AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO

Air Pollution Control Board

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August 6, 2013

Richard W. Corey, Executive Officer
California Air Resources Board
1001 I St
Sacramento, CA 95812

Dear Mr. Corey:

On behalf of the San Diego County Air Pollution Control District (District), I wish to express my appreciation for the California Air Resources Board's (CARB) comprehensive and informative program review of the District's implementation of State-sponsored incentive programs including the Air Quality Improvement Program (AQIP), the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), and the Proposition 1B funded Lower-Emission School Bus Program (LESB) and Goods Movement Emission Reduction Program (GMERP). We are pleased that your review has confirmed that the District's incentive programs are efficiently and effectively achieving their emission reduction objectives and we appreciate the recognition of our continuous efforts to improve the administration and implementation of these incentive programs.

While the District is not required to take any further action as a result of this program review we would like to provide the following responses to the lone finding and pair of recommendations detailed in the report:

Carl Moyer Program

Finding: *"ARB staff identifies a finding of late expenditure of Fiscal Year 2008-2009 (Year 11) Carl Moyer Program funds."*

Response: The District acknowledges some delays in expenditure of the Year 11 Carl Moyer Program funds but as noted in the CARB report this shortfall has been completely addressed and was mitigated by the fact that the District had executed contracts in place for an amount that exceeded the expenditure shortfall. Additionally, the District has followed through with the changes listed below as outlined in our Year 11 Annual Report:

- **Expand the number of participating Voucher Incentive Program (VIP) dealerships** – The District now has a total of 21 approved dealerships participating in the VIP and has reached out to all known dealerships located

within San Diego County. This enhanced dealer network has helped to increase participation in this very popular program which has played a major role in the District's ability to meet our expenditure obligations in a timely manner. VIP continues to help the District to quickly achieve emission reductions while providing much needed assistance to small fleet owners looking to clean up their fleets ahead of regulatory deadlines.

- **Change the application review process to a first-come/first-served approach rather than a request for proposals** – In December 2011 the San Diego County Air Pollution Board approved the District's request to adopt a first-come/first-served approach for the Carl Moyer Program application review process. This transition has proven to be very successful as the District has drastically reduced the amount of time between application submittal and contract execution. As a result grantees have been able to begin working on their projects sooner allowing the District to achieve the desired emission reductions faster and reducing the potential for late expenditure.

In addition to the changes detailed above, the District increased the number of staff assigned to incentive program implementation which has helped to relieve some of the administrative burden associated with the multi-faceted requirements of these programs. The District will continue to monitor these process changes to ensure that they remain effective in maintaining continued compliance with programmatic requirements.

School Bus Program

Recommendation #1: *"Create a process step which checks files for all critical documentation before contract execution. Ensure coverage of the full required time period through California Highway Patrol or other approved certification that shows evidence of continuous operation."*

Response: The District has developed review checklists for all active incentive programs to use at various stages of the grant process including application evaluation, contract execution, and invoice payment. These checklists will help to ensure that all required documentation and information is accounted for prior to advancing to the next stage in the process.

Recommendation #2: *"Request case-by-case determinations for circumstances that deviate from or are not covered by the Guidelines."*

Response: The District has requested case-by-case determinations as allowed by the LESB and Carl Moyer Program Guidelines in the past and will continue to follow this process as needed for any future circumstances that deviate from or are not covered by the Guidelines.

We commend the fair and balanced approach to this program review shown by your staff and their willingness for an interactive dialogue. The District continuously strives to enhance how it

administers these incentive programs and we are always open to new ideas that help us achieve the highest levels of performance. We look forward to working with you and your staff in an effort to continuously improve the implementation of the incentive programs.

If you have any questions, please contact Mike Watt, Program Coordinator, at (858) 586-2711 or Michael.Watt@sdcounty.ca.gov.

Sincerely,

Robert Reider

ROBERT REIDER
Deputy Director
San Diego County Air Pollution Control District

cc: Doug Thompson, Manager, Incentives Oversight Section, Mobile Source Control Division, California Air Resources Board

Robert Kard, Air Pollution Control Officer, San Diego County Air Pollution Control District

Mike Watt, Program Coordinator, San Diego County Air Pollution Control District