



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chair
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

February 13, 2017

Mr. Larry Greene *Larry!*
Executive Director/Air Pollution Control Officer
Sacramento Metropolitan Air Quality Management District
777 12th Street, Third Floor
Sacramento, California 95814

Dear Mr. Greene:

The California Air Resources Board (CARB) has recently concluded a review of Sacramento Metropolitan Air Quality Management District (District) 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), the Goods Movement Emission Reduction Program (Goods Movement Program), and the Lower Emission School Bus Program funded by Proposition 1B funds (School Bus Program). The scope of the review included grants made in Fiscal Year (FY) 2008-09 through FY 2014-15. A fiscal compliance audit of these programs has been conducted concurrently by the California Department of Finance (DOF).

During the period of time covered by this review, the District administered over \$70 million in State grants and matching funds for Sacramento and surrounding counties, reducing emissions through the purchase of:

- 450 diesel engine replacements and/or retrofits through the Carl Moyer Program.
- 78 new school buses, 463 retrofits of diesel school buses, and nine compressed natural gas tank replacements through the School Bus Program.
- 15 diesel retrofits and 318 diesel truck replacements through the Goods Movement Program.
- One Technology Demonstration Project and 2,276 new zero-emission lawn mowers through AQIP.

CARB's program review report is enclosed. Our review confirms that the District's incentives programs are efficiently and effectively achieving their emission reduction objectives. The review team reports no findings of District practices that are inconsistent with statute or program guidelines. For the Carl Moyer Program and the Goods Movement Program, the report offers two recommendations that have been discussed with you and your staff. The first recommendation relates to program

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

Mr. Larry Greene
February 13, 2017
Page 2

documentation, and the second recommendation relates to inspection procedures. I am pleased that the District has already begun taking actions to address these recommendations.

The report also commends the District for its efforts to generate additional program revenues through auctioning of dismantled off-road equipment and on-road vehicles, and for successfully implementing the School Bus Program for five other air districts, extending beyond District boundaries in the effort to bring clean and healthy air to California's school children.

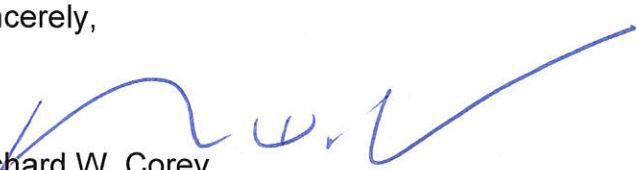
As you know, DOF has completed its fiscal compliance audit for the same incentive programs, releasing its final report on December 30, 2016. The report found the District's grant revenues, expenditures, and resulting balances in compliance with applicable laws, regulations, grant agreements, and guidelines as well as accounting principles generally accepted in the United States.

Under established program review guidelines, the District has 30 days from the date of this cover letter to submit a formal response, if desired, to the enclosed Program Review Report. The report and any District response will then be posted together on CARB's website. DOF's final report is available to the public on CARB's website, as well.

I want to thank you and your staff for working with CARB staff through the course of this review. The District's incentive programs contribute significant and vital air quality improvements to the Sacramento Valley Air Basin and Mountain Counties Air Basin, and provide opportunity to numerous grantees within those basins to cost-effectively reduce public exposure to harmful emissions.

For questions about the report, please contact Mr. Scott Rowland, Branch Chief, at (626) 350-6518 or by email at Scott.Rowland@arb.ca.gov.

Sincerely,



Richard W. Corey
Executive Officer

Enclosure

cc: See next page.

Mr. Larry Greene
February 13, 2017
Page 3

cc: Tim Taylor, Manager
Land Use/Mobile Source
Sacramento Metropolitan Air Quality Management District
777 12th Street, Third Floor
Sacramento, California 95814

Mark Loutzenhiser, Manager
Program Coordination Division
Sacramento Metropolitan Air Quality Management District
777 12th Street, Third Floor
Sacramento, California 95814

Mike Neuenburg
Program Coordinator
Sacramento Metropolitan Air Quality Management District
777 12th Street, Third Floor
Sacramento, California 95814

Jaime Lemus
Program Coordinator
Mobile Source Field Operations
Sacramento Metropolitan Air Quality Management District
777 12th Street, Third Floor
Sacramento, California 95814

Jamille Moens, Manager
Administration Division
Sacramento Metropolitan Air Quality Management District
777 12th Street, Third Floor
Sacramento, California 95814

Alan Abbs
Executive Director
California Air Pollution Control Officers Association
1107 9th Street, Suite 210
Sacramento, California 95814

Continued next page.

Mr. Larry Greene
February 13, 2017
Page 4

cc: (continued)

Rick Sierra, CPA
Assistant Chief, Office of State Audits and Evaluation
California Department of Finance
915 L Street, Sixth Floor
Sacramento, California 95814

Sue Botkin
Audit Manager
California Department of Finance
Office of State Audits and Evaluation
915 L Street, Sixth Floor
Sacramento, California 95814

Rick Cervantes, CPA
Audit Manager
California Department of Finance
Office of State Audits and Evaluations
915 L Street, Sixth Floor
Sacramento, California 95814

Robert Scott
Auditor/Evaluator
California Department of Finance
Office of State Audits and Evaluation
915 L Street, Sixth Floor
Sacramento, California 95814

Scott Rowland
Branch Chief
Mobile Source Control Division