

February 19, 2009

James Goldstene
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Mr. Goldstene:

The following is the Antelope Valley and Mojave Desert Air Quality Management Districts' response to the California Air Resources Board's (CARB's) January 2009 Carl Moyer Program Audit Report.

Finding 1 - Inadequacies forms/contracts

District Response 1- The District has revised its' boilerplate contracts and forms based on approved samples provided by the ARB. The AVAQMD submitted revised forms and a revised Policies and Procedures manual to ARB on February 11, 2009. MDAQMD will deliver an analogous document to ARB within thirty days of the approval of AVAQMD's documents.

Finding 2 - Inadequacy contract – missing language related to ERCs

District Response 2 – Contracts from years 8 and 9 will be amended to mitigate this finding. The District is committing to completing the suggested contract revisions expeditiously. District staff will work diligently to complete the revisions, however, it may take up to 180 days from the date the final audit report is issued because grantees may need time to have the contract language revisions approved by their own Counsel. The District will commence work on the revisions once the ARB's final audit report has been issued. All future contracts will include specific language which prohibits funded projects from being used to generate ERCs.

Finding 3 - AB 923 Lower Emission School Bus Project – Wilsona USD

District Response 3 – The school buses in question came from the manufacturer with out particulate traps. Once the District became aware that the required traps were missing, the District required the school bus vendor to remedy the situation at the

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vendor's cost. Bus West installed a Cleaire Horizon on each bus – again at its own cost. The District will monitor that the retrofit devices and ensure that they remain functional for the five year contract term. The District has informed the Wilsona USD staff of this requirement in writing on November 12, 2008.

Finding 4 - Fiscal issue – Unreturned interest from old Lower Emission School Bus Program

District Response 4 – Acknowledged. Accrued interest as it applies to the subject Lower Emission School Bus Program has been returned to and received by ARB.

Finding 5 – Fiscal issue – Unspent Carl Moyer Program administrative funds

District Response 5 – Acknowledged. The District provided documentation of the expenditure of Carl Moyer Administrative funds for program years 7 and 8 as prior year adjustments to ARB on January 29, 2009.

We look forward to continued cooperative efforts to provide for continued success in implementation of the District's Carl Moyer and AB 923/Lower Emission School Bus Programs.

Sincerely,



ELDON HEASTON
Executive Director

EH/AJD/RNB

Cc: Alan DeSalvio, AVAQMD/MDAQMD
Bret Banks, AVAQMD/MDAQMD
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