

Carl Moyer Memorial Air Quality Standards Attainment Program

AUDIT REPORT

North Coast Unified Air Quality Management District Fiscal Years 2005/2006 – 2007/2008

**Prepared by: Mobile Source Control Division
Air Resources Board
November 2009**

Acknowledgements

The Air Resources Board (ARB) audit team wishes to thank the participating North Coast Unified Air Quality Management District management and staff: Richard Martin, Jr. and Jason Davis.

The ARB staff included:

ARB management: Robert Cross, Scott Rowland, and Charles Kersey;

ARB Carl Moyer Program audit team: Chuck Bennett, Verna Brock, John Ellis, Gerald Grauman, Tim Hartigan (audit lead), Liz Ota, and Laura Zaremba-Schmidt.

ARB Carl Moyer Program District liaison: Robin Myers.

Introduction

As part of the Air Resources Board's (ARB) ongoing review of the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program or CMP), ARB staff audited the North Coast Unified Air Quality Management District (North Coast Unified AQMD or District). The audit began in July 2009 with an entrance interview on July 13, 2009, and was conducted in accordance with the "Audit Process for Rural Districts" in ARB's Audit Policies and Procedures. These procedures are viewable at ARB's website: <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>.

The audit reviewed program fundamentals, examined the use of public funds, and assessed whether emission reductions were real, quantifiable, enforceable, and surplus. ARB conducted the audit as part of its oversight responsibility specified in Health and Safety Code section 44291(d). Audit findings and recommendations were presented during an exit conference held with the District on October 28, 2009.

1. Overall Assessment

ARB found that the Carl Moyer Program implemented by the North Coast Unified AQMD is achieving the expected emission reductions and is in compliance with State requirements. The audit resulted in no findings, reflecting exemplary performance by the District in implementing the Carl Moyer Program.

2. Scope of the Audit: Fiscal Years 2005/2006 through 2007/2008

The scope of the audit covered fiscal years 2005/2006, 2006/2007, and 2007/2008. For 2005/2006 and 2006/2007, the District accepted the minimum allocation and obtained waivers of the match funding requirement. During the 2005/2006 and 2006/2007 funding cycles, the District accepted additional Carl Moyer Program funds administered through the CMP Rural Assistance Program (RAP). In 2007/2008, the District accepted more than the minimum allocation and agreed to provide match funding. Table 1 identifies project and administration funds the District received from CMP and RAP and identifies the required match funding.

Table 1: North Coast Unified AQMD Programs and Funds

FY	Program	Project	Administration	Total Grant	Matching Funds	Total
2005/2006	CMP	\$200,000	\$4,630	\$204,630	n/a	\$204,630
2005/2006	RAP	\$14,637	\$0	\$14,637	n/a	\$14,637
2006/2007	CMP	\$180,000	\$20,000	\$200,000	n/a	\$200,000
2006/2007	RAP	\$122,455	\$6,037	\$128,492	n/a	\$128,492
2007/2008	CMP	\$291,995	\$32,444	\$324,439	\$50,068	\$374,507

Note: Interest earned by the District on Carl Moyer Program balances is not included in the table.

3. Summary of District Projects Funded and Selected for File Review

Table 2 summarizes the number and categories of project types funded by the District over the scope of the audit. Funding sources included CMP, RAP, and earned interest funds. Project categories included on-road, off-road, and marine sources.

Table 2: North Coast Unified AQMD Carl Moyer Program Projects*

Program	Source Category	FY 2005/2006	FY 2006/2007	FY 2007/2008	Total
CMP	On-road	0	0	1	1
	Off-road	1	1	1	3
	Marine	2	2	1	5
CMP(RAP)	On-road	1	0	0	1
	Off-road	0	1**	0	1
	Marine	0	1	0	1
Total		4	5	3	12

*Projects split-funded over different fiscal years or funded from several different sources (e.g., CMP and interest funds) are listed once according to the year/source that provided the most funds to the project.

**Partially funded by interest earned on Carl Moyer Program balances.

Table 3 provides a list of project files reviewed by the audit team. Four projects were selected: one marine and three off-road projects. The projects were a mix of CMP, RAP, and interest funded projects.

Table 3: List of Projects Reviewed

Project Name	Project Number	FY	Funding Source	Source Category
F/V Resolution	CMP 9-0607	2005/2006 2006/2007	CMP	Marine
Eagle Rock	CMP 10-2	2006/2007 2007/2008	CMP	Off-Road
Trinity Lumber Repower	Trinity River 10	2006/2007	CMP(RAP)	Off-Road
		2005/2006 2006/2007	Interest	
CA Redwood Repower	9-0607-3	2006/2007	CMP	Off-Road

4. Findings, Conditions, and Required Actions

Table 4 describes the audit findings, conditions, and required district actions. “Findings” are brief descriptions of the District’s practices that are inconsistent with one or more of the following:

- State requirements under Health and Safety Code sections 44275 through 44299.2.
- Carl Moyer Program Guidelines (2003 and 2005 versions) (<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>).
- Carl Moyer Program advisories.
- Carl Moyer Program Grant Award and Authorization requirements.
- North Coast Unified AQMD’s written policies and procedures, including its contracts with the engine owners/grant recipients.

“Conditions” are detailed descriptions of the District’s practices observed by ARB audit staff during the audit. “Required Actions” are the minimum actions the District must take to mitigate the findings.

Table 4: Findings, Conditions, and Required Actions

Finding	The audit revealed no findings.	Required Actions
Condition	No findings.	No required actions.

5. Recommendations

The District should consider improving the current implementation of the Program as noted in Table 5 below. This recommendation does not require a response from the District, although the District may choose to comment in its written response to this audit report.

Table 5: Audit Recommendations

Recommendation 1: Clearly identify that the project application is Attachment A to the contract.
ARB recommends that the District contract specify that Attachment A is the project application and that the application be marked as Attachment A.

6. Resources

1. Air Resources Board Carl Moyer Program Website
<http://www.arb.ca.gov/msprog/moyer/moyer.htm>
2. Air Resources Board Incentives Oversight Audit Website
(Includes previous reports and Audit Policies and Procedures)
<http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>