

Air Pollution Reduction Incentive Programs

Program Review Report

**Imperial County Air Pollution Control District
Fiscal Years 2013-14 through 2020-21**

State of California
Air Resources Board
December 2025

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1. Introduction

The California Air Resources Board (CARB) is responsible for the oversight of the State of California's voluntary air pollution reduction incentives programs, which are implemented in partnership with California's 35 local air pollution control districts and air quality management districts (air districts). As part of this oversight responsibility, CARB staff in the Mobile Source Control Division and the Transportation and Toxics Division conducted a review of the incentive programs implemented by the Imperial County Air Pollution Control District (Imperial County APCD or District).

This CARB incentive program review report describes the scope of the review, the projects selected for review and site inspection, the resulting findings and recommendations, and the District's commendable efforts. Under the established policies and procedures for program reviews, the District has 30 days from the date of delivery of this report to submit comments. CARB's report and the District response will then be posted on the *CARB Incentive Program Oversight* website.

CARB reviewed incentive programs to ensure that expenditures of grant funds were in accordance with program guidelines and were within legal requirements. Projects were selected for review following a risk assessment. The projects selected represented an overall mixture of funds expended in the fiscal years under review. Findings reported in this review pertained to the individual circumstances described and did not necessarily apply to other projects.

Imperial County APCD is one of California's largest local air districts and is responsible for air pollution reduction projects in the Imperial County portion of the Salton Sea Air Basin. The District encompasses 4,482 square miles and is home to over 180,000 people. Incentive programs are an important element of regional attainment strategies, reducing emissions to help meet requirements of the federal Clean Air Act Amendments and the California Clean Air Act.

CARB staff began the Imperial County APCD program review on October 18, 2022, and the process was completed on December 5, 2025, with release of this report. CARB staff reviewed the District implementation of the following incentive programs, for the fiscal years specified in Section 3 of this report:

1. Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)
2. Community Air Protection Incentives (CAP Incentive)
3. Goods Movement Emission Reduction Program (GMERP)
4. Funding Agricultural Replacement Measures for Emission Reductions Program (FARMER)

This review was conducted in accordance with CARB's Policies and Procedures (P&P) for review of incentive programs, which are available on the *CARB Incentive Program Oversight* website.

Along with the incentive program review conducted by CARB, Department of Finance (DOF) conducted an independent fiscal compliance audit of the financial aspects of the incentive programs within the scope of CARB's review, including project funds, administration funds, match funds, and interest earned. The DOF audit began on October 17, 2022, and concluded with the exit meeting on April 6, 2023. The scope of the DOF audit included CMP, CAP Incentives and FARMER but did not include GMERP funds.

Department of Finance's final report, issued on May 18, 2023, includes three findings. A link to the Department of Finance's final report is available on the *CARB Program Oversight* website.

The District has taken steps to address these findings and ensure that their incentive programs' revenues, expenditures, and resulting balances are compliant with applicable grant agreements, guidelines, and statutes, which is discussed in a letter dated November 20, 2023, found in Appendix 8.

Note on Timing: This report reflects a review of incentive program implementation for fiscal years 2013-14 through 2020-21. While the review process concluded in 2025, the findings and recommendations are based on program conditions and documentation available during the review period. As such, they may not reflect current program status or practices.

2. Overall Assessment

CARB's program review determined that the four District incentive programs reviewed were achieving their emissions reduction and program objectives in an effective and efficient manner. In addition to the DOF findings, CARB identified two findings, four recommendations, and noted two commendable efforts. Detailed information is in Section 4, Findings and Recommendations, in this report.

3. Incentive Program Review

This program review covered fiscal years (FYs) 2013-14 through 2020-21, or fiscal years within that period as described below for each program. CARB selected 24 projects and conducted four in-person inspections to review the four incentive programs. A project may consist of multiple vehicles and/or pieces of equipment that have been replaced or repowered. Some vehicles and/or pieces of equipment may also have multiple engines. The project selection was based on the following criteria:

- Funding years within the scope,
- Funding source type(s), and
- Source category types under incentive program.

a. Carl Moyer Memorial Air Quality Standards Attainment Program

The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) funds cleaner-than-required vehicles and equipment to help reduce air pollution. Funded projects must achieve early, or extra emissions reductions not

otherwise required by law or regulation. Funds for the Carl Moyer Program include tire replacement and vehicle registration (smog abatement) fees. Imperial County APCD contributes match funds as required by the Carl Moyer Program.

The review of the Carl Moyer Program covered grant awards for FY 2013-14 through FY 2020-21, totaling \$ 3,092,936 in funding for 66 projects and 68 engines. CARB selected 8 projects for file review, 2 of which were inspected. Project categories within the scope of review included off-road mobile agriculture tractors.

The tables in Appendix 1 provide an overview of the Carl Moyer Program funds received by the District for the fiscal years within the scope of the review, as well as projects funded, and projects reviewed.

b. Community Air Protection Incentives

Community Air Protection Incentives (CAP Incentives) facilitate emissions reductions through clean air projects in disadvantaged and low-income communities heavily impacted by air pollution. Funding for CAP Incentives comes from the Greenhouse Gas Reduction Fund (GGRF), with spending in accordance with the goals of Assembly Bill (AB) 617 (C. Garcia, Chapter 136, Statutes of 2017) and requirements of California Climate Investments. CAP Incentives fund emission reducing mobile source vehicles and equipment projects, infrastructure projects, stationary source projects and other community-identified projects, with a priority on zero-emission projects. District match funds are not required.

For CAP Incentives, the scope of the review covered \$14,504,323.21 in grant awards for FYs 2017-18 through 2020-21, which funded 16 projects. CARB selected 6 projects for file review and inspected 1 of them. Project categories within the review scope included a zero-emission school bus project, infrastructure project, school air filtration projects, community-identified urban greening project, and a community-identified high school paving project.

Of the project funds under contract with air district grantees, 98% were allocated to fund community-identified projects and the reminder were allocated to a zero-emission on-road engine project and an infrastructure project.

The tables in Appendix 2 provide an overview of the CAP Incentive grants, project types funded, and projects reviewed.

c. Goods Movement Emission Reduction Program

Goods Movement Emission Reduction Program (GMERP) provides grants to owners of equipment used in freight movement to fund the purchase of cleaner technologies that reduce air pollution emissions from freight movement along California's trade corridors. GMERP is funded by bonds authorized by Proposition 1B and is implemented by local agencies that apply to CARB for grants to fund specific project categories. Districts may fund heavy duty trucks used in goods movement through specific corridors or that serve seaports or railroad intermodal transportation hubs,

transportation refrigeration units and associated infrastructure, locomotives, ships at berth and commercial harbor craft, and cargo handling equipment.

For GMERP, the scope of the review included FY 2013-14 only. The grants in the scope totaled \$4,677,929 and funded 105 projects along California's trade corridors. CARB selected 5 projects for file review.

The tables in Appendix 3 provide an overview of GMERP grant funds, projects funded, and projects reviewed.

d. Funding Agricultural Replacement Measures for Emission Reductions Program

Funding Agricultural Replacement Measures for Emission Reductions Program (FARMER) provides funding through local air districts for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. Funding sources for the program have included GGRF, Air Quality Improvement Program (AQIP) funds, the California Tire Recycling Management Fund, the Alternative and Renewable Fuel and Vehicle Technology Fund, Air Pollution Control Fund, and the General Fund.

The scope of the review for FARMER covered \$2,451,235.00 awarded to grantees in FYs 2017-18 through 2019-20. There were 33 projects funded in the following categories: off-road agricultural equipment and on-road heavy-duty agricultural trucks per FARMER Program Guidelines. CARB selected five projects for file review and inspected one of these.

Tables in Appendix 4 detail the scope of the review for FARMER.

4. Findings and Recommendations

CARB staff and DOF staff may offer "Findings" when district practices are found to be inconsistent with one or more requirements of statute, State Guidelines, or District Policies and Procedures. "Conditions" are detailed descriptions of District practices that resulted in findings as revealed by the review. "Required Actions" are the minimum actions a District must take to mitigate the findings. CARB staff may offer "Recommendations" when District practices are found to be consistent with program requirements; although mitigation is not required, a change in practice would improve program effectiveness, efficiency, or transparency.

a. DOF Findings and Resolutions

The DOF Fiscal Audit of Imperial County APCD identified two findings:

- 1) The first finding showed \$2.5 million in unsupported administrative expenditures that had either passed liquidation deadlines or were within the open grant liquidation period of the Moyer Program, CAP Incentives, and FARMER Program.

- a. The District was required to reinvest funds associated with the unsupported administrative Moyer Program and FARMER Program funds in emission reduction projects with a liquidation deadline of June 30, 2025.
 - b. The District was required to reinvest Moyer Program, FARMER Program and CAP incentive funds associated with the unsupported administrative funds that had an open liquidation period in emission reduction projects by the decided upon liquidation deadline.
- 2) The District's earned interest reporting needs improvement for Moyer Program and CAP Incentives. The District underreported earned interest for the Moyer Program totaling \$2,206. For the CAP Incentives, the District was unable to substantiate \$42,281 of interest revenue reported in the CAP incentive Yearly Certification Reports. The District did not have policies and procedures in place and, as a result, could not determine the amount of interest earned on the grant funds or explain how the reported interest amounts were determined.

CARB requested the implementation of policies and procedures, along with documentation supporting implementation processes, for the tracking of actual staff time spent on program administrative activities. In addition, the District shall also provide policies and procedures for establishing separate bank accounts upon receipt of grant funds, and for interest revenues that are separately tracked, determined, reviewed, supported, and accurately reported in the incentive programs' yearly reports. These policies and procedures were implemented by December 1, 2023.

Details of the CARB approved mitigation plan are described in CARB's letter to the District dated November 20, 2023, and is located in Appendix 8 of the report.

b. CARB Findings and Resolutions

CARB staff identified two findings for the District's implementation of incentive programs from either file review or project inspections.

1. Impact Assessment Reports

- Imperial County APCD (District) was unable to supply impact assessment reports as required per the 2019 Community Air Protection Incentive Guidelines (Chapter 5, Section E.4.(A).), for all three air filtration project files reviewed.
 - This finding can be considered resolved.

2. Paving Project Plan

- The District did not follow their own Paving Project Plan (Section 8.1) and/or the 2019 Community Air Protection Incentive Guidelines, Chapter 3, Section Q.8 & T.5:
 - The project plan specifically mentions a scoring table to be used by the District to select projects, but the District was unable to provide it when requested.

- This has been resolved as the information and documentation provided was determined to be sufficient for the review.
- The contractor for the project changed after the initial quote, but the District was unable to provide a new quote from the new contractor that performed the job.
- This has been resolved as the documentation the air district provided to substantiate the project cost after switching to a new contractor is similarly sufficient.

c. Recommendations

CARB staff offers four recommendations for the District's implementation of incentive programs.

- 1. Update Policies and Procedures** - Update District's policies and procedures manual to include documentation maintenance procedures including in CARL database.
- 2. Project Checklists** - Updating project checklists to include all project file document requirements.
- 3. Staff Training** - Implementing a staff training/onboarding program to ensure all project inspections are completed accurately and that projects meet guideline and project plan requirements.
- 4. Agreement with Dismantler** - Ensure that agreement with dismantler describes in detail requirements for ensuring equipment/vehicle are destroyed and photographic documentation shows close-up views of destroyed engine block.

5. Commendable Efforts

A commendable effort is an exceptional practice that goes beyond the basic requirements for implementing an incentive program. Resulting from this review, CARB staff has identified two areas of commendable efforts by the District.

a. Responsiveness

CARB staff found the District to be responsive, cooperative, and proactive in addressing documentation requests.

b. Organization

Project files were well organized. Staff commented on the checklist of items at the beginning of each project file, which made it easy to find necessary information. Inspection photos were found to be consistently clear and in focus.

Appendix 1: Carl Moyer Memorial Air Quality Standards Attainment (Carl Moyer) Program

Table 1: Carl Moyer Program Grant Funds¹

Fiscal Year	Grant Number	Project	Administration	Total Grant	Matching Funds ²	Total Carl Moyer Grant and Matching Funds
2013-14	G13-M010	\$286,372	\$31,819	\$318,191	\$47,729	\$365,920
2014-15	G14-M011	\$292,251	\$32,472	\$324,723	\$48,708	\$373,431
2015-16	G15-M011	\$288,749	\$41,250	\$329,999	\$49,500	\$379,499
2016-17	G16-M009	\$304,285	\$43,469	\$347,754	\$52,163	\$399,917
2017-18	G17-M010	\$313,799	\$44,828	\$358,627	\$53,794	\$412,421
2018-19	G18-M010	\$330,419	\$47,203	\$377,622	\$56,643	\$434,265
2019-20	G19-M10	\$366,964	\$52,424	\$419,388	\$62,908	\$482,296
2020-21	G20-M011	\$354,219	\$50,603	\$404,822	\$60,723	\$465,545
Total		\$2,537,058	\$344,068	\$2,881,126	\$432,168	\$3,313,294

¹ Interest earned by the District is not included in table.

² The District used \$2 Department of Motor Vehicle fees (DMV) provided by AB923 (Sher, Statutes of 1990)

Table 2: Carl Moyer Program - Multi-District/State Reserve

Fiscal Year	Grant Number	Project	Administration	Total Carl Moyer Multi-District/State Reserve Funds
2017-18	G17-035	\$54,170	\$7,739	\$61,909
2018-19	G18-M035	\$62,721.03	\$8,960.15	\$71,681.18
2020-21	G20-MSR-07	\$68,442	\$9,778	\$78,220
Total		\$185,333.03	\$26,477.15	\$211,810.18

Table 3: Carl Moyer Program Engines and Projects for FY 2010-11 to FY 2018-19*

Fiscal Years	Moyer		Multi-District		Match		Total* Engines	Total* Projects
	Engines	Projects	Engines	Projects	Engines	Projects		
FY 2013-14	8	8	0	0	3	3	11	11
FY 2014-15	6	5	0	0	3	3	9	8
FY 2015-16	5	5	0	0	2	2	7	7
FY 2016-17	7	7	0	0	2	2	9	9
FY 2017-18	6	6	1	1	2	2	9	9
FY 2018-19	6	6	0	0	3	3	9	9
FY 2019-20	7	6	0	0	1	1	8	7
FY 2020-21	5	5	0	0	1	1	6	6
Total Engines and Projects	50	48	1	1	17	17	68	66

*A project where funding is split among multiple funding sources are shown in each source but are counted as one project in the totals. Project and Engine totals include funding sources not included in the table. Source of Data is Carl Moyer Program Clean Air Reporting Log (CARL) database 09/15/2022.

Table 4: Carl Moyer Program Projects Reviewed

	Fiscal Year	Project Number	Grantee	Source Category	Project Inspected by CARB (Yes/No)
1	2013-2014	Lantana Farms, LLC 15/16	Lantana Farms, LLC	Off-Road Equipment-Mobile Agricultural	No
2	2014-2015	CM16/17-07	C & G Farms	Off-Road Equipment-Mobile Agricultural	No
3	2015-2016	CM18/19-06	AMC Farms- Colace	Off-Road Equipment-Other	No
4	2016-2017	CM18/19-15 TOMS	Brundy/Toms Hay Farms	Off-Road Equipment-Mobile Agricultural	No
5	2017-2018	G17-M035	R.S. Garewal and Sons	Off-Road Equipment-Mobile Agricultural	No
6	2018-2019	CM21-06	Sun Valley Farms, Inc.	Off-Road Equipment-Mobile Agricultural	Yes
7	2019-2020	CM22-11	P & T Enterprises, LLC	Off-Road Equipment-Mobile Agricultural	No
8	2020-2021	CM22-10	Mainas Farms, LLC	Off-Road Equipment-Mobile Agriculture	Yes

Appendix 2: Community Air Protection (CAP) Incentives

Table 1: CAP Incentives¹

Fiscal Year	Grant Number	Project	Implementation	Total Grant
2017-18	G17-MCAP-02	\$468,750.00	\$31,250.00	\$500,000.00
2018-19	G18-MCAP-05	\$6,965,000	\$995,000	\$7,960,000
2019-20	G19-MCAP-04	\$5,288,783	\$755,540	\$6,044,323
2020-21 ²	N/A	N/A	N/A	N/A
Total		\$12,722,533	\$1,781,790	\$14,504,323

¹ Interest earned by the District is not included in table.

² GGRF funds were allocated to CAP Incentives in FY 2020-21.

Table 2: Total Projects and Engines Funded by CAP Incentives

Fiscal Years	Total Engines	Total Projects
FY 2017-18	4	5
FY 2018-19	6	11
FY 2019-20	0	0
Total	10	16

Table 3: CAP Incentives Engines and Projects for FY 2017-18 to 2019-20*

Fund Source	Source Category	2017-18 Engines	2017-18 Projects	2018-19 Engines	2018-19 Projects	2019-20 Engines	2019-20 Projects
CAP Incentives	Community-Identified Projects	2	3	6	11	0	0
	On-Road Heavy Duty- School Bus	1	1	0	0	0	0
	Infrastructure	1	1	0	0	0	0
Total		4	5	6	11	0	0

* Source of data is the CARL database 8/14/2021.

Table 4: CAP Incentives Projects Reviewed

	Fiscal Year	Project Number	Grantee	Source Category	Project Inspected by CARB (Yes/No)
1	2017-18	CAP1-01	CUSD Electric School Bus	On-Road & Infrastructure	No
2	2018-19	CAP2-01	Dogwood School Air Filtration	Air Filtration	Yes
3	2018-19	CAP2-11	HPUD WWTP Urban Greening	Community Identified- Urban Greening	No
4	2018-19	CAP2-02	Southwest High School Paving	Community-Identified - School Paving	No
5	2017-18	CAP1-02	Heber School Air Filtration	Air Filtration	No
6	2018-19	CAP2-22	Calexico H.S. 9 th	Air Filtration	No

Appendix 3: Goods Movement Emission Reduction Program (GMERP)

Table 1: GMERP Grants¹

Fiscal Year	Grant Number	Project	Administration	Total Grant
2013-2014	13GMST2	\$4,455,170	\$222,759	\$4,677,929
Total		\$4,455,170	\$222,759	\$4,677,929

¹ Interest earned by the district is not included in table.

Table 2: GMERP Projects Funded

Grant Number / Funding category	Replacement	Retrofit	Engine Repower	Total Projects
13GMST2 Heavy Duty Trucks	105	0	0	105
Total	105	0	0	105

Table 3: GMERP Projects Reviewed

	Fiscal Year	Project Number	Grantee	Project Type	Project Inspected by ARB (Yes/No)
1	2013-2014	G13GMS T2_00075	Havens & Sons Trucking, Inc	Replacement	No
2	2013-2014	G13GMS T2_00250	NH Transport	Replacement	No
3	2013-2014	G13GMS T2_00052	EAS Transport Inc	Replacement	No
4	2013-2014	G13GMS T2_00094	Gutierrez Trucking LLC	Replacement	No
5	2013-2014	G13GMS T2_00176	Adame, Carlos	Replacement	No

Appendix 4: Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Table 1: FARMER Grant Funds¹

Fiscal Year	Grant Number	Project Funds	Admin Funds	Total Grant
2017-18	G17-AGIP-08	\$1,037,925.00	\$148,275.00	\$1,186,200.00
2018-19	G18-AGIP-09	\$1,002,363.00	\$143,195.00	\$1,145,558.00
2019-20	G19-AGIP-05	\$410,947.00	\$70,565.00	\$481,512.00
Total		\$2,451,235.00	\$362,035.00	\$2,813,270.00

¹ Interest earned by the District is not included in table.

Table 2: FARMER Projects Funded²

Grant Name	Project Type	Total Projects
G17-AGIP-08	Off-Road Agricultural Equipment	10
	On-Road Heavy-Duty Agricultural Trucks	4
G18-AGIP-09	Off-Road Agricultural Equipment	9
	On-Road Heavy-Duty Agricultural Trucks	4
G19-AGIP-05	Off-Road Agricultural Equipment	6
Total		33

¹ Based on projects funded as of September 30, 2022.

Table 3. FARMER Projects Reviewed

	Fiscal Year(s)	District Supplied Project ID	Project Category	Project Inspected by CARB (Yes/No)
1	2017-18	FY 17/18-03 Mesquite Cattle	On-Road Agricultural Truck	No
2	2017-18	FY 18/19-01 Doc's Organics	Off-Road Agricultural Equipment	No
3	2017-18	FY 17/18-16 Mike Abatti Farms	Off-Road Agricultural Equipment	No
4	2018-19	FY 17/18-10 La Brucherie Produce	On-Road Agricultural Truck	No
5	2018-19 2019-20	FY 19/20-01 Benson Farms	Off-Road Agricultural Equipment	Yes

Appendix 5: References

1. State requirements including those under Health and Safety Code sections as follows:
 - a. 44275 through 44299.2 - Carl Moyer Program
 - b. 44391.4 - Community Air Protection Incentives
 - c. 39625 through 39627.5 - Goods Movement Program
 - d. 39013, 44270.3, 44271, 44272, 44274 - FARMER Program
 - e. 44125 through 44126 - Enhanced Fleet Modernization Program
2. Governor's Executive Order S-02-07
3. Carl Moyer Program 2011 Guidelines (December 31, 2014), California Air Resources Board (website),
https://ww2.arb.ca.gov/sites/default/files/classic/msprog/moyer/guidelines/2011/2011cmp_guidelinesVER4.pdf
4. Carl Moyer Program 2017 Guidelines Volume I and Volume II (April 27, 2017), California Air Resources Board (website), <https://ww2.arb.ca.gov/guidelines-carl-moyer>
5. Carl Moyer Program advisories, Mail-outs, and other written communications
6. Carl Moyer and CAP Grant Award and Authorization requirements
7. Community Air Protection Incentives Guidelines (2019) (website)
<https://ww2.arb.ca.gov/resources/documents/community-air-protection-incentives-guidelines>
8. FARMER Memo: (April 2022) Additional Project Categories, California Air Resources Board, <https://ww2.arb.ca.gov/resources/documents/farmer-program-april-2022-additional-project-categories>
9. Funding Agricultural Replacement Measures for Emission Reductions Program Guidelines (March 23, 2018), California Air Resources Board,
<https://ww2.arb.ca.gov/resources/documents/farmer-program-guidelines>
10. Executive Office Memo: FARMER- (September 2018) Additional Project Categories, California Air Resources Board <https://ww2.arb.ca.gov/resources/documents/farmer-program-september-2018-additional-project-categories>
11. Executive Office Memo: FARMER- (October 2019) Additional Project Categories, California Air Resources Board <https://ww2.arb.ca.gov/resources/documents/farmer-program-october-2019-additional-project-categories>
12. Goods Movement Program Guidelines (2015) (website)
<https://ww2.arb.ca.gov/resources/documents/proposition-1b-guidelines>
13. Goods Movement Program Local Agency Grant Agreements
14. Goods Movement Program CARB Resolutions and Executive Orders
15. Goods Movement Program Staff Report District Policies and Procedures and forms, including contracts with the engine owner/grant recipients

Appendix 6: Resources

1. California Air Resources Board Carl Moyer Program website, <https://ww2.CARB.ca.gov/our-work/programs/carl-moyer-memorial-air-quality-standards-attainment-program>
2. California Air Resources Board Community Air Protection Incentives website, <https://ww2.CARB.ca.gov/our-work/programs/community-air-protection-incentives>
3. California Air Resources Board FARMER website, <https://ww2.arb.ca.gov/our-work/programs/farmer-program>
4. California Air Resources Board Goods Movement Emissions Reduction Program website, <https://ww2.arb.ca.gov/our-work/programs/proposition-1b-goods-movement-emission-reduction-program>
5. California Air Resources Board Incentives Program Audit and Program Reviews website, (includes previous reports and Policies and Procedures) <https://ww2.arb.ca.gov/carl-moyer-program-incentives-program-oversight>
6. Carl Moyer Program 2011 Guidelines (April 21, 2008), California Air Resources Board found at https://ww2.arb.ca.gov/sites/default/files/classic/msprog/moyer/guidelines/2011/2011cmp_guidelinesVER4.pdf (website)
7. Carl Moyer Program 2017 Guidelines (April 27, 2017), California Air Resources Board found at <https://ww2.arb.ca.gov/guidelines-carl-moyer> (website)
8. Community Air Protection Incentives 2019 Guidelines (October 14, 2020), California Air Resources Board <https://ww2.arb.ca.gov/resources/documents/community-air-protection-incentives-guidelines>
9. Funding Agricultural Replacement Measures for Emission Reductions Program Guidelines (March 23, 2018 and March 18, 2020), California Air Resources Board <https://ww2.arb.ca.gov/resources/documents/farmer-program-guidelines>
10. Executive Office Memo: FARMER Program - (September 2018) Additional Project Categories, California Air Resources Board <https://ww2.arb.ca.gov/resources/documents/farmer-program-september-2018-additional-project-categories>
11. Diesel Emissions Reduction Act and Lower Emission School Bus Program Grant Agreements
12. Executive Office Memo: FARMER Program - (October 2019) Additional Project Categories, California Air Resources Board <https://ww2.arb.ca.gov/resources/documents/farmer-program-october-2019-additional-project-categories>
13. Funding Agricultural Replacement Measures for Emission Reductions Program Guidelines Quantification Methodology, Priority Population Criteria Tables, and Calculator Reporting Tool <https://ww2.arb.ca.gov/resources/documents/cqi-quantification-benefits-and-reporting-materials>
14. Proposition 1B: Goods Movement Emission Reduction Program, Final 2015 Guidelines for Implementation (Jun, 2015Jun2015) <https://ww2.arb.ca.gov/resources/documents/proposition-1b-guidelines>

Appendix 7: District Response

The Districts response is provided on the next page.

AIR POLLUTION CONTROL DISTRICT



May 4, 2023

California Department of Finance
Office of State Audits and Evaluations
915 L Street, 6th Floor
Sacramento, CA95814

Subject: Response to Imperial County Air Pollution Control District Incentive Program
Fiscal Compliance

Dear Department of Finance,

This letter is in response to the California Department of Finance (DOF) Incentive Program Fiscal Compliance audit findings, Report No. 23-3900-022. The Imperial County Air Pollution Control District (District) reviewed your findings and verified to ensure accuracy.

In line with this, the District would like to inform you that the management team is looking into any discrepancies documented in the report and will take all steps necessary to address the following findings:

1. Implement Policies and procedures for bank accounts and interest revenues;
2. Track actual time staff spent on activities; and
3. Discuss findings with CARB to determine next steps.

The District would like to thank the DOF staff that was assigned to us with regard to the courtesy and professionalism exhibited during the audit.

Sincerely,

Belen Leon-Lopez
Imperial County APCO

**Appendix 8: 2022 Imperial County APCD Program Review:
DOF Findings Mitigation Plan - Redirection of Funds Letter (November 20, 2023)**

The CARB letter detailing DOFs finding can be found on the next page.

November 20, 2023

Belen Leon-Lopez
Air Pollution Control Officer
Imperial County Air Pollution Control District
150 South Ninth Street
El Centro, California 92243-2850
belenleon@co.imperial.ca.us

Dear Ms. Leon-Lopez:

The California Air Resources Board (CARB) contracted with the Department of Finance (DOF) to conduct a fiscal compliance audit of the Imperial County Air Pollution Control District's (APCD or District) 2022 Air Pollution Reduction Incentive Program Review for fiscal years (FY) 2013-2014 to 2020-2021.

The DOF Fiscal Audit of Imperial County APCD identified two findings:

1. The District had \$2.5 million in unsupported administrative expenditures associated with the Carl Moyer Program (Moyer Program), Community Air Protection (CAP) Incentives, and FARMER Program. Of the \$2.5 million in unsupported administrative expenditures, \$342,113 have passed the liquidation deadlines and the remaining \$2,164,518 were still within the open grant liquidation periods.
2. The District's earned interest reporting needs improvement for Moyer Program and CAP incentives. The District underreported earned interest for the Moyer Program totaling \$2,206. For the CAP incentives, the District was unable to substantiate \$42,281 of interest revenue reported in the CAP incentive Yearly Certification Reports. The District did not have policies and procedures to ensure bank accounts were established upon receipt of grant funds, and interest revenues are accurately determined, reviewed, and supported. As a result, the District could not determine the amount of interest earned on the grant funds and could not explain how the reported interest amounts were determined.

Imperial County APCD's proposed plan of action in response to the fiscal audit findings was received by CARB on July 13, 2023.

In acknowledgement of the District's proposed plan of action for the first finding, CARB is formally requiring that the District:

1.1. Reinvest \$342,113 associated with the unsupported administrative Moyer Program and FARMER Program funds in emission reduction projects with a liquidation deadline of June 30, 2025. The following project funding will be added to the District's already established FY project funding targets:

- Moyer Program's \$193,838 will be added to FY 2020-2021.
- FARMER Program's \$148,275 will be added to FY 2019-2020.

1.2. Reinvest \$2,133,268 associated with the unsupported administrative funds within an open liquidation period in emissions reduction projects and administration expenses within their respective program as specified:

- Moyer Program's \$168,968 will be added to project funding with a liquidation deadline of June 30, 2025.
- FARMER Program's \$213,760 will be added to project funding with a liquidation deadline of June 30, 2025.
- CAP Incentives' \$995,000 will be added to project funding with a liquidation deadline of June 30, 2025.
- CAP Incentives' \$755,540 will be added to project funding with a liquidation deadline of June 30, 2026.
- Furthermore, CARB will permit a portion of administrative funds, not past liquidation, to purchase a vehicle to be used for incentive program implementation and/or outreach (e.g., inspections).

CARB is requesting the implementation of policies and procedures, along with documentation supporting implementation processes, for the tracking of actual staff time spent on program administrative activities. The District shall provide policies and procedures for establishing separate bank accounts upon receipt of grant funds, and for interest revenues that are separately tracked, determined, reviewed, supported, and accurately reported in the incentive programs' yearly reports. These policies and procedures will be implemented by December 1, 2023.

CARB acknowledges the District's following corrective actions taken in resolving findings:

1. For the first finding, the reinvestment of \$31,250 of unsupported FY 2017-2018 administrative funds into CAP 02-06 projects to meet funds liquidation deadline.
2. For the second finding, correcting and demonstrating liquidation of the underreported Moyer Program interest revenues totaling \$2,206, in the CARL database. Also, updating the CARL database to correctly reflect interest generated for CAP incentives for FYs 2018-2019, 2019-2020, and 2020-2121 totaling \$42,280.63.

We thank you for your continued partnership. Please contact [Deborah Paselk](#), Air Pollution Specialist, or [Rhonda Runyon](#), Manager, in the Incentives and Technology Advancement Branch if you have any questions.

Sincerely,

Lucina Negrete

Lucina Negrete, Assistant Division Chief, Mobile Source Control Division

cc: See next page.

Ms. Belen Leon-Lopez
November 20, 2023
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