



**Ventura County
Air Pollution
Control District**

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**Michael Villegas
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April 29, 2013

Richard W. Corey, Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Program Review of Ventura County Air Pollution Control District Implementation of
State-sponsored Incentive Programs

Dear Mr. Corey,

Thank you for your letter and attached Incentive Program Review Report of April 15, 2013, regarding our state-sponsored Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), Lower-Emission School Bus Program, and Air Quality Improvement Program (AQIP). We have reviewed the report and the separately prepared California Department of Finance (DOF) Audit report and are pleased that the program review resulted in only two findings and the DOF audit resulted in no findings. Moreover, we want to thank your staff for recognizing that we implement our Carl Moyer Program in an especially cost-effective way that allows us to obtain emission reductions well above the statewide average with the commensurate benefit of funding a greater number of projects.

The program review of our Carl Moyer Program identified one finding that photographs of engine plates and labels did not always legibly convey the information needed to determine eligibility of baseline engines, new engines, and engines to be scrapped. Moreover, photographs of District tag numbers were missing from some project files. However, the report specifically acknowledged that no ineligible replacement engines were found in ARB's equipment inspections later conducted as part of the program review.

As noted in the Incentive Program Review Report, and in our letter of November 20, 2012, following the program exit review conference, we've committed to addressing this issue by taking more and better pre- and post-inspection photographs to more adequately document vehicle, equipment, and engine information. To help us achieve this commitment, we have purchased an inspection camera designed for taking still photographs and video clips in and behind tight and hard-to-reach areas of subject equipment.

We have also agreed to work with our ARB program liaison to develop a mutually satisfactory inspection protocol to ensure that each piece of equipment is not only visually inspected but actively verified as destroyed and that the engine labels or District tags(s) during the scrappage inspections are recorded or are visible in photographs. However, as we stated in our November 20, 2012 letter, the protocol must place staff safety as the highest priority and not second to audit needs.

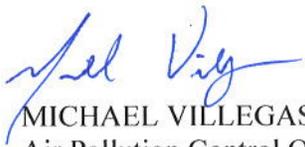
The program review of our Lower-Emission School Bus Program identified one finding that two purchase orders for replacement buses did not contain liquidated damages clauses. However, all new replacement buses were delivered in a timely manner and any liquidated damages clauses would not have been invoked.

As similarly noted in the Incentive Program Review Report, and in our November 20, 2012 letter following the program exit review conference, we have committed to include liquidated damages clauses in all of our school bus grant agreements.

The program review of our AQIP Lawn and Garden Project identify any findings or recommendations.

We intend to make both reports available to the citizens of Ventura County by posting them on our agency's website and with a presentation to our governing board in June. We wish to thank your Incentive Program Oversight staff for their high level of professionalism and we look forward to continue working with you and your staff on these very important programs.

If you have any questions, please call me at 645-1440.



MICHAEL VILLEGAS
Air Pollution Control Officer

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