a written report on your progress at each of three time points: 60 days, six months, and one year from the date of this letter. Such reports can be in the form of a brief letter to me that documents the completion of specific tasks in the District's plan of action and provides a timetable for completing any remaining tasks.

As a formality, I must inform you that if a district fails over time to adequately correct the deficiencies identified in an audit, ARB may elect to add a stipulation to the district's grant agreement that ties the release of State incentive grant funds to the satisfactory correction of such deficiencies. The information you provide us will thus ensure that we are fully informed of your progress so that there will be no untoward delays in future incentive fund grant disbursements.

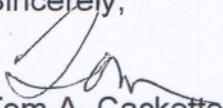
The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

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Thank you for your continued cooperation. We look forward to working with you to refine what is already an outstanding incentive program. If you have any questions, please contact me at (916) 323-6169 or Ms. Heather Arias, Manager, Incentives Oversight Section, at (916) 324-6429.

Sincerely,



Tom A. Cackette
Acting Executive Officer

Enclosures

cc: Ms. Heather Arias, Manager
Incentives Oversight Section