

AIR POLLUTION CONTROL DISTRICT



May 10, 2012

Mr. James N. Goldstene  
Executive Officer  
Air Resources Board  
1001 "I" St.,  
Sacramento, CA 95814

Dear Mr. Goldstene:

On behalf of the Imperial County Air Pollution Control District (District), I wish to express my appreciation and thank you and your staff for the thorough and comprehensive audit report of the District's Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), the Proposition 1B Lower-Emission School Bus Program (School Bus Program), the Proposition 1B Goods Movement Emission Reduction Program (Goods Movement Program), and projects funded with Assembly Bill 923 \$2 motor vehicle fees that are used for State Implementation Plan credit. We are very pleased with the recognition of our continuous efforts to improve the administration and implementation of the three incentive programs. Indeed this is a difficult and very ambitious task for a rural district with a small staff, but one we felt necessary in our continued efforts to improve air quality for the residents of Imperial County. .

We appreciate your staff's professionalism and cooperation to engage in a productive and interactive dialogue, and commend their fair and balanced approach to this audit. The District continuously strives to enhance the administration of the incentive programs and we are always receptive to new strategies that help us achieve the highest level of performance, while maintaining the utmost integrity and efficiency. This effort has resulted in a significant reduction of diesel particulate and nitrogen oxide emissions targeted by the programs.

We welcome this opportunity to provide our response on four findings and one required action in the audit report. The first three findings: 1. Insufficient Project Oversight-Carl Moyer Program; 2. Incomplete Project File Documentation-Carl Moyer Program and Goods Movement Program; and 3. Errors in Reporting to ARB-Carl Moyer Program and Goods Movement Program, were all resolved during the audit and no further actions were required by the District, as stated in the audit report. Thank you and ARB staff.

The following is ICAPCD's response and written plan of action in reference to Finding 4 to the audit findings.

#### **Finding 4: Eight Ineligible Goods Movement Program Projects**

**Condition 1:**

Two truck replacement projects (\$97,000) are ineligible due to a non-compliant baseline vehicle classification of Class 7 (GVWR of 26,001 to 33,000 pounds) rather than the required Class 8 classification (GVWR of 33,001 or greater).

**Condition 2:**

Six truck replacement projects (\$261,742.14) are ineligible due to baseline trucks being registered as planned non-operation beginning prior to contract execution and carrying through to destruction. Baseline trucks are required to be registered and operational until destruction.

**Required Actions:**

For both conditions, the District must submit to the ARB Goods Movement Program a plan for its approval that mitigates the ineligible projects. Mitigation may include return of funds to ARB, funding other eligible projects to replace the ineligible projects, or other actions acceptable to ARB.

**Response:**

The report noted that two truck replacement projects are ineligible. While in Fiscal Year 2007-08 Program these vehicle classifications were ineligible, in current Fiscal Year 2011-12 these vehicle classifications are now eligible. This inclusion demonstrates a significant improvement in reduction of diesel particulate and nitrogen oxide emissions.

The report also states that six truck replacement projects are ineligible due to baseline trucks being registered as planned non-operation. During the time of the planned non-operation, the State's financial crisis had stopped the Program for 18 months. During this period, the owner of the six trucks, on their own, registered these six trucks as non-operational and purchased eligible truck replacements to continue their daily goods movements and be emission compliant at the same time. Even though procedurally, it was an unfortunate oversight, the significant improvement in reduction of diesel particulate and nitrogen oxide emissions for these six trucks are real.

The District has funded other eligible projects to replace the ineligible projects. These eligible projects match or exceed the diesel particulate and nitrogen oxide emissions reductions targeted by these programs and adhere to the associated guidelines for funding.

The total amount of ineligible projects is \$ 358,742.14, as specified above.

The District has self-funded these other eligible projects within the past six months:

1. Purchased of seven (7) slow-fill Compressed Natural Gas (CNG) dispensers for elementary and high schools in the District for their dedicated CNG-fueled school buses.

Total funding: \$ 170,000

2. Portion of purchase of one (1) new truck for Imperial Valley Food Bank.

Total funding: \$ 55,000

3. Funding of two (2) new school buses to replace two (2) pre-1977 school buses.

Total funding: \$ 304,000

The total amount of eligible projects is \$ 529,000.00

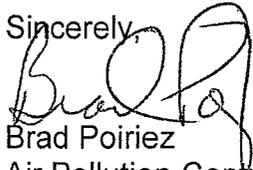
The District believes that this more than compensates for ineligible projects both above associated cost comparison and also the benefit of additional emission reductions above and beyond that which would have been realized by the State incentive funds alone.

The District feels that the funding of these additional projects with non-state incentive funds qualifies as an approvable action plan and no further action is required.

The District has, and always will have, a strong commitment to the success of the Carl Moyer, Low Emission School Bus, Goods Movement, and other State funded Programs. We look forward to our continued cooperative efforts working with you and your staff in the future.

Should you have any further comments or questions please feel free to contact myself or Jesus Ramirez of my staff at (760) 482-4606.

Sincerely,



Brad Poiriez  
Air Pollution Control Officer

cc: Scott Rowland, Chief  
On-Road Control Regulations Branch  
Air Resources Board

Tim Hartigan, Air Pollution Specialist  
Incentives Oversight Section  
Air Resources Board