

March 27, 2017

Mr. Richard Cory
Executive Director
California Air Resources Board
1001 "I" Street
Sacramento, California 95814

Dear Mr. Cory:

It is with a great deal of pleasure that I receive and accept the final California Air Resources Board (CARB) audit report. The Sacramento Metropolitan Air Quality Management District (District) has had the privilege of implementing a number of incentive programs funded by CARB targeted at improving the air quality in our region, including the Air Quality Improvement Program (AQIP), the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), the Goods Movement Emission Reduction Program (Goods Movement Program), and the Lower Emission School Bus Program funded by Proposition 1B funds (School Bus Program). We are very gratified that the operational and fiscal audits of these programs indicate the District's incentive programs are being run efficiently and effectively, and that they are achieving the emission reduction objectives that they are intended to achieve.

In fiscal year 2016, staff from both CARB and the California Department of Finance (DOF) performed a thorough audit of the District's operational and fiscal management of these programs covering fiscal years 2009 through 2015. During this audit process, the CARB and DOF staff were courteous and professional, were clear and direct with their questions, and allowed sufficient time for District staff to investigate and respond. I experienced similar professionalism during the debriefing meetings that were conducted between our agencies.

In addition to indicating the incentive programs are being run efficiently and effectively, the audit indicated that there are no findings that are inconsistent with statute or program guidelines. Finally, you recognized and complimented the District for its efforts to develop a scrap program that generates funds from the sale of salvage and returns those funds back into the respective incentive programs that generated them.

While the DOF audit was not officially part of the CARB audit process, we greatly appreciate your efforts to ensure that it was coordinated with the CARB audit, covering the same programs and the same timeframes. The District is very pleased that the DOF audit found that the incentive programs' grant revenues, expenditures, and resulting balances are in compliance with applicable laws, regulations, grant agreements, and guidelines as well as accounting principles generally accepted in the United States.

Thank you once again for the courteous and professional manner in which your staff conducted the audit process.

Sincerely,



Larry Greene
Executive Director/Air Pollution Control Officer