



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

February 10, 2009

Mr. Jack Broadbent
Executive Officer
Air Pollution Control Officer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Dear Mr. Broadbent:

Enclosed is the complete audit package regarding the Bay Area Air Quality Management District's (District) Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) and Lower-Emission School Bus Program (School Bus Program). The District is to be commended for their marked improvement in administering the Carl Moyer and School bus Programs over the last year.

The package includes the Air Resources Board's (ARB) audit letter, the Department of Finance Office of State Audits and Evaluations audit report, and the District's responses and plans of action regarding the audit issues and observations in both documents. In the District's response to ARB's audit letter, you requested that ARB provide a format for a "closeout report" for Moyer Years 1 – 8. The first step in this closeout process is to ensure that all project data from these years has been entered into the CARL database. Once this is complete, ARB will work with District staff to finish the closeout process. In addition, ARB is looking forward to receiving copies of the District's updated School Bus boilerplate contracts. This will enable us to review the contract revisions discussed in our audit letter, so that the District may move forward in the School Bus program.

As a formality, I must inform you that if a district fails over time to correct deficiencies identified in an audit, ARB may place the district on probation or delay the release of State incentive grant funds.

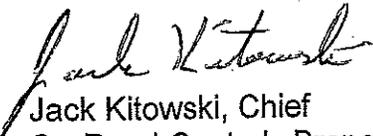
The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

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I appreciate your continued cooperation as we work together to further refine and advance air quality incentive programs in California. If you have any questions, please contact me, at (916) 323-6169.

Sincerely,


Jack Kitowski, Chief
On-Road Controls Branch

Enclosure

cc: Mr. Jeffrey McKay
Chief Financial Officer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Mr. Jack Colbourn, Director
Outreach and Incentives Division
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Mr. Damian Breen
Grants Manager
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Ms. Mary Kelly, Manager
Department of Finance
Office of State Audits and Evaluation
300 Capitol Mall, Suite 801
Sacramento, California 95814

cc: continued on next page

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cc: Mr. Dan Jenkinson
Department of Finance
Office of State Audits and Evaluation
300 Capitol Mall, Suite 801
Sacramento, California 95814

Mr. Robert H. Cross, Chief
Mobile Source Control Division

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption.
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