

Incentive Program

PROGRAM and FISCAL REVIEW REPORT

Tuolumne County Air Pollution Control District
Fiscal Years 2008-09, 2009-10 and 2010-11

Prepared by: Air Resources Board
Mobile Source Control Division, Incentives Oversight Section
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Introduction

The Air Resources Board (ARB) is responsible for overseeing a number of air quality incentive programs, including the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program). As part of this responsibility, specified in Health and Safety Code section 44291(d), ARB staff conducted a program and fiscal review of the Tuolumne County Air Pollution Control District's (District) implementation of the Carl Moyer Program.

The Carl Moyer Program is a voluntary grant program that funds the extra capital cost of cleaner-than-required vehicles and equipment to help achieve air pollution reductions that are early or otherwise surplus to regulations. The Carl Moyer Program is funded by tire replacement and vehicle registration (smog abatement) fees. ARB develops statewide implementation guidelines, distributes funds to air districts, and conducts periodic oversight. Air districts choose which project types to fund from a variety of eligible categories. Projects funded must achieve early or extra emission reductions not otherwise required by law or regulation.

ARB incentive program reviews serve the public interest for transparency and accountability, helping to ensure that expenditures of State funds achieve intended outcomes and are within legal requirements. Projects are selected for review following a risk evaluation and are representative of the funds expended during the years within the overall scope of the review. Unless noted, issues and findings reported in program review reports pertain to the individual circumstances described and do not apply to other projects, although they may be indicative of similar issues occurring with projects not reviewed.

The process began with an entrance meeting on November 5, 2012, and was conducted in accordance with the program review process for rural districts described in ARB's policies and procedures for program reviews, which are viewable at the following ARB website: <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>. ARB staff reviewed program fundamentals, examined the use of public funds, and assessed whether emission reductions from a sample of projects were real, quantifiable, enforceable, and surplus. The results of the program review were presented during an exit meeting held with the District on June 14, 2013.

This report describes the scope of the review, the projects selected for review, and the results of the review. Under established policies and procedures for program reviews, the District has 30 days from the date of this report's cover letter to submit comments. ARB's report and the District response will then be posted on ARB's website at <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>.

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1. Overall Assessment

The District reports that the Carl Moyer Program funded 12 engine replacements with approximately \$425,380 in State funding during the years within the scope of the program review. This program review confirms that the District has achieved early and surplus emission reductions through its Carl Moyer Program projects, and has met the State's overall expenditure requirements for the program.

2. Scope of the Program Review

The scope of this review includes Carl Moyer Program grant agreements between ARB and the District for fiscal years 2008-09, 2009-10, and 2010-11, and fiscal records associated with those grants from July 1, 2008 through June 30, 2011. The District did not implement other State incentive programs during this period.

Table 1 summarizes Carl Moyer Program project funds, administration funds, and completion status for the grants within the scope of the review as of the exit meeting.

Fiscal Year	Grant Number	Project	Administration	Total Grant	Grant Status
2008-09	G08-M031	\$180,000	\$20,000	\$200,000	Expended by June 30, 2011
2009-10	G09-M023	\$180,000	\$20,000	\$200,000	Expended by June 30, 2012
2010-11	G10-M024	\$5,380	\$20,000	\$25,380	Expended by January 23, 2012
Total	NA	\$365,380	\$60,000	\$425,380	All funds expended on time

¹ Interest earned by the District on Carl Moyer Program balances is not included

Project funds of \$5,380 shown for fiscal year 2010-11 represent only partial funding of a Columbia Fire District project, completing a total grant of \$39,150.76 for the project. The District used administration funds attempting to find additional local projects. When eligible local projects could not be identified, the District took timely action to re-direct remaining fiscal year 2010-11 project funds in the amount of \$174,620 to the San Joaquin Valley Air Pollution Control District's Carl Moyer Program, providing the funds for emission reduction projects in an upwind area.

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Table 2 summarizes the number and categories of Carl Moyer Program project types funded by the District within the scope of the review.

Source Category	2008-09		2009-10		2010-11		Total	
	Projects	Engines	Projects	Engines	Projects	Engines	Projects	Engines
Off-Road Construction	4	5	4	5	0	0	8	10
Agriculture Pump Engine Replacement	1	1	0	0	0	0	1	1
On-Road Heavy Duty Vehicles	0	0	0.5 ¹	0.5	0.5	0.5	1	1
Totals	5	6	4.5	5.5	0.5	0.5	10	12

¹ Funding was split between years 2009-10 and 2010-11

3. Projects Selected for File Review

Table 3 provides a list of Carl Moyer Program project files reviewed.

	Funding Year	Funding Source	Source Category	Project Name	Project Number
1	11	Carl Moyer	Off-Road Mobile Agricultural Equipment	J&R Logging Repower 1	"Cable Yarder 1"
2	12	Carl Moyer	Off-Road Construction Equipment	SRM Dozer	"1"
3	12,13	Carl Moyer	On-Road Fleet Modification	Columbia Fire	"Equipment 1"

4. Review Findings

"Findings" are district practices found to be inconsistent with one or more of the following:

- State legislative requirements including those under Health and Safety Code sections 44275 through 44299.2 for the Carl Moyer Program
- *Carl Moyer Program Guidelines* (2005 and 2008)
(<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>)
- Carl Moyer Program advisories, Mail-outs, and other written communications
- Carl Moyer Program Grant Award and Authorization requirements
- District policies and procedures and forms, including contracts with the engine owners/grant recipients

"Recommendations" are voluntary actions a district can take to improve program implementation and documentation.

ARB staff identifies no findings for the District's Carl Moyer Program.

ARB staff identified recommendations related to District contracts and application procedures. Specifically, the recommendations were to (1) include a more explicit statement regarding past and future incentive funding for grantees in the contract, and (2) add a process step to check applications for the retrofit waiver, and/or to include this item in the District contract. The District implemented these recommendations immediately during the course of the review.

5. Resources

- Air Resources Board Carl Moyer Program website
<http://www.arb.ca.gov/msprog/moyer/moyer.htm>
- Air Resources Board Incentives Program Review website
(includes previous reports and Policies and Procedures)
<http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>
- *Carl Moyer Program 2005 Guidelines* (January 6, 2006), Air Resources Board
- *Carl Moyer Program 2008 Guidelines* (April 21, 2008), Air Resources Board

