



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

July 8, 2008

Mr. Ed Kendig
Interim Air Pollution Control Officer
Monterey Bay Unified Air Pollution Control District
24580 Silver Cloud Court
Monterey, California 93940-6536

Dear Mr. Kendig:

The California Air Resources Board (ARB) recently concluded an audit of the Monterey Bay Unified Air Pollution Control District's (APCD or District) Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) and Lower-Emission School Bus Program (School Bus Program). This was performed as part of our oversight responsibility and authority under State law (Health and Safety Code sections 39002, 39003, 39500, 39600, 39602, 39605(b), 41500, 44287, and 44291). We appreciate the professionalism and cooperation shown by your staff throughout the audit process.

Enclosed is our audit report. We found that the District runs programs that achieve the expected emission reductions, and generally meet the requirements of the Health and Safety Code and applicable Guidelines. We commend the District's clear and concise applications forms and instructions for both programs and timely expenditures of Carl Moyer Program funds.

The audit resulted in four findings regarding the District's implementation of the Carl Moyer Program and one for the School Bus Program. The Carl Moyer Program findings included ineligible match projects, inadequate documentation of policies in practice, inaccurate reporting to ARB, and incomplete inspections. The audit resulted in one finding regarding the District's implementation of the School Bus Programs: lack of required grant language and documentation of a California Highway Patrol (CHP) safety inspection. The District has already submitted additional information and mitigation strategies for some of the issues identified by the ARB which has been reflected in the attached report.

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>.

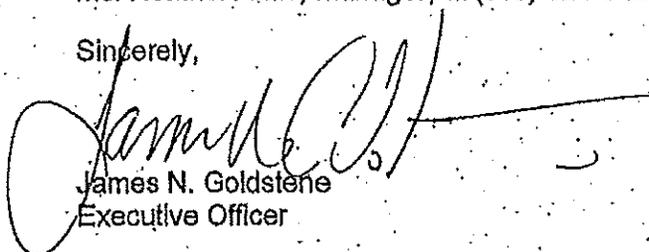
California Environmental Protection Agency

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As a formality, per the Carl Moyer Program Guidelines, the District has a maximum of 30 days from the date of this letter to submit a written plan of action to address the remaining findings in the audit report. If the District does not act, it would be placed on probation and additional oversight from ARB would be required.

Our audit report and your written responses are public and will be posted on the ARB's website. We encourage you to make this information public within the District as well. If you have any questions about the audit, please contact me at (916) 445-8449 or contact Ms. Heather Arias, Manager, at (916) 324-6429 or email harias@arb.ca.gov.

Sincerely,



James N. Goldstone
Executive Officer

Enclosure

cc: See next page.

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cc: Mr. David Fairchild
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