



TAMI RITTER, CHAIR
Supervisor, District #3

ADDISON WINSLOW, VICE CHAIR
Councilmember, Chico

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ANGEL CALDERON
Councilmember, Gridley

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Councilmember, Paradise

STEPHEN ERTL
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

REGULAR MEETING NOTICE OF THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT GOVERNING BOARD September 26, 2024 - 10:00 a.m.

Meeting Location:

Butte County Association of Governments Board Room
326 Huss Drive, Suite 100, Chico, California

Members of the public are encouraged to attend the meeting in real time using the Zoom information listed below. Please note: To join the video conference, you will need a webcam and computer audio (speakers and microphone). If you do not have either, you may dial 1-669-900-9128 to join by audio only.

<https://us02web.zoom.us/j/87111751705?pwd=em1GWGk2cVJZTExqYmwraGw2T1pgdz09>

Zoom Meeting ID: 871 1175 1705 Passcode: 298155

The Governing Board is committed to making its proceedings accessible to all citizens. Individuals with special needs should call the Clerk of the Board at (530) 332-9400, Monday through Friday, 7:30 a.m. to 4:30 p.m. to request disability-related modifications, accommodations or to request materials in alternate formats. All requests for special accommodations and/or alternative format documents must be made 48 hours prior to the meeting. Every reasonable attempt will be made to provide such accommodations.

- 1. **Call to Order and Roll Call.** **Chair**
Consider approval of Directors request to participate remotely and utilize Just Cause or Emergency Circumstance per AB 2449.
- 2. **Additions and Deletions to the Consent Agenda.** **Chair**

CONSENT AGENDA

- 3.1 Minutes of the August 22, 2024 Meeting of the Board of Directors. **Kelly Towne**
- 3.2 Activity Report on Butte County Air Quality Management District Activities. **Stephen Ertle**
- 3.3 Financial Status Report Fiscal Year 2024-2025. **Aleah Ing**
- 3.4 Calendar of Events. **Stephen Ertle**
- 3.5 Status Report on Communications. **Kelly Towne**
- 3.6 Health Disclosure Statement. **Aleah Ing**

REGULAR AGENDA

ITEMS FOR ACTION

- | | |
|---|----------------------|
| 4. Items removed from the consent agenda for Board consideration and action - <i>if any</i> . | <i>Chair</i> |
| 5. Fiscal Year 23/24 4 th Quarter Grant Revenue Report. | <i>Aleah Ing</i> |
| 6. Fiscal Year 23/24 Final Budget Amendments. | <i>Aleah Ing</i> |
| 7. 2024-2027 BCAQMD Management Association Memorandum of Understanding Adoption. | <i>Stephen Ertle</i> |
| 8. PERS Classic & Pepra Valuation Report, PERS CEPPT Trust Summary. | <i>Aleah Ing</i> |

ITEMS FOR INFORMATION

- | | |
|---|--------------|
| 9. Other Business. | <i>Chair</i> |
| 10. Public Comment Period. Any person may address the Board of Directors on any matter within the jurisdiction of the Board that is not on the agenda for this meeting. Any person may address the Board on an agenda item when that time is called. The chair requests that each person addressing the Board limits their presentation to five (5) minutes. | <i>Chair</i> |
| 11. Adjourn to Closed Session.
Conference with Labor Negotiators/Potential Litigation/APCO Performance Evaluation. | <i>Chair</i> |
| 12. Report from Closed Session. | <i>Chair</i> |

ADJOURNMENT

- | | |
|---|--------------|
| 13. The next Board of Directors Meeting is scheduled for October 24, 2024, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California. | <i>Chair</i> |
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Questions, comments, and correspondence may be directed to:

Kelly Towne, Clerk of the Board

629 Entler Avenue, Suite 15

Chico, CA 95928

ktowne@bcaqmd.org or 530-332-9400 ext. 109





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Final Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of August 22, 2024

Members Present:

Tami Ritter	Supervisor, District 3
Peter Durfee	Supervisor, District 2 (left meeting at 10:35 a.m.)
Tod Kimmelshue	Supervisor, District 4
Doug Teeter	Supervisor, District 5
Addison Winslow	Councilmember, Chico
Rose Tryon	Councilmember, Town of Paradise
Eric Smith	Vice Mayor, City of Oroville
Angel Calderon	Councilmember, Gridley

Members Absent:

Bill Connelly	Supervisor District 1
Chuck Nuchols	Vice Mayor, Biggs

Staff Present:

Stephen Ertle	Air Pollution Control Officer (APCO)
Kelly Towne	Clerk of the Board
Jason Mandly	Senior Air Quality Planner

Remote Staff:

Aleah Ing	Administrative Services Officer
David Campbell	Air Quality Compliance Specialist II
Riley Peacock	Air Quality Engineer II

Others Present:

Derek Hawley	Teamsters Local 137 Representative
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Others Remote:

Ron Lassonde	Mayor, Paradise
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1. Call to Order and Roll Call.

Chair Ritter called the meeting to order at 10:00 a.m. at the BCAG Board Room, 326 Huss Drive, Suite 100, Chico, California.

2. Additions and Deletions to the Consent or Regular Agenda.

No additions or deletions.

3. Consent Agenda.

- 3.1 Minutes of the June 27, 2024 Meeting of the Board of Directors.
- 3.2 Activity Report on Butte County Air Quality Management District Activities.
- 3.3 Financial Status Report Fiscal Year 2023-2024.
- 3.4 Status Report on Calendar of Events.
- 3.5 Status Report on Communications.

ACTION REQUESTED: Approve Consent Agenda Items.

Board comments: None.

Public comments: None.

A motion was made by Supervisor Durfee and seconded by Supervisor Kimmelshue to approve the Consent Agenda Items.

Motion carries by the following vote:

AYES: Supervisor Ritter, Supervisor Kimmelshue (second), Councilmember Winslow, Supervisor Durfee (motion), Supervisor Teeter, Vice Mayor Smith, Councilmember Calderon and Councilmember Tryon.

NOES: None.

ABSTAIN: None.

ABSENT: Vice Mayor Nuchols and Supervisor Connelly.

ITEMS FOR ACTION

4. Items removed from the Consent Agenda for Board consideration and actions.

No items removed from the Consent Agenda.

5. CAP Incentives Grant Approval.

ACTION REQUESTED: Approve FY 2023-24 CAP Incentives Projects.

The CAP Incentives Projects report was presented by Jason Mandly, Senior Air Quality Planner.

Board Discussion: Board discussion ensued.

Public comments: None.

A motion was made by Supervisor Durfee and seconded by Councilmember Tryon to approve the FY 2023-2024 CAP Incentives Projects.

Motion carries by the following vote:

AYES: Supervisor Ritter, Supervisor Kimmelshue, Councilmember Winslow, Supervisor Durfee (motion), Supervisor Teeter, Vice Mayor Smith, Councilmember Calderon and Councilmember Tryon (second).
NOES: None.
ABSTAIN: None.
ABSENT: Vice Mayor Nuchols and Supervisor Connelly.

6. CAP Support Grant Awards.

ACTION REQUESTED: Approve awards for CAP Support Grants.

The CAP Support Grant Awards report was presented by Jason Mandly, Senior Air Quality Planner.

Board discussion: Board discussion ensued.

Public comments: None.

A motion was made by Supervisor Durfee and seconded by Councilmember Winslow to approve the CAP Support Grant Awards.

Motion carries by the following vote:

AYES: Supervisor Ritter, Supervisor Kimmelshue, Councilmember Winslow(second), Supervisor Durfee (motion), Supervisor Teeter, Vice Mayor Smith, Councilmember Calderon and Councilmember Tryon.
NOES: None.
ABSTAIN: None.
ABSENT: Vice Mayor Nuchols and Supervisor Connelly.

ITEMS FOR INFORMATION

7. Grant Program Summary Update.

ACTION REQUESTED: None. This item is provided for information and discussion.

The Grant Program Summary report was presented by Jason Mandly, Senior Air Quality Planner.

Board discussion: Board Discussion ensued.

Public comments: None.

8. Proposed Rule 500 Cost Recovery Status Report.

ACTION REQUESTED: Receive Report.

The Proposed Rule 500 Cost Recovery Status Report was presented by Stephen Ertle, Air Pollution Control Officer.

Board Discussion: Board Discussion ensued.

Public Comment: None.

9. Other Business.

None.

- 10. Public Comment Period.** Any person may address the Board of Directors on any matter within the jurisdiction of the Board that is not on the agenda for this meeting. Any person may address the Board on an agenda item when that time is called. The Chair requests that each person addressing the Board limits their presentation to five (5) minutes.

Derek Hawley introduced himself to the Governing Board as the Teamsters Local 137 Representative for District employees which just partnered with the Union this year.

- 11. Adjourn to Closed Session.** The meeting went to closed session at 10:42 a.m.

12. Report From Closed Session.

- No report from closed session.

- 13. The meeting adjourned at 11:14 a.m. The next Board of Directors Meeting is scheduled for September 26, 2024 at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.**

Stephen Ertle, Air Pollution Control Officer
Butte County Air Quality Management District

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on August 22, 2024.

ATTEST: _____
Kelly Towne, Clerk of the Governing Board



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PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **Activity Report**

ISSUE:

Summary of District activities for calendar years 2022, 2023 and 2024 as of August 31, 2024.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

None.

Attachment:

2024 Activity Report.

Agenda Item 3.2

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Activity (2024)	2022	2023	Jan	Feb*	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ¹
Permits to Operate Issued/Renewed	813	804	51	71	69	66	155	66	89	53					620
Authority to Construct Permits Issued	50	38	1	3	2	5	0	4	1	1					17
Portable Equipment Registrations	34	38	2	6	1	1	3	2	0	7					22
Engine Registrations Issued/Renewed	261	0	0	246	0	0	0	0	0	0					246
Inspections Performed by Facility	496	348	41	44	40	26	27	31	16	29					254
Inspections Performed by Permits	658	472	57	69	43	32	30	50	19	36					336
Status Change Reports Received	3	84	4	16	4	1	11	8	5	5					54
Agricultural Burn Days ^{2*}	356	353	31	29	31	30	31	30	31	25**					213
Agricultural No-Burn Days ^{2*}	9	12	0	0	0	0	0	0	0	6**					1
Burn Permits Issued	750	727	55	33	79	117	81	44	43	59					511
Burn Notifications	5,152	4,826	257	299	422	611	436	306	199	303					2833
Rice Fields Reported Harvested	375	394	0	0	0	3	0	0	0	0					3
Complaints Received	134	87	2	7	10	12	9	12	1	4					57
Notices of Noncompliance Issued	104	79	7	4	6	5	13	4	3	2					44
Notices to Comply Issued	23	5	0	1	1	0	1	0	0	0					3
Public Outreach	499	651	65	53	57	48	516	107	77	76					999
Environmental Documents Reviewed	5	1	0	0	0	0	0	0	0	0					0
Public Records Requests	64	31	9	4	3	5	3	2	4	1					31

¹ YTD = Year-to-date totals

² Burn Day Status reported below 3000' elevation

* Leap Year

** Six No Burn Days declared due to exceptional events impacting air quality; 1 day per CARB. 5 days per APCO.

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Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **Financial Status Report Fiscal Year 2024-2025**

ISSUE:

Financial Status Report.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

The attached financial report summarizes the District's finances during the period of July 1, 2024 through August 31, 2024 and the Balance sheet for the period ending August 31, 2024.

Attachment:

1-Fiscal Year 24-25 August Balance Sheet.

2-Fiscal Year 24-25 August Revenue and Expense Report.

Agenda Item 3.3

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Butte Co. Air Quality Management Dist.
Balance Sheet
As of August 31, 2024

August 31, 2024

ASSETS

Current Assets

Checking/Savings

1002 · Cash on Hand - Change Box	200.00
1003 · Bank of America - General-0648	513,237.50
1004 · Bank of America - Payroll-0649	48,726.38
1007 · B of A Reserve Acct - 1789	329,693.62
1010 · B of A - 0980 (Grant 1)	190,843.30
1011 · Tri Counties - Carl Moyer 2618	690,168.91
1012 · Tri Counties - FARMER - 6831	1,318,968.46
1013 · Tri Counties - CAP-6855	670,354.10
1017 · Tri Counties - AB 617-6818	129,167.34
1018 · State LAIF Acct	1,287,072.75

Total Checking/Savings	5,178,432.36
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Accounts Receivable

1200 · Accounts Receivable	39,243.61
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Total Accounts Receivable	39,243.61
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Other Current Assets

1102 · Due From Other Governments	128,063.84
1500 · Undeposited Funds	0.00

Total Other Current Assets	128,063.84
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Total Current Assets	5,345,739.81
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Other Assets

1300 · Prepaid Costs	17,251.38
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Total Other Assets	17,251.38
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TOTAL ASSETS	5,362,991.19
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable	7,680.53
2001 · A/P - Grantees	1,450,033.87

Total Accounts Payable	1,457,714.40
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Other Current Liabilities

2100 · Accrual Payroll & Benefits	
210004 · HI 125	2,884.81
210011 · PERS Survivor Benefits	-1.75
210013 · MED FLEX	2,642.22
210016 · Assoc. Dues	280.00

Total 2100 · Accrual Payroll & Benefits	5,805.28
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2107 · Unearned Revenue

	August 31, 2024
210904 · FARMER	364,874.65
210906 · Carl Moyer	80,691.61
210910 · Community (CAP)	314,225.91
210912 · WoodSmoke	4,555.65
210914 · AB 617	137,736.25
210917 · Prescribed Fire Grant	77,102.03
Total 2107 · Unearned Revenue	979,186.10
2109 · Unavailable Revenue	283,533.96
Total Other Current Liabilities	1,268,525.34
Total Current Liabilities	2,726,239.74
Total Liabilities	2,726,239.74
Equity	
3100 · Reserves	329,626.07
3200 · Restricted Fund	
3003 · Reserved for Encumbrances	25,010.60
3004 · Carl Moyer Program	362,149.11
3005 · Reserved FARMER Prgm	194,497.75
3009 · Woodsmoke Grant	144,843.27
3012 · Community (CAP)	1,204,894.98
Total 3200 · Restricted Fund	1,931,395.71
3900 · Retained Earnings	1,346,104.84
Net Income	-970,375.17
Total Equity	2,636,751.45
TOTAL LIABILITIES & EQUITY	5,362,991.19

Butte Co. Air Quality Management Dist.
Profit & Loss Budget vs. Actual
 Aug 2024 -16.67% of the Year

Accrual Basis

	Aug '24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
421 · License and Permits				
4213010 · Ag Burn Permits	9,261.45	90,000.00	-80,738.55	10.29%
4213013 · Ag Engine Registration Program	-50.87	3,500.00	-3,550.87	-1.45%
4213020 · Title V Permits	0.00	4,500.00	-4,500.00	0.0%
4213030 · Operating Permits	77,516.26	490,266.00	-412,749.74	15.81%
4213035 · Portable Engine Registration	1,372.80	45,659.00	-44,286.20	3.01%
4213038 · Asbestos Program	7,814.40	43,092.00	-35,277.60	18.13%
4213040 · Auth to Construct	2,236.92	29,000.00	-26,763.08	7.71%
4213060 · Misc. Other Permits	0.00	600.00	-600.00	0.0%
4713061 · Technical Evaluation	422.40	5,000.00	-4,577.60	8.45%
Total 421 · License and Permits	98,573.36	711,617.00	-613,043.64	13.85%
430 · Fines, Forfeitures & Penalties				
4300001 · Civil Settlements	8,290.00	45,000.00	-36,710.00	18.42%
Total 430 · Fines, Forfeitures & Penalties	8,290.00	45,000.00	-36,710.00	18.42%
441 · Interest Income	258.79	35,792.00	-35,533.21	0.72%
451 · Intergovernmental				
45000 · Governmental Funds				
4500001 · State Subvention	0.00	65,300.00	-65,300.00	0.0%
4511001 · DMV Surcharge	128,063.84	735,500.00	-607,436.16	17.41%
Total 45000 · Governmental Funds	128,063.84	800,800.00	-672,736.16	15.99%
45105 · Direct Grant Funds				
4510500 · AB 2588 Hot Spots Fee	0.00	134.00	-134.00	0.0%
4510501 · 105 Pilot Project Grant Funding	61,012.00	61,012.00	0.00	100.0%
4510502 · AB 197 Funding	0.00	8,583.00	-8,583.00	0.0%
4510503 · AB 617 Funding	7,276.50	158,526.11	-151,249.61	4.59%
4510504 · Prescribed Fire Grant	20,210.30	87,598.03	-67,387.73	23.07%
4510505 · GHG Oil & Gas Funding	0.00	6,000.00	-6,000.00	0.0%
Total 45105 · Direct Grant Funds	88,498.80	321,853.14	-233,354.34	27.5%
Total 451 · Intergovernmental	216,562.64	1,122,653.14	-906,090.50	19.29%
471 · Miscellaneous Revenue				
4712523 · Other Misc. Revenue				
4712523.2 Late Fees	0.00	325.00	-325.00	0.0%
4711900 · Other Reimbursements	2,778.90	15,870.00	-13,091.10	17.51%
4711910 · Copy Reimbursement	0.00	500.00	-500.00	0.0%
Total 4712523 · Other Misc. Revenue	2,778.90	16,695.00	-13,916.10	16.65%
4712550 · Implementation Funds				
Carl Moyer Implementation	0.00	63,772.57	-63,772.57	0.0%
Community CAP Implementation	0.00	496,060.11	-496,060.11	0.0%
FARMER Implementation	0.00	408,543.08	-408,543.08	0.0%
Total 4712550 · Implementation Funds	0.00	968,375.76	-968,375.76	0.0%
Total 471 · Miscellaneous Revenue	2,778.90	985,070.76	-982,291.86	0.28%
Total Income	326,463.69	2,900,132.90	-2,573,669.21	11.26%
Gross Profit	326,463.69	2,900,132.90	-2,573,669.21	11.26%
Expense				
511 · Payroll Expenses				
511001 · Salaries & Wages	139,991.91	1,017,187.00	-877,195.09	13.76%
512000 · Extra Help	0.00	16,000.00	-16,000.00	0.0%
514000 · Overtime	0.00	4,000.00	-4,000.00	0.0%
518 · Employee Benefits				
518008 · Health Care	23,566.40	156,500.00	-132,933.60	15.06%
518009 · Cafeteria	7,744.22	49,000.00	-41,255.78	15.81%
518010 · Other Employee Benefits	14,846.91	36,500.00	-21,653.09	40.68%
518011 · Vehicle Allowance	1,240.00	7,440.00	-6,200.00	16.67%
518700 · Retirement Pension	23,005.61	164,600.00	-141,594.39	13.98%
518800 · Contrib to Pension Liability	152,351.00	157,500.00	-5,149.00	96.73%
518900 · Retiree's OPEB	11,331.66	56,900.00	-45,568.34	19.92%
518901 · Contrib to OPEB Liability	0.00	39,438.00	-39,438.00	0.0%
Total 518 · Employee Benefits	234,085.80	667,878.00	-433,792.20	35.05%

	Aug '24	Budget	\$ Over Budget	% of Budget
Total 511 · Payroll Expenses	374,077.71	1,705,065.00	-1,330,987.29	21.94%
520 · Materials & Supplies				
521104 · Postage	2,000.00	3,850.00	-1,850.00	51.95%
522201 · Office Supplies	662.80	9,500.00	-8,837.20	6.98%
523001 · Telecommunications	6,272.95	19,090.00	-12,817.05	32.86%
524544 · Utilities - Elec/Gas/Wtr/Grbge	1,774.15	9,577.00	-7,802.85	18.53%
525545 · Auto Fuel Costs/ Road Expense	428.19	6,900.00	-6,471.81	6.21%
Total 520 · Materials & Supplies	11,138.09	48,917.00	-37,778.91	22.77%
530 · Services & Other Operating				
531201 · Household Janitorial	2,537.50	6,050.00	-3,512.50	41.94%
532527 · Insurance -Liability & Vehicle	15,025.05	15,550.00	-524.95	96.62%
533533 · Memberships, Dues & Subscript..	3,680.02	7,500.00	-3,819.98	49.07%
534537 · Public & Legal Notices	0.00	3,740.00	-3,740.00	0.0%
535540 · Public Outreach	150.00	19,000.00	-18,850.00	0.79%
536101 · Training	799.95	13,950.00	-13,150.05	5.73%
537202 · Travel & Conference Expenses	2,318.47	27,410.00	-25,091.53	8.46%
Total 530 · Services & Other Operating	24,510.99	93,200.00	-68,689.01	26.3%
540 · Rents Lease, Repair, NonCapital				
541538 · Property Rents & Leases	0.00	1,460.00	-1,460.00	0.0%
542539 · Equipment Rents & Leases	183.06	785.00	-601.94	23.32%
543103 · Office Furniture & Equip	0.00	17,862.00	-17,862.00	0.0%
543203 · Computer Equipment	0.00	15,055.00	-15,055.00	0.0%
543204 · Computer Software-Subscriptions	7,391.13	21,219.65	-13,828.52	34.83%
543541 · Air Monitoring Equipment & Main	0.00	6,500.00	-6,500.00	0.0%
544001 · Vehicles Maintenance	1,401.33	5,850.00	-4,448.67	23.95%
544042 · IT Maintenance	4,609.15	33,085.00	-28,475.85	13.93%
544103 · Building Maintenance	0.00	15,395.00	-15,395.00	0.0%
Total 540 · Rents Lease, Repair, NonCapital	13,584.67	117,211.65	-103,626.98	11.59%
550 · Professional/Consulting Service				
551137 · AB2588 Hot Spots Fee	0.00	134.00	-134.00	0.0%
551536 · Professional Services	14,240.80	96,500.00	-82,259.20	14.76%
551547 · Legal Services	1,500.00	19,075.00	-17,575.00	7.86%
555580 · Contingencies	0.00	20,000.00	-20,000.00	0.0%
Total 550 · Professional/Consulting Service	15,740.80	135,709.00	-119,968.20	11.6%
560 · Grants				
560006 · Carl Moyer Grant	135,853.16	284.38	135,568.78	47,771.7%
560007 · Community Air (CAP)	79,414.21	29,805.13	49,609.08	266.45%
560009 · WoodSmoke Grant	114,994.25	3,500.00	111,494.25	3,285.55%
560020 · Special Clean Air Grants	9,036.50	92,000.00	-82,963.50	9.82%
560021 · FARMER	504,538.48	682.50	503,855.98	73,925.05%
Total 560 · Grants	843,836.60	126,272.01	717,564.59	668.27%
565 · Debt Service				
565087 · GASB 87 Lease Principal	13,315.15	53,396.63	-40,081.48	24.94%
565987 · GASB 87 Lease Interest & Other	634.85	2,403.37	-1,768.52	26.42%
Total 565 · Debt Service	13,950.00	55,800.00	-41,850.00	25.0%
570 · Capital Outlay				
573105 · Vehicles -Fixed Asset Inventory	0.00	35,000.00	-35,000.00	0.0%



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Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **Calendar of Events**

DATE	EVENT	LOCATION
October 2	Fire Safe Council Meeting	Paradise
October 4	Sacramento Valley BCC Meeting	Colusa
October 8	Vapor Recovery	Virtual
October 10-11	CA Wildfire & Forest Resilience Task Force Meeting	Virtual
October 16	Technical Advisory Committee (TAC)	Redding
October 21-23	CSDA Board Clerk Conference	San Diego
October 24	Butte County AQMD Board Meeting	Chico
October 24-25	Enforcement Managers	South Lake Tahoe
October 28-30	Engineering Managers	Virtual
October 28-31	CAPCOA Fall Membership	Monterey
November 4-6	Engineering Managers	Virtual
November 6	Fire Safe Council Meeting	Paradise
November 11	District Office Close in honor of Veterans Day	Chico
November 14	The Professionals – QEEPs	Colusa
November 20	Technical Advisory Committee (TAC)	Auburn
November 28-29	District Office Close in honor of Thanksgiving Holiday	Chico
December 6	Sacramento Valley BCC Meeting	Yuba City
December 12	Butte County AQMD Board Meeting	Chico
December 18	Technical Advisory Committee (TAC)	Chico
December 25	District Office Close in honor of Christmas	Chico
January 1, 2025	District Office Close in honor of New Year's Day	Chico

Agenda Item 3.4

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Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Kelly Towne, Board Clerk

Re: **Status Report on Communications**

ISSUE:

Status Report on Communications with Board Members in August.

ACTION REQUESTED:

None. For information only.

DISCUSSION:

The Executive Committee met on August 7, 2024 to initiate the APCO Annual Performance Evaluation.

Attachment:

None.

Agenda Item 3.5

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Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **Health Disclosure Statement**

ISSUE:

Health Care Provider Compensation Disclosure Statements, Health & Safety Code 1367.08 (AB 2589).

ACTION REQUESTED:

Accept and File.

DISCUSSION:

Health and Safety Code Section 1367.08 requires that a health care service plan shall annually disclose to the governing board of a public agency that is the subscriber of a group contract, the name and address of, and amount paid to, any agent, broker, or individual to whom the plan paid fees or commissions related to the public agency's group contract. As part of this disclosure, the health care service plan shall include the name, address and amounts paid to the specific agents, brokers or individuals involved in transactions with the public agency. The compensation disclosure required by this section is in addition to any other compensation disclosure requirements that exist under law.

Please see attached Compensation Disclosure Statements for specific information.

Attachment:

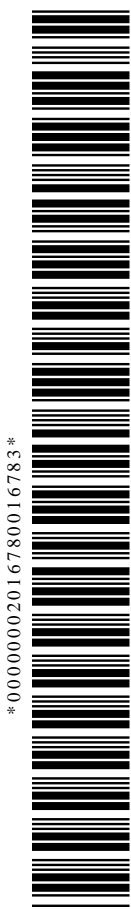
2024-05-08 UNUM 537360 Disclosure Statement May 2024.

Agenda Item 3.6

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Unum
Attn: Broker Disclosure - Req
2211 Congress Street - A082
Portland, ME 04122-0001

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
ATTN: PLAN ADMINISTRATOR
629 ENTLER AVE STE 15
CHICO, CA 95928





Annual Broker Compensation Disclosure Statement

May 8, 2024

Policyholder/Employer Name: **BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**
Policy/ID Number: **000000537360**

Your insurance or benefits advisor can offer you advice and guidance as you select the policy and provider most appropriate for your needs. At Unum we recognize the important role these professionals play in the sale of our products and services and offer them a variety of compensation programs. Your advisor can provide you with information about these programs as well as those available from other providers. We support disclosure of broker compensation so that customers can make an informed buying decision.

Brokers may be eligible to receive Base Commissions as well as Supplemental Commissions from Unum.

Unless you have agreed in writing to compensate the broker differently, Unum provides Base Commissions to all brokers in connection with the sale of an insurance policy. Base Commissions are a fixed percentage of the policy premium, and may include a one time, first year, flat amount for each policy sold. Base Commissions are paid by Unum to the broker(s) on your policy. In some circumstances, broker(s) may be eligible to receive commissions on your policy even after a broker of record change has occurred.

A broker may also qualify for Supplemental Commissions paid by Unum. For group insurance products, Supplemental Commissions may be paid as a fixed percentage of total eligible group insurance premiums. The Supplemental Commission rate depends on the total dollar amount of all eligible premiums or number of group policies that the broker had in force with Unum in the prior calendar year. The Supplemental Commission rate may range from 0% to 13.80% of total premium paid.

Your broker may also be eligible to receive Supplemental Commissions on other insurance products, which may be calculated differently. The premium you pay is not impacted by whether or not your broker receives Supplemental Commissions.

For the calendar year 2024, the broker(s) named below is scheduled to receive the following compensation, as a percentage of total eligible group premiums, including any group insurance premiums paid by you in connection with the above referenced policy. The information provided below is accurate as of the date of this statement. Should any changes occur after the date of this statement, those changes will be reflected in your next annual broker compensation disclosure statement.

<u>Broker Name</u>	<u>Base Commission</u>	<u>Supplemental Commission</u>	
		New Sales	Renewal¹
LINDO HANNA & ABBOTT INSURANCE AGENCY INC	YES	NO	NO
Interwest Insurance Services Inc	NO	4.00%	1.75%

If you would like additional information about the range of compensation programs our company offers for your group insurance policy or any other Unum insurance product or if you want to speak to us directly about broker compensation, please call 1-800-ASK-UNUM (1-800-275-8686).

Unum is providing this notice on behalf of the following insuring companies: Unum Life Insurance Company of America, Unum Insurance Company, First Unum Life Insurance Company, Provident Life and Accident Insurance Company, Provident Life and Casualty Insurance Company, The Paul Revere Life Insurance Company and Starmount Life Insurance Company.

¹The applicable Supplemental Commission Renewal percentage(s) could be less than what is shown, based on eligible Group premium and products.

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1014-09-ANNUAL (01/2020)





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Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **FY 23/24 4th Quarter Grant Revenue Report**

ISSUE:

Quarterly and Year End status of the recognition of Grant Implementation Funds.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

The attached report summarized the recognition of grant funds from July 2023 through June 2024. Due to workload and the timing of implementation each of the grants, the number of hours and costs related to the implementation will vary between quarters. The implementation recognition for all grants except AB617 exceeded both the estimated and budgeted implementation funds recognized. With some of the grants the hours logged were less than the estimated hours, but the indirect costs resulted in an overall exceedance of the funds budgeted to be recognized.

During FY 23-24 the district recognized \$326,476 in direct grant implementation funds.

The recognition of grant implementation funds and any unearned funds will directly affect the year end budget amendments for FY 2023-24 and the carry over to budget amendments to FY 24-25.

Agenda Item 5

Implement Funds Recognized Summary				
	Jul 23 - Jun 24	Budget	\$ Over Budget	% of Budget
AB 617 Implementation Funds	42,092.80	54,562.94	(12,470.14)	77%
Carl Moyer, RAP & Reserve Grant Funds	63,329.22	32,553.60	30,775.62	195%
Community CAP Grant Funds	103,321.83	86,770.50	16,551.33	119%
FARMER Grant Funds	114,674.14	81,384.00	33,290.14	141%
WoodSmoke Grant Funds	45,151.00	23,152.94	21,998.06	195%
	368,568.99	278,423.98	90,145.01	132%

Attachment:
2024-06-30 BCAQMD Quarterly Grant Status Report.

Butte Co. Air Quality Management Dist.
Grant Status - Budget vs. Actual
 July 2023- June 2024 -100% of the Year

AB 617 Implementation Funds

	Jul 23 - Jun 24	Budget	\$ Over Budget	% of Budget
6/30/2024 Projected Balances				
Unearned - Deferred Inflows				
AB617 Implementation Funds				
6/30/2023 Unearned Balance	46,239.75	46,239.75	0.00	100.0%
Unearned added during FY 23-24	165,832.00	165,832.00	0.00	100.0%
Implementation Funds Recognized during FY 23-24	42,092.80	54,562.94	-12,470.14	77.15%
6/30/2024 Projected Unearned Balance	169,978.95	157,508.81	12,470.14	107.92%
Budgeted Actual vs Budgeted Hours	167.00	50.00	117.00	334.0%

More hours are anticipated to be recognized after February and March when Districts starts working on the Budgeted Support Grants. A large portion of the implementation costs budgeted will be used for outreach and air monitoring equipment and maintenance.

Carl Moyer, RAP & Reserve Grant Funds

	Jul 23 - Jun 24	Budget	\$ Over Budget	% of Budget
6/30/2024 Projected Balances				
Unearned - Deferred Inflows				
Carl Moyer Implementation Funds				
6/30/2023 Unearned Balance	84,983.43	84,983.43	0.00	
Unearned added during FY 23-24	59,037.40	25,000.00	34,037.40	236.15%
Implementation Funds Recognized during FY 23-24	63,329.22	32,553.60	30,775.62	194.54%
6/30/2024 Projected Unearned Balance	80,691.61	77,429.83	3,261.78	
Budgeted Actual vs Budgeted Hours	417.00	320.00	97.00	130.31%

Carl Moyer, Farmer & Community (CAP) Incentive Grants are anticipated to recognize more budgeted hours from April through June. The indirect costs were a large portion of the funds recognized in the 1st quarter. October will also incur more hours due to the Lawn and Garden Voucher Program.

Restricted (budget to expend all grant pass through funds)

6/30/2023 Restricted Balance	425,565.25	425,565.25	0.00	
Restricted added during FY 23-24	470,828.12	175,000.00	295,828.12	269.05%
Restricted expended during FY 23-24	398,839.68	600,565.25	-201,725.57	66.41%
Balance	497,553.69	0.00	497,553.69	

Community CAP Grant Funds

	Jul 23 - Jun 24	Budget	\$ Over Budget	% of Budget
6/30/2024 Projected Balances				
Unearned - Deferred Inflows				
CAP Implementation Funds				
6/30/2023 Unearned Balance	409,816.22	409,816.22	0.00	
Unearned added during FY 23-24	0.00	0.00	0.00	0.0%
Implementation Funds Recognized during FY 23-24	103,321.83	86,770.50	16,551.33	119.08%
6/30/2024 Projected Unearned Balance	306,494.39	323,045.72	-16,551.33	
Budgeted Actual vs Budgeted Hours	588.75	850.00	-261.25	69.27%

Carl Moyer, Farmer & Community (CAP) Incentive Grants are anticipated to recognize more budgeted hours from April through June. November will also incur more hours due to the Lawn and Garden Voucher Program.

Restricted (budget to expend all grant pass through funds)

6/30/2023 Restricted Balance	1,809,338.97	1,809,338.97	0.00	
Restricted added during FY 23-24	0.00	0.00	0.00	0.0%
Restricted expended during FY 23-24	599,371.78	1,809,338.97	-1,209,967.19	33.13%
Balance	1,209,967.19	0.00	1,209,967.19	

FARMER Grant Funds

	Jul 23 - Jun 24	Budget	\$ Over Budget	% of Budget
6/30/2024 Projected Balances				
Unearned - Deferred Inflows				
FARMER Implementation Funds				
6/30/2023 Unearned Balance	304,523.39	304,523.39	0.00	
Unearned added during FY 23-24	175,025.40	87,462.50	87,562.90	200.12%
Implementation Funds Recognized during FY 23-24	114,674.14	81,384.00	33,290.14	140.91%
6/30/2024 Projected Unearned Balance	364,874.65	310,601.89	54,272.76	
Budgeted Actual vs Budgeted Hours	667.75	800.00	-132.25	83.47%

Restricted (budget to expend all grant pass through funds)

6/30/2023 Restricted Balance	617,979.91	617,979.91	0.00	
Restricted added during FY 23-24	1,225,173.76	612,237.50	612,936.26	200.11%
Restricted expended during FY 23-24	1,144,117.44	1,230,217.41	-86,099.97	93.0%
Balance	699,036.23	0.00	699,036.23	

WoodSmoke Grant Funds

	Jul 23 - Jun 24	Budget	\$ Over Budget	% of Budget
6/30/2024 Projected Balances				
Unearned - Deferred Inflows				
WoodSmoke Implementation Funds				
6/30/2023 Unearned Balance	0.00	0.00	0.00	
Unearned added during FY 23-24	49,210.00	23,152.94	26,057.06	212.54%
Interest added FY23-24	496.65	0.00	0.00	100.0%
Implementation Funds Recognized during FY 23-24	45,151.00	23,152.94	21,998.06	195.01%
6/30/2024 Projected Unearned Balance	4,555.65	0.00	4,059.00	
Budgeted Actual vs Budgeted Hours	322.25	227.59	94.66	141.59%

The greater hours and recognition of implementation funds is anticipated during voucher process in the 2nd Quarter (October-December).

Restricted (budget to expend all grant pass through funds)

6/30/2023 Restricted Balance	0.00	0.00	0.00	
Restricted added during FY 23-24	463,270.00	221,798.00	241,472.00	208.87%
Restricted Interest added FY 23-24	3,476.52	0.00	0.00	
Restricted expended during FY 23-24	206,909.00	221,798.00	-14,889.00	93.29%
Balance	259,837.52	0.00	256,361.00	



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Date of Release: September 19, 2024
Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors
From: Stephen Ertle, Air Pollution Control Officer
Staff Contact: Aleah Ing, Administrative Services Officer
Re: **Budget Amendments for FY 2023-24 and FY 2024-25**

ISSUE:

Financial activity requiring budget transfers and amendment.

ACTION REQUESTED:

Approve budget transfers and amendments for both FY 2023-24 and FY 2024-25.

DISCUSSION:

When preparing the budget, the District estimates that a portion of the grants would have been earned and expended during the FY 2023-24. Differences between the budgeted and actual results in the attached budget adjustments and to the year end fund balance and restrictions. The changes to the implementation revenue and grant expenses that impact the unearned balance and the year end fund balance will be reflected in the budget adjustments for FY 2024-25.

The large shift in the fund balance is due to the timing of grants related to restricted balances that have not been paid out and unearned revenues that have not been recognized. These amendments push the fund deficit to the FY2024-25 Budget year. With the budget amendments the FY 24-25 Budget ends with a preaudit estimated fund balance of \$256,663 and an unassigned balance of (\$72,963.54). There will be \$893,360 in unearned grant implementation funds once these amendments are approved.

Effects of Budget Amendments to Unassigned balance

	<u>Adopted</u>	<u>Amended</u>	<u>Difference</u>
FY 23-24 Unassigned Funds	(5,000.00)	77,039.63	82,039.63
FY 24-25 Unassigned Funds	42,000.00	(72,963.54)	(114,963.54)
			<u><u>(32,923.91)</u></u>

Attachment:

FY 2023-24 Comparative Budget Amendments.

FY 2024-25 Comparative Budget Amendments.

Agenda Item 6

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Butte County Air Quality Management District
Final Year End Comparative Budget Analysis
FY 2023-2024

		FY 2023-24	PreAdoption	FY 2023-24	10/26/2023	3/28/2024	6/27/2024	Sept Board Mtg	FY 2023-2024
		Proposed Budget	Amendments	Final Adopted	October Board Mtg	March Board Mtg	June Board Mtg		FY 2023-2024
					Amendment 1	Amendment 2	Amendment 3	Amendment 4	Amended Budget
REVENUE									
4213010	Ag Burn Permits	100,000.00	-	100,000.00			(5,000.00)		95,000.00
4213013	Ag Engine Registration Program	11,350.00	-	11,350.00		3,100.00			14,450.00
4213020	Title V Permits	4,500.00	-	4,500.00		182.00			4,682.00
4213030	Operating Permits	477,000.00	-	477,000.00			42,000.00		519,000.00
4213035	Portable Engine Registration	48,000.00	-	48,000.00			(5,000.00)		43,000.00
4213038	Asbestos Program	5,000.00	-	5,000.00			1,000.00		6,000.00
4213040	Auth to Construct	29,000.00	-	29,000.00			4,000.00		33,000.00
4213055	Emission Reduction Fee	-	-	-					-
4213060	Misc. Other Permits	600.00	-	600.00			(600.00)		-
	Technical Evaluation Fees	5,000.00	-	5,000.00		4,500.00	5,600.00		15,100.00
421 - Licenses & Permits		675,450.00	0.00	675,450.00	0.00	3,282.00	36,400.00		730,232.00
4300001	Civil Settlements	30,000.00	-	30,000.00		15,000.00			45,000.00
430 - Fines, Forfeitures & Penalties		30,000.00	0.00	30,000.00	0.00	15,000.00	0.00		45,000.00
	Interest	2,000.00	-	2,000.00					2,000.00
441 - Interest (Use of Money & Property)		2,000.00	-	2,000.00	-	-	-		2,000.00
4510001	State Subvention	65,300.00	-	65,300.00		8,086.00			73,386.00
4511001	DMV Surcharge	740,000.00	-	740,000.00			(1,500.00)		738,500.00
4510500	AB2588 Hot Spots Fee	134.00	-	134.00					134.00
4510501	105 Grant Funding	61,012.00	-	61,012.00					61,012.00
4510502	AB 197 Funding	8,583.00	-	8,583.00					8,583.00
4510503	AB 617 Implementation Funding	94,627.54	-	94,627.54	5,742.21	111,702.00		(169,978.95)	42,092.80
4510504	Prescribed Burn Reporting & Monitoring	-	-	-		96,753.73		(81,770.03)	14,983.70
4510505	GHG Oil & Gas Funding	6,000.00	-	6,000.00					6,000.00
4510904	FARMER	612,237.50	-	612,237.50		612,237.00			1,224,474.50
4510906	Carl Moyer	375,257.66	-	375,257.66	(200,257.66)		295,483.00		470,483.00
4510909	WoodSmoke	205,000.00	-	205,000.00	16,798.00	241,472.00			463,270.00
4510915	Community Air Protection (CAP)	992,368.82	-	992,368.82	(992,368.82)	967,559.27		(967,559.27)	-
451 - Intergovernmental		3,160,520.52	-	3,160,520.52	(1,170,086.27)	2,037,810.00	293,983.00		3,102,919.00
	BCC Secretarial Duties	15,870.00	-	15,870.00					15,870.00
	Reimbursements (Copy & Other)	1,125.00	-	1,125.00					1,125.00
	Fees (Finance Charges, Return Check)	2,000.00	-	2,000.00					2,000.00
4712523	4712523 Misc Revenue	18,995.00	-	18,995.00					18,995.00
	YR 6 FARMER, G23-OAGIP-02		-			87,463.00		(364,774.75)	(277,311.75)
	YR26 Carl Moyer	25,000.00	-	25,000.00				(46,654.21)	(21,654.21)
	WoodSmoke G21 Amendment		-			25,758.00		(4,059.00)	21,699.00
	YR7 CAP		-			138,222.73		(444,717.12)	(306,494.39)
4712550	4712550 Implementation Administrative	998,682.39	-	998,682.39	(63,444.85)	251,443.73		(860,205.08)	326,476.19
471 - Other Revenues (Miscellaneous)		1,017,677.39	-	1,017,677.39	(63,444.85)	251,443.73	-	(860,205.08)	345,471.19
TOTAL REVENUE		4,885,647.91	-	4,885,647.91	(1,233,531.12)	2,307,535.73	330,383.00		4,225,622.19

Butte County Air Quality Management District
Final Year End Comparative Budget Analysis
FY 2023-2024

				10/26/2023	3/28/2024	6/27/2024	Sept Board Mtg	
				October Board Mtg	March Board Mtg	June Board Mtg		
UNEARNED & FUND BALANCE (Assigned Reserves, Restricted & Unassigned)								
<u>Unearned</u>	FY 2023-24	PreAdoption	FY 2023-24	FY 2023-2024	FY 2023-2024	FY 2023-2024		FY 2023-2024
	Proposed Budget	Amendments	Final Adopted	Amendment 1	Amendment 2	Amendment 3		Amended Budget
Prescribed					87,598.03		(10,496.00)	77,102.03
WoodSmoke			-		25,758.00		(9,706.86)	4,555.65
AB617	40,064.60		40,064.60	5,742.21	111,702.00	1,017.30	(13,520.20)	145,005.91
CAP	322,417.38		322,417.38	628.34	138,222.73	34,791.66	(181,834.20)	314,225.91
Carl Moyer	112,114.85		112,114.85	(34,685.02)			16,919.04	80,691.61
FARMER	342,596.19		342,596.19	(31,994.30)	87,463.00	10,478.19	(43,668.43)	364,874.65
Unearned Revenue	<u>817,193.01</u>	-	<u>817,193.01</u>	<u>(60,308.77)</u>	<u>450,743.76</u>	<u>21,134.40</u>	<u>(242,306.65)</u>	<u>986,455.76</u>
Restrictions (Fund Balance)								
Assigned	Estimated reserve based on calculated		344,662.42					344,662.42
	Reserve Fund (see Resolution/Policy)		<u>329,626.07</u>					<u>329,626.07</u>
Restricted								
	CAP						1,264,507.36	1,264,507.36
	WoodSmoke						259,837.52	259,837.52
	Carl Moyer						497,553.69	497,553.69
	Special Clean Grants						25,010.60	25,010.60
	FARMER						699,036.23	699,036.23
Restricted (Uncontracted passthrough grant funds)							<u>2,745,945.40</u>	<u>2,745,945.40</u>
Unassigned								
	TOTAL FUND		329,626.07				2,745,945.40	3,091,193.67
Unearned Balance			817,193.01				(2,792,599.61)	986,455.76
Unassigned after grant unearned liability			(334,626.07)					(2,784,144.49)

		Strt Fund Bal 6/30/2022					Audited
		FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	Start Fund Bal 6/30/2022
		Proposed Budget	audited 6/30/2022	Final Adopted			Amended Budget
Restricted		-	963,374.77	-	2,861,184.12		2,861,184.12
Assigned		329,626.07	320,255.00	329,626.07			329,626.07
Unassigned Audit Balance		269,939.57	300,343.00	269,939.57	5,865.21		275,804.78
Total Fund Balance		<u>599,565.64</u>	<u>1,583,972.77</u>	<u>599,565.64</u>	<u>2,867,049.33</u>	-	<u>3,466,614.97</u>
Total Revenue		4,885,647.91	-	4,885,647.91	(1,233,531.12)	2,307,535.73	330,383.00
Total Expenditures		4,343,394.47	-	4,343,394.47	1,677,055.65	1,821,268.27	38,367.20
				<u>542,253.44</u>			(3,670,085.60)
Unearned (in total revenue above)							(242,306.65)
Total Assigned & Restricted		329,626.07		329,626.07			2,745,945.40
Total unassigned Fund Balance		(5,000.00)		(5,000.00)	(43,537.44)	486,267.46	292,015.80
Total Fund Balance		<u>324,626.07</u>	-	<u>324,626.07</u>	<u>(43,537.44)</u>	<u>486,267.46</u>	<u>292,015.80</u>
Unearned		817,193.01	-	817,193.01	(60,308.77)	450,743.76	21,134.40
							(242,306.65)
							986,455.76

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Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

	FY 2024-25 <u>Proposed Budget</u>	FY 2024-25 <u>Amendment 1</u>	FY 2024-25 <u>Amended Budget</u>
REVENUE			
<u>Licenses & Permits</u>			
4213010 Ag Burn Permits	90,000.00		90,000.00
4213013 Ag Engine Registration Program	350.00		350.00
4213020 Title V Permits	4,500.00		4,500.00
4213030 Operating Permits	490,266.00		490,266.00
4213035 Portable Engine Registration	45,659.00		45,659.00
4213038 Asbestos Program	43,092.00		43,092.00
4213040 Auth to Construct	29,000.00		29,000.00
4213055 Emission Reduction Fee	-		-
4213060 Misc. Other Permits	600.00		600.00
*move from Misc F 4213061 Technical Evaluation Fees - new acct #	5,000.00		5,000.00
421 - Licenses & Permits	708,467.00	-	708,467.00
<u>Fines, Forfeitures & Penalties</u>			
4300001 Civil Settlements	45,000.00		45,000.00
430 - Fines, Forfeitures & Penalties	45,000.00	-	45,000.00
<u>Interest</u>			
Interest	35,792.00		35,792.00
441 - Interest (Use of Money & Property)	35,792.00	-	35,792.00
<u>Intergovernmental</u>			
4510001 State Subvention	65,300.00		65,300.00
4511001 DMV Surcharge	735,500.00		735,500.00
4510500 AB2588 Hot Spots Fee	134.00		134.00
4510501 105 Grant Funding	61,012.00		61,012.00
4510502 AB 197 Funding	8,583.00		8,583.00
4510503 AB 617 Implementation Funding	158,526.11	(46,835.48)	111,690.63
4510504 Prescribed Burn Reporting & Monitoring	87,598.03	(74,919.11)	12,678.92
4510505 GHG Oil & Gas Funding	6,000.00		6,000.00
Direct Intergovernmental Funds	1,122,653.14	(121,754.59)	1,000,898.55
4510904 FARMER	-	-	-
4510906 Carl Moyer	-	-	-
4510909 WoodSmoke	-	-	-
4510915 Community Air Protection (CAP)	-	964,559.27	964,559.27
Pass Through Grant Portion of Intergovernmental	-	964,559.27	964,559.27
451 - Intergovernmental	1,122,653.14	842,804.68	1,965,457.82
<u>Misc Revenue</u>			
BCC Secretarial Duties Contract	15,870.00		15,870.00
Reimbursements (Copy & Other)	500.00		500.00
Fees (Finance Charges, Return Check)	325.00		325.00
4712523 4712523 Misc Revenue	16,695.00	-	16,695.00
<u>Implementation Revenue</u>			
4712550 4712550 Implementation Administrative Funds	987,534.27	(388,292.67)	215,119.66
471 - Other Revenues (Miscellaneous)	1,004,229.27	(388,292.67)	231,814.66
TOTAL REVENUE	2,916,141.41	454,512.01	2,986,531.48

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

	FY 2024-25 <u>Proposed Budget</u>	FY 2024-25 <u>Amendment 1</u>	FY 2024-25 <u>Amended Budget</u>
OPERATING EXPENSES			
Wages, Benefits & PR Expenditures			
<u>Salaries, Wages & PR Taxes</u>			
511000 Wages & PR Taxes	1,017,187.00		1,017,187.00
512000 Extra Help	16,000.00		16,000.00
514000 Overtime	4,000.00		4,000.00
511 Salaries, Wages, PR Taxes	<u>1,037,187.00</u>	<u>-</u>	<u>1,037,187.00</u>
<u>Benefits</u>			
518008 Health Care	156,500.00		156,500.00
518009 Cafeteria	49,000.00		49,000.00
518010 Other Employee Benefits	36,500.00		36,500.00
*New Acct 518011 Vehicle Allowance (moving this benefit from travel budget (537202)	7,440.00		7,440.00
518700 Retirement (Pension) - includes Classic, Pepra & Deferred Compensation (164,600.00		164,600.00
518800 Contrib to Pension Liability (bal as of 6/30/22 \$2,093,860)	157,500.00		157,500.00
518900 Retiree's OPEB	56,900.00		56,900.00
518901 Contrib to OPEB Liability (net bal as of 6/30/23 \$314,397)	39,438.00		39,438.00
518 Benefits	<u>667,878.00</u>	<u>-</u>	<u>667,878.00</u>
Operating Expenditures			
<u>Materials & Supplies</u>			
521104 Postage	3,850.00		3,850.00
522201 Office Supplies	9,500.00		9,500.00
523001 Telecommunications	19,090.00		19,090.00
524544 Utilities – Electric/Gas, Water, Trash	9,577.00		9,577.00
525545 Auto Fuel Costs/Road Expense	6,900.00		6,900.00
520 Materials & Supplies	<u>48,917.00</u>	<u>-</u>	<u>48,917.00</u>
<u>Services & Other Operating</u>			
531201 Household Janitorial	6,050.00		6,050.00
532527 Insurance (Liability & Vehicle)	15,550.00		15,550.00
533533 Memberships, Dues and Subscriptions	7,500.00		7,500.00
534537 Public & Legal Notices	3,740.00		3,740.00
535540 Public Outreach	19,000.00		19,000.00
536101 Training	13,950.00		13,950.00
537202 Travel & Conference expenses	27,410.00		27,410.00
530 Services & Other Operating	<u>93,200.00</u>	<u>-</u>	<u>93,200.00</u>
<u>Rents & Leases</u>			
541538 Property Rents & Leases	1,460.00		1,460.00
542539 Equipment Rents & Leases	785.00		785.00
<u>Noncapitalized Improvements & Equipment</u>			
543103 Office Furniture & Equipment (copier, chairs, conf table, etc)	17,862.00		17,862.00
543203 Computer Equipment	15,055.00		15,055.00
543204 Computer Software & Subscriptions	21,219.65		21,219.65
543541 Air Monitoring Equipment & Maintenance	6,500.00		6,500.00
<u>Repairs & Maintenance</u>			
544001 Vehicle Maintenance	5,850.00		5,850.00
544042 IT Maintenance (computer equipment)	33,085.00		33,085.00
544103 Building Maintenance (annual expenditures)	15,395.00		15,395.00
540 Rents, Leases, Repairs & Noncapitalized Improvements	<u>117,211.65</u>	<u>-</u>	<u>117,211.65</u>
<u>Professional/Consulting Services</u>			
551137 AB2588 Hot Spots Fee	134.00		134.00
551536 Professional Services	96,500.00		96,500.00
551547 Legal Services	19,075.00		19,075.00
Grant Indirect Costs (line allocates portion of District general operating to ;	0.00		0.00
555580 Contingencies	20,000.00		20,000.00
550 Professional/Consulting Services	<u>135,709.00</u>	<u>-</u>	<u>135,709.00</u>
Total Operating Expenditures*	2,100,102.65	-	2,100,102.65

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

NON-OPERATING

<u>Grants</u>				
560006	Carl Moyer	284.38	497,553.69	497,838.07
560007	Community Air CAP (CAP)	29,805.13	1,264,507.36	1,294,312.49
560009	WoodSmoke	3,500.00	259,837.52	263,337.52
560020	Special Clean Air Grants	92,000.00	25,010.60	117,010.60
560021	FARMER	682.50	699,036.23	699,718.73
560 Total Grants		<u>126,272.00</u>	<u>2,745,945.40</u>	<u>2,872,217.40</u>

DEBT

<u>Debt Service</u>				
565087	Principal	53,396.63		53,396.63
565987	Interest & Other Charges	2,403.37		2,403.37
565 Total Debt Service		<u>55,800.00</u>	<u>-</u>	<u>55,800.00</u>

CAPITAL

<u>Capital</u>				
571105	Buildings & Improvements	-		-
572563	Equipment (Computer Equipment & Office Furniture >\$25,000)	-		-
573105	Vehicles (Fixed asset Inventory; Listed in Depreciation Schedule >\$25,000)	35,000.00		35,000.00
570 Total Capital Outlay		<u>35,000.00</u>	<u>-</u>	<u>35,000.00</u>

TOTAL Budget (\$ listed in Resolution)	2,317,174.65	2,745,945.40	5,063,120.05
Excess of Revenues over(under) Expenditures, incl Debt Service	598,966.76	(2,291,433.39)	(2,076,588.57)

UNEARNED & FUND BALANCE (Assigned Reserves, Restricted & Unassigned)

<u>Unearned</u>		As of 6/30/2025	As of 6/30/2025	As of 6/30/2025
		<u>Proposed Budget</u>	<u>Amendment 1</u>	<u>Amended Budget</u>
	AB617	46,888.03	11,486.09	58,374.12
	Prescribed	74,992.36	(10,571.25)	64,421.11
	WoodSmoke	0.00		0.00
	CAP	432,381.25	(44,041.44)	388,339.81
	Carl Moyer	20,872.08	16,604.96	37,477.04
	FARMER	315,109.46	(44,361.54)	270,747.92
Unearned Revenue		<u>890,243.18</u>	<u>(70,883.18)</u>	<u>819,360.00</u>
<u>Restrictions (Fund Balance)</u>				
	Estimated reserve based on calculated from above (operating budget+ c	359,317.11		359,317.11
Assigned	Reserve Fund (see Resolution/Policy)	<u>329,626.07</u>	<u></u>	<u>329,626.07</u>
	CAP			-
	WoodSmoke			-
	Carl Moyer			-
	FARMER			-
Restricted (Uncontracted passthrough grant funds)		<u>-</u>	<u>-</u>	<u>-</u>
Unassigned		932,243.18	198,275.22	256,662.53
TOTAL FUND		<u>1,261,869.25</u>	<u>198,275.22</u>	<u>586,288.60</u>
Unearned		890,243.18	(70,883.18)	819,360.00
Unassigned after grant unearned liability		<u>42,000.00</u>	<u>269,158.40</u>	<u>(72,963.54)</u>

	Est Fund Bal 6/30/24 FY 2024-25 <u>Proposed Budget</u>	Est Fund Bal 6/30/24 FY 2024-25 <u>Amendment 1</u>	Est Fund Bal 6/30/24 FY 2024-25 <u>Amended Budget</u>
Restricted	-	2,745,945.40	2,745,945.40
Assigned	329,626.07		329,626.07
Unassigned Audit Balance	333,276.42	(256,236.79)	77,039.63
Total Fund Balance	<u>662,902.49</u>	<u>2,489,708.61</u>	<u>3,152,611.10</u>
Total Revenue	2,916,141.41	454,512.01	2,986,531.48
Total Expenditures	2,317,174.65	2,745,945.40	<u>5,063,120.05</u>
			<u>(2,076,588.57)</u>
Unearned (in total revenue above)	890,243.18	(70,883.18)	819,360.00
Total Assigned & Restricted	329,626.07	-	329,626.07
Total unassigned Fund Balance	<u>42,000.00</u>	<u>269,158.40</u>	<u>(72,963.54)</u>

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

Total Fund Balance	<u>371,626.07</u>	<u>269,158.40</u>	<u>256,662.53</u>
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TAMI RITTER, CHAIR
Supervisor, District #3

ADDISON WINSLOW, VICE CHAIR
Councilmember, Chico

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ANGEL CALDERON
Councilmember, Gridley

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **Consider 2024-2027 BCAQMD Management Association
Memorandum of Understanding**

ISSUE:

Consider approving a new 3-Year Memorandum of Understanding with the Butte County AQMD (District) Management Association (MA).

ACTION REQUESTED:

Adopt Resolution 2024-10 approving the 3-Year Memorandum of Understanding with the District MA and authorize the Chair to sign.

DISCUSSION:

Earlier this year the District Employees' Association voted to join the Local Teamsters Local 137 union. As a result of this change the Management positions of the District became a separate negotiating unit which precipitated the creation of the District Management Association bargaining unit. District management has been negotiating with the Managers on the terms of a successor Memorandum of Understanding (MOU). At previous meetings, the Board has provided direction to staff on several issues. Agreements have now been reached on all terms. Attached is the proposed MOU with changes indicated for Board approval.

Attachment:

Resolution 2024-10.

2024-2027 Management MOU (clean version).

2024-2027 Management MOU (underline/strikeout version).

MOU Signature Page.

Agenda Item 7

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**RESOLUTION 2024-10
BEFORE THE BOARD OF DIRECTORS OF
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA
APPROVE THE 3-YEAR MEMORANDUM OF UNDERSTANDING
WITH THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT ASSOCIATION**

Resolution 2024-10.....)
Approval of the 3-Year Memorandum of Understanding...)
With the Butte County AQMD Management Association..)

WHEREAS, the Board of Directors has met with District Negotiators to consider approving the Memorandum of Understanding (MOU) negotiated with the District Management Association;

AND WHEREAS, tentative agreements have been approved by both sides regarding the terms of a new MOU;

AND WHEREAS, on September 26, 2024 the Butte County Air Quality Management District (District) Board of Directors met in regular session;

THEREFORE, BE IT RESOLVED, that the District Board of Directors hereby approves the new 3-year Memorandum of Understanding, which implements these tentative agreements and continues the other terms of the previous MOU, the new MOU being attached and part of this resolution of approval;

THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors authorizes the Chair to execute the new MOU.

On Motion of _____ and Seconded by _____ the foregoing resolution is hereby PASSED AND ADOPTED by the Air Quality Management District Board of Directors on this 26th day of September 2024 by the following:

AYES:
NOES:
ABSTAIN:
ABSENT:

Stephen Ertle, Air Pollution Control Officer
Butte County Air Quality Management District

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on September 26, 2024.

ATTEST: _____
Kelly Towne, Clerk of the Governing Board

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MEMORANDUM OF UNDERSTANDING

2024-2027

**BETWEEN THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
AND
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT ASSOCIATION**

Electronic version of the 2024-2027 MOU

<http://workforcenow.adp.com/theme.index.html>

Or

Laserfiche:

Board proposed September 26, 2024
Resolution 2024-10

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
AND
BUTTE COUNTY AIR QUALITY
MANAGEMENT ASSOCIATION**

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Memorandum of Understanding - October 1, 2024

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
AND
THE BUTTE COUNTY AIR QUALITY MANAGEMENT ASSOCIATION**

1.00 **GENERAL GUIDANCE**

The employee benefits, salaries and personnel rules and regulations of the Butte County Air Quality Management District shall be guided by those provided to the Butte County employees in the Management/Confidential employee unit.

1.01 **Recognition**

Pursuant to the provisions of the Meyers-Milias-Brown Act, Section 3500 et seq., of the California Government Code, representatives of the Butte County Air Quality Management District, hereafter called "District," and the Butte County AQMD Management Association, hereafter called "Management Association," have "met and conferred" concerning the subject of wages, hours and working conditions for employees in the Management Unit of representation, respectively identified and represented as set forth in Appendix A.

This memorandum represents the good faith effort of both the District and the Management Association representatives to reach agreement on matters of wages, hours, and conditions of employment. It is understood that this agreement is not binding upon the District until such time as it is ratified by the District Governing Board of Directors and the district employee membership in the Management Association.

1.02 **Recognition of District Employees**

The District recognizes the Butte County AQMD Management Association as the representative for employees in classifications designated for inclusion in the budgeted (permanent positions) schedule of District employees pursuant to Section 3501(b) of the California Government Code.

The District shall maintain a current listing of classifications within this bargaining unit. Designation of these classifications effective at the time of execution of this Memorandum of Understanding are attached hereto as Appendix A.

1.04 **Management Association**

The term "Management Association" shall refer to the Butte County AQMD Management Association.

2.00 **MANAGEMENT RIGHTS**

The District reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment; direct its employees; take disciplinary action; relieve its employees of duties because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations are to be conducted;

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take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. These rights shall be limited only as specified in this agreement.

The parties to this memorandum agree that there shall be no Job Actions or lockouts during its term. Job Action is defined as any strike, sit-down, stay-in, sickout, refusal to work overtime, slow-down or picketing. In the event of any Job Action by any represented employee(s), the Management Association shall, in writing, advise the employee(s) to cease their action(s) and resume normal work. The Management Association shall give a copy of its notice to the District.

3.00 MANAGEMENTS' ASSOCIATION RECOGNITION

The Management Association has the right to represent permanent employees holding the positions identified in Appendix A, as specified by State law and pursuant to the District employer-employee relations resolution. The Management Association will notify the District and maintain such notice during the term of the Memorandum of Understanding of its elected officers and directors as well as its staff employees. The Management Association may select up to one (1) person from its staff members to act as the official representative and will notify the District as to the individual so selected.

3.01 General Provisions

The Management Association shall be provided payroll deductions for membership dues and a second deduction for other authorized and legitimate Management Association activities. The Management Association shall provide the District's Air Pollution Control Officer (APCO) with a written authorization on a form approved by the District, signed by the unit member authorizing the payroll deduction and setting forth the full amount to be deducted each month. The District shall, through the Office of the APCO, forward in a timely manner payroll deductions withheld from employees within the unit. The Management Association shall immediately notify the APCO of any cancellation or changes in the deduction authorization.

The District shall not be liable to the Management Association, employees, or any other party by reason of this section for the remittance or payment of any sum other than the actual deductions made from the employee's paycheck. The Management Association shall hold the District and the APCO harmless against any and all claims, demands, suits, orders, judgments, or other forms of liability that may arise out of or by reason of action taken by the employer under this section.

3.02 Maintenance of Membership

Management Association membership is not a mandatory condition of employment for any employee covered by this agreement. However, any employee covered by this agreement who is a Management Association member, or becomes a Management Association member, may continue to pay to the Management Association those dues or fees regularly charged members of the Employees' Association in good standing for the life of this agreement. Any new employee covered by this Agreement who, after completing thirty (30) calendar days of employment voluntarily joins the Management Association, shall be subject to the same terms of continued membership as employees above.

Every employee who is a member of the Management Association shall have the right to withdraw from membership during the last twenty (20) days of this Agreement. An employee who has properly withdrawn membership as provided herein shall not be subject to the provisions of this section.

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The Management Association shall indemnify and hold the District harmless from any and all claims, demands or suits, or any other action arising from this section.

4.00 MANAGEMENTS' ASSOCIATION RIGHTS

4.01 Access to Employees

With prior notice to the APCO, the Management Association or its officially designated representative shall have access to District employees during off-duty time in the non-work areas of District facilities for the purpose of Association business. With prior notice to the APCO, the paid staff of the Management Association shall be allowed reasonable access to employee members during the work period and at the work location to investigate and/or represent employees within the unit in formal grievance or appeal matters.

4.02 Bulletin Boards

The Management Association shall be provided reasonable designated space on District bulletin boards, which does not interfere with the District's official use of the bulletin board.

4.03 Use of District Facilities and Resources

With the approval of the APCO or other District official authorized by the APCO, the Management Association may use certain District facilities, resources and supplies, as long as the District is reimbursed for the cost of any supplies or materials provided to the Management Association and that such use or supply does not interfere with the efficiency, safety and security of District operations. The District shall provide a list of other officials authorized to permit Management Association usage of District facilities, resources, and supplies.

The Management Association agrees to pay the District, upon demand from the APCO, costs of such benefits or supplies received from the District, included but not limited to services of District-owned or leased copying machines, print shop reproduction facilities, and central services purchases for expendable office supplies for Association use.

4.04 Internal Communications

The District agrees to provide the Management Association annually during the month of August a complete updated listing of the name, classification, and department of assignment of all employees designated in the unit. The District also agrees to provide within ninety (90) days of hiring the name, classification, date of appointment and department assigned of all new employees hired into the unit. In the event of a layoff in classes represented by the Management Association, the Management Association shall be provided with a copy of the resulting reinstatement list(s).

4.05 New Classifications

The District shall give notice to the Management Association of any new classification proposed to be included in this memorandum. Upon request, the District shall meet and confer with the Management Association for the purpose of negotiating wages for such classification.

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4.06 **New Employee Orientation**

The District will conduct an orientation program for new employees. As a part of this program, the District shall distribute material supplied by the Management Association, subject to the District's right to approve the material.

5.00 **MANAGEMENTS' ASSOCIATION REPRESENTATIVES**

5.01 **Negotiators**

The Management Association shall be allowed to designate up to two (2) employees within the unit to serve as representatives to negotiate with the District. The Management Association shall provide the APCO with the name, and classification assigned of each of the negotiators. Should any changes or alternate be appointed after the original list is established, the Management Association shall advise the APCO immediately. Employees designated as unit negotiators shall, as authorized by the APCO, be granted reasonable release time from scheduled duties without loss of pay to meet with the District representative during negotiations of matters of wages, hours, and conditions of employment. The District shall not be responsible for any travel, overtime or miscellaneous cost resulting from the Management Association exercising this right.

5.02 **Steward Program**

The steward shall mean a permanent employee of the District who is designated by the District's non-management employees to assist employees for the purpose of processing grievances. The Management Association shall select one (1) such steward and may select an alternate to serve as steward only when the regular steward is unable to attend to the desired steward function.

The Management Association's Representative agrees to notify the APCO in writing of the name and title of the steward and an alternate steward representing employees in the District. Changes to the listing of the steward will be provided by the Management Association as they occur. Only the employee(s) named on the current list will be recognized by the District as the steward of the District Employees. The Management Association's Representative agrees to notify the APCO in writing upon immediate determination that the alternate steward will effectively function as the steward.

Stewards shall be subject to the following:

- A. The steward shall be authorized a reasonable amount of time off without loss of pay to investigate and prepare grievances and disciplinary appeals of employees in the District subject to the restrictions below.
- B. The steward shall have the right to serve as a representative for employees in grievance matters in accordance with the provisions of this Memorandum of Understanding. No more than one (1) steward may assist in the investigation processing of a grievance.
- C. Upon authorization of the immediate supervisor, a steward shall be released to perform the duties specified in this section. A steward shall sign in and out of the work area stating the time and date of leaving and returning and where the steward may be reached. In the event the steward is unable

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to be released by the immediate supervisor at the time requested, the supervisor shall arrange a time as soon as practical thereafter.

- D. After receiving approval of the APCO, a steward shall be allowed reasonable time off during working hours, without loss of time or pay, to investigate, prepare and present such grievances and appeals. The APCO will authorize the steward to leave his/her work whenever the APCO determines that the steward's absence will not interfere with the work of the unit. Where immediate approval is not granted, the APCO shall inform the steward of the reasons for the denial, in writing if requested, and establish an alternate time when the steward can reasonably be expected to be released from his/her work assignment.
- E. When a steward desires to contact an employee, the steward shall first contact the APCO, advise of the nature of the business, and obtain release by the APCO, to meet with the employee. When, in the best judgment of the APCO the investigation would interfere with the work of the unit, the APCO will notify the steward when he/she can reasonably expect to contact the employee.
- F. The steward shall receive no overtime compensation for time spent performing a function as a steward.
- G. Stewards shall not conduct Association business on District time, except as specifically authorized by this Memorandum of Understanding.
- H. Stewards shall be responsible for the full and prompt performance of their workload.
- I. Stewards may represent employees against whom disciplinary action is pending subject to the following restrictions:

The steward agrees that the issues which gave rise to the proposed disciplinary action are confidential in nature and will not be discussed other than those persons involved in representation. The District may refuse to recognize or to deal with a steward who violates this confidentiality.

5.03 **Managements' Association Access**

Authorized Management Association staff representatives shall have reasonable access to all work locations in which employees covered hereby are employed for the purpose of transmitting information or representation purposes. Authorized Management Association staff representatives desiring such access shall notify the APCO (or the APCO's designee) of the purpose of the visit. The APCO may deny access to the work location if, in his or her judgment, it is deemed that a visit at that time will interfere with the operations of the District or facility thereof, in which event the APCO will offer an alternative time for the visit.

The Management Association shall give the APCO a written list of the names of all authorized Management Association staff representatives, which list shall be kept current by the Management Association. Access to work locations shall be only granted to Management Associations' staff representatives on the current list.

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5.04 **Bulletin Boards**

The District will furnish for the use of the Management Association, reasonable board space at reasonable locations. Such bulletin board space shall be used only for the following subjects and other subjects upon agreement by both the Management Association and the APCO:

- A. Management Association recreational, social, and related news bulletins.
- B. Scheduled Management Association meetings.
- C. Information concerning Management Association elections or the results thereof.
- D. Reports of official business of Management Association including reports of committees or the Board of Directors; and,
- E. All material shall clearly state that it is prepared and authorized by the Management Association.

5.05 **Use of District Mail Boxes**

The Association may use the District mailbox system for the following limited purposes:

- 1. To deliver communications to the APCO or other management personnel.
- 2. To deliver communications to employees in the Management Association.

5.06 **Indemnification**

The Employees' Association indemnifies and holds the District, its officers, and employees acting on behalf of the District, harmless and agrees to defend the District, its officers, and employees acting on behalf of the District, against any and all claims, demands, suits, and from liabilities of any nature which may arise out of or by reason of any action taken or not taken by the District under the provisions of sections 6.00, 6.01 and 6.02.

6.00 **NON-DISCRIMINATION**

The provisions of this Memorandum of Understanding shall be applied by the District and the Management Association equally to all employees covered herein without discrimination because of race, color, sex, perceived sexual orientation, marital status, religion, pregnancy, disability, medical conditions, political belief, age, national origin, ancestry, veteran's status, union membership, or other non-merit factors.

Any party alleging a violation of this article shall have the burden of proving the existence of a discriminatory act or acts and of proving that, but for such act or acts, the alleged injury or damage to the complainant would not have occurred.

6.01 **Affirmative Action**

The District and the Management Association support the concept of affirmative action and equal opportunity in the public service as consistent with merit system principles.

6.02 Individual Rights

Neither the District nor the Employees' Association shall interfere with, intimidate, restrain, coerce, or discriminate against employees because of the exercise of rights to engage in or refrain from Employees' Association activity pursuant to Section 3502 of the California Government Code.

7.00 PERSONNEL FILES

The District shall maintain one official personnel file for each District employee. The employee or his/her representative authorized in writing shall have the right to review and obtain copies of the contents of the employee's personnel files at reasonable intervals without loss of pay during normal business hours. Access to an employee's records shall be restricted to the employee and his/her representative (the later provided by written authorization), the District Counsel's Office and management/supervisory personnel having a business necessity to do so as determined by the APCO.

No material regarding the employee's performance or conduct shall be included in the employee's personnel file without providing the employee a written copy thereof.

Employees may request that derogatory materials be removed from their files. Requests shall be made to the District APCO who shall determine whether or not the request shall be granted. The decision of the APCO shall be made in his/her sole discretion and shall be final.

8.00 HOURS OF WORK, WORK SCHEDULES, SALARY SCHEDULES, AND RESTRICTIONS

8.01 Work Schedules

Except as provided below, the standard work schedule shall be 7:30 a.m. to 4:30 p.m. each day of the year except Saturdays, Sundays, and holidays. The standard work schedule shall be eighty (80) hours per biweekly pay period for a full-time employee. Except for overtime, callback and standby assignments, departments that necessitate a different operational schedule shall maintain and post an employee assignment schedule. No employee, except in case of emergency, shall be required to work a different work schedule than assigned unless the employee has been notified at least ten (10) days in advance of the change in work schedule. The standard workday shall be 8 hours.

8.02 Alternate Schedules

Upon the recommendation of the employee's supervisor, alternate, flextime, telecommuting, job-sharing, and voluntary reduced work hour programs may be established, after approval by the APCO, and if requested by the affected employee, consultation with the Management Association. Any job-sharing program will require that the benefits be pro-rated or as otherwise mutually agreed upon in writing by the participating employees and approved by the APCO. Requests for special schedules by employees shall be seriously considered. Employees shall be advised of the decision, pro or con, made on their requests for a special schedule.

Alternate work schedules may include 9/80 schedules, 4/10 schedules, and/or other alternative scheduling patterns. Employee requests to work their schedule from an off-site location (telecommuting) will also be considered by the APCO as alternate schedules. Individuals assigned to

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such schedules shall accrue leaves and holidays on the same basis as employees working the standard 5/8-work schedule; that is, 8 hours per day, 5 days per week. Employees shall be charged time off based on the number of hours in the workday missed. In determining which employees are entitled to alternative schedules, the APCO shall take into account job classification and required skills. In the event all other things are equal; seniority shall be the determining factor. Determination as to the quality of skills shall be made at the sole discretion of the APCO. Alternate schedules with less than 72 hours may result in a prorated reduction of benefits.

A “workday” shall mean any normal, scheduled duty day for an employee as determined by a standard or alternate schedule.

8.03 Schedule Changes

The District Governing Board of Directors shall have the right, in its discretion, to assign individual divisions, or sections between the reduced 36-hour work schedule and the normal 40-hour schedule, provided such moves will not take place more than one (1) time in any contract year.

8.04 Reduced Work Week Schedule and Rate of Pay and Return

For employees assigned to the reduced work schedule, their work schedule shall be thirty-six (36) hours of four (4) nine (9) hour days. This reduced work schedule shall remain in effect unless ended by the District Governing Board of Directors as provided herein.

While on the reduced work schedule, it is the intent of the District Governing Board of Directors that the District work hours during this period would be 7:30 a.m. to 5:30 p.m., Tuesday through Friday. However, it is understood that employees may be assigned alternate work hours (e.g., 7:00 a.m. to 5:00 p.m.) as provided for in Section 8.02 in the MOU.

8.05 Meal Periods

In general, employees shall be entitled to an unpaid duty-free lunch period of not less than thirty (30) minutes nor more than one (1) hour unless approved by the APCO. The APCO shall have the option of determining the appropriate lunch period length. Employees required to work during or through the lunch period shall be compensated for actual time worked. Employees may be required to work a continuous eight (8) hour shift. Employees, so scheduled, shall be allowed to eat their meal during the shift. In addition, any employee required to work overtime shall be permitted a one-half (1/2) hour paid meal break each four (4) hours of such overtime. Meal periods must commence within five (5) hours of the beginning of a shift.

8.06 Rest Periods

Employees shall be allowed a duty-free rest break of fifteen (15) minutes during the mid-portion of the first and second shift. The first shift is considered as the work period before the lunch period, and the second shift will be considered as the work period after the lunch period. Rest periods shall be scheduled in accordance with the requirements of the department but in no case shall rest periods be added to the beginning or the end of a work shift or lunch period. The APCO may designate the time and location at which rest periods may be taken. Rest periods shall be considered hours worked, and employees may be required to perform duties if necessary. The APCO shall make a reasonable effort to ensure that employees are permitted rest breaks.

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9.00 **Overtime**

The District will comply with the provisions set forth in the Fair Labor Standards Act (FLSA). Classifications designated as exempt shall not be paid overtime and classifications designated as non-exempt shall receive overtime pay as applicable.

Policy. It is the policy of the Governing Board that overtime work is discouraged, that the APCO is to arrange the work of the District so that employees shall work not more than the standard work week, that overtime work be held to a minimum consistent with the efficient performance of necessary functions, and that overtime work be used only for emergencies. It is recognized that occasional overtime work may be necessary, and that in such instances provisions shall be made to authorize, keep records, and compensate employees for such necessary overtime work.

Work Period. Reporting the normal biweekly work period shall commence 12:01 a.m. every other Saturday. An alternate biweekly work period may be approved by the APCO for non-exempt employees requesting an alternate work schedule pursuant to Section 8.02. The alternate biweekly work period shall commence 11:31 a.m. every other Friday. Each regular full-time employee shall work eighty (80) hours per biweekly period.

Authorization for Overtime Work. Overtime work shall be performed only upon authorization of the APCO or subordinate empowered to authorize the same.

Records of Overtime Work and Justification. The APCO shall keep an accurate record of all authorized work time including the actual overtime hours worked by the individual employee together with justification for its authorization in each case and the manner and time in which the employee was compensated for overtime work.

Except as provided, an incumbent(s) in an exempt management, confidential or supervisory positions as set forth in Appendix A and the APCO, shall receive administrative leave in lieu of paid overtime. Employees who terminate from the District in good standing shall be compensated for any administrative leave accrued under this section, up to the maximum accrued amount.

Whenever an exempt management, confidential or supervisory position as set forth in Appendix A position for which the compensated overtime provisions apply becomes vacant, the position shall be identified as one to receive administrative leave in lieu of overtime before the position is refilled. Whenever a new exempt management, confidential or supervisory positions position is created or designated pursuant to these rules, it shall be exempt from overtime provisions of these, and the in-lieu administrative leave practices shall apply to the position.

9.01 **Overtime Eligible Positions**

All positions in classifications designated are eligible positions as subject to the overtime provisions of the FLSA shall be eligible for overtime. The overtime provisions of this section shall not apply to the APCO or to exempt management, as set forth in Appendix A as defined by FLSA.

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9.02 Overtime Defined

Overtime is any work rounded to the nearest fifteen (15) minutes in excess of the assigned workday or eight (8) hours per day or forty (40) hours per week. For employees whose assigned workday is in excess of eight (8) hours, overtime shall be work rounded to the nearest fifteen (15) minutes in excess of the normally assigned hours. For the purposes of calculating overtime, all paid time off shall be considered hours worked.

9.03 Overtime Authorization

Employees shall be required to work overtime when assigned by the APCO or designated representative. No employee shall work overtime without prior approval of the APCO or his or her designated representative.

9.04 Overtime Compensation

Employees shall be compensated for overtime at one and one-half (1 1/2) times their regular rate of pay. Overtime compensation may, at the discretion of the APCO, be paid with regular wages in the pay period in which it was earned or be credited as Compensatory Time Off (CTO) to a maximum of 240 hours. The minimum compensation shall be 30 minutes.

An employee who is required to physically return to work (callback) on an overtime basis shall receive a minimum overtime pay of two (2) hours worked or actual time worked, whichever is greater and be entitled to receive mileage reimbursement pursuant to Section 18.01.

An employee handling a phone call during normal (non-sleeping) hours shall be compensated the minimum payment pursuant to the MOU or actual time spent, whichever is greater.

An employee handling a phone call during normal sleeping hours shall be compensated one (1) hour minimum or actual time spent on the call, whichever is greater. For the purposes of this section normal sleeping hours are between 10:00pm and 6:00am.

9.05 Accumulated Compensatory Time Off

An employee, who has requested use of accumulated CTO, shall be permitted by the APCO to use such time within a reasonable period unless the request creates unfair burden to other employees, or unduly disrupts departmental operations. Once the employee has reached the cap of 240 hours of CTO, the APCO may require the employee to take off any excess hours during the work week in which it is earned. Any CTO accumulation in excess of the 240-hour cap, which is not taken in the work week in which it is earned, shall be paid with regular wages in the pay period in which it is earned. An employee who has accumulated CTO shall, upon termination from District employment, be paid for the CTO with the termination pay settlement. Compensatory Time Off accruals shall appear on the employee's biweekly earnings statement. Accrual payouts are not PERS reportable earnings.

9.06 Fringe Benefits Not Affected by Overtime

Overtime work shall not be a basis of increasing vacation, sick leave, or other benefits, nor shall it be the basis for advancing completion of the required period for probation or salary step advancement.

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9.07 Assignment of Overtime

Assuming similar qualifications, regular District employees shall be offered the opportunity to work overtime hours prior to an offer of overtime hours being made to extra help employees. The preference for regular employees shall not be granted in special circumstances; for example, excessive overtime being worked by regular work employees, sick leave being taken during the pay period, etc.

10.00 VACATION LEAVE

Vacation leave must be used in minimum increments of one-half hour.

10.01 Management Employee Unit

A. Accrual. Each employee in a management, confidential or supervisory position as set forth in Appendix A (a Management Employee) shall be entitled to earn vacation. Vacation shall be earned according to the following schedule:

1. 4.31 hours of vacation (one hundred twelve [112] hours per year) for each biweekly pay period in paid status until completion of five (5) years of continuous service. (*112.06 annual, 224.12 max*)
2. 5.85 hours of vacation (one hundred fifty-two [152] hours per year) for each biweekly pay period in paid status after completion of five (5) years of continuous service and until completion of ten (10) years of continuous service. (*152.10 annual, 304.2 max*)
3. 7.39 hours of vacation (one hundred ninety-two [192] hours per year) for each biweekly pay period in paid status after completion of ten (10) years of continuous service. (*192.14 annual, 384.28 max*)
4. 8.00 hours of vacation (two hundred and eight [208] hours per year) for each biweekly pay period in paid status after completion of twenty (20) years of continuous service. (*208 annual, 416 max*)
5. All part-time regular employees assigned to a one-half (1/2) time or more position shall accrue vacation pro rata in proportion to the percentage the employee's regular assignment bears to a full-time assignment.

B. Special Vacation Entitlement. Effective January 1 of any year, all current employees shall be credited with thirty-two (32) hours of vacation. Employees hired between January 1 and April 30 shall be credited with twenty-four (24) hours of vacation. Employees hired between May and August 31 shall be credited with sixteen (16) hours of vacation. Employees hired between September and December shall be credited with eight (8) hours of vacation. These hours shall be added to the employee's regular vacation earnings and the accrual limits increased accordingly.

C. Effective at the beginning of the first pay period commencing the calendar year, an employee's vacation accrual shall not exceed two times the annual accrual. (*see above for calculated annual and max values*)

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- D. **Vacation Eligibility.** Vacation will be credited biweekly on a prorated portion of full-time compensated service. Vacation time off may be requested by the employee subject to the approval of the APCO.
- E. **Vacation Carryover.** When a management employee is unable to take a scheduled vacation during a calendar year due to unusual and extenuating departmental needs which result in the employee's annual vacation accrual to exceed the maximum limits authorized, the APCO shall advise the Administrative Services Officer that the employee will exceed the annual vacation accrual limits and shall schedule the excess accrual vacation days to be taken off between the period January 1 and March 31 of the new calendar year. Should the management employee voluntarily choose not to take the scheduled vacation during the extension period, the excess accrual days shall be forfeited. Should the APCO, as a result of emergency needs of the District, be unable to schedule the excess accrual vacation days during the extension period, the employee shall be paid for the excess accrual of vacation days following the end of the extension period. Accrual Payouts are not PERS reportable earnings.
- F. **Illness During Vacation.** Any management employee becoming seriously ill while on scheduled vacations may request that the hours he or she were ill be charged against his or her sick leave balance rather than their vacation leave balance. This request may be made only in the case of serious illness which required hospital and/or physician treatment and prevented the employee from carrying on normal activities. Doctor's verification is required, if requested by the APCO.
- G. **Vacation Buy Back.** Vacation Buy-Back is not a PERS reportable earning.
 - 1. Management employees taking at least forty (40) hours of vacation time shall, concurrently, have the option of requesting pay in lieu of time off for up to an additional forty (40) hours of accrued vacation time once per fiscal year. Vacation buy-back shall only be available in increments of eight (8) hours. Such requests are subject to the approval of the APCO and the availability of funds.
 - 2. In addition to vacation buy-back pursuant to the above, management employees shall have the option of requesting an additional buy-back of one hundred four (104) hours of vacation time per employee during each year of the contract in increments of eight (8) hours. Such requests are subject to the approval of the APCO and the availability of the funds.

11.00 SICK LEAVE

Sick leave must be used in minimum increments of one-half hour.

11.01 All Regular Full-Time Employees

- A. **Sick Leave Accrual.** All regular employees shall earn sick leave at a rate of 3.7 hours per biweekly pay period (ninety-six (96) hours per year). Sick leave may be accumulated without limit during a continuous period of employment.
- B. **Sick Leave Eligibility.** Only regular help employees shall earn sick leave. Regular help employees working less than full time shall earn sick leave on a pro rata basis.
- C. **Uses of Sick Leave.**

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Sick leave shall be granted only for the following:

1. The employee's illness or disability.
2. The employee's routine medical or dental appointments; and,
3. Critical illness in the family.

- D. Sick Leave Buy Back Option. On retirement or termination in good standing, an employee who has on accrual more than two hundred and forty (240) hours of sick leave may be compensated for that portion over two hundred and forty (240) hours at one-half (1/2) the normal rate of pay for the employee up to a maximum of \$3,000.00.

Sick leave shall not be considered a privilege to be used at the employee's discretion. It shall be allowed only in case of necessity for actual sickness or disability. Whenever a regular employee believes it necessary to be absent from duty because of the critical illness of an immediate family member, the employee may request permission of the APCO to be absent and time off shall be charged against sick leave in accordance with California Labor Code Section 233. For the purpose of this section, "immediate family member" means spouse; domestic partner; biological, step, adopted or foster child or parent; brother; sister.

11.03 Reporting Requirement

Except in emergency, in order to receive sick leave compensation while absent, the employee shall notify the APCO or designated representative prior to or within four (4) hours after the time set for the beginning of the employee's work shift.

11.04 Medical Reports

In cases involving absences of three (3) consecutive work days or more, or upon good cause based on the protection of employee health and welfare, the employee shall, upon the APCO's request, file a physician's certificate with the APCO stating the cause of the absence and the employee's physical ability to return to work on a full or limited duty basis. In general, the employer shall notify employees at the time they are reporting their absence due to illness that a doctor's certificate will be required. Exceptions can be made in cases of suspected sick leave abuse, or where APCO determines the health, welfare or safety of any District employees or its clients give a reasonable basis for the APCO's requesting a confidential physician certificate relating the diagnosis and recommendations for ensuring the safety, health and welfare of District staff and/or its clients.

11.05 Payment of Sick Leave

Sick leave time shall be charged to the employee's accrual and paid at the employee's current rate of pay. Employees who exhaust sick leave with pay may request to use any accrued vacation or compensatory time off.

11.06 Catastrophic Leave Pool

The purpose of the Catastrophic Leave Pool is to enable District employees to receive and donate vacation, administrative leave and compensatory time off (CTO) leave credits to assist employees who have no leave and who will suffer a financial hardship due to prolonged illness or injury to themselves or a member of their immediate family.

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The following conditions shall apply to Catastrophic Leave:

- A. Catastrophic Leave will be available only to employees who have exhausted their own paid leave through bona fide serious illness or accident.
- B. The leave pool shall be administered by the Administrative Services Officer.
- C. Employees must be in regular appointed positions to be eligible for catastrophic leave.
- D. The employee may be on Disability benefits and use the leave pool credits in the same manner that sick leave is used to supplement disability benefits.
- E. All donations are to be confidential, between the donating employee, the Administrative Services Officer and APCO.
- F. Employees donating to the pool must have forty (40) hours of vacation available after making a donation.
- G. Donating employees must sign an authorization, including specifying the specific employee to be a recipient of the donation.
- H. Donation will be subject to applicable tax laws.
- I. The availability of Catastrophic Leave shall not delay or prevent the District from taking action to medically separate or disability retire an employee.
- J. Catastrophic Leave due to illness or injury of an immediate family member may require medical justification as evidenced by a Physician's Statement that the presence of the employee is necessary.

12.00 LEAVES OF ABSENCE

All paid leaves are calculated on the standard 8-hour workday or prorated for reduced part-time schedules.

12.01 Bereavement Leave

Whenever a regular employee believes it is necessary to be absent from duty because of the death of a member of the employee's immediate family, the employee may request permission of the APCO or designated representative to be absent for not more than three (3) standard work days with pay prorated up to 8 hours per work day for each occasion. Any time used in this manner shall not be charged to sick leave or vacation but shall be documented and recorded as bereavement leave. For purposes of this section, "immediate family" means spouse; domestic partner; biological, step, legal, adopted, or foster child or parent; brother; sister; grandchild; grandparent; mother-in-law and father-in-law, brother-in-law, and sister-in-law.

In addition to the bereavement leave benefit set forth, a regular employee who believes it necessary to be absent from duty because of the death of a member of the employee's immediate family who resided

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out of the State of California, or over 400 miles one way from his/her home, may have an additional two (2) working days of bereavement leave to be charged to sick leave.

Notwithstanding the definition of "immediate family" above, bereavement leave in the case of the death of individuals, other than those already listed, living in an employee's household as a family member may also be provided by the APCO. Approval shall be on a case-by-case basis by the APCO in his/her sole discretion.

12.02 Industrial Disability Leave With Pay

Each regular employee not covered by Labor Code Section 4850 shall be granted an industrial disability leave in accordance with the following rules.

- A. Employees shall be required to use any accrued leave benefits in order to receive paid leave.
- B. Employees' earnings will be adjusted to the differential between amount paid and any industrial disability benefits received during the period of paid leave.
- C. Employees shall have leave benefits reinstated to the equivalent value of the disability benefits.
- D. During the period of the paid industrial disability leave, employees will continue to accrue full benefits for vacation, sick leave, and holidays. Benefits for retirement will be accrued on the salary differential representing the adjusted leave benefits.

12.03 Industrial Disability Leave Without Pay

Each regular employee who is injured or contracts an industrial illness on duty shall be granted an unpaid disability leave by the APCO from the time accrued leave benefits are exhausted until the employee is released to return to work or the employee is declared permanent and stationary or a compromise and release is signed, whichever occurs first. Employees shall accrue no benefits while in this status.

12.04 Military Leave

Military leave shall be granted in accordance with the provisions of state law. All employees entitled to military leave shall give the APCO an opportunity within the limits of such military regulations to determine when such leave shall be taken and shall provide the APCO with a copy of the military orders.

12.05 Family Leave

Employees are entitled to unpaid leave under the California Family Right Act (CFRA), Pregnancy Disability Leave Act (PDL) and/or the Family Medical Leave Act (FMLA), due to the employee's medical condition or due to that of a family member. Employees that have a need for such leave and believe they are entitled must contact District Administration as soon as possible. For the purpose of this section, "family member" means spouse, domestic partner and parents of domestic partner; biological, step, legal, adopted or foster child or parent; spouses of parents; brother; sister; grandchild and spouses of grandchild; grandparent and spouses of grandparent; mother-in-law; father-in-law; brother-in-law; sister-in-law; daughter-in-law; son-in-law; any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

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In addition, employees may wish to consult the following websites for more information, as well as the posted workplace materials.

<http://www.dol.gov/dol/topic/benefits-leave/fmla.htm>

Non-compensated leave under this section shall not be permissible until the employee has exhausted sick leave.

12.06 Jury Duty Leave

Employees shall notify the APCO upon receiving notice of jury duty. Employees who serve on a jury shall be granted a leave of absence with pay in the amount of the difference between the employee's regular earnings and the amount received for such appearances. Employees called for such court appearances may retain the court paid mileage fees and lodging subsidy if applicable. If called to jury duty, a regular employee may elect to:

- A. Receive the jury duty fee and also full salary payments chargeable to vacation or compensatory time off.
- B. Receive the jury duty fee and authorize the District APCO to deduct the fees from their salary or wages and receive the paid leave.

Employees called to jury duty during normal working hours are in each instance required to collect fees for such service to the extent authorized by the Court and to advise the APCO.

12.07 Voluntary Furlough Program

- A. Purpose - The purpose of the voluntary furlough program is a joint labor-management effort to assist the District in times of economic hardship. It is a cost containment program designed to reduce operating expenditures, preserve public services, and reduce the need for layoffs of permanent staff. This program shall remain in effect through the duration of this contract.
- B. Conditions - The APCO, at his/her sole discretion, may grant a permanent, regular help, probationary, or part-time employee voluntary, unpaid time off subject to the following conditions.
 - 1. Unpaid leave may be taken in increments of one (1) full hour with a minimum of ten (10) hours per request.
 - 2. Unpaid leave may be granted by the APCO or designee for all scheduled work periods.
 - 3. Credit towards sick leave, vacation leave, and holiday eligibility, and medical insurance shall accrue as though the employee were on paid status. Additionally, credit shall accrue for merit advancement, completion of probation, and seniority for purpose of layoff. Credit for retirement shall accrue as though the employee were on paid status except when the employee's PERS-reportable hours fall below 1,730 in the calendar year.

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- C. Procedure - The following procedure will be used in the management of the voluntary time off program:
 - 1. The APCO or designee shall distribute to eligible employees a "Voluntary Time Off Request Form".
 - 2. An employee requesting voluntary time off without pay shall complete the form indicating the number of hours (or day or days) and date(s) of the leave and return the form to the APCO or designee.
 - 3. The APCO or designee shall review the requested time off dates and times and resolve any scheduling conflicts. Seniority shall be used to resolve scheduling conflicts if the number of requests for the same time off is excessive. The department head or designee shall notify the employee of approval of the request.
 - 4. The APCO shall forward all approved request forms to the Administrative Services Officer.
 - 5. The APCO shall post a schedule with all approved voluntary unpaid time off requests.

- D. Incentive - As an incentive for employees to use the voluntary time off program, additional vacation credits shall be granted to the employee's vacation accrual as follows:

Number of Unpaid Hours	Vacation Hours Credited
10 hours	One (1)
20 hours	Two (2)
30 hours	Three (3)
40 hours	Four (4)
50 hours	Five (5)

12.08 Paid Administrative Leave and Overtime Exempt Partial Day Absence Approval

The APCO may, in his/her sole discretion, when, in his or her opinion, extraordinary circumstances exist and are necessary for the operation of the department, place an employee on paid administrative leave subject to call. Paid administrative leave may not exceed ninety (90) calendar days without the expressed approval of the Governing Board of Directors.

Employees exempt from paid overtime as specified in Section 9.01 herein, shall earn ten (10) days (80 hours annually) administrative leave per year accumulated to a maximum of eighty hours.. Administrative leave must be taken in minimum increments of one-half hour. Authorized absences of less than one full regular day may be approved by the APCO without reduction of pay if exempt employee has no paid leave time available. However, such approval shall not affect and shall have no bearing upon the imposition of attendance-related discipline upon the employee.

In extraordinary circumstances, the APCO may recommend to the Governing Board that additional administrative leave be granted to an employee(s). Extraordinary circumstances shall mean

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circumstances involving periods of very long hours. The additional leave shall not be construed to constitute overtime.

13.00 HOLIDAYS

13.01 Holidays Defined

The following shall be celebrated as paid holidays:

- 1) New Year's Day January 1
- 2) Martin Luther King's Birthday Third Monday in January
- 3) Presidents' Day Third Monday in February
- 4) Cesar Chavez Day March 31
- 5) Memorial Day Last Monday in May
- 6) Juneteenth June 19
- 7) Independence Day July 4
- 8) Labor Day First Monday in September
- 9) Veterans' Day November 11
- 10) Thanksgiving Day Designated Thursday in November
- 11) Post-Thanksgiving Day Friday following Thanksgiving Day
- 12) Christmas Day December 25
- 13) Every day appointed by the President and/or Governor, and the Governing Board, for a public fast, thanksgiving or holiday, when the day is celebrated as a State or Federal holiday.
- 14) Days declared as new permanent Federal holidays shall be observed as District holidays.

When a designated holiday falls on Sunday, the following Monday shall be observed. When a designated holiday falls on a Saturday, the preceding Friday shall be observed.

Each employee in a compensated employment status shall be entitled to a floating birthday holiday, which may be taken at the employee's discretion subject to approval by the APCO. Birthday holidays shall be considered as a designated holiday.

Holiday pay is based on an 8-hour standard workday. Benefits are prorated for reduced or part-time schedules not due to section 8.04.

13.02 Eligibility for Holiday Pay

Each employee in a compensated employment status on the assigned workday immediately preceding and the assigned workday immediately following a designated holiday shall be entitled to compensation for the designated holiday. Extra-help employees shall not be entitled to paid holidays or compensated time off for holidays worked. Reduced schedule or part-time employees not part of section 8.04 will be paid prorated benefits.

13.03 Holiday Compensation

- A. Employees required to work on a designated holiday or whose regular scheduled day off falls on a designated holiday shall, at the discretion of the APCO, be entitled to equivalent

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compensated time off scheduled either the day proceeding the designated holiday or within sixty (60) days following the designated holiday.

- B. Employees assigned to the reduced work schedule as provided in Section 8.04 above shall receive nine (9) hours compensation for each listed holiday. All other employees, including those on alternative work schedules, shall receive credit for eight (8) hours per holiday, unless otherwise approved by the APCO.

14.00 COMPENSATION

Compensation shall only be reported to PERS as pensionable compensation for Classic Members as defined by the Public Employees' Pension Reform Act (PEPRA) of 2013 as it is currently enacted and as it is amended in the future, and its implementing regulations, referred to hereinafter collectively as "PEPRA"

14.01 Salary, Basic Pay Plan

The basic pay plan consists of the salary ranges and the assignment of classes to such ranges as provided in the District salary schedule and referenced hereto as Attachment C. Each employee shall be paid within the range for his/her class unless otherwise provided for in this agreement.

14.02 Salary Adjustments

The following salary adjustments to classifications and positions are hereby implemented:

Each position covered under this memorandum of understanding is allocated to a salary range pursuant to Appendix B. The bi-weekly salary schedule provided in Appendix C defines wages applied to all members of the Management Association effective October 1, 2024,

All employees holding a valid Professional Engineers licenses will receive an additional 2.5% increase to their pay.

In addition, the APCO is vested with the authority to provide incentive pay for outstanding employee performance, all in the APCO's sole and unreviewable discretion, the aggregate of such payments not to exceed \$10,000 annually for all District staff. This pay is not PERS reportable for PEPRA employees.

The parties agree to meet and confer during the first year if requested.

The parties agree to meet and confer regarding salary adjustments related to the California Consumer Price Index beginning the month of April, 2025.

The parties agree to meet and confer regarding salary adjustments related to the California Consumer Price Index beginning the month of April, 2026.

14.03 Hours of Service for Purposes of Step Advancement

- A. *Defined.* Paid hours of work and hours of paid leave of an employee within the number of authorized hours of the position occupied by the employee shall constitute hours of service.

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Hours worked in excess of the number of hours authorized for the position, whether overtime or not, shall not be included in the hours of service. Unpaid absences, whether authorized or not, shall not be included in the hours of service.

- B. *Standard Steps (Steps One through Five)*. Step advances are predicated upon merit and length of service, and each full-time or part time employee in a budgeted position may receive an advancement to the next higher, standard step in the salary range for his/her classification, after completion of 2080 hours of satisfactory or better service at the employee's current step, as evidenced by a standard or better performance evaluation rating.
- C. Notwithstanding the provisions of subdivision B, the Governing Board, or the APCO, upon a finding of unique excellence of service to the District, may grant an out of step advance to higher steps within the same salary range to an employee.

14.04 Step Placement and Step Advancement upon Appointment to Higher Class

A higher class is one in which the fifth step hourly rate of the salary range for the new class is greater than the fifth step hourly rate of the salary range for the current class.

An employee who is appointed to a higher class which is in this representation unit shall be placed at the step in the salary range for the higher class which is closest to the hourly rate in the lower class but which provides at least a five percent (5.0 %) increase; provided that the employee's salary in the new class is not less than the minimum of the salary range nor greater than the maximum of the salary range for the new class.

For purposes of accrual of hours for step advancement, the beginning date shall be the most recent date of appointment to the higher class.

14.05 Step Placement and Step Advancement upon Appointment to an Equal Class

An equal class is one in which the fifth step hourly rate of the salary range of the new class is the same as that for the current class.

Upon appointment to an equal class, the employee shall retain the same Step 5.

Upon appointment to an equal class, hours of service accrued in the former class for purposes of step advancement shall apply to the new class.

14.06 Step Placement and Step Advancement upon Appointment to a Lower Class

A lower class is one in which the fifth step hourly rate of the salary range for the new class is less than the fifth step hourly rate of the salary range for the current class.

- A. Demotion and Demotion in Lieu of Layoff

An employee who voluntarily demotes to a lower class, including a voluntary demotion in lieu of layoff, or who is demoted to a lower class for disciplinary purposes, shall be placed at the same step in the new salary range as she/he was receiving in the salary range of the higher

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class (e.g., Step 3 to Step 3), and hours of service accrued in the step in the higher class shall be credited towards step advancement in the lower class.

B. Reclassification of Position to Lower Class: Y-Rate

An employee whose position has been allocated to a lower class shall have his/her salary Y-rated (frozen).

An employee who is placed on Y-rate shall retain his/her hourly salary rate of the higher class until such time as the maximum salary of the lower class exceeds the employee's Y-rated (frozen) salary.

At such time as the salary for the lower class exceeds the employee's Y-rated salary, the employee shall be placed at the salary step in the range of the "lower" class, which is closest to but exceeds the employee's Y-rated salary.

14.07 Step Placement and Step Advancement upon Re-employment

An employee who is laid off from a budgeted position of the District and who is reemployed in the same job class in a budgeted position of the District within one year from the layoff shall be placed at the same step of the salary range the employee held in that class at the time of layoff, and hours of service for purposes of step advancement which the employee held at the time of layoff shall be restored.

14.08 Effective Date of Step Advancement

Step advancements which would be effective the first week of the pay period shall have an effective date of the first day of that pay period; step advancements which would be effective the second week of the pay period shall have an effective date of the first day of the next pay period.

14.09 Step Placement Upon Hiring

Each employee, upon appointment by the APCO, shall be placed in Step 1 of the respective employee's salary range. However, at the discretion of the APCO, and upon finding that the District's needs and the employee's experience and abilities justifies a higher beginning step, may appoint the employee to an advanced step within the salary range. Notwithstanding APCO's discretion, any initial placement above Step 4 shall require the Governing Board's approval.

14.10 Special Additional Sixth Step

An employee in a budgeted position shall be eligible for advancement to the special, additional sixth step in the District salary table for his/her classification, provided that all of the following conditions are met:

1. The employee is currently at Step 5 of the salary range for his/her classification or in a directly related class series; and
2. The employee has 10 years or more of continuous service with the District, and

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3. The employee's; performance for the previous four years meets or exceeds the following standards:

For each year during the previous four-year period, the employee's overall "Performance Evaluation: must reflect a rating of exceeds the job standards.

4. The APCO recommends the advancement.

Employees who may not have received an annual evaluation in any year of service will be considered to have met the minimum criteria for Step 6 advancement for that rating period.

The APCO may, under exceptional circumstances, waive the performance standard required above. Step 6 shall be placed at ten percent (10%) above Step 5.

14.11 Temporary Assignment in Higher Pay Classification, Working out of Class.

Whenever an employee is assigned in writing by their supervisor or acting supervisor to work in a higher classification and, therefore, performs substantially all of the duties of the higher classification for a period of more than ten (10) cumulative working days or eighty (80) cumulative working hours in a fiscal year, (or eight (8) cumulative working days or seventy-two (72) cumulative working hours in a fiscal year for thirty-six (36) hour work week employees), the employee shall be entitled to be compensated with an additional five percent (5%) over his/her current rate of pay beginning with the eleventh (11th) day or the eighty-first (81st) hour of the assignment (or ninth (9th) day or the seventy-third (73rd) hour of the assignment for thirty-six (36) hour work week employees). A continuous out-of-classification assignment bridging two (2) fiscal years shall be treated as if it occurred during the prior fiscal year. For example, an employee receiving compensation for an assignment, which commenced June 15 of one fiscal year and ended on July 5 of the succeeding fiscal year, would receive compensation for the entire assignment. Similarly, an employee whose eleventh (11th) day or eighty-first (81st) hour (or ninth (9th) day or seventy-third (73rd) hour for thirty-six (36) hour work week employees) of out-of-classification assignment occurred during the prior fiscal year would commence receiving compensation as of the eleventh (11th) day or eighty-first (81st) hour (or ninth (9th) day or seventy-third (73rd) hour for thirty six (36) hour work week employees. An out-of-classification assignment for a vacant position shall not exceed 960 hours within a fiscal year. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence. This provision shall only be reported to PERS as pensionable compensation for Classic Members as defined by the Public Employees' Pension Reform Act (PEPRA of 2013) as it is currently enacted and as it is amended in the future and its implementing regulations, referred to hereinafter collectively as "PEPRA."

14.12 Bilingual Pay Differential

When it has been determined that an employee's use of bilingual language skills or specialized communication skills are essential and critical for the successful performance of job duties, a bilingual differential shall be paid at a rate of three dollars twenty-five cents (\$3.25) per day or thirty-two dollars fifty cents (\$32.50) per pay period. The bilingual allowance is prorated for part-time employees. Qualification for the shift differential will be conducted by an outside testing agency for both spoken and written proficiency with a passing score of B2 or better score.

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14.13 **Standby Pay**

- A. *Status.* Effective immediately, each employee in the unit of representation shall be entitled to receive twenty-five dollars (\$25.00) for each eight-hour (8) standby shift, or portion thereof, as ordered and authorized by the APCO. A standby shift is defined as any eight-hour (8) shift following the employee's normal assigned shift.

- B. *Response Time.* Employees placed on standby status shall keep the APCO or designee advised of their location during the standby shift and shall respond to duty within two (2) hours from the time of notification. When an APCO determines it is in the interest of the District to provide electronic paging devices for standby workers, the APCO shall provide and maintain such devices and instruct workers in proper use. Employees on standby status shall not be eligible for callback pay as specified under Section 14.13. Employees returning to duty from standby shall be eligible for overtime as specified in Section 9.00.

- C. *Exemption.* Employees who would face a hardship in serving standby because of the need to care for small children may request exemption from standby duty on a bi-weekly basis. Employees requesting must have arrangements for alternative coverage. Approval shall be at the sole discretion of the APCO or his/her designee.

- D. *Exclusion.* Standby pay does include after hour liaison shifts set out in Section 9.09.

14.14 **Special Assignments**

Effective October 1, 2024 employees receiving the following special assignments shall be entitled to the specified special assignment pay, for the duration of the assignment. These assignments and the respective special assignment pay shall not be a "property right" to any employee, and the assignments shall be at the exclusive discretion of the APCO. PERS defines if a special assignment pay is reportable. Not all special assignments or pays may be PERS reportable.

1. Clerk of the Governing Board shall receive special assignment pay of \$ 200.00 per month.

2. Clerk of the Hearing Board shall receive special assignment pay of \$40.00 per month.

3. Safety Officer shall receive special assignment pay of \$ 200.00 per month.

4. Employees assigned to obtain, and who maintain, the State Hazardous Material Certification of Health & Safety Training for Hazardous Waste Workers, shall receive special assignment pay of \$50.00 per month.

5. Employees assigned as Web Master shall receive special assignment pay of \$125.00 per month.

6. Employees assigned as the Information Technology (IT) Officer shall receive special assignment pay of \$ 350.00 per month.

7. Sacramento Valley Basinwide Control Council Secretary shall receive special assignment pay of \$300.00 per month.

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8. Burn Program Manager shall receive special assignment pay of \$200.00 per month.
9. Employees whose duties require the use of a cell phone may accept a \$50.00 per month cell phone allowance for the use of their personal cell phone for District business in lieu of being assigned a District cell phone.

The special assignment pay shall be effective the first day of the month the assignment is made.

15.00 UNEMPLOYMENT INSURANCE

District employees shall be covered by unemployment insurance pursuant to state law. The purpose of this coverage is to provide benefits to former employees who are no longer employed through no fault of their own. Employees who terminate from District employment shall complete termination forms and procedures as required by the APCO.

16.00 EMPLOYEE INSURANCES

- A. All regular employees assigned to full-time or more positions and the employee's dependents shall be entitled to participate in the District-sponsored group health plan. Eligible employees enrolling in the program within thirty (30) days following their appointment will be covered subject to the contract limitation with the health plan carrier. Employees enrolling after the thirty (30) day enrollment period will be approved only upon evidence of insurability.
- B. Employees assigned to the reduced work week schedule and assigned to work seventy-two (72) hours per biweekly pay period shall be considered full-time employees. Employees assigned to a reduced work week position and assigned to work thirty-six (36) hours or more per biweekly pay period in that position, and that employee's dependents, shall be eligible to participate in the District's Benefit Plan.

16.01 Plan Documents Controlling

The plan document for insurance specified below (health, dental, vision, long term disability, life) is controlling.

16.02 Health Plan

- A. Employee Health Plan Eligibility: All regular employees assigned to a one-half (1/2) time or more position and the employees dependents shall be entitled to participate in the District sponsored Cafeteria Plan. Employees working less than full-time and hired after November 1, 1987, shall receive pro-rated health contributions rounding to the nearest one-quarter time (i.e., either fifty percent (50%) seventy-five percent (75%), or one hundred percent (100%) of the District contribution for full-time employees). Eligible employees enrolling in the program within thirty (30) days following their appointment will be covered subject to the contract limitation with the health plan carrier. Employees enrolling after the thirty (30) day enrollment period will be approved only upon evidence of insurability.
- B. Employees assigned to the reduced work week schedule and assigned to work 72 hours per biweekly pay period shall be considered full-time employees. Employees assigned to a reduced work week position and assigned to work thirty-six (36) hours or more per biweekly pay period

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in that position, and that employee's dependents, shall be eligible to participate in the District's Benefit Plan.

16.02.1 Health Plan Description

The District Flexible Benefits Plan (hereafter "Cafeteria Plan") is available to all employees in regular-help positions (hereafter "employee"). There will be two (2) participation levels, identified as Employee "A" and Employee "B" as per Section 16.02.2. Once the selection is made, it will remain in force until the next open enrollment period. The fee for a third-party administrator will be paid by the District.

The basic group term life insurance will continue to be provided at District expense and will not be part of the Cafeteria Plan.

16.02.2 Participation Levels

Employee A-Core Plan: In accordance with Section 22892 of the Public Employees Medical and Hospital Care Act (PEMHCA), the District will pay the first portion of the premium for medical coverage as designated in the most current PERS Circular Letter. In addition, the District will contribute the following participant premium medical coverage and will increase the District contribution by 50% for any future rate increase during the term of this agreement in the medical, dental, and vision plans. Since there are several medical plans available through the PERS Health Plan, future District contribution increases will be based on the Blue Shield HMO rates. The District contribution amounts as of January 1, 2024 are:

<u>Participant Levels:</u>	<u>Dollar Amount</u>
Employee only	\$815.18/month
Employee plus one	\$1,596.07/month
Family	\$2,096.13/month

If the employee elects medical coverage, then the employee must participate in a dental plan option and the vision insurance (Core Plan). If dependent coverage is sought, dependents must participate in the dental and vision plans unless they are unable to do so for reasons beyond their reasonable control.

Employees that have elected to participate in the "Core Plan" can also elect to participate in optional benefits. If the employee has any surplus Flexible Benefit Account credits after making all elections required to participate in the health insurance, the employee can use that surplus toward the Flexible Benefit Options listed in the Flexible Benefit Option Exhibit. Employees that wish to participate in the optional benefits in the plan, with the exception of the cash back option, but do not have any surplus credits, can elect to have pre-tax payroll deductions in an amount to cover the cost of their elections.

The parties agree to meet and confer regarding the participation levels, annually, by October 1st of each year of the agreement.

Employee B--Flexible Benefit Options: Employees who elect not to participate in Option A will be asked to sign a waiver and will be required to provide proof of medical insurance (see Section 16.02.3). They will have an opportunity to participate in the Flexible Benefit Options as set forth in attachment Appendix F.

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The District will provide an employer flex credit monthly contribution for "employees" who elect Option B in the amount of the current District's participant contribution for Employee Only per month. Employees can use this contribution toward any of the Flexible Benefit Options listed in the Flexible Benefits Options Exhibit. Employees that wish to participate in the Flexible Benefit Options, with the exception of the cash back option, but do not have sufficient flex credits, can elect to have pre-tax payroll deductions in an amount to cover the cost of their elections.

16.02.3 Administration

- A. No benefits will be paid to employees in Category B until proof of insurance is on file with the APCO.
- B. Part-time regular help employees will receive proportional benefits as provided in the Memorandum of Understanding. For purposes of benefit plan eligibility for the duration of the thirty-six (36) hour schedule, employees who are assigned to work seventy-two (72) hours in any pay period shall be considered to be full-time employees. All employees assigned to a one-half (1/2) time or more position, and the employee's dependents, shall be entitled to participate in the District's Flexible Benefits Plan. Employees working less than full-time, shall receive prorated flex benefit contributions rounding to the nearest one-quarter time; i.e., either fifty percent (50%) for employees working thirty-six (36) hours to forty-five (45) hours; seventy-five percent (75%) for employees working forty-six (46) to sixty-four (64) hours; or one hundred percent (100%) for employees working sixty-five (65) hours or more.
- C. Any money deposited in the Flexible Benefits Account of an employee must be used during the plan year; otherwise, the remaining balance reverts to the District. Upon separation, the money will be disbursed in conformance with the rules and procedures explained to and authorized by the employee at the time of his/her enrollment.

16.02.4 Retired Employee Options

Employees hired after October 1, 2018, are not eligible for conversion of sick leave to health insurance or the one-year health coverage as outlined in this section.

Those employees hired before October 1, 2018 and who are retiring in good standing with at least ten (10) years of cumulative service with the District, are members of the District-sponsored health plan, are members of PERS and subject to this Memorandum of Understanding, are entitled to twelve (12) months of reimbursable health premiums immediately following retirement subject to the provisions of the contract between the District and the Public Employees' Retirement System.

In addition to the provisions of the sick leave buyback plan (Section 11.01.D), any retiring employee hired before October 1, 2018, is eligible for sick leave conversion for a health premium plan. Under this sick leave conversion, a retiring employee will receive one month of paid health benefits (excluding life) for each eight (8) hours of sick leave on accrual at the date of retirement. Coverage under this plan shall not be extended to employee dependents or to employees beyond the Medicare Supplemental Qualifying Age. (currently 65 years for born before 1960 and 67 years for born after 1960).

An employee hired before October 1, 2018, enrolling in the health premium plan may elect to provide coverage for a dependent spouse by converting accumulated sick leave at an additional rate of twelve

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(12) hours of accumulated sick leave for one month of health insurance until the Medicare Supplemental Qualifying Age. For a total of (20) twenty hours for both employee and spouse coverage. The dependent spouse enrollment date must be declared at the time of the employee's retirement or at a qualifying emergency event. The dependent spouse enrollment date may occur after the employee's retirement date, but a specific start date must be specified at the time of the employee's retirement. The dependent spouse must be eligible for enrollment under the requirements of the Health Insurance Portability and Accountability Act (HIPAA). If the dependent spouse is not eligible for enrollment pursuant to the provisions in HIPAA, coverage will revert back employee only coverage. The employee may undeclare (not provide coverage for) a dependent spouse with no loss of accrued sick leave if the retired employee notifies the District prior to the above specified date and at least 4 months prior to the beginning of the fiscal year which includes the specified date. Failure to notify the District within this time frame may result in loss of the allocated accrued sick leave for the dependent spouse until the next fiscal year. Changes to the coverage for a dependent spouse are subject to the requirements in HIPAA and coverage may be terminated at their death or another qualifying event, pursuant to HIPAA, without further use or loss of the retired employee's accrued sick leave.

A dependent spouse that has been enrolled in health coverage by a retired employee is eligible to continue coverage if the retired employee reaches Medicare Supplemental Qualifying Age or upon the employee's death with the same conversion rate provided accumulated sick leave is available and if the dependent spouse is still eligible for PERS health care in accordance with PERS policies.

The rights to continuation of health coverage above are in addition to any rights the employee is entitled to under COBRA. The District will reimburse the employee, on a monthly basis, for eligible health care premiums utilizing the available sick leave, when presented with a copy of the employee's retirement pay voucher showing the premium deduction. The District shall pay the Dental and Vision premiums directly.

Retiring employees may also choose to continue health coverage for themselves and their covered dependents by paying the full premium required.

16.02.5 Pre-Tax Dollar Program

The District will make available to its employees a voluntary program of pre-tax dollar contributions as provided in Internal Revenue Code Section 125. Should it be determined that this program is in conflict with provisions of the Internal Revenue Code or any other relevant law or regulations which would subject the District and/or its employees to a penalty, the program will be suspended.

16.02.6 Payroll Contributions

Payroll contributions shall normally be deducted in equal deductions in two pay periods in a month (e.g., one-half in the first pay period and one-half in the second pay period). However, for new enrollees, terminating employees and enrollees going on or returning from an unpaid absence, the entire premium will be deducted in one pay period of the month, rather than two.

16.03 Dental Insurance

The District agrees to pay the premium for a dental plan for employees and eligible dependents during the term of this agreement. Dental insurance provided by this section shall be subject to the limitations, benefits and incorporated as part of the Flexible Benefit Plan options in Section 16.02 above.

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16.04 **Optical Insurance**

The District agrees to pay the premium for optical insurance during the term of this agreement. Optical insurance provided by this section shall be subject to the limitations, benefits and incorporated as part of the Flexible Benefit Plan options set forth in Section 16.02 above.

16.05 **Life Insurance**

The District agrees to provide \$25,000 term life insurance for all employees during the term of this agreement, effective January 1, 2001.

16.06 **All Insurance**

The District continues to have the right and the obligation to administer the various insurance programs. These rights and obligations include but are not limited to the right to select the carriers and insurance claims administrators after prior meet and consultation with the Management Association. In the event a change in insurance carrier is made, an open enrollment period will be authorized.

16.07 **Disability Insurance**

Each regular District employee shall participate in the Disability Insurance Plan. Disability Insurance is integrated with the District's sick leave plan and the employee(s) shall be allowed to use up to fifteen (15) vacation and/or CTO days in addition to sick leave in combination with payments due from Disability Insurance for each disability in accordance with the following formula:

- A. The employee's gross biweekly wage shall be multiplied by a factor of 0.85 and the resulting product reduced by the amount of payments for the biweekly period. The resulting balance shall represent the amount of gross sick leave/vacation and/or CTO pay from which mandatory and voluntary deductions shall be made.
- B. It shall be the employee's responsibility to apply for benefits and to file with the Administrative Services Officer immediately upon receipt. Upon receipt of said notice, the Administrative Services Officer shall adjust the employee's sick leave/vacation and/or CTO usage to the maximum eligible, according to the integration formula.

An employee receiving disability benefit payments who fails to provide the Administrative Services Officer within thirty (30) days of the onset of the disability benefits approval shall be deemed in violation of the terms of this agreement and the Administrative Services Officer shall immediately forward to the disability benefits carrier a report indicating that the employee had received full sick leave/vacation and/or CTO to the maximum allowed for the time in question.

The District shall develop a revised checklist for employees filing disability claims. The checklist will include clear step-by-step instructions for employees to follow and explain how the disability insurance program works.

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16.08 **Continuation of Insurance during Absences without Pay**

Employees granted leaves of absence without pay of one full pay period or longer or employees suspended without pay for one full pay period or longer, must notify the APCO and make arrangements for payment of insurances in advance. "Advance" as used in this article means on or before the first working day of the pay period.

An employee who is absent without pay must pay in advance for any insurance coverage during the absence of one full pay period or longer. The only exception to advance payment is in the case of an emergency beyond the control of the employee and where payment shall be made at the earliest possible time after the leave commences.

Unless otherwise specifically provided under federal or State law, if the employee does not pay for insurance coverage during the absence without pay, he/she is treated like a new employee in terms of when coverage begins for each type of insurance. Unless otherwise specifically provided under federal or State law, should employees and/or their dependents not be covered during an absence without pay, they may be treated as initial enrollees for insurance for purposes of qualification period and benefits, including deductions and co-payments, upon return of the employee to active employment.

When an employee is absent without pay for any reason, coverage under employee insurance (e.g., health, life, dental, long-term disability) ceases for the employee and any dependents the beginning of the first full pay period of the leave of absence without pay.

16.09 **Liability of Employee for Ineligible Dependents**

Employees shall be liable for payment for all services received by ineligible dependents and for any contributions made on the dependent's behalf by the District for all employee insurances. It is the responsibility of each employee to provide written notification to the Air Pollution Control Officer and the applicable insurance carrier upon any enrolled dependent(s) becoming ineligible.

16.10 **Benefit Plan Review Committee**

The Butte County Air Quality Management District Management Association reserves the right to form a Benefit Plan Review Committee if changes in benefits warrant such an action.

17.00 **RETIREMENT PLAN**

17.01 **Membership**

Regular full time District employees shall be members of the Public Employees' Retirement System as provided by law and the terms of the contract in effect between the District and the Public Employees' Retirement System. Hourly-rated extra-help employees shall not be eligible for retirement benefits.

Participation in the retirement plan shall be consistent with the requirements of the Public Employee Pension Reform Act (PEPRA). To the extent PEPRA conflicts with any provision of this Resolution, PEPRA will govern.

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17.01.1 **New Members**

For purposes of this section “New Member” is defined by Public Employee Pension Reform Act (PEPRA) to be any of the following (statutory reference is to the California Code):

- A. An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date.
- B. An individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under subdivision (c) of Section 7522.02.
- C. An individual who was an active member in a retirement system and show, after a break in service or more than six months, returned to active membership in that system with a new employer. For the purposes of this subdivision, a change in employment between state entities or from one school employer to another shall not be considered as service with a new employer.

“New Members,” as defined above, are eligible to participate in the County retirement program as contracted through the California Public Employees’ Retirement System (CalPERS). The retirement program is based on the highest average annual compensation over a three-year period and the 2% @ 62 formula.

17.01.2 **Classic Members**

As defined above, are eligible to participate in the District retirement program as contracted through the California Public Employees’ Retirement System (CalPERS). The retirement program is based on the highest single year of salary on the 2% @ 55 formula.

17.02 **Retirement Contribution**

“New Members”: Effective the pay period including October 1, 2015, employees shall pay the current employee contribution rate to the PERS retirement pension for the 2% at 62 formula.

“Classic Members”: Effective October 1, 2014, employees will pay on a pre-tax basis all seven percent (7.0%) of salary for the employee share of their PERS retirement pension. Seven percent (7%) of salary is the maximum employee contribution to the PERS retirement pension for the 2% at 55 option.

17.03 **Retirement Credit for Sick Leave**

An employee may, upon retirement from the District under PERS, use any sick leave accumulation not used as part of the calculated options for cash out or sick leave conversion as service time, in accordance with the PERS formula.

17.04 **Credit for Butte County Employment**

Notwithstanding other provisions of the MOU, an employee previously employed with Butte County shall be given equal transfer credit for his or her previous employment with Butte County. The employee shall have his or her retirement credits transferred to the District on a 1 to 1 basis without

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any devaluation, and the credit shall be additive toward the employee's District employment term towards retirement. (For example, if employee A was employed with Butte County from 1988 through 1998, and then employed with the District from 1998 through 2000, employee A's retirement credit shall be at the year 2000, 12 years retirement credit.)

17.05 Employer Deferred Comp Program

- A. 401(a) The District agrees to maintain an employer deferred compensation program, beginning July 1, 1999, though the term of this agreement, the carrier to be determined by the District. The District agrees to contribute 6% into this employer deferred compensation program, with 100% vesting to occur three (3) years after the date of initial employment for all permanent full-time positions.
- B. 457 The District agrees to maintain, during the term of this agreement, an employee paid deferred compensation program, the administrator to be determined by the District.
- C. District agrees to offer a 401(a), 457, and Roth 401(k) account to all employees with the carrier to be determined by the District.

18.00 REIMBURSEMENT OF EXPENSES

18.01 Expenses for Mileage

Except when authorized otherwise by the APCO, an employee shall drive District vehicles on District business. An employee may be authorized to use his/her personal vehicle on District business on the following circumstances: upon approval by the APCO or his designee and following the filing with the District of proof of insurance and naming the District as additional insured.

An employee who has received authorization to use a privately-owned vehicle for District business shall be reimbursed at the rate as IRS dictates, for each mile driven on District business during the month.

All claims for mileage reimbursement must be submitted within ninety (90) days of incurring the mileage expense on the form directed by the APCO and with the supporting information directed by the APCO. Claims not submitted within ninety (90) days are not valid claims against the District.

18.02 Professional License Fees

Employees in the following classifications (upon the approval of the appointing authority) shall be eligible to be reimbursed for 100% of the professional license or certificate fees required as a prerequisite to their position.

1. Engineer, Professional registration
2. Air Pollution Specialist(s), Planner(s), and Engineer(s): Visible Emission Certification

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19.00 BENCHMARK SURVEY DISTRICTS

Employee compensation in the following air pollution control and air quality management agencies shall serve as benchmarks in reviewing potential employee salaries and benefits:

1. Shasta County APCD
2. Feather River AQMD
3. Yolo-Solano Unified AQMD
4. Placer County APCD
5. San Luis Obispo County AQMD
6. N. Sonoma APCD
7. Northern Sierra AQMD
8. North Coast AQMD

Compensation data will include salaries, paid employee retirement contributions, accruals and other benefits including but not limited to the maximum medical contribution.

20.00 EMPLOYEE PERFORMANCE

The parties support the concept of high performance, high productivity, efficiency, and courteous treatment of the public and other staff in order to provide effective services to the community served by the District at reasonable cost.

20.01 Right to Representation

The District shall advise the employee of his/her right to be represented by the respective bargaining unit, Association, or other representative of his/her choosing at any meeting in which disciplinary action is to be imposed or at which disciplinary action might reasonably be expected to be imposed. If the employee elects to have representation present, and none is immediately available, the meeting will be postponed for up to twenty-four (24) hours not including Saturdays, Sundays, or holidays, in order to permit the employee to obtain representation. Nothing herein shall be construed to preclude the department and the employee, after due consideration of the facts and circumstances of the department's allegations, from abandoning or modifying the proposed disciplinary action by mutual consent.

20.02 Disciplinary Actions

Disciplinary action may be taken by the APCO or his/her designated representative for just and reasonable cause and/or applicable personnel rules, and shall include, but is not limited to, the following:

- A. Suspension without pay for no more than sixty (60) calendar days -- the sixty-day limitation shall apply only to imposition of discipline by the APCO and does not limit the ability of the hearing officer to impose a greater period of suspension as a modification of an action of dismissal or disciplinary demotion.
- B. Reduction in salary step -- the placement of an employee at a lower step in the salary range of the classification held by the employee.

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- C. Disciplinary demotion -- the appointment of an employee for disciplinary reasons to a position in another class with a lower salary range, provided the employee meets the minimum qualifications for the lower class.
- D. Dismissal -- the separation of the employee from District service for cause.

NOTE: The APCO may suspend an employee with pay for a period not to exceed twenty (20) working days for purposes of investigation for possible disciplinary action. Such suspension with pay is not disciplinary action and is not subject to appeal.

20.03 **Performance Correction Notice**

Any performance correction notice of an employee in this representation unit by the District shall include the specific reason(s) for such reprimand. A copy of the notice may be placed in the employee's personnel file. Such a notice shall be sealed three years after its date of issuance. After the sealing, it may only be unsealed (1) to be used in any legal proceeding, claim, or dispute involving the District, or as ordered by a court or (2) for the inspection of the APCO, District Counsel, or the employee that received the performance correction notice.

Such performance correction notice shall include a statement that the employee may discuss the reprimand with the APCO, the Management Association and/or his or her council.

Such reprimands shall not be subject to appeal but the employee and/or his/her representative shall have the right to discuss the written reprimand with the APCO. The APCO may uphold, amend, or withdraw the reprimand at his/her discretion.

20.04 **Notices of Disciplinary Action**

- A. *Pre-Disciplinary Notice:* If the APCO or his or her designee proposes to take disciplinary action in severity against an employee of a suspension without pay of five (5) days or more, the APCO shall first serve the employee with notice of the proposed discipline including the right to respond to the APCO prior to the action being taken. The notice shall be served at least seven (7) calendar days prior to the effective day of the action and shall be served to the employee personally or by certified mail. If the employee is personally served, the date of service shall be considered to be the first day of notification. If the employee is served by certified mail, neither the day of the mailing nor the following calendar day shall be considered in the seven (7) calendar days for notification purposes. The notice shall clearly specify the action taken, the reason for the action including the particular facts and specific incident(s) involved and the effective date(s) of the action and, in cases of demotion, shall contain a statement as to the wages and duties of the new position. The notice shall also advise the employee that a copy of the material upon which the action is taken or based is attached; the right to be represented and to respond verbally or in writing to the APCO or designated representative prior to the effective date of the action, and the right to appeal the action and the time within which the appeal may be made.

The APCO or a designated representative taking disciplinary action against an employee may, when it is necessary for the operation of the District, or to conduct an investigation into the allegation, assign the employee to less critical duties during the five (5) day review period. When extraordinary circumstances exist that require the immediate removal of the employee

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from the premises, the APCO or a designated representative may place the employee on paid suspension subject to call not to exceed five (5) days. If required to provide for full investigation of the allegations made against an employee, the five (5) day period for reassignment of paid leave may be extended up to thirty (30) days.

Nothing in this section or in Section 20.05 shall be deemed to preclude the taking and imposition of disciplinary action before the grievance procedure has been resorted to or exhausted by the employee's respective bargaining unit representative association or Employee.

- B. *Notice to Association:* The APCO, upon initiating disciplinary action for discharge, demotion, or suspension of an employee identified in Appendix A, shall immediately notify the Association and representative of the employee.

If personal delivery at the work site cannot be accomplished, notice shall be served as follows, using the most current address in the employee's personnel file: (1) by mailing a copy of the notice by certified mail to the employee with return receipt required; and (2) by mailing a copy of the notice to the employee via first class U.S. Mail.

For purposes of establishing the time limits for filing an appeal, service of the notice of disciplinary action shall be deemed complete on the earlier of: (1) The date of receipt of the notice sent by certified mail, or, (2) five (5) calendar days from mailing of the notice by first class U.S. mail.

20.05 Appeals

- A. *Who May Appeal.* Only employees in full time, permanent, budgeted positions as identified in Appendix A who are not on probation shall have the right to appeal disciplinary actions as defined herein.
- B. *Appeal Timelines and Contents.* A written appeal of a disciplinary action as defined herein must be filed with the APCO within ten (10) working days of the date the notice of disciplinary action is deemed to have been received. Such notice must be filed by the employee against whom the disciplinary action is taken. The appeal shall contain a specific admission or denial of the material allegations contained in the notice of disciplinary action.

Failure by the employee to file an appeal with the APCO within the ten (10) working daytime limit shall constitute an automatic forfeiture and irrevocable waiver of any right to appeal the disciplinary action.

20.06 Appeal Hearing

Hearings on appeals filed in accordance with the provisions of this Memorandum of Understanding shall be as follows:

- A. *Selection of Hearing Officer.* The parties shall select a mutually acceptable hearing officer and schedule a day for the appeal hearing within twenty (20) working days of the date of the appeal of the disciplinary action. Should the Management Association representative exercise its

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option of representing the employee in the appeal, it may require that the hearing officer be an arbitrator.

- B. *Preparation for Hearing.* At least ten (10) working days prior to the appeal hearing, the parties shall attempt to stipulate as many facts as possible.
- C. *Expenses.* The fees and expenses of the hearing officer shall be shared equally by the parties. It is understood and agreed, however, that all other expenses, including but not limited to fees for witness transcripts and similar costs incurred by the parties during such hearing, shall be the responsibility of the individual party involved.

If the employee is not represented by the Management Association representative for the appeal hearing, the employee shall certify in writing that she/he shall pay his/her share of the fees and expenses of the hearing.

- D. *Criminal Action-Alleged or Charged.* When the facts alleged in the notice of disciplinary action constitute a crime, or where the employee has been charged with a crime arising from the same transaction, and the employee has filed an appeal of the disciplinary action, she/he may, at least ten (10) working days prior to the date of the appeal hearing, request a continuance of his/her appeal hearing for a reasonable period to determine whether a criminal charge will be filed or until after termination of the criminal case. Such a request must be accompanied by waiver of salary and all benefits for the period of continuance, in the event the employee is reinstated.
- E. *Hearings.* It shall be the duty of the hearing officer to hear and consider evidence submitted by the parties and to thereafter make written findings and a decision within twenty (20) working days of the conclusion of the hearing.

The hearing officer shall have the authority to deny, affirm or amend the disciplinary action appealed, but the hearing officer shall have no authority to add to, subtract from, alter, amend or modify any provision of this Memorandum of Understanding or impose on any party a limitation or obligation not explicitly provided for in this agreement.

20.07 **Notice of Association**

The APCO will, upon receiving a notice of disciplinary action for discharge, demotion, or suspension of an employee within the unit, immediately notify the Association. Failure of the APCO to immediately notify the Association shall not affect the appointing authority's notice of discharge to the employee.

21.00 **GRIEVANCE PROCEDURE**

Intent. An employee (or employees) shall have the right to present a grievance pursuant to this procedure. The employee (or employees) may be represented by the Management Association representative or an individual of his/her choice in the formal steps of this procedure. Employees who present a grievance shall not suffer reprisal or other punitive action by the District or an Management Association because of the exercise of the right to present or appeal a grievance. An employee (or employees) who have a grievance shall be given reasonable time off without loss of pay or benefits to present the grievance to District management pursuant to this procedure.

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21.01 Grievance Defined

- A. A grievance may only be filed if it relates to:
1. A management interpretation or application of this Memorandum of Understanding which adversely affects an employee.
 2. Failure by the District to provide a specific condition of employment which is established by the Administrative Code of the District and applies to employees in the Management Association, provided that the enjoyment of such condition is not made subject to the discretion of the District or APCO, and provided further that the condition of employment which is the subject matter of grievance is a matter within the scope of representation as defined in California Government Code Section 3504.
- B. A grievance shall not include the following:
1. Complaints regarding Affirmative Action, Occupational Health and Safety or Worker's Compensation or the applicable procedures for such complaints.
 2. The exercise of any District rights as specified in this Memorandum of Understanding, so long as the exercise of such rights does not conflict with other provisions of this Memorandum of Understanding.
 3. Any impasse or dispute in the meet and confer process.
 4. Any "interest" matters or matters within the scope of representation.
 5. Any matter for which a different appeals procedure is provided either by statutes, ordinances, resolutions, or agreement.
 6. Disciplinary actions.
 7. Decisions of the APCO with respect to classification requests.
 8. District's Governing Board of Directors resolution, or minute order.
 9. Subjects involving the amendment of a state or federal law.
 10. Performance evaluation.
 11. Denial of merit increases.
- C. Other limitations on arbitration:
1. Grievances concerning provisions of the District Administrative Code shall not be subject to arbitration (Step 4).
 2. Article 22.02 (Safety) shall not be subject to arbitration (Step 4).

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3. Y-rating pursuant to Article 14.06 shall not be subject to arbitration (Step 4).

21.02 **No Discrimination**

There shall be no restraint, interference, coercion, discrimination, or reprisal against any employee for exercising any rights under this grievance procedure.

21.03 **General Provisions**

- A. *Grievance Withdrawal.* The grievant may withdraw the grievance at any stage of the grievance procedure by giving written notice to the District representative who last took action on the grievance, with a copy to the APCO.
- B. *Reconsideration.* By mutual agreement, the parties may revert the grievance to a prior step for reconsideration. If the grievance is not then settled at that prior level, the grievance shall be processed from the prior step following the timelines and process set forth in this Article.
- C. *Consolidation.* The District and the Management Association may consolidate grievances where, in its discretion, the grievances present substantially similar issues.
- D. *Grievance Resolution.* If a grievance is resolved at Step 2 or Step 3 the grievant(s) concerned shall indicate acceptance of the resolution by affixing his/her signature in the appropriate space indicated on the grievance form. If the employee(s) has been represented by the Management Association at the step of procedure at which a resolution is reached, the Management Association representative shall also sign in the appropriate space on the grievance form, acknowledging that the grievant(s) has accepted the resolution.

21.04 **Timelines**

- A. The time limits set forth herein are essential to the grievance procedure and shall be strictly observed.
- B. The time limits may be extended by agreement of the parties; however, any such extension must be confirmed in writing.
- C. If, at any step of the grievance procedure, the grievant(s) is dissatisfied with the decision rendered, it shall be the responsibility of the grievant(s) to submit the grievance to the next step within the time limits specified.
- D. Failure to submit the grievance within the specified time limit shall terminate the grievance process and the grievance shall be considered settled on the basis of the last decision and the grievance shall not be subject to further appeal or reconsideration.
- E. The grievant(s) has the right to promptly proceed to the next step within the prescribed time limits if the appropriate District representative fails to respond within the time limit specified.

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21.05 Grievance Processing Steps

An employee has the right to present his/her own grievance. A group of employees may also present a grievance. The Management Association may file a grievance on those matters concerning the rights of the Management Association as an organization as specified in Article 4 of this MOU.

A. Step 1 - Informal

The grievant(s) shall first discuss the grievance informally with his/her Division Chief and inform the Division Chief that the subject of the discussion is a grievance. The discussion shall be held within ten (10) working days of the action causing the grievance or of the date the action reasonably could have been expected to be known to the grievant(s). In no event shall any grievance be accepted for consideration more than forty-five (45) working days from the date of the action causing the grievance, regardless of the date the action became known to the grievant(s).

Every reasonable effort shall be made to resolve the grievance at this level. The Division Chief shall respond verbally to the grievant(s) within five (5) working days of the informal discussion between the grievant and the Division Chief.

Any settlement must be in accordance with the provisions of this Memorandum of Understanding or, if applicable, the District's Personnel Rules.

B. Step 2 - Formal Written Grievance

In the event the grievant(s) believe the grievance has not been resolved satisfactorily, the grievant(s) shall submit the grievance in writing to the Division Chief within ten (10) working days of receipt of the Division Chief's verbal response at Step 1. A copy of the grievance shall also be provided to the APCO. In the event the Management Association believes a grievance filed with respect to Article 6 has not been satisfactorily resolved at Step 1, the Management Association shall submit the grievance in writing to the APCO within ten (10) working days of receipt of the APCO's verbal response at Step 1. If the grievance is not filed at Step 2 within the time limits provided herein it shall be deemed to not exist.

All formal grievances shall be presented on grievance forms which are available to employees and the Management Association and which shall contain the following information:

1. the name of the grievant(s),
2. the specific nature of the grievance and how the grievant(s) was adversely affected,
3. the date, time, and place of occurrence,
4. the specific provision(s) of this Memorandum of Understanding or of the Personnel Rules alleged to have been violated,
5. any decision that was rendered at Step 1,
6. the corrective action desired,
7. the name of any representative chosen by the employee to represent him/her.

Within ten (10) working days of receipt of the formal grievance, the Division Chief (or APCO, with respect to an Management Association grievance which alleges violation of Association Rights) shall respond in writing to the grievant(s) and the grievant(s) representative stating his/her decision, the facts on which the decision is based, and the remedy or corrective action which has been offered, if any.

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Any grievance settlement at Step 2 shall be subject to the review and confirmation of the APCO before the settlement may become effective and must be consistent with the provisions of this Memorandum of Understanding or, if appropriate, the District's Personnel Rules.

Such review and confirmation will occur within ten (10) working days, or the grievant(s) may appeal the grievance in Step 3. Such appeal must be moved to Step 3 within ten (10) working days from the date the APCO's review and confirmation was due.

C. Step 3 - Appeal of Formal Written Grievance to APCO

In the event the grievant(s) believe the grievance has not been resolved satisfactorily, or in the event the Division Chief (or APCO in the case of an Management Association grievance concerning Article 4) fails to respond within ten (10) working days of receipt of the formal grievance, the grievance may be advanced to Step 3. The grievance must be appealed to step 3 within ten (10) working days of the receipt of the District's response at Step 2 or within ten (10) working days of the date the District's response became delinquent.

When a grievance is appealed to Step 3, the grievant(s) must specifically set forth the reason(s) that he/she believes the answer provided by the District is not satisfactory.

The APCO shall issue a decision in writing to the grievant(s) and his/her representative, if any, within ten (10) working days of receipt of the appeal to Step 3. Such decision shall be final and binding on the parties unless the grievance is appealed by the Management Association to Step 4, provided such appeal is received by the APCO within ten (10) working days of the APCO's decision at Step 3, and further provided that the issue is arbitral in accordance with the provisions of this Article.

D. Step 4 - Arbitration

Only those unresolved grievances filed and processed in accordance with this Section, which meet the definition of a grievance and are not excluded from arbitration pursuant to this Section, and which directly concern or involve the interpretation or application of the specific terms and provisions of this Memorandum of Understanding may be submitted to arbitration. The Management Association appeal of the grievance to Step 4 shall set forth the specific issue or issues, which remain unresolved.

Failure to request arbitration within the time limits set forth herein shall constitute an automatic forfeiture and an irrevocable waiver of the right to process the grievance appeal to arbitration.

Prior to the selection of the arbitrator, the parties shall disclose all pertinent information and will attempt to stipulate as many facts as possible and agree on the issue(s) to be submitted to the arbitrator.

Within ten (10) working days of receipt of the appeal to Step 4 the parties shall meet to select a mutually acceptable arbitrator. In the event that the parties are unable to agree upon an arbitrator, the parties shall jointly request that the State Conciliation and Mediation Service; or its successor agency as the State may determine, provide a list of seven (7) qualified arbitrators. Upon receipt of the list of arbitrators the parties shall meet within ten (10) working days to strike names from the list. The parties shall alternately strike names from the list until one name remains, and the person remaining shall serve as the arbitrator. The party having the first choice to strike a name from the list shall be determined by lot.

Within five (5) working days from the date of selection a letter will be sent to the State Conciliation and Mediation Service; or its successor agency as the State may determine, notifying the service of

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the arbitrator selected and requesting that the arbitrator be notified of his/her selection and requesting that the arbitrator contact the parties to establish a hearing date.

Once the arbitrator has contacted the parties, the arbitration hearing will be scheduled at the earliest mutually agreeable date, but no later than twenty (20) working days from the earliest date the arbitrator is available.

The fees and expenses of the arbitrator shall be shared equally by the parties. It is understood and agreed, however, that all other expenses, including, but not limited to fees for witnesses, transcripts and similar costs incurred by the parties during such arbitration, shall be the responsibility of the individual party involved.

Proceedings shall be recorded but not transcribed except at the request of either party to the hearing. The party requesting the transcripts shall bear the expense. Upon mutual agreement, the District and the grievant may submit briefs to the arbitrator in lieu of a hearing.

Except when briefs are submitted as specified in the preceding, it shall be the duty of the arbitrator to hear and consider evidence submitted by the parties and to thereafter make written findings of fact and a decision within twenty (20) calendar days of the conclusion of the hearing.

The decision of the arbitrator shall be final and binding on the parties, but the arbitrator shall have no authority to add to, subtract from, alter, amend or modify any provision of this Memorandum of Understanding or impose on any party a limitation or obligation not explicitly provided for in this agreement.

21.06 **Representation**

A. Meetings and Hearings

The District and the grievant(s) or, if the grievant(s) is (are) represented, the grievant's representative, shall be responsible for giving notice of meetings concerning grievances to their respective parties at least 24 hours prior to any such meeting, whenever possible.

If the employee is represented at a meeting to discuss a grievance, the District may also designate a management representative to be present at such meeting.

In no event shall a grievant be represented by more than one District employee at any grievance meeting or hearing.

B. Employee (Grievant)

An employee is entitled to represent him/herself individually in the processing of a grievance. However, only the respective employee's representative Management Association may appeal a grievance to arbitration (Step 4).

Decisions on grievances where employees represent themselves shall not be considered precedent setting or binding with regard to any future grievance filed with respect to the same or similar matters.

Memorandum of Understanding - October 1, 2024

The grievant shall be granted a reasonable amount of time off with pay from his/her regularly scheduled duty hours to process a grievance, provided that the time off will be devoted to the prompt and efficient investigation and processing of the grievance, subject to the following:

1. The scheduling of such time off shall be subject to the prior approval of the APCO to assure that the employee's absence does not unduly interfere with priority operations of the District.
2. The grievant shall notify his/her supervisor as soon as possible of any scheduled grievance meeting or hearing and of any change in the time or dates of such meetings or hearings in which she/he must participate.

C. Management Association Representation

Provisions regarding the involvement of the steward in the preparation and presentation of grievances are specified in Article 5. In addition, the following applies regarding Management Association representation:

1. The grievant may be accompanied by a representative in the discussion of a grievance at Step 1.
2. The grievant has the right to the assistance of the steward in addition to a management association staff representative in the preparation and/or presentation of the grievance at Step 2 or 3.
3. In no event shall the grievant be represented by more than one (1) District employee at any stage in this grievance process.

21.07 Management Association Standing to Grieve

The Management Association representing the employee(s) holding position as identified in Appendix A hereto, shall have standing to grieve beginning at the first formal step for their respective employees as follows:

- A. On all matters relating to Management Associations' rights or prerogatives or on matters relating to the Management Associations' business relationship with the District.
- B. On behalf of former District employees regarding their termination rights and benefits, except for former District employees not having passed probation status.
- C. Where the Management Association determines that there is a substantial non-compliance with an otherwise grievable term or condition of employment, where no specific employee is directly affected by an interpretation or application of the District affecting otherwise grievable terms and conditions of employment.
- D. Where a grievance filed by an employee representing themselves or having a representative other than the Management Association is resolved in a manner the Management Association believes to be inconsistent with the Memorandum of Understanding.

Memorandum of Understanding - October 1, 2024

22.00 Safety and Emergency Authority

22.01 Emergency Authority

Nothing contained herein shall be construed to limit the authority of the District to make changes for the purpose of preparing for or meeting an emergency. For the purposes of this article, changes in law or circumstances that significantly reduce currently existing revenue levels, shall be included within the definition of an emergency. Such emergency actions shall not extend beyond the period of the emergency.

Whenever practicable, the District will meet and consult with the Management Association prior to taking action under the authority of this section. After taking action under the authority of this section, the District, upon request, will meet and confer with the Management Association over the practical consequences that the emergency action taken had on those terms and conditions of employment that are within the scope of representation.

22.02 Safety

The District recognized its obligation to provide a safe place of employment for its employees and comply with Labor Code 60401.7 and General Industry Order 3203, Injury, and Illness Prevention Program. To assist in accomplishing this goal, it is agreed that the District reserves the right to administer reasonable District rules and regulations.

The Management Association agrees that it is the duty of all employees to comply with all reasonable rules and regulations and to be alert to all unsafe places, equipment and conditions and to report any such unsafe practices or conditions to employee's immediate supervisor or Safety Committee member immediately.

22.03 Safe Working Conditions

When an employee has reason to believe a work assignment is in an unsafe work area or involves unsafe equipment, the employee shall, in accordance with the District's safety program, report the problem to the immediate supervisor and may refuse to work in the area or use the equipment until it has been inspected by the supervisor. Should the supervisor, after such inspection, order the employee to work, the employee shall do so unless the employee believes, within reason, the work environment to be unsafe. In such instance, the employee may request the APCO, or his/her designee inspect the work area. The employee will be assigned other work until the inspection is made. The decision of the APCO is final. Nothing herein shall be deemed to waive the employee's rights under CAL-OSHA.

22.04 District Safety Committee

The District shall maintain a Safety Committee consisting of District management and two District employees. One shall be the shop steward. The purpose of the Safety Committee shall be to review safety policies and procedures and to make recommendations. The committee shall be advisory to the District and the Management Association.

Memorandum of Understanding - October 1, 2024

23.00 Transfer and Promotional Opportunity

23.01 Transfer Preference

When filling regular help positions, the APCO shall consider lateral transfer requests from employees in the same class as the vacancy.

23.02 Promotional Interviews

When the APCO develops a certified list of eligible staff to fill a regular help position by promotion, the APCO shall interview each of the eligible staff on the list that is available and interested in the position before making a final selection for the position.

23.03 Promotional Step Increase

Employees who are promoted within ninety (90) days of their anniversary date will be granted an additional salary step increase beyond what is normally provided. Such additional step may be denied for reasonable cause; including the employee being hired, promoted, or receiving extraordinary step increases within the previous twelve (12) months.

24.00 Layoff

The APCO may initiate a layoff for a regularly held position(s) due to administrative reorganization, lack of work or appropriation by advising the Management Association of the number of positions and the effective layoff date. The APCO shall establish a seniority list and shall consider employee status, length of service and efficiency in determining which employee or employees are to be laid off and shall, in writing, inform the affected employees.

25.00 Seniority List Score Computation

- A. Regular help employees appointed to a position with District, or its predecessor county department shall receive credit for compensated regular help employment in both the District and Butte County employment, that has not been broken by a permanent separation. When there has been permanent separation, credit shall be given only for regular help employment following such break in service.
- B. One (1) point seniority credit shall be given for each calendar month of regular help employment, unless specified elsewhere herein, or any portion thereof excluding extended leaves of absence. Regular employees working part-time schedules will be given fractional point credit for each month of service on a pro-rata basis.
- C. Twelve (12) points shall be subtracted from the seniority score of an employee who was the subject of a Disciplinary Action which was appealable and was not appealed or the Disciplinary Action was sustained.
- D. When two (2) or more employees have the same total seniority score the tie shall be broken and preference given in the following sequence:
 - 1. Employees with the greatest seniority in the District and the class in which layoff is being made and in related higher classes.

Memorandum of Understanding - October 1, 2024

2. Employees with the greatest seniority in the class in which the layoff is being made and in related higher classes.
3. Employees whose names are drawn by lot by the APCO.

26.00 Order of Separation\Reduction in Force

- A. Employees in the same class within the District of layoff shall be separated during a reduction-in-force in the following appointment type sequence:
 1. Extra Help and Emergency
 2. Provisional and Probationary
 3. Permanent
- B. Separation of employees shall be in the order in which their names appear on the seniority list for the affected class, with those people having the least seniority credit being the first separated.

27.00 Layoff Notice

The APCO shall send written notice to the last known address of each employee affected by the layoff at least thirty (30) days prior to the effective date of the action, except for employees who are displaced by an employee with a higher seniority score as set forth in Section 28.00. In which case notice shall be sent fourteen (14) days prior to the effective date of the action. The notice shall include the following:

1. reason for layoff
2. classes to which the employee may demote within the department if any
3. effective date of the action
4. seniority score of the employee
5. formula by which the seniority score is computed
6. appeal rights of the employee
7. conditions governing retention on and reinstatement from reemployment lists, and
8. rules regarding waiver of reinstatement and voluntary withdrawal from the reemployment list .

28.00 Demotion In Lieu Of Layoff

In lieu of being laid off, a regular employee may elect demotion to:

- A. any position held by an employee with a lower seniority score in a class with substantially the same or lower maximum salary in which the laid off employee held permanent status; or
- B. any vacant position in a class in the same line of work as the class of layoff, but of lesser responsibility if such classes are designated by the APCO.

Demotion rights to specified classes shall be applicable only within the District of layoff. To be considered for demotion in lieu of layoff, an employee must notify the APCO in writing of this election no later than five (5) days after receiving the notice of layoff.

29.00 Layoff Reinstatement

Permanent employees laid off who are reinstated to a regular District position within twenty-four (24) months from the effective date of layoff, shall be reinstated with seniority rights including time served towards annual merit increase. Such employees shall be credited with one hundred percent (100%) of unused sick leave on accrual at the time of layoff and shall accrue vacation benefits at the same rate established by prior seniority. An employee reinstated to the same classification or lower classification in the same class series in which permanent status was held at the time of layoff shall not be required to serve a new probationary period. A former employee reinstated in a classification with an equal or lower pay range than that held by the employee at the time of layoff, pursuant to the provisions of these rules, shall remain on the valid reinstatement list. Should an employee on a layoff list be employed by the District in a classification with a higher pay range than that held at the time of layoff, the employee's name shall automatically be removed from the layoff reinstatement list upon completion of the probationary period.

30.00 Layoff-Probationary Employees

Probationary employees laid off shall have their names placed back on the eligible list from which they were appointed providing it is still in existence. Should such employees be later appointed from the eligible list, the appointment will be the same as for others appointed from the list for the first time. A new probationary period and other terms and conditions of a new appointment shall apply.

31.00 Performance Evaluation

- A. An employee who receives a "Not Satisfactory" overall rating on a performance report or is denied a merit increase may appeal to the APCO within ten (10) days of such notice. The APCO's decision shall be final. The APCO will provide a written response to the employee requesting a review of his/her evaluation.

- B. No evaluation of any employee shall be placed in his/her personnel file without first providing the employee an opportunity for discussion between the employee and an evaluator where appropriate. Negative evaluations shall include specific recommendations for improvements and provisions for assisting the employee in implementing any recommendations for improvements to be made. Employees shall have the right to review and respond to any derogatory evaluation.

32.00 Rain Gear

Employees provided rain gear by the District shall also be provided rain boots.

35.00 Absent Without Leave

An employee absent from duty for a period which exceeds three (3) working days without authorized leave shall be considered to have abandoned his/her position and to have automatically resigned.

Such resignation shall be rescinded by the APCO, if the employee can show to the satisfaction of the APCO that it was impossible to contact the District and, further, that the employee did contact the District at the earliest opportunity.

Memorandum of Understanding - October 1, 2024

The APCO's decision shall be final and binding.

36.00 IRS 125 Program

Existing IRS Section 125 Program options will remain in effect for the term of this agreement, except that no new applications will occur during the remaining term of this agreement.

37.00 Employee Assistance Program

The District shall maintain in effect the Employee Assistance Program. Each employee may receive up to twelve (12) Employee Assistance visits per calendar year paid by the District.

39.00 First Aid and CPR Training

During the term of agreement, and as may be necessary to provide refresher courses, training shall be made available in First Aid and Cardio-Pulmonary Resuscitation in order that District work areas have employees trained in such skills.

40.00 Memorandum of Understanding and District Administrative Code Conflicts

Should any provision of this Memorandum of Understanding conflict with a specific provision of the District's Administrative Code which applies directly to employees in this representation unit, the Memorandum of Understanding provision will supplant that specific provision of the Administrative Code as it applies directly to employees in this representation unit for the term of this Memorandum of Understanding.

Nothing in this Article limits the District's authority or responsibility for the adoption of policies and procedures regarding its operations, including those necessary for the implementation of this Memorandum of Understanding.

41.00 Extra Help Work

Regular District employees shall be allowed, when approved by the APCO, to work as extra help when:

- A. The extra help work is voluntary.
- B. The work is in a different occupational category.
- C. The APCO has determined that the employee can satisfactorily perform the assigned functions.

42.00 Probationary Period

Newly hired employees shall serve a twelve (12) month probationary period. During the probationary period, the employee serves at the pleasure of the District and has no employment termination grievance rights. The probationary period for promotional appointments shall be six months.

Memorandum of Understanding - October 1, 2024

43.00 Full Agreement

It is understood this agreement represents the complete and final understanding on all negotiable issues between the District and the Management Association. This agreement supersedes all previous Memoranda of Understanding or Memoranda of Agreement between the District and the Management Association, except as specifically referred to in this agreement for all District employees. All District ordinances, resolutions or rules not specifically referred to in this agreement shall not be superseded, modified, or repealed by implication or otherwise by the provisions hereof. The parties for the term of this agreement, voluntarily and unqualifiedly agree to waive the obligation to negotiate with respect to any practice, subject or matter, which may not have been within the knowledge of the parties at the time this agreement was negotiated and signed. In the event any new practice, subject or matter arises during the term of this agreement and any action is proposed by the District, the Management Association shall be afforded notice and shall have a right to meet and confer upon their request. In the absence of agreement on such proposed actions, the District reserves the right to take the necessary action by management direction.

44.00 Enactment

This Memorandum of Understanding shall become effective when ratified by the Management Association's memberships and adopted by resolution of the District's Governing Board of Directors. Upon such adoption, the provisions of this memorandum shall supersede and control over conflicting or inconsistent District policies, resolutions or rules, and inconsistent District policies, resolutions, or rules.

45.00 Savings Clause

If any provision of this memorandum shall be held invalid by operation of law or by a court of competent jurisdiction, or if compliance with or enforcement of any provision shall be restrained by any tribunal, the remainder of this Memorandum of Understanding shall not be affected thereby, and the parties shall enter into negotiations for the sole purpose of arriving at a mutually satisfactory replacement for such provision or provisions.

46.00 Amendment Process

This Agreement may be reopened and amended at any time during the term of the Memorandum of Understanding by mutual written agreement of the parties.

47.00 Term of Agreement

The term of this Memorandum of Understanding is for the period October 1, 2024 through September 30, 2027, when said Memorandum of Understanding shall expire and be of no further force or effect.

Unless otherwise specified herein, all provisions of this Memorandum of Understanding shall be effective October 1, 2024.

Memorandum of Understanding - October 1, 2024

For the Butte County Air Quality Management District, Management Association

Ratified by the Management Association, on this _____ day of _____, 2024.

Management Association

Management Association

District Ratification

Approved by the Butte County Air Quality Management District Governing Board of Directors this 28th day of October, 2024. Resolution Order No. 2024-10.

Tami Ritter,
Chair, Butte County AQMD

Approved As to Form:

Gregory Einhorn, Esq.
District Counsel

ATTEST:

Stephen Ertle
Director / Air Pollution Control Officer

By: _____

Kelly Towne Clerk of the Board

By: _____

APPENDIX

A

EMPLOYEES' MANAGEMENT UNIT

APPENDIX

A

Employees' Management Unit

The following District employee positions are included within, and represented by, the recognized unit:

Management Unit

Air Quality Compliance Supervisor
Air Quality Planning Supervisor
Air Quality Engineering Supervisor
Administrative Services Officer
Assistant Air Pollution Control Officer

Exempt and Non-Exempt classifications are defined by FLSA requirements.

APPENDIX

B

COMPENSATION RANGE PLACEMENTS

APPENDIX

B

COMPENSATION RANGE PLACEMENTS

Class Title	Range
Air Quality Compliance Supervisor	34*
Air Quality Planning Supervisor	38*
Air Quality Engineering Supervisor	38*
Administrative Services Officer	38
Assistant Air Pollution Control Officer	42

*Position placement will be subject to future meet and confer.

APPENDIX

C

COMPENSATION SCHEDULE

Memorandum of Understanding - October 1, 2024

Memorandum of Understanding - October 1, 2024

Appendix C

Butte County Air Quality Management District

Bi-Weekly Salary Schedule

10/1/2024 (3% increase to 10/1/2023 schedule)

Salary Range #	Bi-Weekly Salary Steps					
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
1	1399	1468	1541	1618	1698	1869
2	1433	1503	1578	1657	1738	1913
3	1468	1541	1618	1698	1783	1962
4	1503	1578	1657	1738	1826	2008
5	1543	1619	1699	1784	1859	2057
6	1578	1657	1738	1824	1915	2108
7	1621	1701	1788	1876	1971	2166
8	1663	1748	1836	1929	2024	2228
9	1701	1788	1876	1971	2069	2277
10	1743	1834	1926	2022	2121	2336
11	1788	1876	1971	2069	2174	2401
12	1834	1926	2022	2121	2229	2450
13	1876	1971	2069	2174	2282	2510
14	1924	2021	2120	2228	2340	2573
15	1972	2072	2177	2283	2399	2638
16	2021	2120	2228	2340	2459	2701
17	2069	2174	2282	2398	2517	2769
18	2121	2229	2341	2460	2583	2842
19	2174	2282	2398	2517	2645	2909
20	2230	2342	2461	2586	2716	2984
21	2282	2398	2517	2638	2779	3057
22	2341	2460	2583	2715	2851	3136
23	2398	2517	2645	2779	2918	3208
24	2461	2586	2716	2852	2994	3292
25	2517	2645	2779	2918	3063	3370
26	2583	2715	2851	2993	3142	3458
27	2645	2779	2918	3063	3216	3540
28	2715	2852	2997	3147	3301	3633
29	2780	2920	3064	3218	3380	3718
30	2848	2992	3141	3295	3463	3811
31	2918	3063	3216	3378	3547	3901
32	2993	3146	3300	3464	3638	4003
33	3064	3218	3380	3548	3727	4100
34	3142	3296	3463	3637	3819	4202
35	3216	3378	3547	3724	3908	4301
36	3296	3463	3637	3819	4012	4413
37	3378	3547	3724	3908	4106	4517
38	3463	3636	3819	4011	4212	4634
39	3547	3724	3908	4106	4312	4744
40	3636	3819	4011	4212	4423	4864

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41	3727	3912	4107	4313	4529	4985
42	3819	4011	4212	4423	4644	5107
43	3908	4106	4312	4528	4758	5232
44	4010	4211	4419	4641	4873	5359
45	4106	4312	4528	4758	4996	5493
46	4212	4423	4644	4875	5122	5633
47	4312	4528	4758	4996	5245	5768
48	4420	4642	4874	5121	5378	5916
49	4528	4758	4996	5245	5508	6059
50	4642	4874	5121	5378	5647	6213
51	4758	4996	5245	5508	5785	6360
52	4874	5121	5378	5647	5930	6523
53	4996	5245	5508	5785	6073	6683
54	5121	5378	5647	5930	6227	6847
55	5245	5508	5785	6073	6377	7016

APPENDIX

D

PROCEDURE FOR RELEASE OF EMPLOYEES AND STEWARDS FOR REPRESENTATION OF EMPLOYEES

Employees desiring representation by a Management Association shall first request release time from their immediate supervisor. Supervisors are to provide, within a reasonable period of time, sufficient time for an employee to receive representation. If the time and duration of release is during an emergency, when coverage for the employee is not possible, or essential services may not be interrupted, the supervisor may temporarily deny the release until such time arrangements can be made. Once a time and duration has been agreed upon between the employee requesting representation and his/her supervisor, the employee contacts his/her Steward or the respective Management Association to obtain representation.

Stewards contacted for assistance in representation will obtain their supervisor's approval for the time and duration requested. Supervisors are to provide Stewards with reasonable time to represent employees, but may restrict release in cases of emergencies, lack of coverage, or where essential services may not be interrupted. If no other Steward or paid representative is able to provide representation when needed, the Steward should advise and work with his/her supervisor and the supervisor of the employee to arrange a mutual time when the employee and his/her representative may meet.

EMPLOYEE REPRESENTATION RELEASE RECORD

When an agreed upon release time has been approved, the Steward shall initiate completion of the form and have the employee, employee's supervisor, and Steward's supervisor complete and sign the record after the representation has been completed.

The original is to be sent to the APCO, with copies to the Steward and his/her supervisor.

Memorandum of Understanding - October 1, 2024

EMPLOYEE REPRESENTATION RELEASE TIME RECORD

Name of Steward/Employee Representative

Employee Requesting
Representation: _____

Reason: Grievance Discipline Appeal

Time of Representation: _____ to _____

Employee Signature: _____

Date: _____

Employee's Supervisor:

Time of Request:

Release Time Approved: _____ to _____

Actual Release Time: _____ to _____

Supervisor's Signature: _____

Date: _____

Steward/Employee Representative Supervisor:

Time Request Made: _____ Date: _____

Time Granted: _____ to _____

Actual Time: _____ to _____

Supervisor's Signature: _____

Date: _____

Steward/Employee Representative Signature: _____

Date: _____

APPENDIX

E

CATASTROPHIC LEAVE POOL AGREEMENT

APPENDIX

E

CATASTROPHIC LEAVE POOL AGREEMENT

This agreement is entered into between the Butte County Air Quality Management District hereinafter referred to as District, and the Management's Association, hereinafter referred to as the Management Association, to implement a Catastrophic Leave Pool for employees in the General Unit and/or Administration Unit.

The purpose of the Catastrophic Leave Pool is to enable employees in to receive and donate vacation, admin leave and compensatory time off (CTO) leave credits to assist employees who have no leave and who will suffer a financial hardship due to prolonged illness or injury to themselves or a member of their immediate family as defined in Section 11 in this MOU.

The following conditions shall apply to Catastrophic Leave:

1. Catastrophic Leave will be available only to employees who have exhausted their own paid leave through bona fide serious illness or accident.
2. The leave pool shall be administered by the APCO or his or her designated representative.
3. Donations may be made between bargaining units if mutually agreed by the respective units and the District.
4. Employees must be in regular appointed positions to be eligible for catastrophic leave.
5. The employee may be on disability benefits and use the leave pool credits in the same manner that sick leave is used to supplement disability benefits.
6. All donations are to be confidential, between the donating employee and the APCO.
7. Employees donating to the pool must have forty (40) hours of vacation available after donating.
8. Donating employees must sign an authorization, including, specifying the specific employee to be a recipient of the donation.
9. Donation will be subject to applicable tax laws.
10. The availability of Catastrophic Leave shall not delay or prevent the District from taking action to medically separate or disability retire an employee.
11. Catastrophic Leave due to illness or injury of an immediate family member may require medical justification as evidence by a Physician's Statement that the presence of the employee is necessary.

APPENDIX

F

FLEXIBLE BENEFITS OPTIONS

APPENDIX

F

FLEXIBLE BENEFIT OPTIONS

Employee A

1. Core Plan (must enroll in all three).
 - a. A PERS medical option.
 - b. Delta Dental Plan Options.
 - c. Vision Services Plan.
2. Flexible Benefit Options
 - a. Taxable cash back of up to the current District contribution for employee only (based on sufficient flex credits).
 - b. Pre-Tax spending accounts:
Dependent Care.
Unreimbursed medical expenses.

Employee B

1. Flexible Benefit Options
 - a. Taxable cash back of up to the current District contribution for employee only (based on sufficient flex credits).
 - b. Pre-Tax spending accounts:
Dependent Care.
Unreimbursed medical expenses.

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MEMORANDUM OF UNDERSTANDING

~~2021-2024-2027~~

BETWEEN THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT

AND

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT ~~EMPLOYEES' ASSOCIATION~~
MANAGEMENT ASSOCIATION

Electronic version of the ~~2021-2024-2027~~ MOU

<http://workforcenow.adp.com/theme.index.html>

Or

Laserfiche:

Board ~~approved October 28,~~
~~2021~~ proposed September 26, 2024
Resolution ~~2021-23~~ 2024-10

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
AND
BUTTE COUNTY AIR QUALITY ~~MANAGEMENT DISTRICT EMPLOYEES' ASSOCIATION~~
MANAGEMENT ASSOCIATION**

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
AND
THE EMPLOYEES' BUTTE COUNTY AIR QUALITY MANAGEMENT ASSOCIATION
FOR THE
GENERAL UNIT AND THE ADMINISTRATION UNIT**

1.00 GENERAL GUIDANCE

The employee benefits, salaries and personnel rules and regulations of the Butte County Air Quality Management District ~~Employees~~ shall be guided by those provided to the Butte County employees, ~~including the General Unit and in~~ the Management/Confidential employee unit.

1.01 Recognition

Pursuant to the provisions of the Meyers-Milias-Brown Act, Section 3500 et seq., of the California Government Code, representatives of the Butte County Air Quality Management District, hereafter called "District," and the Butte County AQMD ~~Employees' Management~~ Association, hereafter called "Management Association," have "met and conferred" concerning the subject of wages, hours and working conditions for employees in the Management Unit of representation, respectively identified and represented as set forth in Appendix A.

This memorandum represents the good faith effort of both the District and the Management Association representatives to reach agreement on matters of wages, hours, and conditions of employment. It is understood that this agreement is not binding upon the District until such time as it is ratified by the District Governing Board of Directors and the ~~District~~district employee membership in the Management Association.

1.02 Recognition of District Employees

The District recognizes the Butte County AQMD ~~Employees' Management~~ Association as the representative for employees in classifications designated for inclusion in the budgeted (permanent positions) schedule of District employees pursuant to Section 3501(b) of the California Government Code.

The District shall maintain a current listing of classifications within this bargaining unit. Designation of these classifications effective at the time of execution of this Memorandum of Understanding are attached hereto as Appendix A.

1.04 Employee Management Association

The term "Employee Management Association" shall refer to the Butte County AQMD ~~Employee's Management~~ Association.

2.00 MANAGEMENT RIGHTS

The District reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its departments, commissions and boards; set standards of service; determine the procedures and standards of selection for

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employment; direct its employees; take disciplinary action; relieve its employees of duties because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations are to be conducted; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. These rights shall be limited only as specified in this agreement.

The parties to this memorandum agree that there shall be no Job Actions or lockouts during its term. Job Action is defined as any strike, sit-down, stay-in, sickout, refusal to work overtime, slow-down or picketing. In the event of any Job Action by any represented employee(s), the Management Association shall, in writing, advise the employee(s) to cease their action(s) and resume normal work. The Management Association shall give a copy of its notice to the District.

3.00 ~~EMPLOYEES'~~ ~~ASSOCIATION'S~~ ~~MANAGEMENTS'~~ ~~ASSOCIATION~~ RECOGNITION

The Employees' Management Association has the right to represent permanent employees holding the positions identified in Appendix A, as specified by State law and pursuant to the District employer-employee relations resolution. The Employees' Management Association will notify the District and maintain such notice during the term of the Memorandum of Understanding of its elected officers and directors as well as its staff employees. The Employees' Management Association may select up to one (1) person from its staff members to act as the official representative and will notify the District as to the individual so selected.

3.01 General Provisions

The Employees' Management Association shall be provided payroll ~~deduction~~deductions for membership dues and a second deduction for other authorized and legitimate Employees' Management Association activities. The Employees' Management Association shall provide the District's Air Pollution Control Officer (APCO) with a written authorization on a form approved by the District, signed by the unit member authorizing the payroll deduction and setting forth the full amount to be deducted each month. The District shall, through the Office of the APCO, forward in a timely manner, payroll deductions withheld from employees within the unit. The Employees' Management Association shall immediately notify the APCO of any cancellation or changes in the deduction authorization.

The District shall not be liable to the Employees' Management Association, employees, or any other party by reason of this section for the remittance or payment of any sum other than the actual deductions made from the employee's paycheck. The Employees' Management Association shall hold the District and the APCO harmless against any and all claims, demands, suits, orders, judgments, or other forms of liability that may arise out of or by reason of action taken by the employer under this section.

3.02 Maintenance of Membership

Employees' Management Association membership is not a mandatory condition of employment for any employee covered by this agreement. However, any employee covered by this agreement who is ~~an~~ Employeea Management Association member, or becomes ~~an~~ Employeeea Management Association member, may continue to pay to the ~~Employee Associations~~Management Association those dues or fees regularly charged members of the Employees' Association in good standing for the

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life of this agreement. Any new employee covered by this Agreement who, after completing thirty (30) calendar days of employment voluntarily joins ~~an Employee~~the Management Association, shall be subject to the same terms of continued membership as employees above.

Every employee who is a member of ~~an~~ the Management Association shall have the right to withdraw from membership during the last twenty (20) days of this Agreement. An employee who has properly withdrawn membership as provided herein shall not be subject to the provisions of this section.

The Employees'Management Association shall indemnify and hold the District harmless from any and all claims, demands or suits, or any other action arising from this section.

4.00 EMPLOYEES'MANAGEMENTS' ASSOCIATION RIGHTS

4.01 Access to Employees

With prior notice to the APCO, the Employees'Management Association or its officially designated representative shall have access to District employees during off-duty time in the non-work areas of District facilities for the purpose of Association business. With prior notice to the APCO, the paid staff of the EmployeeManagement Association shall be allowed reasonable access to employee members during the work period and at the work location to investigate and/or represent employees within the unit in formal grievance or appeal matters.

4.02 Bulletin Boards

The EmployeeManagement Association shall be provided reasonable designated space on District bulletin boards, which does not interfere with the District's official use of the bulletin board.

4.03 Use of District Facilities and Resources

With the approval of the APCO or other District official authorized by the APCO, the Employees'Management Association may use certain District facilities, resources and supplies, as long as the District is reimbursed for the cost of any supplies or materials provided to the Employees'Management Association and that such use or supply does not interfere with the efficiency, safety and security of District operations. The District shall provide a list of other officials authorized to permit Employees'Management Association usage of District facilities, resources, and supplies.

The Employees'Management Association agrees to pay the District, upon demand from the APCO, costs of such benefits or supplies received from the District, included but not limited to services of District-owned or leased copying machines, print shop reproduction facilities, and central services purchases for expendable office supplies for Association use.

4.04 Internal Communications

The District agrees to provide the Employees'AssociationsManagement Association annually during the month of August a complete updated listing of the name, classification, and department of assignment of all employees designated in the unit. The District also agrees to provide within ninety (90) days of hiring the name, classification, date of appointment and department assigned of all new employees hired into the unit. In the event of a layoff in classes represented by ~~an Employees'~~the

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Management Association, the Employees'Management Association shall be provided with a copy of the resulting reinstatement list(s).

4.05 New Classifications

The District shall give notice to the Employees'Management Association of any new classification proposed to be included in this memorandum. Upon request, the District shall meet and confer with the EmployeeManagement Association for the purpose of negotiating wages for such classification.

4.06 **New Employee Orientation**

The District will conduct an orientation program for new employees. As a part of this program, the District shall distribute material supplied by the Employees'Management Association, subject to the District's right to approve the material.

5.00 **EMPLOYEES'MANAGEMENTS' ASSOCIATION REPRESENTATIVES**

5.01 **Negotiators**

The Employees'Management Association shall be allowed to designate up to two (2) employees within the unit to serve as representatives to negotiate with the District. The Employees'Management Association shall provide the APCO with the name, and classification assigned of each of the negotiators. Should any changes or alternate be appointed after the original list is established, the Employees'Management Association shall advise the APCO immediately. Employees designated as unit negotiators shall, as authorized by the APCO, be granted reasonable release time from scheduled duties without loss of pay to meet with the District representative during negotiations of matters of wages, hours, and conditions of employment. The District shall not be responsible for any travel, overtime or miscellaneous cost resulting from the Employees'Management Association exercising this right.

5.02 **Steward Program**

The steward shall mean a permanent employee of the District who is designated by the District's non-management employees to assist employees for the purpose of processing grievances. The Management Association shall select one (1) such steward and may select an alternate to serve as steward only when the regular steward is unable to attend to the desired steward function.

The Management Association's Representative agrees to notify the APCO in writing of the name and title of the steward and an alternate steward representing employees in the District. Changes to the listing of the steward will be provided by the Employees'Management Association as they occur. Only the employee(s) named on the current list will be recognized by the District as the steward of the District Employees. The Management Association's Representative agrees to notify the APCO in writing upon immediate determination that the alternate steward will effectively function as the steward.

Stewards shall be subject to the following:

- A. The steward shall be authorized a reasonable amount of time off without loss of pay to investigate and prepare grievances and disciplinary appeals of employees in the District subject to the restrictions below.
- B. The steward shall have the right to serve as a representative for employees in grievance matters in accordance with the provisions of this Memorandum of Understanding. No more than one (1) steward may assist in the investigation processing of a grievance.

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- C. Upon authorization of the immediate supervisor, a steward shall be released to perform the duties specified in this section. A steward shall sign in and out of the work area stating the time and date of leaving and returning and where the steward may be reached. In the event the steward is unable to be released by the immediate supervisor at the time requested, the supervisor shall arrange a time as soon as practical thereafter.
- D. After receiving approval of the APCO, a steward shall be allowed reasonable time off during working hours, without loss of time or pay, to investigate, prepare and present such grievances and appeals. The APCO will authorize the steward to leave his/her work whenever the APCO determines that the steward's absence will not interfere with the work of the unit. Where immediate approval is not granted, the APCO shall inform the steward of the reasons for the denial, in writing if requested, and establish an alternate time when the steward can reasonably be expected to be released from his/her work assignment.
- E. When a steward desires to contact an employee, the steward shall first contact the APCO, advise of the nature of the business, and obtain release by the APCO, to meet with the employee. When, in the best judgment of the APCO the investigation would interfere with the work of the unit, the APCO will notify the steward when he/she can reasonably expect to contact the employee.
- F. The steward shall receive no overtime compensation for time spent performing a function ~~of~~ a steward.
- G. Stewards shall not conduct Association business on District time, except as specifically authorized by this Memorandum of Understanding.
- H. Stewards shall be responsible for the full and prompt performance of their workload.
- I. ~~I.~~—Stewards may represent employees against whom disciplinary action is pending subject to the following restrictions:

The steward agrees that the issues which gave rise to the proposed disciplinary action are confidential in nature and will not be discussed other than those persons involved in representation. The District may refuse to recognize or to deal with a steward who violates this confidentiality.

5.03 Employees'Managements' Association Access

Authorized Employees'Management Association staff representatives shall have reasonable access to all work locations in which employees covered hereby are employed for the purpose of transmitting information or representation purposes. Authorized Employees'Management Association staff representatives desiring such access shall notify the APCO (or the APCO's designee) of the purpose of the visit. The APCO may deny access to the work location if, in his or her judgment, it is deemed that a visit at that time will interfere with the operations of the District or facility thereof, in which event the APCO will offer an alternative time for the visit.

The Employees'Management Association shall give the APCO a written list of the names of all authorized Employees'Management Association staff representatives, which list shall be kept current by the EmployeeManagement Association. Access to work locations shall be only granted to EmployeeManagement Associations' staff representatives on the current list.

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5.04 **Bulletin Boards**

The District will furnish for the use of the Employees' Management Association, reasonable board space at reasonable locations. Such bulletin board space shall be used only for the following subjects and other subjects upon agreement by both the Employee Management Association and the APCO:

- A. Employee Management Association recreational, social, and related news bulletins;
- B. Scheduled Employee Management Association meetings;
- C. Information concerning Employee Management Association elections or the results thereof;
- D. Reports of official business of Employee Management Association including reports of committees or the Board of Directors; and,
- E. All material shall clearly state that it is prepared and authorized by the Employee Management Association.

5.05 **Use of District Mail Boxes**

The Association may use the District mailbox system for the following limited purposes:

- 1. To deliver communications to the APCO or other management personnel.
- 2. To deliver communications to employees in the Employees' Management Association.

5.06 **Indemnification**

The Employees' Association indemnifies and holds the District, its officers, and employees acting on behalf of the District, harmless and agrees to defend the District, its officers, and employees acting on behalf of the District, against any and all claims, demands, suits, and from liabilities of any nature which may arise out of or by reason of any action taken or not taken by the District under the provisions of sections 6.00, 6.01 and 6.02.

6.00 **NON-DISCRIMINATION**

The provisions of this Memorandum of Understanding shall be applied by the District and the Employees' Management Association equally to all employees covered herein without discrimination because of race, color, sex, perceived sexual orientation, marital status, religion, pregnancy, disability, medical conditions, political belief, age, national origin, ancestry, veteran's status, union membership, or other non-merit factors.

Any party alleging a violation of this article shall have the burden of proving the existence of a discriminatory act or acts and of proving that, but for such act or acts, the alleged injury or damage to the complainant would not have occurred.

6.01 **Affirmative Action**

The District and the Employees' Management Association support the concept of affirmative action and equal opportunity in the public service as consistent with merit system principles.

6.02 Individual Rights

Neither the District nor the Employees' Association shall interfere with, intimidate, restrain, coerce, or discriminate against employees because of the exercise of rights to engage in or refrain from Employees' Association activity pursuant to Section 3502 of the California Government Code.

7.00 PERSONNEL FILES

The District shall maintain one official personnel file for each District employee. The employee or his/her representative authorized in writing shall have the right to review and obtain copies of the contents of the employee's personnel files at reasonable intervals without loss of pay during normal business hours. Access to an employee's records shall be restricted to the employee and his/her representative (the later provided by written authorization), the District Counsel's Office and management/supervisory personnel having a business necessity to do so as determined by the APCO.

No material regarding the employee's performance or conduct shall be included in the employee's personnel file without providing ~~to~~ the employee a written copy thereof.

Employees may request that derogatory materials be removed from their files. Requests shall be made to the District APCO who shall determine whether or not the request shall be granted. The decision of the APCO shall be made in his/her sole discretion and shall be final.

8.00 HOURS OF WORK, WORK SCHEDULES, SALARY SCHEDULES, AND RESTRICTIONS

8.01 Work Schedules

Except as provided below, the standard work schedule shall be 7:30 a.m. to 4:30 p.m. each day of the year except Saturdays, Sundays, and holidays. The standard work schedule shall be eighty (80) hours per biweekly pay period for a full-time employee. Except for overtime, callback and standby assignments, departments that necessitate a different operational schedule shall maintain and post an employee assignment schedule. No employee, except in case of emergency, shall be required to work a different work schedule than assigned unless the employee has been notified at least ten (10) days in advance of the change in work schedule. The standard ~~work-day~~workday shall be 8 hours.

8.02 Alternate Schedules

Upon the recommendation of the employee's supervisor, alternate, flextime, telecommuting, job-sharing, and voluntary reduced work hour programs may be established, after approval by the APCO, and if requested by the affected employee, consultation with the ~~Employees'~~Management Association. Any job-sharing program will require that the benefits be pro-rated or as otherwise mutually agreed upon in writing by the participating employees and approved by the APCO. Requests for special schedules by employees shall be seriously considered. Employees shall be advised of the decision, pro or con, made on their requests for a special schedule.

Alternate work schedules may include 9/80 schedules, 4/10 schedules, and/or other alternative scheduling patterns. Employee requests to work their schedule from an off-site location (telecommuting) will also be considered by the APCO as alternate schedules. -Individuals assigned to

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such schedules shall accrue leaves and holidays on the same basis as employees working the standard 5/8-work schedule; that is, 8 hours per day, 5 days per week. Employees shall be charged time off based on the number of hours in the workday missed. In determining which employees are entitled to alternative schedules, the APCO shall take into account job classification and required skills. In the event all other things are equal; seniority shall be the determining factor. Determination as to the quality of skills shall be made ~~in~~at the sole discretion of the APCO.- Alternate schedules with less than 72 hours may result in a prorated reduction of benefits.

A “~~work-day~~workday” shall mean any normal, scheduled duty day for an employee as determined by a standard or alternate schedule.

8.03 **Schedule Changes**

The District Governing Board of Directors shall have the right, in its discretion, to assign individual divisions, or sections between the reduced 36-hour work schedule and the normal 40-hour schedule, provided such moves will not take place more than one (1) time in any contract year.

8.04 **Reduced Work Week Schedule and Rate of Pay and Return**

For employees assigned to the reduced work schedule, their work schedule shall be thirty-six (36) hours of four (4) nine (9) hour days. This reduced work schedule shall remain in effect unless ended by the District Governing Board of Directors as provided herein.

While on the reduced work schedule, it is the intent of the District Governing Board of Directors that the District work hours during this period would be 7:30 a.m. to 5:30 p.m., Tuesday through Friday. However, it is understood that employees may be assigned alternate work hours (e.g., 7:00 a.m. to 5:00 p.m.) as provided for in Section 8.02 in the MOU.

8.05 **Meal Periods**

In general, employees shall be entitled to an unpaid duty-free lunch period of not less than thirty (30) minutes nor more than one (1) hour unless approved by the APCO. The APCO shall have the option of determining the appropriate lunch period length. Employees required to work during or through the lunch period shall be compensated for actual time worked. Employees may be required to work a continuous eight (8) hour shift. Employees, so scheduled, shall be allowed to eat their meal during the shift. In addition, any employee required to work overtime shall be permitted a one-half (1/2) hour paid meal break each four (4) hours of such overtime. Meal periods must commence within five (5) hours ~~from~~of the beginning of a shift.

8.06 **Rest Periods**

Employees shall be allowed a duty-free rest break of fifteen (15) minutes during the mid-portion of the first and second shift. The first shift is considered as the work period before the lunch period, and the second shift will be considered as the work period after the lunch period. Rest periods shall be scheduled in accordance with the requirements of the department but in no case shall rest periods be added to the beginning or the ~~ending~~end of a work shift or lunch period. The APCO may designate the time and location at which rest periods may be taken. Rest periods shall be considered hours worked, and employees may be required to perform duties if necessary. The APCO shall make a reasonable effort to ~~insure~~ensure that employees are permitted rest breaks.

9.00 Overtime

The District will comply with the provisions set forth in the Fair Labor Standards Act (FLSA). Classifications designated as exempt shall not be paid overtime and classifications designated as non-exempt shall receive overtime pay as applicable.

Policy. It is the policy of the Governing Board that overtime work is discouraged, that the APCO is to arrange the work of the District so that employees shall work not more than the standard work week, that overtime work be held to a minimum consistent with the efficient performance of necessary functions, and that overtime work be used only for emergencies. It is recognized that occasional overtime work may be necessary, and that in such instances provisions shall be made to authorize, keep records, and compensate employees for such necessary overtime work.

Work Period. Reporting the normal biweekly work period shall commence 12:01 a.m. every other Saturday. An alternate biweekly work period may be approved by the APCO for non-exempt employees requesting an alternate work schedule pursuant to Section 8.02. The alternate biweekly work period shall commence 11:31 a.m. every other Friday. Each regular full-time employee shall work eighty (80) hours per biweekly period.

Authorization for Overtime Work. Overtime work shall be performed only upon authorization of the APCO or subordinate empowered to authorize the same.

Records of Overtime Work and Justification. The APCO shall keep an accurate record of all authorized work time including the actual overtime hours worked by the individual employee together with justification for its authorization in each case and the manner and time in which the employee was compensated for overtime work.

Except as provided, an incumbent(s) in an exempt management, confidential or supervisory positions as set forth in Appendix A and the APCO, shall receive administrative leave in lieu of paid overtime. Employees who terminate from the District in good standing shall be compensated for any administrative leave accrued under this section, up to the maximum accrued amount.

Whenever an exempt management, confidential or supervisory position as set forth in Appendix A position for which the compensated overtime provisions apply becomes vacant, the position shall be identified as one to receive administrative leave in lieu of overtime before the position is refilled. Whenever a new exempt management, confidential or supervisory positions position is created or designated pursuant to these rules, it shall be exempt from overtime provisions of these, and the in-lieu administrative leave practices shall apply to the position.

9.01 Overtime Eligible Positions

All positions in classifications designated are eligible positions as subject to the overtime provisions of the FLSA shall be eligible for overtime. The overtime provisions of this section shall not apply to the APCO or to exempt management, as set forth in Appendix A as defined by FLSA.

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9.02 Overtime Defined

Overtime is any work rounded to the nearest fifteen (15) minutes in excess of the assigned workday or eight (8) hours per day or forty (40) hours per week. -For employees whose assigned ~~work day~~workday is in excess of eight (8) hours, overtime shall be work rounded to the nearest fifteen (15) minutes in excess of the normally assigned hours. -For the purposes of calculating overtime, all paid time off shall be considered hours worked.

9.03 ~~Intentionally Blank~~

9.04 Overtime Authorization

Employees shall be required to work overtime when assigned by the APCO or designated representative. No employee shall work overtime without prior approval of the APCO or his or her designated representative.

9.0504 Overtime Compensation

Employees shall be compensated for overtime at one and one-half (1 1/2) times their regular rate of pay. Overtime compensation may, at the discretion of the APCO, be paid with regular wages in the pay period in which it was earned or be credited as Compensatory Time Off (CTO) to a maximum of 240 hours. -The minimum compensation shall be 30 minutes.

An employee who is required to physically return to work (callback) on an overtime basis shall receive a minimum overtime pay of two (2) hours worked or actual time worked, whichever is greater and be entitled to receive mileage reimbursement pursuant to Section 18.01.

An employee handling a phone call during normal (non-sleeping) hours shall be compensated the minimum payment pursuant to the MOU or actual time spent, whichever is greater.

An employee handling a phone call during normal sleeping hours shall be compensated one (1) hour minimum or actual time spent on the call, whichever is greater. -For the purposes of this section normal sleeping hours are between 10:00pm and 6:00am.

9.0605 Accumulated Compensatory Time Off

An employee, who has requested use of accumulated CTO, shall be permitted by the APCO to use such time within a reasonable period unless the request creates unfair burden to other employees, or unduly disrupts departmental operations. Once the employee has reached the cap of 240 hours of CTO, the APCO may require the employee to take off any excess hours during the work week in which it is earned. Any CTO accumulation in excess of the 240-hour cap, which is not taken in the work week in which it is earned, shall be paid with regular wages in the pay period in which it is earned. An employee who has accumulated CTO shall, upon termination from District employment, be paid for the CTO with the termination pay settlement. Compensatory Time Off accruals shall appear on the employee's biweekly earnings statement. Accrual payouts are not PERS reportable earnings.

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9.0706 **Fringe Benefits Not Affected ~~By~~ Overtime**

Overtime work shall not be a basis of increasing vacation, sick leave, or other benefits, nor shall it be the basis for advancing completion of the required period for probation or salary step advancement.

9.0807 **Assignment of Overtime**

Assuming similar qualifications, regular District employees shall be offered the opportunity to work overtime hours prior to an offer of overtime hours being made to extra help employees. The preference for regular employees shall not be granted in special circumstances; for example, excessive overtime being worked by regular work employees, sick leave being taken during the pay period, etc.

~~**9.09** **After Hour Liaison Assignment**~~

~~The District recognizes the need to have staff available for after hour liaison assignments in the event of unanticipated issues. The purpose of this section is to define the after hour liaison assignment periods and the compensation. This section also applies to calls received from the District's complaint hotline, if established. This section supersedes Section 14.14.~~

~~After Hour Liaison Assignment Shifts:~~

~~After hour liaison assignment periods include the following shifts:~~

- ~~1. Daily, Monday through Friday, from 4:30 p.m. through 7:30 a.m. the following day (Liaison I). Alternate work schedules have no effect on shift assignments or compensation.~~
- ~~2. Saturday, beginning at 7:30 a.m. through Monday at 7:30 a.m. (Liaison II).~~
- ~~3. Holiday(s), as defined in Section 13.01, shall be computed at an additional \$10.00 per specified holiday.~~

~~Expectations:~~

~~The assigned staff is expected to maintain the District after hour cell phone number, return calls to fire agencies and the after hours answering service, and determine if immediate response is required.~~

~~Compensation:~~

~~Staff assigned after hour liaison shift shall be compensated at the following rates:~~

- ~~1. Liaison Assignment I: \$100/shift, or, \$20/day.~~
- ~~2. Liaison Assignment II: \$80/shift, or, \$40/day.~~
- ~~3. Plus, all field time worked shall be paid at the assigned employee's overtime rate in accordance with Section 9.00.~~
- ~~4. Compensation shall be credited to the pay period in which the shift began.~~

~~Staff returning phone calls and, if required, returning to work, shall be compensated in accordance with the applicable provisions of this MOU (section 9.05).~~

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10.00 **VACATION LEAVE**

Vacation leave must be used in minimum increments of one-half hour.

10.01 **Non-Management Unit**

~~A. Accrual. Each regular full time employee not defined as management, confidential or supervisory in Appendix A (a non-management employee) shall accrue vacation leave as follows:~~

- ~~1. 3.08 hours of vacation (eighty [80] hours per year) for each biweekly pay period in paid status until completion of five (5) years of continuous service. (80.08 annual, 160.16 max)~~
- ~~2. 4.62 hours of vacation (one hundred twenty [120] hours per year) for each biweekly pay period in paid status after completion of five (5) years of continuous service and until completion of ten (10) years of continuous service. (120.12 annual, 240.24 max)~~
- ~~3. 6.15 hours of vacation (one hundred sixty [160] hours per year) for each biweekly pay period in paid status after completion of ten (10) years of continuous service. (159.9 annual, 319.80 max)~~
- ~~4. 6.77 hours vacation (one hundred seventy six [176] hours per year) for each biweekly pay period in paid status after completion of twenty (20) years of continuous service. (176.02 annual, 352.04 max)~~
- ~~5. The maximum vacation accrued on December 31 of any year shall be two times the annual accrual. (see above for calculated annual and max values)~~
- ~~6. All part time regular employees assigned to a one half (1/2) time or more position shall accrue vacation pro rata in proportion to the percentage the employee's regular assignment bears to a full time assignment.~~

~~B. Special Vacation Entitlement. Effective January 1 of any year, all current employees shall be credited with thirty two (32) hours of vacation. Employees hired between January 1 and April 30 shall be credited with twenty four (24) hours of vacation. Employees hired between May and August 31 shall be credited with sixteen (16) hours of vacation. Employees hired between September and December shall be credited with eight (8) hours of vacation. These hours shall be added to the employee's regular vacation earnings and the accrual limits increased accordingly.~~

~~C. Vacation Eligibility. An employee who has less than six (6) months of uninterrupted service shall not be entitled to a vacation.~~

~~D. Vacation Carryover. When a non-management employee is unable to take scheduled vacation during a calendar year due to unusual and extenuating District needs, which result in the employee's annual vacation accrual to exceed the maximum limits authorized, the APCO shall advise the Administrative Services Officer that the employee will exceed the annual vacation accrual limits and shall schedule the excess accrual vacation days to be taken off between the period January 1 and March 31 of the new calendar year. Should the employee voluntarily choose~~

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~~not to take the scheduled vacation during the extension period, the excess accrual days shall be forfeited. Should the APCO, as a result of emergency needs of the District, be unable to schedule the excess accrual vacation days during the extension period, the employee shall be paid for the excess accrual of vacation days following the end of the extension period.~~

~~E. Vacation Payout. Upon termination, employees shall be compensated for all unused vacation accrual and entitlement at their current rate of pay.~~

~~F. Vacation Request. Vacations shall be scheduled at the request of the employee and with the approval of the APCO. A vacation request shall be approved or denied by management within one week of the request. If approved, the vacation schedule shall not be subject to cancellation or rescheduling on the basis of seniority.~~

~~G. Vacation Buy-Back.~~

~~1. Employees taking at least forty (40) hours of vacation time shall, concurrently, have the option of requesting pay in lieu of time off for up to an additional forty (40) hours of accrued vacation time once per fiscal year. Vacation buy-back shall only be available in increments of eight (8) hours. Such requests are subject to the approval of the APCO.~~

~~2. In addition to vacation buy-back pursuant to the above, employees shall have the option of requesting an additional buy-back of one hundred four (104) hours of vacation time per employee during each year of the contract in increments of eight (8) hours. Such requests are subject to the approval of the APCO.~~

~~H. Illness During Vacation. Any non-management unit employee becoming seriously ill while on scheduled vacation may request that the hours that he or she were ill be charged against his or her sick leave balance rather than their vacation leave balance. This request may be made only in the case of serious illness, which required hospital and/or physician treatment and prevented the employee from carrying on normal activities. Doctor's verification is required if requested by the APCO.~~

10.02 **Management Employee Unit**

A. Accrual. Each employee in a management, confidential or supervisory position as set forth in Appendix A (a Management Employee) shall be entitled to earn vacation. Vacation shall be earned according to the following schedule:

1. 4.31 hours of vacation (one hundred twelve [112] hours per year) for each biweekly pay period in paid status until completion of five (5) years of continuous service. (*112.06 annual, 224.12 max*)
2. 5.85 hours of vacation (one hundred fifty-two [152] hours per year) for each biweekly pay period in paid status after completion of five (5) years of continuous service and until completion of ten (10) years of continuous service. (*152.10 annual, 304.2 max*)
3. 7.39 hours of vacation (one hundred ninety-two [192] hours per year) for each biweekly pay period in paid status after completion of ten (10) years of continuous service. (*192.14 annual, 384.28 max*)

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4. 8.00 hours of vacation (two hundred and eight [208] hours per year) for each biweekly pay period in paid status after completion of twenty (20) years of continuous service. *(208 annual, 416 max)*
 5. All part-time regular employees assigned to a one-half (1/2) time or more position shall accrue vacation pro rata in proportion to the percentage the employee's regular assignment bears to a full-time assignment.
- B. Special Vacation Entitlement. Effective January 1 of any year, all current employees shall be credited with thirty-two (32) hours of vacation. -Employees hired between January 1 and April 30 shall be credited with twenty-four (24) hours of vacation. -Employees hired between May and August 31 shall be credited with sixteen (16) hours of vacation. -Employees hired between September and December shall be credited with eight (8) hours of vacation.- These hours shall be added to the employee's regular vacation earnings and the accrual limits increased accordingly.
- C. Effective at the beginning of the first pay period commencing the calendar year, an employee's vacation accrual shall not exceed two times the annual accrual. *(see above for calculated annual and max values)*
- D. Vacation Eligibility. Vacation will be credited biweekly on a prorated portion of full-time compensated service. Vacation time off may be requested by the employee subject to the approval of the APCO.
- E. Vacation Carryover. When a management employee is unable to take a scheduled vacation during a calendar year due to unusual and extenuating departmental needs which result in the employee's annual vacation accrual to exceed the maximum limits authorized, the APCO shall advise the Administrative Services Officer that the employee will exceed the annual vacation accrual limits and shall schedule the excess accrual vacation days to be taken off between the period January 1 and March 31 of the new calendar year. Should the management employee voluntarily choose not to take the scheduled vacation during the extension period, the excess accrual days shall be forfeited. Should the APCO, as a result of emergency needs of the District, be unable to schedule the excess accrual vacation days during the extension period, the employee shall be paid for the excess accrual of vacation days following the end of the extension period. Accrual Payouts are not PERS reportable earnings.
- F. Illness During Vacation. Any management employee becoming seriously ill while on scheduled vacations may request that the hours he or she were ill be charged against his or her sick leave balance rather than their vacation leave balance. This request may be made only in the case of serious illness which required hospital and/or physician treatment and prevented the employee from carrying on normal activities. Doctor's verification is required, if requested by the APCO.
- G. Vacation Buy Back. Vacation Buy-Back is not a PERS reportable earning.
1. Management employees taking at least forty (40) hours of vacation time shall, concurrently, have the option of requesting pay in lieu of time off for up to an additional forty (40) hours of accrued vacation time once per fiscal year. Vacation buy-back shall only be available in

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increments of eight (8) hours. Such requests are subject to the approval of the APCO and the availability of funds.

2. In addition to vacation buy-back pursuant to the above, management employees shall have the option of requesting an additional buy-back of one hundred four (104) hours of vacation time per employee during each year of the contract in increments of eight (8) hours. Such requests are subject to the approval of the APCO and the availability of the funds.

11.00 SICK LEAVE

Sick leave must be used in minimum increments of one-half hour.

11.01 All Regular Full-Time Employees

- A. Sick Leave Accrual. All regular employees shall earn sick leave at a rate of 3.7 hours per biweekly pay period (ninety-six (96) hours per year). Sick leave may be accumulated without limit during a continuous period of employment.
- B. Sick Leave Eligibility. Only regular help employees shall earn sick leave. Regular help employees working less than full time shall earn sick leave on a pro rata basis.
- C. Uses of Sick Leave.

Sick leave shall be granted only for the following:

1. The employee's illness or disability;
 2. The employee's routine medical or dental appointments; and,
 3. Critical illness in the family.
- D. Sick Leave Buy Back Option. On retirement or termination in good standing, an employee who has on accrual more than two hundred and forty (240) hours of sick leave may be compensated for that portion over two hundred and forty (240) hours at one-half (1/2) the normal rate of pay for the employee up to a maximum of \$3,000.00.

Sick leave shall not be considered a privilege to be used at the employee's discretion. It shall be allowed only in case of necessity for actual sickness or disability. Whenever a regular employee believes it necessary to be absent from duty because of the critical illness of an immediate family member, the employee may request permission of the APCO to be absent and time off shall be charged against sick leave in accordance with California Labor Code Section 233. For the purpose of this section, "immediate family member" means spouse; domestic partner; biological, step, adopted or foster child or parent; brother; sister.

~~**11.02 Intentionally Blank.**~~

~~**11.03 Intentionally Blank.**~~

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11.04 Reporting Requirement

Except in emergency, in order to receive sick leave compensation while absent, the employee shall notify the APCO or designated representative prior to or within four (4) hours after the time set for the beginning of the employee's work shift.

11.0504 Medical Reports

In cases involving absences of three (3) consecutive work days or more, or upon good cause based on the protection of employee health and welfare, the employee shall, upon the APCO's request, file a physician's certificate with the APCO stating the cause of the absence and the employee's physical ability to return to work on a full or limited duty basis. In general, the employer shall notify employees at the time they are reporting their absence due to illness that a doctor's certificate will be required. Exceptions can be made in cases of suspected sick leave abuse, or where APCO determines the health, welfare or safety of any District employees or its clients give a reasonable basis for the APCO's requesting a confidential physician certificate relating the diagnosis and recommendations for ensuring the safety, health and welfare of District staff and/or its clients.

11.0605 Payment of Sick Leave

Sick leave time shall be charged to the employee's accrual and paid at the employee's current rate of pay. Employees who exhaust sick leave with pay may request to use any accrued vacation or compensatory time off.

11.07 — Intentionally Blank

11.0806 Catastrophic Leave Pool

The purpose of the Catastrophic Leave Pool is to enable District employees to receive and donate vacation, administrative leave and compensatory time off (CTO) leave credits to assist employees who have no leave and who will suffer a financial hardship due to prolonged illness or injury to themselves or a member of their immediate family.

The following conditions shall apply to Catastrophic Leave:

- A. Catastrophic Leave will be available only to employees who have exhausted their own paid leave through bona fide serious illness or accident.
- B. The leave pool shall be administered by the Administrative Services Officer.
- C. Employees must be in regular appointed positions to be eligible for catastrophic leave.
- D. The employee may be on Disability benefits and use the leave pool credits in the same manner that sick leave is used to supplement disability benefits.
- E. All donations are to be confidential, between the donating employee, the Administrative Services Officer and APCO.

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- F. Employees donating to the pool must have forty (40) hours of vacation available after making a donation.
- G. Donating employees must sign an authorization, including specifying the specific employee to be a recipient of the donation.
- H. Donation will be subject to applicable tax laws.
- I. The availability of Catastrophic Leave shall not delay or prevent the District from taking action to medically separate or disability retire an employee.
- J. Catastrophic Leave due to illness or injury of an immediate family member may require medical justification as ~~evideneee~~evidenced by a Physician's Statement that the presence of the employee is necessary.

12.00 LEAVES OF ABSENCE

All paid leaves are calculated on the standard 8-hour workday or prorated for reduced part-time schedules.

12.01 — Bereavement Leave

Whenever a regular employee believes it is necessary to be absent from duty because of the death of a member of the employee's immediate family, the employee may request permission of the APCO or designated representative to be absent for not more than three (3) standard work days with pay prorated up to 8 hours per work day for each occasion. Any time used in this manner shall not be charged to sick leave or vacation but shall be documented and recorded as bereavement leave. For purposes of this section, "immediate family" means spouse; domestic partner; biological, step, legal, adopted, or foster child or parent; brother; sister; grandchild; grandparent; mother-in-law and father-in-law, brother-in-law, and sister-in-law.

In addition to the bereavement leave benefit set forth, a regular employee who believes it necessary to be absent from duty because of the death of a member of the employee's immediate family who resided out of the State of California, or over 400 miles one way from his/her home, may have an additional two (2) working days of bereavement leave to be charged to sick leave.

Notwithstanding the definition of "immediate family" above, bereavement leave in the case of the death of individuals, other than those already listed, living in an employee's household as a family member may also be provided by the APCO. Approval shall be on a case-by-case basis by the APCO in his/her sole discretion.

12.02 — Industrial Disability Leave With Pay

Each regular employee not covered by Labor Code Section 4850 shall be granted an industrial disability leave in accordance with the following rules.

- A. Employees shall be required to use any accrued leave benefits in order to receive paid leave.
- B. Employees' earnings will be adjusted to the differential between amount paid and any industrial disability benefits received during the period of paid leave.

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- C. Employees shall have leave benefits reinstated ~~into~~ the equivalent value of the disability benefits.
- D. During the period of the paid industrial disability leave₂, employees will continue to accrue full benefits for vacation, sick leave₂, and holidays. Benefits for retirement will be accrued on the salary differential representing the adjusted leave benefits.

12.03 Industrial Disability Leave Without Pay

Each regular employee who is injured or contracts an industrial illness on duty shall be granted an unpaid disability leave by the APCO from the time accrued leave benefits are exhausted until the employee is released to return to work or the employee is declared permanent and stationary or a compromise and release is signed, whichever occurs first. Employees shall accrue no benefits while in this status.

12.04 Military Leave

Military leave shall be granted in accordance with the provisions of state law. All employees entitled to military leave shall give the APCO an opportunity within the limits of such military regulations to determine when such leave shall be taken and shall provide the APCO with a copy of the military orders.

12.05 Family Leave

Employees are entitled to unpaid leave under the California Family Right Act (CFRA), Pregnancy Disability Leave Act (PDL) and/or the Family Medical Leave Act (FMLA), due to the employee's medical condition or due to that of a family member. -Employees that have a need for such leave and believe they are entitled must contact District Administration as soon as possible. -For the purpose of this section, "family member" means spouse, domestic partner and parents of domestic partner; biological, step, legal, adopted or foster child or parent; spouses of parents; brother; sister; grandchild and spouses of grandchild; grandparent and spouses of grandparent; mother-in-law; father-in-law; brother-in-law; sister-in-law; daughter-in-law; son-in-law; any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

In addition, employees may wish to consult the following websites for more information, as well as the posted workplace materials.

<http://www.dol.gov/dol/topic/benefits-leave/fmla.htm>

Non-compensated leave under this section shall not be permissible until the employee has exhausted sick leave.

12.06 ~~—~~ Jury Duty Leave

Employees shall notify the APCO upon receiving notice of jury duty. Employees who serve on a jury shall be granted a leave of absence with pay in the amount of the difference between the employee's regular earnings and the amount received for such appearances. Employees called for such court appearances may retain the court paid mileage fees and lodging subsidy if applicable. If called to jury duty, a regular employee may elect to:

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- A. Receive the jury duty fee and also full salary payments chargeable to vacation or compensatory time off.
- B. Receive the jury duty fee and authorize the District APCO to deduct the fees from their salary or wages and receive the paid leave.

Employees called to jury duty during normal working hours are in each instance required to collect fees for such service to the extent authorized by the Court and to advise the APCO.

12.07 — Voluntary Furlough Program

- A. Purpose - The purpose of the voluntary furlough program is a joint labor-management effort to assist the District in times of economic hardship. -It is a cost containment program designed to reduce operating expenditures, preserve public services, and reduce the need for layoffs of permanent staff. This program shall remain in effect through the duration of this contract.
- B. Conditions - The APCO, at his/her sole discretion, may grant a permanent, regular help, probationary, or part-time employee voluntary, unpaid time off subject to the following conditions.
 - 1. Unpaid leave may be taken in increments of one (1) full hour with a minimum of ten (10) hours per request.
 - 2. Unpaid leave may be granted by the APCO or designee for all scheduled work periods.
 - 3. Credit towards, sick leave, vacation leave, and holiday eligibility, and medical insurance shall accrue as though the employee were on paid status. Additionally, credit shall accrue for merit advancement, completion of probation, and seniority for purpose of layoff. Credit for retirement shall accrue as though the employee were on paid status except when the employee's PERS-reportable hours ~~falls~~fall below 1,730 in the calendar year.
- C. Procedure - The following procedure will be used in the management of the voluntary time off program:
 - 1. The APCO or designee shall distribute to eligible employees a "Voluntary Time Off Request Form".
 - 2. An employee requesting voluntary time off without pay shall complete the form indicating the number of hours (or day or days) and date(s) of the leave and return the form to the APCO or designee.
 - 3. The APCO or designee shall review the requested time off dates and times and resolve any scheduling conflicts. Seniority shall be used to resolve scheduling conflicts if the number of requests for the same time off is excessive. The department head or designee shall notify the employee of approval of the request.
 - 4. The APCO shall forward all approved request forms to the Administrative Services Officer.

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- 5. The APCO shall post a schedule with all approved voluntary unpaid time off requests.
- D. Incentive - As an incentive for employees to use the voluntary time off program, additional vacation credits shall be granted to the employee's vacation accrual as follows:

Number of Unpaid Hours	Vacation Hours Credited
10 hours	One (1)
20 hours	Two (2)
30 hours	Three (3)
40 hours	Four (4)
50 hours	Five (5)

12.08 — Paid Administrative Leave and Overtime Exempt Partial Day Absence Approval

The APCO may, in his/her sole discretion, when, in his or her opinion, extraordinary circumstances exist and are necessary for the operation of the department, place an employee on paid administrative leave subject to call. Paid administrative leave may not exceed ninety (90) calendar days without the expressed approval of the Governing Board of Directors.

Employees exempt from paid overtime as specified in Section 9.01 herein, shall earn ~~five (5)~~ ten (10) days (80 hours annually) administrative leave per year accumulated to a maximum of ~~forty-four (44)~~ days-eighty hours.. Administrative leave must be taken in minimum increments of one-half hour. Authorized absences of less than one full regular day may be approved by the APCO without reduction of pay if exempt employee has no paid leave time available. However, such approval shall not affect and shall have no bearing upon the imposition of attendance-related discipline upon the employee.

In extraordinary circumstances, the APCO may recommend to the Governing Board that additional administrative leave be granted to an employee(s). Extraordinary circumstances shall mean circumstances involving periods of very long hours. The additional leave shall not be construed to constitute overtime.

13.00 HOLIDAYS

13.01 Holidays Defined

The following shall be celebrated as paid holidays:

- | | | |
|-----|-------------------------------|---------------------------------|
| 1) | New Year's Day | January 1 |
| 2) | Martin Luther King's Birthday | Third Monday in January |
| 3) | Presidents' Day | Third Monday in February |
| 4) | Cesar Chavez Day | March 31 |
| 5) | Memorial Day | Last Monday in May |
| 6) | Juneteenth | June 19 |
| 7) | Independence Day | July 4 |
| 8) | Labor Day | First Monday in September |
| 9) | Veterans' Day | November 11 |
| 10) | Thanksgiving Day | Designated Thursday in November |

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- 11) Post-Thanksgiving Day Friday following Thanksgiving Day
- 12) Christmas Day December 25
- 13) Every day appointed by the President and/or Governor, and the Governing Board, for a public fast, thanksgiving or holiday, when the day is celebrated as a State or Federal holiday.
- 14) Days declared as new permanent Federal holidays shall be observed as District holidays.

When a designated holiday falls on Sunday, the following Monday shall be observed. When a designated holiday falls on a Saturday, the preceding Friday shall be observed.

Each employee in a compensated employment status shall be entitled to a floating birthday holiday, which may be taken at the employee's discretion subject to approval by the APCO. Birthday holidays shall be considered as a designated holiday.

Holiday pay is based on an 8-hour standard workday. Benefits are prorated for reduced or part-time schedules not due to section 8.04.

13.02 Eligibility for Holiday Pay

Each employee in a compensated employment status on the assigned ~~work day~~workday immediately preceding and the assigned ~~work day~~workday immediately following a designated holiday shall be entitled to compensation for the designated holiday. Extra-help employees shall not be entitled to paid holidays or compensated time off for holidays worked. Reduced schedule or part-time employees not part of section 8.04 will be paid prorated benefits.

13.03 Holiday Compensation

- A. Employees required to work on a designated holiday or whose regular scheduled day off falls on a designated holiday shall, at the discretion of the APCO, be entitled to equivalent compensated time off scheduled either the day proceeding the designated holiday or within sixty (60) days following the designated holiday.
- B. Employees assigned to the reduced work schedule as provided in Section 8.04 above shall receive nine (9) hours compensation for each listed holiday. All other employees, including those on alternative work schedules, shall receive credit for eight (8) hours per holiday, unless otherwise approved by the APCO.

14.00 COMPENSATION

Compensation shall only be reported to PERS as pensionable compensation for Classic Members as defined by the Public Employees' Pension Reform Act (PEPRA) of 2013 as it is currently enacted and as it is amended in the future, and its implementing regulations, referred to hereinafter collectively as "PEPRA"

14.01 Salary, Basic Pay Plan

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The basic pay plan consists of the salary ranges and the assignment of classes to such ranges as provided in the District salary schedule and referenced hereto as Attachment C. -Each employee shall be paid within the range for his/her class unless otherwise provided for in this agreement.

14.02 **Salary Adjustments**

The following salary adjustments to classifications and positions are hereby implemented:

Each position covered under this memorandum of understanding is allocated to a salary range pursuant to Appendix B. -The bi-weekly salary schedule ~~is given~~provided in Appendix C ~~and includes a five percent (5%) wage increase~~defines wages applied to all members of the Management Association effective October 1, ~~2021~~2024,

All employees holding a valid Professional Engineers licenses will receive an additional 2.5% increase to their pay.

In addition, the APCO is vested with the authority to provide incentive pay for outstanding employee performance, all in the APCO's sole and unreviewable discretion, the aggregate of such payments not to exceed \$~~7,500~~10,000 annually. ~~-~~ for all District staff. This pay is not PERS reportable for PEPRAs employees.

The parties agree to meet and confer during the first year if requested.

The parties agree to meet and confer regarding salary adjustments related to the California Consumer Price Index beginning the month of April, 2025.

The parties agree to meet and confer regarding salary adjustments related to the California Consumer Price Index beginning the month of April, ~~2026~~2022.

~~The parties agree to meet and confer regarding salary adjustments related to the California Consumer Price Index beginning the month of April, 2023.~~

14.03 **Hours of Service for Purposes of Step Advancement**

- A. *Defined.* Paid hours of work and hours of paid leave of an employee within the number of authorized hours of the position occupied by the employee shall constitute hours of service. Hours worked in excess of the number of hours authorized for the position, whether overtime or not, shall not be included in the hours of service. Unpaid absences, whether authorized or not, shall not be included in the hours of service.
- B. *Standard Steps (Steps One through Five).* Step advances are predicated upon merit and length of service, and each full-time or part time employee in a budgeted position may receive an advancement to the next higher, standard step in the salary range for his/her classification, after completion of 2080 hours of satisfactory or better service at the employee's current step, as evidenced by a standard or better performance evaluation rating.

- C. Notwithstanding the provisions of subdivision B, the Governing Board, or the APCO, upon a finding of unique excellence of service to the District, may grant an out of step advance to higher steps within the same salary range to an employee.

14.04 Step Placement and Step Advancement upon Appointment to Higher Class

A higher class is one in which the fifth step hourly rate of the salary range for the new class is greater than the fifth step hourly rate of the salary range for the current class.

An employee who is appointed to a higher class which is in this representation unit shall be placed at the step in the salary range for the higher class which is closest to the hourly rate in the lower class but which provides at least a five percent (5.0 %) increase; provided that the employee's salary in the new class is not less than the minimum of the salary range nor greater than the maximum of the salary range for the new class.

For purposes of accrual of hours for step advancement, the beginning date shall be the most recent date of appointment to the higher class.

14.05 Step Placement and Step Advancement upon Appointment to an Equal Class

An equal class is one in which the fifth step hourly rate of the salary range of the new class is the same as that for the current class.

Upon appointment to an equal class, the employee shall retain the same Step 5.

Upon appointment to an equal class, hours of service accrued in the former class for purposes of step advancement shall apply to the new class.

14.06 Step Placement and Step Advancement upon Appointment to a Lower Class

A lower class is one in which the fifth step hourly rate of the salary range for the new class is less than the fifth step hourly rate of the salary range for the current class.

- A. Demotion and Demotion in Lieu of Layoff

An employee who voluntarily demotes to a lower class, including a voluntary demotion in lieu of layoff, or who is demoted to a lower class for disciplinary purposes, shall be placed at the same step in the new salary range as she/he was receiving in the salary range of the higher class (e.g., Step 3 to Step 3), and hours of service accrued in the step in the higher class shall be credited towards step advancement in the lower class.

- B. Reclassification of Position to Lower Class: Y-Rate

An employee whose position has been allocated to a lower class shall have his/her salary Y-rated (frozen).

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An employee who is placed on Y-rate shall retain his/her hourly salary rate of the higher class until such time as the maximum salary of the lower class exceeds the employee's Y-rated (frozen) salary.

At such time as the salary for the lower class exceeds the employee's Y-rated salary, the employee shall be placed at the salary step in the range of the "lower" class, which is closest to but exceeds the employee's Y-rated salary.

14.07 Step Placement and Step Advancement upon Re-employment

An employee who is laid off from a budgeted position of the District and who is reemployed in the same job class in a budgeted position of the District within one year from the layoff shall be placed at the same step of the salary range the employee held in that class at the time of layoff, and hours of service for purposes of step advancement which the employee held at the time of layoff shall be restored.

14.08 Effective Date of Step Advancement

Step advancements which would be effective the first week of the pay period shall have an effective date of the first day of that pay period; step advancements which would be effective the second week of the pay period shall have an effective date of the first day of the next pay period.

14.09 Step Placement Upon Hiring

Each employee, upon appointment by the APCO, shall be placed in Step 1 of the respective employee's salary range. However, at the discretion of the APCO, and upon finding that the District's needs and the employee's experience and abilities justifies a higher beginning step, may appoint the employee to an advanced step within the salary range. Notwithstanding ~~the APCO's~~ APCO's discretion, any initial placement above Step 4 shall require the Governing Board's approval.

14.10 Special Additional Sixth Step

An employee in a budgeted position shall be eligible for advancement to the special, additional sixth step in the District salary table for his/her classification, provided that all of the following conditions are met:

1. The employee is currently at Step 5 of the salary range for his/her classification or in a directly related class series; and
2. The employee has 10 years or more of continuous service with the District, and
3. The employee's; performance for the previous four years meets or exceeds the following standards:

For each year during the previous four-year period, the employee's overall "Performance Evaluation: must reflect a rating of exceeds the job standards.

4. The APCO recommends the advancement.

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Employees who may not have received an annual evaluation in any year of service will be considered to have met the minimum criteria for ~~the~~ Step 6 advancement for that rating period.

The APCO may, under exceptional circumstances, waive the performance standard required above.

Step 6 shall be placed at ten percent (10%) above Step 5.

14.11 Temporary Assignment in Higher Pay Classification, Working out of Class.

Whenever an employee is assigned in writing by their supervisor or acting supervisor to work in a higher classification and, therefore, performs substantially all of the duties of the higher classification for a period of more than ten (10) cumulative working days or eighty (80) cumulative working hours in a fiscal year, (or eight (8) cumulative working days or seventy-two (72) cumulative working hours in a fiscal year for thirty-six (36) hour work week employees), the employee shall be entitled to be compensated with an additional five percent (5%) over his/her current rate of pay beginning with the eleventh (11th) day or the eighty-first (81st) hour of the assignment (or ninth (9th) day or the seventy-third (73rd) hour of the assignment for thirty-six (36) hour work week employees). A continuous out-of-classification assignment bridging two (2) fiscal years shall be treated as if it occurred during the prior fiscal year. For example, an employee receiving compensation for an assignment, which commenced June 15 of one fiscal year and ended on July 5 of the succeeding fiscal year, would receive compensation for the entire assignment. Similarly, an employee whose eleventh (11th) day or eighty-first (81st) hour (or ninth (9th) day or seventy-third (73rd) hour for thirty-six (36) hour work week employees) of out-of-classification assignment occurred during the prior fiscal year would commence receiving compensation as of the eleventh (11th) day or eighty-first (81st) hour (or ninth (9th) day or seventy-third (73rd) hour for thirty six (36) hour work week employees. An out-of-classification assignment for a vacant position shall not exceed 960 hours within a fiscal year. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence. This provision shall only be reported to PERS as pensionable compensation for Classic Members as defined by the Public Employees' Pension Reform Act (PEPRA of 2013) as it is currently enacted and as it is amended in the future and its implementing regulations, referred to hereinafter collectively as "PEPRA."

14.12 Bilingual Pay Differential

When it has been determined that an employee's use of bilingual language skills or specialized communication skills are essential and critical for the successful performance of job duties, a bilingual differential shall be paid at a rate of three dollars twenty-five cents (\$3.25) per day or thirty-two dollars fifty cents (\$32.50) per pay period. The bilingual allowance is prorated for part-time employees. Qualification for the shift differential will be conducted by an outside testing agency for both spoken and written proficiency with a passing score of B2 or better score.

14.13 — Intentionally Blank

14.14 Standby Pay

A. *Status.* Effective immediately, each employee in the unit of representation shall be entitled to receive twenty-five dollars (\$25.00) for each eight-hour (8) standby shift, or portion thereof,

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as ordered and authorized by the APCO. A standby shift is defined as any eight-hour (8) shift following the employee's normal assigned shift.

- B. *Response Time.* Employees placed on standby status shall keep the APCO or designee advised of their location during the standby shift and shall respond to duty within two (2) hours from the time of notification. When an APCO determines it is in the interest of the District to provide electronic paging devices for standby workers, the APCO shall provide and maintain such devices and instruct workers in proper use. Employees on standby status shall not be eligible for callback pay as specified under Section 14.13. Employees returning to duty from standby shall be eligible for overtime as specified in Section 9.00.
- C. *Exemption.* Employees who would face a hardship in serving standby because of the need to care for small children may request exemption from standby duty on a bi-weekly basis. Employees ~~so~~ requesting must have arrangements for alternative coverage. Approval shall be at the sole discretion of the APCO or his/her designee.
- D. *Exclusion.* Standby pay does include after hour liaison shifts set out in Section 9.09.

14.1514 Special Assignments

Effective October 1, ~~2021~~2024 employees receiving the following special assignments shall be entitled to the specified special assignment pay, for the duration of the assignment. These assignments and the respective special assignment pay shall not be a "property right" to any employee, and the assignments shall be at the exclusive discretion of the APCO. PERS defines if a special assignment pay is reportable. Not all special assignments or pays may be PERS reportable.

1. Clerk of the Governing Board shall receive special assignment pay of \$-200.00 per month.
2. Clerk of the Hearing Board shall receive special assignment pay of \$40.00 per month.
3. Safety Officer shall receive special assignment pay of \$ 200.00 per month.
4. Employees assigned to obtain, and who maintain, the State Hazardous Material Certification of Health & Safety Training for Hazardous Waste Workers, shall receive special assignment pay of \$50.00 per month.
5. ~~Employee~~Employees assigned as Web Master shall receive special assignment pay of \$125.00 per month.
6. ~~Employee~~Employees assigned as the Information Technology (IT) Officer shall receive special assignment pay of \$ 350.00 per month.
7. Employees assigned as Sacramento Valley Basinwide Control Council Secretary shall receive special assignment pay of \$300.00 per month.

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8. Employees assigned as Burn Program Manager shall receive special assignment pay of \$200.00 per month.

7.9. Employees whose duties require the use of a cell phone may accept a \$~~40~~50.00 per month cell phone allowance for the use of their personal cell phone for District business in lieu of being assigned a District cell phone.

The special assignment pay shall be effective the first day of the month the assignment is made.

15.00 UNEMPLOYMENT INSURANCE

District employees shall be covered by unemployment insurance pursuant to state law. The purpose of this coverage is to provide benefits to former employees who are no longer employed through no fault of their own. Employees who terminate from District employment shall complete termination forms and procedures as required by the APCO.

16.00 EMPLOYEE INSURANCES

A. All regular employees assigned to full-time or more ~~position~~positions and the employee's dependents shall be entitled to participate in the District-sponsored group health plan. Eligible employees enrolling in the program within thirty (30) days following their appointment will be covered subject to the contract limitation with the health plan carrier. Employees enrolling after the thirty (30) day enrollment period will be approved only upon evidence of insurability.

B. Employees assigned to the reduced work week schedule and assigned to work seventy-two (72) hours per biweekly pay period shall be considered full-time employees. Employees assigned to a reduced work week position and assigned to work thirty-six (36) hours or more per biweekly pay period in that position, and that employee's dependents, shall be eligible to participate in the District's Benefit Plan.

16.01 Plan Documents Controlling

The plan document for ~~insurances~~insurance specified below (health, dental, vision, long term disability, life) is controlling.

16.02 Health Plan

A. Employee Health Plan Eligibility: All regular employees assigned to a one-half (1/2) time or more position and the employees dependents shall be entitled to participate in the District sponsored Cafeteria Plan. Employees working less than full-time and hired after November 1, 1987, shall receive pro-rated health contributions rounding to the nearest one-quarter time (i.e., either fifty percent (50%) seventy-five percent (75%), or one hundred percent (100%) of the District contribution for full-time employees). Eligible employees enrolling in the program within thirty (30) days following their appointment will be covered subject to the contract limitation with the health plan carrier. Employees enrolling after the thirty (30) day enrollment period will be approved only upon evidence of insurability.

B. Employees assigned to the reduced work week schedule and assigned to work 72 hours per biweekly pay period shall be considered full-time employees. Employees assigned to a reduced

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work week position and assigned to work thirty-six (36) hours or more per biweekly pay period in that position, and that employee's dependents, shall be eligible to participate in the District's Benefit Plan.

16.02.1 Health Plan Description

The District Flexible Benefits Plan (hereafter "Cafeteria Plan") is available to all employees in regular-help positions (hereafter "employee"). There will be two (2) participation levels, identified as Employee "A" and Employee "B" as per Section 16.02.2. Once the selection is made, it will remain in force until the next open enrollment period. The fee for a third-party administrator will be paid by the District.

The basic group term life insurance will continue to be provided at District expense and will not be part of the Cafeteria Plan.

16.02.2 Participation Levels

Employee A--Core Plan: In accordance with Section 22892 of the Public Employees Medical and Hospital Care Act (PEMHCA), the District will pay the first portion of the premium for medical coverage as designated in the most current PERS Circular Letter. In addition, the District will contribute the following participant premium medical coverage and will increase the District contribution by 50% for any future rate increase during the term of this agreement in the medical, dental, and vision plans. Since there are several medical plans available through the PERS Health Plan, future District contribution increases will be based on the Blue Shield HMO rates. The District contribution amounts as of January 1, ~~2021~~2024 are:

<u>Participant Levels:</u>	<u>Dollar Amount</u>
Employee only	\$794.37 15.18/month
Employee plus one	\$1,544.44 596.07/month
Family	\$2,042.01 096.13/month

If the employee elects medical coverage, then the employee must participate in a dental plan option and the vision insurance (Core Plan). If dependent coverage is sought, dependents must participate in the dental and vision plans unless they are unable to do so for reasons beyond their reasonable control.

Employees that have elected to participate in the "Core Plan" can also elect to participate in optional benefits. If the employee has any surplus Flexible Benefit Account credits after making all elections required to participate in the health insurance, the employee can use that surplus toward the Flexible Benefit Options listed in the Flexible Benefit Option Exhibit. Employees that wish to participate in the optional benefits in the plan, with the exception of the cash back option, but do not have any surplus credits, can elect to have pre-tax payroll deductions in an amount to cover the cost of their elections.

The parties agree to meet and confer regarding the participation levels, annually, by October 1st of each year of the agreement.

Employee B--Flexible Benefit Options: Employees who elect not to participate in Option A will be asked to sign a waiver and will be required to provide proof of medical insurance (see Section 16.02.3).

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They will have an opportunity to participate in the Flexible Benefit Options as set forth in attachment Appendix F.

The District will provide an employer flex credit monthly contribution for "employees" who elect Option B in the amount of the current District's participant contribution for Employee Only per month. Employees can use this contribution toward any of the Flexible Benefit Options listed in the Flexible Benefits Options Exhibit. Employees that wish to participate in the Flexible Benefit Options, with the exception of the cash back option, but do not have sufficient flex credits, can elect to have pre-tax payroll deductions in an amount to cover the cost of their elections.

16.02.3 Administration

- A. No benefits will be paid to employees in Category B until proof of insurance is on file with the APCO.
- B. Part-time regular help employees will receive proportional benefits as provided in the Memorandum of Understanding. For purposes of benefit plan eligibility for the duration of the thirty-six (36) hour schedule, employees who are assigned to work seventy-two (72) hours in any pay period shall be considered to be full-time employees. All employees assigned to a one-half (1/2) time or more position, and the employee's dependents, shall be entitled to participate in the District's Flexible Benefits Plan. Employees working less than full-time, shall receive prorated flex benefit contributions rounding to the nearest one-quarter time; i.e., either fifty percent (50%) for employees working thirty-six (36) hours to forty-five (45) hours; seventy-five percent (75%) for employees working forty-six (46) to sixty-four (64) hours; or one hundred percent (100%) for employees working sixty-five (65) hours or more.
- C. Any money deposited in the Flexible Benefits Account of an employee must be used during the plan year; otherwise, the remaining balance reverts to the District. Upon separation, the money will be disbursed in conformance with the rules and procedures explained to and authorized by the employee at the time of his/her enrollment.

16.02.4 Retired Employee Options

Employees hired after October 1, 2018, are not eligible for conversion of sick leave to health insurance or the one-year health coverage as outlined in this section.

Those employees hired before October 1, 2018 and who are retiring in good standing with at least ten (10) years of cumulative service with the District, are members of the District-sponsored health plan, are members of PERS and subject to this Memorandum of Understanding, are entitled to twelve (12) months of reimbursable health premiums immediately following retirement subject to the provisions of the contract between the District and the Public Employees' Retirement System.

In addition to the provisions of the sick leave buyback plan (Section 11.01.D), any retiring employee hired before October 1, 2018, is eligible for sick leave conversion for a health premium plan. Under this sick leave conversion, a retiring employee will receive one month of paid health benefits (excluding life~~);~~) for each eight (8) hours of sick leave on accrual at the date of retirement. Coverage under this plan shall not be extended to employee dependents or to employees beyond the Medicare Supplemental Qualifying Age. (currently 65 years for born before 1960 and 67 years for born after 1960).

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An employee hired before October 1, 2018, enrolling in the health premium plan may elect to provide coverage for a dependent spouse by converting accumulated sick leave at an additional rate of twelve (12) hours of accumulated sick leave for one month of health insurance until the Medicare Supplemental Qualifying Age. For a total of (20) twenty hours for both employee and spouse coverage. The dependent spouse enrollment date must be declared at the time of the employee's retirement or at a qualifying emergency event. The dependent spouse enrollment date may occur after the employee's retirement date, but a specific start date must be specified at the time of the employee's retirement. The dependent spouse must be eligible for enrollment under the requirements of the Health Insurance Portability and Accountability Act (HIPAA). If the dependent spouse is not eligible for enrollment pursuant to the provisions in HIPAA, coverage will revert back employee only coverage. The employee may undeclare (not provide coverage for) a dependent spouse with no loss of accrued sick leave if the retired employee notifies the District prior to the above specified date and at least 4 months prior to the beginning of the fiscal year which includes the specified date. Failure to notify the District within this time frame may result in loss of the allocated accrued sick leave for the dependent spouse until the next fiscal year. Changes to the coverage for a dependent spouse are subject to the requirements in HIPAA and coverage may be terminated at their death or another qualifying event, pursuant to HIPAA, without further use or loss of the retired employee's accrued sick leave.

A dependent spouse that has been enrolled in health coverage by a retired employee is eligible to continue coverage if the retired employee reaches Medicare Supplemental Qualifying Age or upon the employee's death with the same conversion rate provided accumulated sick leave is available and if the dependent spouse is still eligible for PERS health care in accordance with PERS policies.

Rights The rights to continuation of health coverage above are in addition to any rights the employee is entitled to under COBRA. The District will reimburse the employee, on a monthly basis, for eligible health care premiums utilizing the available sick leave, when presented with a copy of the employee's retirement pay voucher showing the premium deduction. - The District shall pay the Dental and Vision premiums directly.

Retiring employees may also choose to continue health coverage for themselves and their covered dependents by paying the full premium required.

16.02.5 Pre-Tax Dollar Program

The District will make available to its employees a voluntary program of pre-tax dollar contributions as provided in Internal Revenue Code Section 125. Should it be determined that this program is in conflict with provisions of the Internal Revenue Code or any other relevant law or regulations which would subject the District and/or its employees to a penalty, the program will be suspended.

16.02.6 Payroll Contributions

Payroll contributions shall normally be deducted in equal deductions in two pay periods in a month (e.g., one-half in the first pay period and one-half in the second pay period). However, for new enrollees, terminating employees and enrollees going on or returning from an unpaid absence, the entire premium will be deducted in one pay period of the month, rather than two.

16.03 Dental Insurance

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The District agrees to pay the premium for a dental plan for employees and eligible dependents during the term of this agreement. Dental insurance provided by this section shall be subject to the limitations, benefits and incorporated as part of the Flexible Benefit Plan options ~~set of~~ in Section 16.02 above.

16.04 **Optical Insurance**

The District agrees to pay the premium for optical insurance during the term of this agreement. Optical insurance provided by this section shall be subject to the limitations, benefits and incorporated as part of the Flexible Benefit Plan options set forth in Section 16.02 above.

16.05 **Life Insurance**

The District agrees to provide \$25,000 term life insurance for all employees during the term of this agreement, effective January 1, 2001.

16.06 **All Insurance**

The District continues to have the right and the obligation to administer the various insurance programs. These rights and obligations include but are not limited to the right to select the carriers and insurance claims administrators after prior meet and consultation with the Employees' Management Association. In the event a change in insurance carrier is made, an open enrollment period will be authorized.

16.07 **Disability Insurance**

Each regular District employee shall participate in the Disability Insurance Plan. Disability Insurance is integrated with the District's sick leave plan and the employee(s) shall be allowed to use up to fifteen (15) vacation and/or CTO days in addition to sick leave in combination with payments due from Disability Insurance for each disability in accordance with the following formula:

- A. The employee's gross biweekly wage shall be multiplied by a factor of 0.85 and the resulting product reduced by the amount of payments for the biweekly period. The resulting balance shall represent the amount of gross sick leave/vacation and/or CTO pay from which mandatory and voluntary deductions shall be made.
- B. It shall be the employee's responsibility to apply for benefits and to file with the Administrative Services Officer immediately upon receipt. Upon receipt of said notice, the Administrative Services Officer shall adjust the employee's sick leave/vacation and/or CTO usage to the maximum eligible, according to the integration formula.

An employee receiving disability benefit payments who fails to provide the Administrative Services Officer within thirty (30) days of the onset of the disability benefits approval shall be deemed in violation of the terms of this agreement and the Administrative Services Officer shall immediately forward to the disability benefits carrier a report indicating that the employee had received full sick leave/vacation and/or CTO to the maximum allowed for the time in question.

The District shall develop a revised checklist for employees filing disability claims. The checklist will include clear step-by-step instructions for employees to follow and explain how the disability insurance program works.

16.08 **Continuation of Insurance during Absences without Pay**

Employees granted leaves of absence without pay of one full pay period or longer or employees suspended without pay for one full pay period or longer, must notify the APCO and make arrangements for payment of insurances in advance. "Advance" as used in this article means on or before the first working day of the pay period.

An employee who is absent without pay must pay in advance for any insurance coverage during the absence of one full pay period or longer. The only exception to advance payment is in the case of an emergency beyond the control of the employee and where payment shall be made at the earliest possible time after the leave commences.

Unless otherwise specifically provided under federal or State law, if the employee does not pay for insurance coverage during the absence without pay, he/she is treated like a new employee in terms of when coverage begins for each type of insurance. Unless otherwise specifically provided under federal or State law, should employees and/or their dependents not be covered during an absence without pay, they may be treated as initial enrollees for insurance for purposes of qualification period and benefits, including deductions and co-payments, upon return of the employee to active employment.

When an employee is absent without pay for any reason, coverage under employee insurance (e.g., health, life, dental, long-term disability) ceases for the employee and any dependents the beginning of the first full pay period of the leave of absence without pay.

16.09 **Liability of Employee for Ineligible Dependents**

Employees shall be liable for payment for all services received by ineligible dependents and for any contributions made on the dependent's behalf by the District for all employee insurances. It is the responsibility of each employee to provide written notification to the Air Pollution Control Officer and the applicable insurance carrier upon any enrolled dependent(s) becoming ineligible.

16.10 **Intentionally Blank**

~~**16.11**~~ **Benefit Plan Review Committee**

The Butte County Air Quality Management District ~~Employees' Management~~ Association reserves the right to form a Benefit Plan Review Committee if changes in benefits warrant such an action.

17.00 **RETIREMENT PLAN**

17.01 **Membership**

Regular full time District employees shall be members of the Public Employees' Retirement System as provided by law and the terms of the contract in effect between the District and the Public

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Employees' Retirement System. Hourly-rated extra-help employees shall not be eligible for retirement benefits.

Participation in the retirement plan shall be consistent with the requirements of the Public Employee Pension Reform Act (PEPRA). -To the extent PEPRA conflicts with any provision of this Resolution, PEPRA will govern.

17.01.1 **New Members**

For purposes of this section “New Member” is defined by Public Employee Pension Reform Act (PEPRA) to be any of the following (statutory reference is to the California Code):

- A. An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date.
- B. An individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under subdivision (c) of Section 7522.02.
- C. An individual who was an active member in a retirement system and show, after a break in service or more than six months, returned to active membership in that system with a new employer. -For the purposes of this subdivision, a change in employment between state entities or from one school employer to another shall not be considered as service with a new employer.

“New Members”^{2,2} as defined above, are eligible to participate in the County retirement program as contracted through the California Public Employees’ Retirement System (CalPERS). The retirement program is based on the highest average annual compensation over a three-year period and the 2% @ 62 formula.

17.01.2 **Classic Members**

As defined above, are eligible to participate in the District retirement program as contracted through the California Public Employees’ Retirement System (CalPERS). -The retirement program is based on the highest single year of salary on the 2% @ 55 formula.

17.02 **Retirement Contribution**

“**New Members**”: Effective the pay period including October 1, 2015, employees shall pay the current employee contribution rate to the PERS retirement pension for the 2% at 62 formula.

“**Classic Members**”: Effective October 1, 2014, employees will pay on a pre-tax basis all seven percent (7.0%) of salary for the employee share of their PERS retirement pension. -Seven percent (7%) of salary is the maximum employee contribution to the PERS retirement pension for the 2% at 55 option.

17.03 Retirement Credit for Sick Leave

An employee may, upon retirement from the District under PERS, use any sick leave accumulation not used as part of the calculated options for cash out or sick leave conversion as service time, in accordance with the PERS formula.

17.04 Credit for Butte County Employment

Notwithstanding other provisions of the MOU, an employee previously employed with Butte County shall be given equal transfer credit for his or her previous employment with Butte County. The employee shall have his or her retirement credits transferred to the District on a 1 to 1 basis without any devaluation, and the credit shall be additive toward the ~~employees~~employee's District employment term towards retirement. (For example, if employee A was employed with Butte County from 1988 through 1998, and then employed with the District from 1998 through 2000, employee A's retirement credit shall be at the year 2000, 12 years retirement credit.)

17.05 Employer Deferred Comp Program

A. 401(a) The District agrees to maintain an employer deferred compensation program, beginning July 1, 1999, though the term of this agreement, the carrier to be determined by the District. The District agrees to contribute 6% into this employer deferred compensation program, with 100% vesting to occur three (3) years after the date of initial employment for all permanent full-time positions.

~~B. B.~~—457 The District agrees to maintain, during the term of this agreement, an employee paid deferred compensation program, the administrator to be determined by the District.

C. District agrees to offer a 401(a), 457, and Roth 401(k) account to all employees with the carrier to be determined by the District.

18.00 REIMBURSEMENT OF EXPENSES

18.01 Expenses for Mileage

Except when authorized otherwise by the APCO, an employee shall drive District vehicles on District business. An employee may be authorized to use his/her personal vehicle on District business on the following circumstances: upon approval by the APCO or his designee, and following the filing with the District of proof of insurance and naming the District as additional insured.

An employee who has received authorization to use a privately-owned vehicle for District business shall be reimbursed at the rate as IRS dictates, for each mile driven on District business during the month.

All claims for mileage reimbursement must be submitted within ninety (90) days of incurring the mileage expense on the form directed by the APCO and with the supporting information directed by the APCO. Claims not submitted within ninety (90) days are not valid claims against the District.

18.02 Professional License Fees

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Employees in the following classifications (upon the approval of the appointing authority) shall be eligible to be reimbursed for 100% of the professional license or certificate fees required as a prerequisite to their position.

1. Engineer, Professional registration
2. Air Pollution Specialist(s), Planner(s), and Engineer(s): Visible Emission Certification

19.00 BENCHMARK SURVEY DISTRICTS

Employee compensation in the following air pollution control and air quality management agencies shall serve as benchmarks in reviewing potential employee salaries and benefits:

1. Shasta County APCD
2. Feather River AQMD
3. Yolo-Solano Unified AQMD
4. Placer County APCD
5. San Luis Obispo County AQMD
6. N. Sonoma APCD
7. Northern Sierra AQMD
8. North Coast AQMD

~~Compensation data will include salaries, paid employee retirement contributions, and accruals and other benefits including but not limited to the maximum medical contribution. Compensation data will include salaries, paid employee retirement contributions, vacation, compensated time off, accruals and other benefits including but not limited to the maximum medical contribution.~~

20.00 EMPLOYEE PERFORMANCE

The parties support the concept of high performance, high productivity, efficiency, and courteous treatment of the public and other staff in order to provide effective services to the community served by the District at reasonable cost.

20.01 Right to Representation

The District shall advise the employee of his/her right to be represented by the respective bargaining unit, Association, or other representative of his/her choosing at any meeting in which disciplinary action is to be imposed or at which disciplinary action might reasonably be expected to be imposed. If the employee elects to have representation present, and none is immediately available, the meeting will be postponed for up to twenty-four (24) hours not including Saturdays, Sundays, or holidays, in order to permit the employee to obtain representation. Nothing herein shall be construed to preclude the department and the employee, after due consideration of the facts and circumstances of the department's allegations, from abandoning or modifying the proposed disciplinary action by mutual consent.

20.02 Disciplinary Actions

Disciplinary action may be taken by the APCO or his/her designated representative for just and reasonable cause and/or applicable personnel rules, and shall include, but is not limited to, the following:

- A. Suspension without pay for no more than sixty (60) calendar days -- the sixty-day limitation shall apply only to imposition of discipline by the APCO and does not limit the ability of the hearing officer to impose a greater period of suspension as a modification of an action of dismissal or disciplinary demotion.
- B. Reduction in salary step -- the placement of an employee at a lower step in the salary range of the classification held by the employee.
- C. Disciplinary demotion -- the appointment of an employee for disciplinary reasons to a position in another class with a lower salary range, provided the employee meets the minimum qualifications for the lower class.
- D. Dismissal -- the separation of the employee from District service for cause.

NOTE: The APCO may suspend an employee with pay for a period not to exceed twenty (20) working days for purposes of investigation for possible disciplinary action. Such suspension with pay is not disciplinary action and is not subject to appeal.

20.03 Performance Correction Notice

Any performance correction notice of an employee in this representation unit by the District shall include the specific reason(s) for such reprimand. --A copy of the notice may be placed in the employee's personnel file. Such a notice shall be sealed three years after its date of issuance. After the sealing, it may only be unsealed (1) to be used in any legal proceeding, claim, or dispute involving the District, or as ordered by a court or (2) for the inspection of the APCO, District Counsel, or the employee that received the performance correction notice.

Such performance correction notice shall include a statement that the employee may discuss the reprimand with the APCO, the ~~Employees'~~Management Association and/or his or her council.

Such reprimands shall not be subject to appeal but the employee and/or his/her representative shall have the right to discuss the written reprimand with the APCO. The APCO may uphold, amend, or withdraw the reprimand at his/her discretion.

20.04 Notices of Disciplinary Action

- A. *Pre-Disciplinary Notice:* If the APCO or his or her designee proposes to take disciplinary action in severity against an employee of a suspension without pay of five (5) days or more, the APCO shall first serve the employee with notice of the proposed discipline including the right to respond to the APCO prior to the action being taken. The notice shall be served at least seven (7) calendar days prior to the effective day of the action and shall be served ~~onto~~ the employee personally or by certified mail. If the employee is personally served, the date of

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service shall be considered to be the first day of notification. If the employee is served by certified mail, neither the day of the mailing nor the following calendar day shall be considered in the seven (7) calendar days for notification purposes. The notice shall clearly specify the action taken, the reason for the action including the particular facts and specific incident(s) involved and the effective date(s) of the action and, in cases of demotion, shall contain a statement as to the wages and duties of the new position. The notice shall also advise the employee that a copy of the material upon which the action is taken or based is attached; the right to be represented and to respond verbally or in writing to the APCO or designated representative prior to the effective date of the action, and the right to appeal the action and the time within which the appeal may be made.

The APCO or a designated representative taking disciplinary action against an employee may, when it is necessary for the operation of the District, or to conduct an investigation into the allegation, assign the employee to less critical duties during the five (5) day review period. When extraordinary circumstances exist that require the immediate removal of the employee from the premises, the APCO or a designated representative may place the employee on paid suspension subject to call not to exceed five (5) days. If required to provide for full investigation of the allegations made against an employee, the five (5) day period for reassignment of paid leave may be extended up to thirty (30) days.

Nothing in this section or in Section 20.05 shall be deemed to preclude the taking and imposition of disciplinary action before the grievance procedure has been resorted to or exhausted by the employee's respective bargaining unit representative association or Employee.

- B. *Notice to Association:* The APCO, upon initiating disciplinary action for discharge, demotion, or suspension of an employee identified in Appendix A, shall immediately notify the Association and representative of the employee.

If personal delivery at the work site cannot be accomplished, notice shall be served as follows, using the most current address in the employee's personnel file: (1) by mailing a copy of the notice by certified mail to the employee with return receipt required; and (2) by mailing a copy of the notice to the employee via first class U.S. Mail.

For purposes of establishing the time limits for filing an appeal, service of the notice of disciplinary action shall be deemed complete on the earlier of: (1) The date of receipt of the notice sent by certified mail, or, (2) five (5) calendar days from mailing of the notice by first class U.S. mail.

20.05 Appeals

- A. *Who May Appeal.* Only employees in full time, permanent, budgeted positions as identified in Appendix A who are not on probation shall have the right to appeal disciplinary actions as defined herein.
- B. *Appeal ~~Time Lines~~ Timelines and Contents.* A written appeal of a disciplinary action as defined herein must be filed with the APCO within ten (10) working days of the date the notice of disciplinary action is deemed to have been received. Such notice must be filed by the employee

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against whom the disciplinary action is taken. The appeal shall contain a specific admission or denial of the material allegations contained in the notice of disciplinary action.

Failure by the employee to file an appeal with the APCO within the ten (10) working ~~day~~ ~~timedaytime~~ limit shall constitute an automatic forfeiture and irrevocable waiver of any right to appeal the disciplinary action.

20.06 Appeal Hearing

Hearings on appeals filed in accordance with the provisions of this Memorandum of Understanding shall be as follows:

- A. *Selection of Hearing Officer.* The parties shall select a mutually acceptable hearing officer and schedule a day for the appeal hearing within twenty (20) working days of the date of the appeal of the disciplinary action. Should the **Employees' Management** Association representative exercise its option of representing the employee in the appeal, it may require that the hearing officer be an arbitrator.
- B. *Preparation for Hearing.* At least ten (10) working days prior to the appeal hearing, the parties shall attempt to stipulate ~~to~~ as many facts as possible.
- C. *Expenses.*- The fees and expenses of the hearing officer shall be shared equally by the parties. It is understood and agreed, however, that all other expenses, including but not limited to fees for witness transcripts and similar costs incurred by the parties during such hearing, shall be the responsibility of the individual party involved.

If the employee is not represented by the **Employees' Management** Association representative for the appeal hearing, the employee shall certify in writing that she/he shall pay his/her share of the fees and expenses of the hearing.
- D. *Criminal Action-Alleged or Charged.* When the facts alleged in the notice of disciplinary action constitute a crime, or where the employee has been charged with a crime arising from the same transaction, and the employee has filed an appeal of the disciplinary action, she/he may, at least ten (10) working days prior to the date of the appeal hearing, request a continuance of his/her appeal hearing for a reasonable period to determine whether a criminal charge will be filed or until after termination of the criminal case. Such a request must be accompanied by waiver of salary and all benefits for the period of continuance, in the event the employee is reinstated.
- E. *Hearings.* It shall be the duty of the hearing officer to hear and consider evidence submitted by the parties and to thereafter make written findings and a decision within twenty (20) working days of the conclusion of the hearing.

The hearing officer shall have the authority to deny, affirm or amend the disciplinary action appealed, but the hearing officer shall have no authority to add to, subtract from, alter, amend or modify any provision of this Memorandum of Understanding or impose on any party a limitation or obligation not explicitly provided for in this agreement.

20.07 **Notice of Association**

The APCO will, upon receiving a notice of disciplinary action for discharge, demotion, or suspension of an employee within the unit, immediately notify the Association. Failure of the APCO to immediately notify the Association shall not affect the appointing authority's notice of discharge to the employee.

21.00 **GRIEVANCE PROCEDURE**

Intent. An employee (or employees) shall have the right to present a grievance pursuant to this procedure. The employee (or employees) may be represented by the Employees' Management Association representative or an individual of his/her choice in the formal steps of this procedure. Employees who present a grievance shall not suffer reprisal or other punitive action by the District or an Employees' Management Association because of the exercise of the right to present or appeal a grievance. An employee (or employees) who have a grievance shall be given reasonable time off without loss of pay or benefits to present the grievance to District management pursuant to this procedure.

21.01 **Grievance Defined**

- A. A grievance may only be filed if it relates to:
1. A management interpretation or application of this Memorandum of Understanding which adversely affects an employee.
 2. Failure by the District to provide a specific condition of employment which is established by the Administrative Code of the District and applies to employees in the Employees' Management Association, provided that the enjoyment of such condition is not made subject to the discretion of the District or APCO, and provided further that the condition of employment which is the subject matter of grievance is a matter within the scope of representation as defined in California Government Code Section 3504.
- B. A grievance shall not include the following:
1. Complaints regarding Affirmative Action, Occupational Health and Safety or Worker's Compensation or the applicable procedures for such complaints.
 2. The exercise of any District rights as specified in this Memorandum of Understanding, so long as the exercise of such rights does not conflict with other provisions of this Memorandum of Understanding.
 3. Any impasse or dispute in the meet and confer process.
 4. Any "interest" matters or matters within the scope of representation.
 5. Any matter for which a different appeals procedure is provided either by statutes, ordinances, resolutions, or agreement.

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6. Disciplinary actions.
 7. Decisions of the APCO with respect to classification requests.
 8. District's Governing Board of Directors resolution, or minute order.
 9. Subjects involving the amendment of a state or federal law.
 10. Performance evaluation.
 11. Denial of merit increases.
- C. Other limitations on arbitration:
1. Grievances concerning provisions of the District Administrative Code shall not be subject to arbitration (Step 4).
 2. Article 22.02 (Safety) shall not be subject to arbitration (Step 4).
 3. Y-rating pursuant to Article 14.06 shall not be subject to arbitration (Step 4).

21.02 **No Discrimination**

There shall be no restraint, interference, coercion, discrimination, or reprisal against any employee for exercising any rights under this grievance procedure.

21.03 **General Provisions**

- A. *Grievance Withdrawal.* The grievant may withdraw the grievance at any stage of the grievance procedure by giving written notice to the District representative who last took action on the grievance, with a copy to the APCO.
- B. *Reconsideration.* By mutual agreement, the parties may revert the grievance to a prior step for reconsideration. If the grievance is not then settled at that prior level, the grievance shall be processed from the prior step following the ~~time lines~~timelines and process set forth in this Article.
- C. *Consolidation.* The District and the ~~Employees'~~Management Association may consolidate grievances where, in its discretion, the grievances present substantially similar issues.
- D. *Grievance Resolution.* If a grievance is resolved at Step 2 or Step 3 the grievant(s) concerned shall indicate acceptance of the resolution by affixing his/her signature in the appropriate space indicated on the grievance form. If the employee(s) has been represented by the ~~Employees'~~Management Association at the step of procedure at which a resolution is reached, the ~~Employees'~~Management Association representative shall also sign in the appropriate space on the grievance form, acknowledging that the grievant(s) has accepted the resolution.

21.04 **Time Lines**~~Timelines~~

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- A. The time limits set forth herein are essential to the grievance procedure and shall be strictly observed.
- B. The time limits may be extended by agreement of the parties; however, any such extension must be confirmed in writing.
- C. If, at any step of the grievance procedure, the grievant(s) is dissatisfied with the decision rendered, it shall be the responsibility of the grievant(s) to submit the grievance to the next step within the time limits specified.
- D. Failure to submit the grievance within the specified time limit shall terminate the grievance process and the grievance shall be considered settled on the basis of the last decision and the grievance shall not be subject to further appeal or reconsideration.
- E. The grievant(s) has the right to promptly proceed to the next step within the prescribed time limits if the appropriate District representative fails to respond within the time limit specified.

21.05 Grievance Processing Steps

An employee has the right to present his/her own grievance. A group of employees may also present a grievance. The Employees' Management Association may file a grievance on those matters concerning the rights of the Employee Management Association as an organization as specified in Article 4 of this MOU.

A. Step 1 - Informal

The grievant(s) shall first discuss the grievance informally with his/her Division Chief and inform the Division Chief that the subject of the discussion is a grievance. The discussion shall be held within ten (10) working days of the action causing the grievance or of the date the action reasonably could have been expected to be known to the grievant(s). In no event shall any grievance be accepted for consideration more than forty-five (45) working days from the date of the action causing the grievance, regardless of the date the action became known to the grievant(s).

Every reasonable effort shall be made to resolve the grievance at this level. The Division Chief shall respond verbally to the grievant(s) within five (5) working days of the informal discussion between the grievant and the Division Chief.

Any settlement must be in accordance with the provisions of this Memorandum of Understanding or, if applicable, the District's Personnel Rules.

B. Step 2 - Formal Written Grievance

In the event the grievant(s) believe the grievance has not been resolved satisfactorily, the grievant(s) shall submit the grievance in writing to the Division Chief within ten (10) working days of receipt of the Division Chief's verbal response at Step 1. A copy of the grievance shall also be provided to the APCO. In the event the Employees' Management Association believes a grievance filed with respect to Article 6 has not been satisfactorily resolved at Step 1, the Employees' Management Association shall submit the grievance in writing to the APCO within ten (10) working days of receipt of the

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APCO's verbal response at Step 1. If the grievance is not filed at Step 2 within the time limits provided herein it shall be deemed to not exist.

All formal grievances shall be presented on grievance forms which are available to employees and the Employees' Management Association and which shall contain the following information:

1. the name of the grievant(s),
2. the specific nature of the grievance and how the grievant(s) was adversely affected,
3. the date, time, and place of occurrence,
4. the specific provision(s) of this Memorandum of Understanding or of the Personnel Rules alleged to have been violated,
5. any decision that was rendered at Step 1,
6. the corrective action desired,
7. the name of any representative chosen by the employee to represent him/her.

Within ten (10) working days of receipt of the formal grievance, the Division Chief (or APCO, with respect to an Employees' Management Association grievance which alleges violation of Association Rights) shall respond in writing to the grievant(s) and the grievant(s) representative stating his/her decision, the facts on which the decision is based, and the remedy or corrective action which has been offered, if any.

Any grievance settlement at Step 2 shall be subject to the review and confirmation of the APCO before the settlement may become effective, and must be consistent with the provisions of this Memorandum of Understanding or, if appropriate, the District's Personnel Rules.

Such review and confirmation will occur within ten (10) working days, or the grievant(s) may appeal the grievance ~~to~~in Step 3. Such appeal must be moved to Step 3 within ten (10) working days from the date the APCO's review and confirmation was due.

C. Step 3 - Appeal of Formal Written Grievance to APCO

In the event the grievant(s) believe the grievance has not been resolved satisfactorily, or in the event the Division Chief (or APCO in the case of an Employees' Management Association grievance concerning Article 4) fails to respond within ten (10) working days of receipt of the formal grievance, the grievance may be advanced to Step 3. The grievance must be appealed to step 3 within ten (10) working days of the receipt of the District's response at Step 2 or within ten (10) working days of the date the District's response became delinquent.

When a grievance is appealed to Step 3, the grievant(s) must specifically set forth the reason(s) that he/she believes the answer provided by the District is not satisfactory.

The APCO shall issue a decision in writing to the grievant(s) and his/her representative, if any, within ten (10) working days of receipt of the appeal to Step 3. Such decision shall be final and binding on the parties unless the grievance is appealed by the Employee Management Association to Step 4, provided such appeal is received by the APCO within ten (10) working days of the APCO's decision at Step 3, and further provided that the issue is arbitral in accordance with the provisions of this Article.

D. Step 4 - Arbitration

Only those unresolved grievances filed and processed in accordance with this Section, which meet the definition of a grievance and are not excluded from arbitration pursuant to this Section, and which

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directly concern or involve the interpretation or application of the specific terms and provisions of this Memorandum of Understanding may be submitted to arbitration. The Employees' Management Association appeal of the grievance to Step 4 shall set forth the specific issue or issues, which remain unresolved.

Failure to request arbitration within the time limits set forth herein shall constitute an automatic forfeiture and an irrevocable waiver of the right to process the grievance appeal to arbitration.

Prior to the selection of the arbitrator, the parties shall disclose all pertinent information and will attempt to stipulate ~~to~~ as many facts as possible and agree on the issue(s) to be submitted to the arbitrator.

Within ten (10) working days of receipt of the appeal to Step 4 the parties shall meet to select a mutually acceptable arbitrator. In the event that the parties are unable to agree upon an arbitrator, the parties shall jointly request that the State Conciliation and Mediation Service; or its successor agency as the State may determine, provide a list of seven (7) qualified arbitrators. Upon receipt of the list of arbitrators the parties shall meet within ten (10) working days to strike names from the list. The parties shall alternately strike names from the list until one name remains, and the person remaining shall serve as the arbitrator. The party having the first choice to strike a name from the list shall be determined by lot.

Within five (5) working days from the date of selection a letter will be sent to the State Conciliation and Mediation Service; or its successor agency as the State may determine, notifying the service of the arbitrator selected and requesting that the arbitrator be notified of his/her selection and requesting that the arbitrator contact the parties to establish a hearing date.

Once the arbitrator has contacted the parties, the arbitration hearing will be scheduled at the earliest mutually agreeable date, but no later than twenty (20) working days from the earliest date the arbitrator is available.

The fees and expenses of the arbitrator shall be shared equally by the parties. It is understood and agreed, however, that all other expenses, including, but not limited to fees for witnesses, transcripts and similar costs incurred by the parties during such arbitration, shall be the responsibility of the individual party involved.

Proceedings shall be recorded but not transcribed except at the request of either party to the hearing. The party requesting the transcripts shall bear the expense. Upon mutual agreement, the District and the grievant may submit briefs to the arbitrator in lieu of a hearing.

Except when briefs are submitted as specified in the preceding, it shall be the duty of the arbitrator to hear and consider evidence submitted by the parties and to thereafter make written findings of fact and a decision within twenty (20) calendar days of the conclusion of the hearing.

The decision of the arbitrator shall be final and binding on the parties, but the arbitrator shall have no authority to add to, subtract from, alter, amend or modify any provision of this Memorandum of Understanding or impose on any party a limitation or obligation not explicitly provided for in this agreement.

21.06 **Representation**

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A. Meetings and Hearings

The District and the grievant(s) or, if the grievant(s) is (are) represented, the grievant's representative, shall be responsible for giving notice of meetings concerning grievances to their respective parties at least 24 hours prior to any such meeting, whenever possible.

If the employee is represented at a meeting to discuss a grievance, the District may also designate a management representative to be present at such meeting.

In no event shall a grievant be represented by more than one District employee at any grievance meeting or hearing.

B. Employee (Grievant)

An employee is entitled to represent him/herself individually in the processing of a grievance. However, only the respective employee's representative Employees' Management Association may appeal a grievance to arbitration (Step 4).

Decisions on grievances where employees represent themselves shall not be considered precedent setting or binding with regard to any future grievance filed with respect to the same or similar matters. The grievant shall be granted a reasonable amount of time off with pay from his/her regularly scheduled duty hours to process a grievance, provided that the time off will be devoted to the prompt and efficient investigation and processing of the grievance, subject to the following:

1. The scheduling of such time off shall be subject to the prior approval of the APCO to assure that the employee's absence does not unduly interfere with priority operations of the District.
2. The grievant shall notify his/her supervisor as soon as possible of any scheduled grievance meeting or hearing and of any change in the time or dates of such meetings or hearings in which she/he must participate.

C. Employees' Management Association Representation

Provisions regarding the involvement of the steward in the preparation and presentation of grievances are specified in Article 5. -In addition, the following applies regarding Employees' Management Association representation:

1. The grievant may be accompanied by a representative in the discussion of a grievance at Step 1.
2. The grievant has the right to the assistance of the steward in addition to ~~an-employeea~~ management association staff representative in the preparation and/or presentation of the grievance at Step 2 or 3.
3. In no event shall the grievant be represented by more than one (1) District employee at any stage in this grievance process.

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21.07 Employees' Management Association Standing to Grieve

The Employees' Management Association representing the employee(s) holding position as identified in Appendix A hereto, shall have standing to grieve beginning at the first formal step for their respective employees as follows:

- A. On all matters relating to Employees' Management Associations' rights or prerogatives or on matters relating to the Employees' Management Associations' business relationship with the District.
- B. On behalf of former District employees regarding their termination rights and benefits, except for former District employees not having passed probation status.
- C. Where the Employees' Management Association determines that there is a substantial non-compliance with an otherwise grievable term or condition of employment, where no specific employee is directly affected by an interpretation or application of the District affecting otherwise grievable terms and conditions of employment.
- D. Where a grievance filed by an employee representing themselves or having a representative other than the Employees' Management Association is resolved in a manner the Employees' Management Association believes to be inconsistent with the Memorandum of Understanding.

22.00 Safety and Emergency Authority

22.01 Emergency Authority

Nothing contained herein shall be construed to limit the authority of the District to make changes for the purpose of preparing for or meeting an emergency. For the purposes of this article, changes in law or circumstances that significantly reduce currently existing revenue levels, shall be included within the definition of an emergency. Such emergency actions shall not extend beyond the period of the emergency.

Whenever practicable, the District will meet and consult with the Employees' Management Association prior to taking action under the authority of this section. After taking action under the authority of this section, the District, upon request, will meet and confer with the Employees' Management Association over the practical consequences that the emergency action taken had on those terms and conditions of employment that are within the scope of representation.

22.02 Safety

The District recognized its obligation to provide a safe place of employment for its employees and comply with Labor Code 60401.7 and General Industry Order 3203, Injury, and Illness Prevention Program. To assist in accomplishing this goal, it is agreed that the District reserves the right to administer reasonable District rules and regulations.

The Employees' Management Association agrees that it is the duty of all employees to comply with all reasonable rules and regulations and to be alert to all unsafe places, equipment and conditions and to

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report any such unsafe practices or conditions to employee's immediate supervisor or Safety Committee member immediately.

22.03 Safe Working Conditions

When an employee has reason to believe a work assignment is in an unsafe work area or involves unsafe equipment, the employee shall, in accordance with the District's safety program, report the problem to the immediate supervisor and may refuse to work in the area or use the equipment until it has been inspected by the supervisor. Should the supervisor, after such inspection, order the employee to work, the employee shall do so unless the employee believes, within reason, the work environment to be unsafe. In such instance, the employee may request the APCO or his/her designee inspect the work area. The employee will be assigned other work until the inspection is made. The decision of the APCO is final. Nothing herein shall be deemed to waive the employee's rights under CAL-OSHA.

22.04 District Safety Committee

The District shall maintain a Safety Committee consisting of District management and two District employees. One shall be the shop steward. The purpose of the Safety Committee shall be to review safety policies and procedures and to make recommendations. The committee shall be advisory to the District and the Employees' Management Association.

23.00 Transfer and Promotional Opportunity

23.01 Transfer Preference

When filling regular help positions, the APCO shall consider lateral transfer requests from employees in the same class as the vacancy.

23.02 Promotional Interviews

When the APCO develops a certified list of eligible staff to fill a regular-help position by promotion, the APCO shall interview each of the eligible staff on the list that is available and interested in the position before making a final selection for the position.

23.03 Promotional Step Increase

Employees who are promoted within ninety (90) days of their anniversary date will be granted an additional salary step increase beyond what is normally provided. Such additional step may be denied for reasonable cause; including the employee being hired, promoted, or receiving extraordinary step increases within the previous twelve (12) months.

24.00 Layoff

The APCO may initiate a layoff for a regularly held position(s) due to administrative reorganization, lack of work or appropriation by advising the Employees' Management Association of the number of positions and the effective layoff date. The APCO shall establish a seniority list and shall consider

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employee status, length of service and efficiency in determining which employee or employees are to be laid off and shall, in writing, inform the affected employees.

25.00 Seniority List Score Computation

- A. Regular help employees appointed to a position with District₂ or its predecessor county department shall receive credit for compensated regular help employment in both the District and Butte County employment, that has not been broken by a permanent separation. When there has been permanent separation, credit shall be given only for regular help employment following such break in service.
- B. One (1) point seniority credit shall be given for each calendar month of regular help employment, unless specified elsewhere herein, or any portion thereof excluding extended leaves of absence. Regular employees working part-time schedules will be given fractional point credit for each month of service on a pro-rata basis.
- C. Twelve (12) points shall be subtracted from the seniority score of an employee who was the subject of a Disciplinary Action which was appealable and was not appealed or the Disciplinary Action was sustained.
- D. When two (2) or more employees have the same total seniority score the tie shall be broken and preference given in the following sequence:
 - 1. Employees with the greatest seniority in the District and the class in which layoff is being made and in related higher classes.
 - 2. Employees with the greatest seniority in the class in which the layoff is being made and in related higher classes.
 - 3. Employees whose names are drawn by lot by the APCO.

26.00 Order of Separation\Reduction in Force

- A. Employees in the same class within the District of layoff shall be separated during a reduction-in-force in the following appointment type sequence:
 - 1. Extra Help and Emergency
 - 2. Provisional and Probationary
 - 3. Permanent
- B. Separation of employees shall be in the order in which their names appear on the seniority list for the affected class, with those ~~persons~~people having the least seniority credit being the first separated.

27.00 Layoff Notice

The APCO shall send written notice to the last known address of each employee affected by the layoff at least thirty (30) days prior to the effective date of the action, except for employees who are displaced by an employee with a higher seniority score as set forth in Section 28.00. In which case notice shall

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be sent fourteen (14) days prior to the effective date of the action. The notice shall include the following:

1. reason for layoff
2. classes to which the employee may demote within the department, if any
3. effective date of the action
4. seniority score of the employee
5. formula by which the seniority score is computed
6. appeal rights of the employee
7. conditions governing retention on and reinstatement from reemployment lists, and
8. rules regarding waiver of reinstatement and voluntary withdrawal from the reemployment list .

28.00 Demotion In Lieu Of Layoff

In lieu of being laid off, a regular employee may elect demotion to:

- A. any position held by an employee with a lower seniority score in a class with substantially the same or lower maximum salary in which the laid off employee held permanent status; or
- B. any vacant position in a class in the same line of work as the class of layoff, but of lesser responsibility if such classes are designated by the APCO.

Demotion rights to specified classes shall be applicable only within the District of layoff. To be considered for demotion in lieu of layoff, an employee must notify the APCO in writing of this election no later than five (5) days after receiving the notice of layoff.

29.00 Layoff Reinstatement

Permanent employees laid off who are reinstated to a regular District position within twenty-four (24) months from the effective date of layoff, shall be reinstated with seniority rights including time served towards annual merit increase. Such employees shall be credited with one hundred percent (100%) of unused sick leave on accrual at the time of layoff and shall accrue vacation benefits at the same rate established by prior seniority. An employee reinstated to the same classification or lower classification in the same class series in which permanent status was held at the time of layoff shall not be required to serve a new probationary period. A former employee reinstated in a classification with an equal or lower pay range than that held by the employee at the time of layoff, pursuant to the provisions of these rules, shall remain on the valid reinstatement list. Should an employee on a layoff list be employed by the District in a classification with a higher pay range than that held at the time of layoff, the employee's name shall automatically be removed from the layoff reinstatement list upon completion of the probationary period.

30.00 Layoff-Probationary Employees

Probationary employees laid off shall have their names placed back on the eligible list from which they were appointed providing it is still in existence. Should such employees be later appointed from the eligible list, the appointment will be the same as for others appointed from the list for the first time. A new probationary period and other terms and conditions of a new appointment shall apply.

31.00 **Performance Evaluation**

- A. An employee who receives a "Not Satisfactory" overall rating on a performance report or is denied a merit increase may appeal to the APCO within ten (10) days of such notice. The APCO's decision shall be final. The APCO will provide a written response to the employee requesting a review of his/her evaluation.

- B. No evaluation of any employee shall be placed in his/her personnel file without first providing the employee an opportunity for discussion between the employee and an evaluator where appropriate. Negative evaluations shall include specific recommendations for improvements and provisions for assisting the employee in implementing any recommendations for improvements to be made. Employees shall have the right to review and respond to any derogatory evaluation.

~~**32.00**~~ ~~**Intentionally Blank**~~

~~**33.00**~~ ~~**Intentionally Blank**~~

3432.00 **Rain Gear**

Employees provided rain gear by the District shall also be provided rain boots.

35.00 **Absent Without Leave**

An employee absent from duty for a period which exceeds three (3) working days without authorized leave shall be considered to have abandoned his/her position and to have automatically resigned.

Such resignation shall be rescinded by the APCO, if the employee can show to the satisfaction of the APCO that it was impossible to contact the District and, further, that the employee did contact the District at the earliest opportunity.

The APCO's decision shall be final and binding.

36.00 **IRS 125 Program**

Existing IRS Section 125 Program options will remain in effect for the term of this agreement, except; that no new applications will occur during the remaining term of this agreement.

37.00 **Employee Assistance Program**

The District shall maintain in effect the Employee Assistance Program. Each employee may receive up to twelve (12) Employee Assistance visits per calendar year paid by the District.

~~**38.00**~~ ~~**Intentionally Blank**~~

Memorandum of Understanding - October 1, ~~2021~~2024

39.00 **First Aid and CPR Training**

During the term of agreement, and as may be necessary to provide refresher courses, training shall be made available in First Aid and Cardio-Pulmonary Resuscitation in order that District work areas have employees trained in such skills.

40.00 **Memorandum of Understanding and District Administrative Code Conflicts**

Should any provision of this Memorandum of Understanding conflict with a specific provision of the District's Administrative Code which applies directly to employees in this representation unit, the Memorandum of Understanding provision will supplant that specific provision of the Administrative Code as it applies directly to employees in this representation unit for the term of this Memorandum of Understanding.

Nothing in this Article limits the District's authority or responsibility for the adoption of policies and procedures regarding its operations, including those necessary for the implementation of this Memorandum of Understanding.

41.00 **Extra Help Work**

Regular District employees shall be allowed, when approved by the APCO, to work as extra help when:

- A. The extra help work is voluntary.
- B. The work is in a different occupational category.
- C. The APCO has determined that the employee can satisfactorily perform the assigned functions.

42.00 **Probationary Period**

Newly hired employees shall serve a twelve (12) month probationary period. During the probationary period, the employee serves at the pleasure of the District and has no employment termination grievance rights. The probationary period for promotional appointments shall be six months.

43.00 **Full Agreement**

It is understood this agreement represents the complete and final understanding on all negotiable issues between the District and the Employees' Management Association. This agreement supersedes all previous Memoranda of Understanding or Memoranda of Agreement between the District and the Employees' Management Association, except as specifically referred to in this agreement for all District employees. All District ordinances, resolutions or rules not specifically referred to in this agreement shall not be superseded, modified, or repealed by implication or otherwise by the provisions hereof. The parties for the term of this agreement, voluntarily and unqualifiedly agree to waive the obligation to negotiate with respect to any practice, subject or matter, which may not have been within the knowledge of the parties at the time this agreement was negotiated and signed. In the event any new practice, subject or matter arises during the term of this agreement and any action is proposed by the District, the Employees' Management Association shall be afforded notice and shall have a right to

Memorandum of Understanding - October 1, ~~2021~~2024

meet and confer upon their request. In the absence of agreement on such proposed actions, the District reserves the right to take the necessary action by management direction.

44.00 Enactment

This Memorandum of Understanding shall become effective when ratified by the ~~Employees'~~Management Association's memberships and adopted by resolution of the District's Governing Board of Directors. Upon such adoption, the provisions of this memorandum shall supersede and control over conflicting or inconsistent District policies, resolutions or rules, and inconsistent District policies, resolutions, or rules.

45.00 Savings Clause

If any provision of this memorandum shall be held invalid by operation of law or by a court of competent jurisdiction, or if compliance with or enforcement of any provision shall be restrained by any tribunal, the remainder of this Memorandum of Understanding shall not be affected thereby, and the parties shall enter into negotiations for the sole purpose of arriving at a mutually satisfactory replacement for such provision or provisions.

46.00 Amendment Process

This Agreement may be reopened and amended at any time during the term of the Memorandum of Understanding by mutual written agreement of the parties.

47.00 Term of Agreement

The term of this Memorandum of Understanding is for the period October 1, ~~2021~~2024 through September 30, ~~2024~~2027, when said Memorandum of Understanding shall expire and be of no further force or effect.

Unless otherwise specified herein, all provisions of this Memorandum of Understanding shall be effective October 1, ~~2021~~2024.

Memorandum of Understanding - October 1, ~~2021~~2024

For the Butte County Air Quality Management District, ~~Employees'~~Management Association

Ratified by the ~~Employees'~~Management Association, on this _____ day of _____, ~~2021~~2024.

~~Employees'~~Management Association

~~Employees'~~Management Association

District Ratification

Approved by the Butte County Air Quality Management District Governing Board of Directors this 28th day of October, ~~2021.~~2024. Resolution Order No. ~~2021-25-~~2024-10.

*Tami Ritter,
Chair, Butte County AQMD*

Approved As to Form:

Gregory Einhorn, Esq.
District Counsel

ATTEST:

Stephen Ertle
Director / Air Pollution Control Officer

By: _____

~~Cora Collins~~Kelly Towne Clerk of the Board

By: _____

APPENDIX

A

EMPLOYEES' MANAGEMENT UNIT

APPENDIX

A

Employees' Management Unit

The following District employee positions are included within, and represented by, the recognized unit:

~~Administrative Assistant* (Non-Exempt)~~
~~Administrative Technician* (Non-Exempt)~~
~~Accounting Technician* (Non-Exempt)~~

Management Unit

~~Administrative Services Officer*~~
~~Air Quality Compliance Specialist I (Non-Exempt)~~
~~Air Quality Compliance Specialist II (Non-Exempt)~~
~~Senior Air Quality Compliance Specialist (Non-Exempt)~~
Air Quality Compliance Supervisor*
~~Assistant Air Quality Planner* (Non-Exempt)~~
~~Associate Air Quality Planner* (Non-Exempt)~~
~~Senior Air Quality Planner* (Non-Exempt)~~
Air Quality Planning Supervisor*
~~Air Quality Engineer I* (Non-Exempt)~~
~~Air Quality Engineer II* (Non-Exempt)~~
~~Senior Air Quality Engineer*~~
Air Quality Engineering Supervisor*
Administrative Services Officer
Assistant Air Pollution Control Officer*

Memorandum of Understanding - October 1, ~~2021~~2024

Exempt and Non-Exempt classifications are defined by FLSA requirements.

~~* Defined as management, confidential or supervisory positions.~~

APPENDIX

B

COMPENSATION RANGE PLACEMENTS

APPENDIX

B

COMPENSATION RANGE PLACEMENTS

Class Title	Range
Administrative Assistant	8
Administrative Technician	8
Accounting Technician	17
Administrative Services Officer	34
Air Quality Compliance Specialist I Supervisor	2034*
Air Quality Compliance Specialist II	24
Senior Air Quality Compliance Specialist	28
Air Quality Compliance Planning Supervisor	3238*
Air Quality Engineer I	28
Air Quality Engineer II	32
Senior Air Quality Engineer	36
Assistant Air Quality Planner	25
Associate Air Quality Planner	29
Senior Air Quality Planner	33
Air Quality Planning Engineering Supervisor	3738*
Administrative Services Officer	3438
Assistant Air Pollution Control Officer	4142

Note 1:* Position placement will be subject to future meet and confer.

APPENDIX

C

COMPENSATION SCHEDULE

Memorandum of Understanding - October 1, ~~2021~~2024

Memorandum of Understanding - October 1, ~~2021~~2024

Memorandum of Understanding - October 1, 2024

Appendix C

Butte County Air Quality Management District

Bi-Weekly ~~Compensation~~Salary Schedule

October 1, 2021~~10/1/2024~~ (3%)

Salary Range #	Bi-Weekly Salary Steps					
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
1	127113 99	133314 68	140015 41	146916 18	154216 98	18691697 18691697
2	130114 33	136515 03	143415 78	165715 05	173815 79	19131738 19131738
3	133314 68	140015 41	146916 18	154216 98	162017 83	17821962 17821962
4	136515 03	143415 78	150516 57	157917 38	165818 26	20081824 20081824
5	154314 04	147016 19	169915 43	178416 21	168818 59	20571869 20571869
6	143415 78	150516 57	157917 38	182416 57	191517 40	21081915 21081915
7	162114 72	154517 01	162417 88	170418 76	179019 71	19672166 19672166
8	151016 63	158817 48	183616 68	175219 29	183920 24	20242228 20242228
9	154517 01	162417 88	170418 76	179019 71	188020 69	20682277 20682277
10	158317 43	166618 34	192617 49	183720 22	212119 27	23362121 23362121
11	162417 88	170418 76	179019 71	188020 69	197421 74	21822401 21822401
12	166618 34	192617 49	183720 22	192721 21	202522 29	22262450 22262450
13	170418 76	179019 71	188020 69	197421 74	207322 82	22802510 22802510
14	174719 24	202118 36	212019 26	202422 28	212523 40	23382573 23382573
15	179119 72	188120 72	197721 77	207422 83	218023 99	23972638 23972638
16	183620 21	212019 26	202422 28	212523 40	223424 59	24542701 24542701
17	188020 69	197421 74	207322 82	217923 98	228625 17	25162769 25162769
18	192721 21	202522 29	212623 41	223524 60	234625 83	25822842 25822842
19	197421 74	207322 82	217923 98	228625 17	240226 45	26432909 26432909
20	202622 30	212723 42	223624 61	234925 86	246727 16	27122984 27122984

Memorandum of Understanding - October 1, ~~2021~~2024

21	207322 82	217923 98	228625 17	239726 38	252527 79	27773057
22	212623 41	223524 60	234625 83	246627 15	259028 51	28493136
23	217923 98	228625 17	240226 45	252527 79	265129 18	29153208
24	223624 61	234925 86	246727 16	259128 52	272029 94	32922992
25	228625 17	240226 45	252527 79	265129 18	278330 63	30623370
26	234625 83	246627 15	259028 51	271929 93	314228 55	34583142
27	240226 45	252527 79	265129 18	278330 63	321629 22	35403216
28	246627 15	259128 52	272229 97	314728 59	330129 99	36333301
29	252627 80	265229 20	278430 64	292432 18	307133 80	37183378
30	258828 48	299227 18	285431 41	299532 95	346331 47	38113463
31	265129 18	278330 63	292232 16	337830 69	322335 47	35453901
32	271929 93	285831 46	299833 00	314834 64	363833 06	40033638
33	278430 64	292432 18	307133 80	322435 48	338737 27	37254100
34	285531 42	299632 96	314734 63	330536 37	347038 19	38184202
35	292232 16	306933 78	322335 47	338437 24	390835 52	43013908
36	299632 96	314734 63	330536 37	347038 19	364640 12	44134010
37	306933 78	322335 47	338437 24	355239 08	373141 06	41054517
38	314734 63	330436 36	347038 19	364540 11	382842 12	46344211
39	322335 47	338437 24	355239 08	373141 06	391943 12	43114744
40	330436 36	347038 19	364540 11	382842 12	401944 23	48644420
41	338737 27	355539 12	373241 07	392043 13	452941 16	49854529
42	347038 19	364540 11	382842 12	401944 23	422046 44	51074641
43	355239 08	373141 06	391943 12	411545 28	432347 58	47555232
44	401036 44	421138 27	401644 19	464142 17	442948 73	48705359

Memorandum of Understanding - October 1, ~~2021~~2024

45	<u>373141</u> <u>06</u>	<u>391943</u> <u>12</u>	<u>411545</u> <u>28</u>	<u>432347</u> <u>58</u>	<u>454049</u> <u>96</u>	<u>49935493</u>
46	<u>382842</u> <u>12</u>	<u>401944</u> <u>23</u>	<u>422046</u> <u>44</u>	<u>443148</u> <u>75</u>	<u>465451</u> <u>22</u>	<u>51195633</u>
47	<u>391943</u> <u>12</u>	<u>411545</u> <u>28</u>	<u>432347</u> <u>58</u>	<u>454049</u> <u>96</u>	<u>476652</u> <u>45</u>	<u>52425768</u>
48	<u>442040</u> <u>17</u>	<u>421846</u> <u>42</u>	<u>443048</u> <u>74</u>	<u>465351</u> <u>21</u>	<u>488753</u> <u>78</u>	<u>53765916</u>
49	<u>411545</u> <u>28</u>	<u>432347</u> <u>58</u>	<u>454049</u> <u>96</u>	<u>476652</u> <u>45</u>	<u>500555</u> <u>08</u>	<u>55066059</u>
50	<u>421846</u> <u>42</u>	<u>443048</u> <u>74</u>	<u>465351</u> <u>21</u>	<u>488753</u> <u>78</u>	<u>513256</u> <u>47</u>	<u>56466213</u>
51	<u>432347</u> <u>58</u>	<u>454049</u> <u>96</u>	<u>476652</u> <u>45</u>	<u>500555</u> <u>08</u>	<u>525757</u> <u>85</u>	<u>57806360</u>
52	<u>443048</u> <u>74</u>	<u>465351</u> <u>21</u>	<u>488753</u> <u>78</u>	<u>513256</u> <u>47</u>	<u>538959</u> <u>30</u>	<u>59286523</u>
53	<u>454049</u> <u>96</u>	<u>476652</u> <u>45</u>	<u>500555</u> <u>08</u>	<u>525757</u> <u>85</u>	<u>552060</u> <u>73</u>	<u>60746683</u>
54	<u>465351</u> <u>21</u>	<u>488753</u> <u>78</u>	<u>513256</u> <u>47</u>	<u>538959</u> <u>30</u>	<u>565962</u> <u>27</u>	<u>62236847</u>
55	<u>476652</u> <u>45</u>	<u>500555</u> <u>08</u>	<u>525757</u> <u>85</u>	<u>552060</u> <u>73</u>	<u>579663</u> <u>77</u>	<u>63767016</u>

Memorandum of Understanding - October 1, ~~2021~~2024

APPENDIX

D

PROCEDURE FOR RELEASE OF EMPLOYEES AND STEWARDS FOR REPRESENTATION OF EMPLOYEES

Employees desiring representation by ~~an Employeea~~ Employee Management Association shall first request release time from their immediate supervisor. Supervisors are to provide, within a reasonable period of time, sufficient time for an employee to receive representation. If the time and duration of release is during an emergency, when coverage for the employee is not possible, or essential services may not be interrupted, the supervisor may temporarily deny the release until such time arrangements can be made. Once a time and duration has been agreed upon between the employee requesting representation and his/her supervisor, the employee contacts his/her Steward or the respective Employee Management Association to obtain representation.

Stewards contacted for assistance in representation will obtain their supervisor's approval for the time and duration requested. Supervisors are to provide Stewards with reasonable time to represent employees, but may restrict release in cases of emergencies, lack of coverage, or where essential services may not be interrupted. If no other Steward or paid representative is able to provide representation when needed, the Steward should advise and work with his/her supervisor and the supervisor of the employee to arrange a mutual time when the employee and his/her representative may meet.

EMPLOYEE REPRESENTATION RELEASE RECORD

When an agreed upon release time has been approved, the Steward shall initiate completion of the form and have the employee, employee's supervisor, and Steward's supervisor complete and sign the record after the representation has been completed.

The original is to be sent to the APCO, with copies to the Steward and his/her supervisor.

Memorandum of Understanding - October 1, ~~2021~~2024

EMPLOYEE REPRESENTATION RELEASE TIME RECORD

Name of Steward/Employee Representative

Employee Requesting Representation: _____

Reason: Grievance Discipline Appeal

Time of Representation: _____ to _____

Employee Signature: _____

Date: _____

Employee's Supervisor: _____

Time of Request: _____

Release Time Approved: _____ to _____

Actual Release Time: _____ to _____

Supervisor's Signature: _____

Date: _____

Steward/Employee Representative Supervisor: _____

Time Request Made: _____ Date: _____

Time Granted: _____ to _____

Actual Time: _____ to _____

Supervisor's Signature: _____

Date: _____

Steward/Employee Representative Signature: _____

Date: _____

APPENDIX

E

CATASTROPHIC LEAVE POOL AGREEMENT

APPENDIX

E

CATASTROPHIC LEAVE POOL AGREEMENT

This agreement is entered into between the Butte County Air Quality Management District hereinafter referred to as District, and the ~~Employees' Management's~~ Association, hereinafter referred to as the ~~Employee Management~~ Association, to implement a Catastrophic Leave Pool for employees in the General Unit and/or Administration Unit.

The purpose of the Catastrophic Leave Pool is to enable employees in to receive and donate vacation, ~~admin leave~~ and compensatory time off (CTO) leave credits to assist employees who have no leave and who will suffer a financial hardship due to prolonged illness or injury to themselves or a member of their immediate family as defined in Section 11 in this MOU.

The following conditions shall apply to Catastrophic Leave:

1. Catastrophic Leave will be available only to employees who have exhausted their own paid leave through bona fide serious illness or accident.
2. The leave pool shall be administered by the APCO or his or her designated representative.
3. Donations may be made between bargaining units if mutually agreed by the respective units and the District.
4. Employees must be in regular appointed positions to be eligible for catastrophic leave.
5. The employee may be on disability benefits and use the leave pool credits in the same manner that sick leave is used to supplement disability benefits.
6. All donations are to be confidential, between the donating employee and the APCO.
7. Employees donating to the pool must have forty (40) hours of vacation available after ~~making a donation~~ donating.
8. Donating employees must sign an authorization, including specifying the specific employee to be a recipient of the donation.
9. Donation will be subject to applicable tax laws.
10. The availability of Catastrophic Leave shall not delay or prevent the District from taking action to medically separate or disability retire an employee.
11. Catastrophic Leave due to illness or injury of an immediate family member may require medical justification as evidence by a Physician's Statement that the presence of the employee is necessary.

APPENDIX

F

FLEXIBLE BENEFITS OPTIONS

APPENDIX

F

FLEXIBLE BENEFIT OPTIONS

Employee A

1. Core Plan (must enroll in all three).
 - a. A PERS medical option.
 - b. Delta Dental Plan Options.
 - c. Vision Services Plan.
2. Flexible Benefit Options
 - a. Taxable cash back of up to the current District contribution for employee only (based on sufficient flex credits).
 - b. Pre-Tax spending accounts:
Dependent Care.
Unreimbursed medical expenses.

Employee B

1. Flexible Benefit Options
 - a. Taxable cash back of up to the current District contribution for employee only (based on sufficient flex credits).
 - b. Pre-Tax spending accounts:
Dependent Care.
Unreimbursed medical expenses.

Memorandum of Understanding - October 1, 2024

For the Butte County Air Quality Management District, Management Association

Ratified by the Management Association, on this _____ day of _____, 2024.

Management Association

Management Association

District Ratification

Approved by the Butte County Air Quality Management District Governing Board of Directors this 28th day of October, 2024. Resolution Order No. 2024-10.

Tami Ritter,
Chair, Butte County AQMD

Approved As to Form:

Gregory Einhorn, Esq.
District Counsel

ATTEST:

Stephen Ertle
Director / Air Pollution Control Officer

By: _____

Kelly Towne Clerk of the Board

By: _____

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TAMI RITTER, CHAIR
Supervisor, District #3

ANGEL CALDERON, VICE CHAIR
Councilmember, Gridley

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ADDISON WINSLOW
Councilmember, Chico

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Vice Mayor, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: September 19, 2024

Board Consideration: September 26, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **PERS CLASSIC & PEPRA Valuation Report, PERS CEPPT Trust Summary**

ISSUE:

Reports related to employee retirement liability.

ACTION REQUESTED:

Receive report and approve CalPERS Annual Valuation reports for CLASSIC and PEPRA ending 6/30/2023 and the CalPERS CEPPT Account Summary Report as of 6/30/2023.

DISCUSSION:

The PERS (Classic) Annual Valuation Report for June 30, 2023, shows the District being 72.6% funded (2.6% decrease from 2021) with an unfunded accrued liability (UAL) of \$2,247,428 for CLASSIC employees. The PEPRA retirement is 89.1% funded with a balance of \$31,042. This results in a total unfunded pension retirement liability of \$2,278,470.

The FY 24-25 employer cost rate for CLASSIC employees is at 12.527% with a UAL lump sum payment of \$156,664 and will increase in FY 25-26 to 12.58% and \$184,753 UAL. The UAL is projected to increase every year through FY 2030-31 when the UAL payment will reach \$249,000.

The PEPRA employer cost rate for FY 24-25 is at 7.87% with UAL of \$781 but will increase to 7.96% in FY 24-25 with a \$1,780 UAL payment. The UAL payment is also projected to increase in the 5-year projections.

Agenda Item 8

Unfunded Liability Balance			Annual Payment Change				
	6/30/22 UAL	6/30/23 UAL	Increase	FY 23-24 payment	FY 24-25 payment	Increase	
Classic	2,073,250.00	2,247,428.00	174,178.00	122,440.00	156,664.00	34,224.00	
PEPRA	20,610.00	31,042.00	10,432.00		781.00	781.00	
	2,093,860.00	2,278,470.00	184,610.00	122,440.00	157,445.00	35,005.00	
			Employer Cost Change				
				FY 23-24	Est. FY 24-25	Increase	
				Classic	12.47%	12.52%	0.05%
				Payroll ER	59,905.98	63,520.43	3,614.45
				PEPRA	7.68%	7.87%	0.19%
				Payroll ER	28,555.16	37,856.82	9,301.66
					88,461.14	101,377.25	12,916.11
Total increase in <i>year one</i> due to 2023 valuation changes.						47,921.11	

Attachment:

CalPERS CLASSIC Valuation Report ending June 30, 2023.

CalPERS PEPRA Valuation Report ending June 30, 2023.



**California Public Employees' Retirement System
Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2024

**Miscellaneous Plan of the Butte County Air Quality Management District (CalPERS ID: 3225653892)
Annual Valuation Report as of June 30, 2023**

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2023 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2023.

[Section 2](#) can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2023.

Required Contributions

The table below shows the minimum required employer contributions for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2025-26	12.58%	\$184,753
<i>Projected Results</i>		
2026-27	12.6%	\$199,000

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to [Projected Employer Contributions](#). This section also contains projected required contributions through FY2030-31.

Report Enhancements

A number of enhancements were made to the report this year to ease navigation and allow the reader to find specific information more quickly. The tables of contents are now "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Further descriptions of general changes are included in the [Highlights and Executive Summary](#) section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Sincerely,



Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the Miscellaneous Plan of the Butte County Air Quality Management District as of June 30, 2023

(CalPERS ID: 3225653892)
(Rate Plan ID: 3300)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

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Section 1 – Plan Specific Information

Section 2 – Risk Pool Actuarial Valuation Information

Section 1

California Public Employees' Retirement System

**Plan Specific Information
for the
Miscellaneous Plan
of the
Butte County Air Quality Management District**

**(CalPERS ID: 3225653892)
(Rate Plan ID: 3300)**

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Rate Plan belonging to the Miscellaneous Risk Pool

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Plan of the Butte County Air Quality Management District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Butte County Air Quality Management District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.



Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

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Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the Miscellaneous Plan of the Butte County Air Quality Management District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose of Section 1

This Section 1 report for the Miscellaneous Plan of the Butte County Air Quality Management District of CalPERS was prepared by the Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	12.52%	12.58%
Unfunded Accrued Liability (UAL) Contribution Amount	\$156,664	\$184,753
Paid either as		
Option 1) 12 Monthly Payments of	\$13,055.33	\$15,396.08
Option 2) Annual Prepayment in July	\$151,595	\$178,775

Member Contribution Rates — page 9

	Fiscal Year 2024-25	Fiscal Year 2025-26
Member Contribution Rate	7.00%	7.00%

Projected Employer Contributions — page 14

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	12.6%	\$199,000
2027-28	12.6%	\$211,000
2028-29	12.6%	\$239,000
2029-30	12.6%	\$244,000
2030-31	12.6%	\$249,000

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	\$7,969,162	\$8,217,171
Market Value of Assets (MVA)	5,895,912	5,969,743
Unfunded Accrued Liability (UAL) [AL – MVA]	\$2,073,250	\$2,247,428
Funded Ratio [MVA ÷ AL]	74.0%	72.6%

Summary of Valuation Data — Page 27

	June 30, 2022	June 30, 2023
Active Member Count	6	6
Annual Covered Payroll	\$484,940	\$506,016
Transferred Member Count	1	1
Separated Member Count	3	3
Retired Members and Beneficiaries Count	13	13

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the [Plan's Major Benefit Options](#) in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, [Funded Status – Low-Default-Risk Basis](#).

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the [Future Investment Return Scenarios](#) exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

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Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRAs members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, unfunded accrued liability (UAL) emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the Unfunded Accrued Liability Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS [Actuarial Amortization Policy](#). The Unfunded Accrued Liability Contribution is the sum of the payments on all bases. See the [Schedule of Amortization Bases](#) section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Required Employer Contributions	Fiscal Year 2025-26
Employer Normal Cost Rate	12.58%
<i>Plus</i>	
Unfunded Accrued Liability (UAL) Contribution Amount¹	\$184,753
<i>Paid either as</i>	
1) Monthly Payment	\$15,396.08
<i>Or</i>	
2) Annual Prepayment Option*	\$178,775

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly(1) or prepaid annually(2) in dollars).

* Only the UAL portion of the employer contribution can be prepaid (**which must be received in full no later than July 31**).

For [Member Contribution Rates](#) see the following page.

Development of Normal Cost as a Percentage of Payroll	Fiscal Year 2024-25	Fiscal Year 2025-26
Base Total Normal Cost for Formula	18.81%	18.87%
Surcharge for Class 1 Benefits ²		
a) FAC 1	0.64%	0.64%
Plan's Total Normal Cost	19.45%	19.51%
Offset Due to Employee Contributions ³	6.93%	6.93%
Employer Normal Cost	12.52%	12.58%

¹ The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2024.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges.

³ This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see [Member Contribution Rates](#).

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown on this page, correspond to rate plan 3300. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the total employer payroll within the Miscellaneous Risk Pool will grow according to the overall payroll growth assumption of 2.80% per year for three years. Classic members who are projected to terminate employment are assumed to be replaced by PEPRA members.

Estimated Employer Contributions for all Pooled Miscellaneous Rate Plans	Fiscal Year	Fiscal Year
	2024-25	2025-26
Projected Payroll for the Contribution Year	\$841,845	\$903,182
Estimated Employer Normal Cost	\$89,157	\$95,082
Required Payment on Amortization Bases	\$157,445	\$186,533
Estimated Total Employer Contributions	\$246,602	\$281,615
Estimated Total Employer Contribution Rate (illustrative only)	29.29%	31.18%

Breakdown of Entry Age Accrued Liability

Active Members	\$2,147,297
Transferred Members	54,948
Separated Members	128,684
Members and Beneficiaries Receiving Payments	<u>5,886,242</u>
Total	<u>\$8,217,171</u>

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$8,217,171
2. Projected UAL Balance at 6/30/2023	2,081,813
3. Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4. Adjusted UAL Balance at 6/30/2023 for Asset Share	2,081,813
5. Pool's Accrued Liability ¹	23,349,910,053
6. Sum of Pool's Individual Plan UAL Balances at 6/30/2023 ¹	5,227,602,209
7. Pool's 2022-23 Investment (Gain)/Loss ¹	114,855,623
8. Pool's 2022-23 Non-Investment (Gain)/Loss ¹	360,116,330
9. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (4)] \div [(5) - (6)] \times (7)$	38,885
10. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (5) \times (8)$	126,730
11. Plan's New (Gain)/Loss as of 6/30/2023: $(9) + (10)$	165,615
12. Increase in Pool's Accrued Liability due to Change in Assumptions ¹	0
13. Plan's Share of Pool's Change in Assumptions: $(1) \div (5) \times (12)$	0
14. Increase in Pool's Accrued Liability due to Funding Risk Mitigation ¹	0
15. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (5) \times (14)$	0
16. Offset due to Funding Risk Mitigation	0
17. Plan's Investment (Gain)/Loss: $(9) - (16)$	38,885

¹ Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18. Plan's UAL: $(2) + (3) + (11) + (13) + (15)$	\$2,247,428
19. Plan's Share of Pool's Market Value of Assets (MVA): $(1) - (18)$	\$5,969,743

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see [Section 2](#), which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (Present Value of Benefits) to individual years of service (the Normal Cost). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The Unfunded Accrued Liability (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The funded ratio equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	\$8,789,803	\$9,030,423
2. Entry Age Accrued Liability	7,969,162	8,217,171
3. Market Value of Assets (MVA)	5,895,912	5,969,743
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$2,073,250	\$2,247,428
5. Funded Ratio [(3) ÷ (2)]	74.0%	72.6%

A funded ratio of 100% (UAL of \$0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	\$9,275,039	\$8,217,171	\$7,334,610
2. Market Value of Assets (MVA)	5,969,743	5,969,743	5,969,743
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	\$3,305,296	\$2,247,428	\$1,364,867
4. Funded Ratio [(2) ÷ (1)]	64.4%	72.6%	81.4%

The [Risk Analysis](#) section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is \$184,753. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see [Amortization Schedule and Alternatives](#). Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP ¹	Total UAL Contribution	Estimated Total Contribution
Minimum required only	\$63,142	\$184,753	0	\$184,753	\$247,895
20 year funding horizon	\$63,142	\$184,753	\$18,646	\$203,399	\$266,541
15 year funding horizon	\$63,142	\$184,753	\$52,530	\$237,283	\$300,425
10 year funding horizon	\$63,142	\$184,753	\$123,997	\$308,750	\$371,892
5 year funding horizon	\$63,142	\$184,753	\$346,200	\$530,953	\$594,095

¹ The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	\$0	2022-23	\$0
2020-21	\$0	2023-24 ²	\$0
2021-22	\$0		

² Excludes payments made after April 30, 2024

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 3300 Results					
Normal Cost %	12.58%	12.6%	12.6%	12.6%	12.6%	12.6%
UAL Payment	\$184,753	\$199,000	\$211,000	\$239,000	\$244,000	\$249,000

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in anyone year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the ramp up period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the [Future Investment Return Scenarios](#) exhibit. Our online pension plan projection tool, [Pension Outlook](#), is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2024, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	20	528,428	38,355	524,723	39,428	519,658	40,532
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	20	(5,276)	(383)	(5,239)	(394)	(5,188)	(405)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	12	309,042	28,894	300,197	29,703	289,914	30,534
Assumption Change	6/30/14	100%	Up/Dn	2.80%	11	231,876	26,248	220,518	26,983	207,628	27,738
Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	21	(421,495)	(29,622)	(419,544)	(30,451)	(416,604)	(31,304)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	21	465	33	463	34	459	34
Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	22	281,511	19,198	280,814	19,735	279,514	20,288
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	22	(22,759)	(1,552)	(22,703)	(1,596)	(22,597)	(1,640)
Assumption Change	6/30/16	100%	Up/Dn	2.80%	13	105,112	10,424	101,487	10,716	97,314	11,016
Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	23	368,330	24,421	368,139	25,105	367,228	25,808
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	23	(44,749)	(2,967)	(44,726)	(3,050)	(44,615)	(3,135)
Assumption Change	6/30/17	100%	Up/Dn	2.80%	14	129,912	12,171	126,168	12,512	121,817	12,862
Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	24	(200,659)	(12,958)	(200,912)	(13,321)	(200,808)	(13,694)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	24	(10,080)	(651)	(10,093)	(669)	(10,088)	(688)
Assumption Change	6/30/18	100%	Up/Dn	2.80%	15	218,495	15,821	217,003	20,331	210,748	20,900
Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	25	(65,146)	(3,324)	(66,141)	(4,271)	(66,225)	(4,391)
Method Change	6/30/18	100%	Up/Dn	2.80%	15	59,802	4,330	59,394	5,564	57,683	5,720
Non-Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	25	31,296	1,597	31,774	2,052	31,814	2,109
Investment (Gain)/Loss	6/30/19	100%	Up Only	0.00%	16	31,211	1,877	31,394	2,502	30,943	3,128
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	16	28,105	2,665	27,262	2,665	26,362	2,665

Schedule of Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Investment (Gain)/Loss	6/30/20	80%	Up Only	0.00%	17	149,975	6,165	153,802	9,248	154,703	12,330
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	17	24,499	2,259	23,830	2,259	23,116	2,259
Assumption Change	6/30/21	No Ramp		0.00%	18	31,605	2,842	30,817	2,842	29,976	2,842
Net Investment (Gain)	6/30/21	60%	Up Only	0.00%	18	(751,569)	(16,155)	(785,980)	(32,309)	(806,037)	(48,464)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	18	(35,076)	(3,154)	(34,202)	(3,154)	(33,268)	(3,154)
Risk Mitigation	6/30/21	No Ramp		0.00%	0	213,085	220,211	0	0	0	0
Risk Mitigation Offset	6/30/21	No Ramp		0.00%	0	(213,085)	(220,211)	0	0	0	0
Investment (Gain)/Loss	6/30/22	40%	Up Only	0.00%	19	989,344	0	1,056,619	22,712	1,104,998	45,423
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	19	119,614	0	127,748	11,488	124,563	11,488
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	38,885	0	41,529	0	44,353	953
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	20	126,730	0	135,348	0	144,552	12,999
Total						2,247,428	126,534	2,269,489	156,664	2,261,913	184,753

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in [Allocation of Plan's Share of Pool's Experience](#) earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS [Actuarial Amortization Policy](#).

Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternative Schedules			
	Balance	Payment	15 Year Amortization		10 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2025	2,261,913	184,753	2,261,913	237,283	2,261,913	308,750
6/30/2026	2,224,790	199,330	2,170,505	237,283	2,096,648	308,750
6/30/2027	2,170,082	210,936	2,072,881	237,283	1,920,145	308,750
6/30/2028	2,099,655	238,812	1,968,619	237,283	1,731,640	308,750
6/30/2029	1,995,634	244,095	1,857,267	237,283	1,530,317	308,750
6/30/2030	1,879,077	248,546	1,738,343	237,283	1,315,304	308,750
6/30/2031	1,749,997	253,114	1,611,332	237,283	1,085,670	308,750
6/30/2032	1,607,419	251,087	1,475,685	237,283	840,421	308,749
6/30/2033	1,457,243	248,816	1,330,814	237,283	578,496	308,750
6/30/2034	1,299,199	243,459	1,176,091	237,283	298,759	308,750
6/30/2035	1,135,945	234,285	1,010,847	237,282		
6/30/2036	971,069	217,253	834,368	237,283		
6/30/2037	812,582	164,355	645,887	237,283		
6/30/2038	697,986	152,110	444,589	237,282		
6/30/2039	588,252	142,358	229,604	237,282		
6/30/2040	481,134	135,904				
6/30/2041	373,402	119,047				
6/30/2042	275,766	99,654				
6/30/2043	191,531	172,758				
6/30/2044	26,019	26,889				
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		3,787,561		3,559,242		3,087,499
Interest Paid		1,525,648		1,297,329		825,586
Estimated Savings				228,319		700,062

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Payment
06/30/2014	2016 - 17	8.880%	\$68,912
06/30/2015	2017 - 18	8.921%	80,268
06/30/2016	2018 - 19	9.409%	97,119
06/30/2017	2019 - 20	10.221%	80,868
06/30/2018	2020 - 21	11.031%	94,740
06/30/2019	2021 - 22	10.88%	114,502
06/30/2020	2022 - 23	10.87%	134,259
06/30/2021	2023 - 24	12.47%	126,534
06/30/2022	2024 - 25	12.52%	156,664
06/30/2023	2025 - 26	12.58%	184,753

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	\$4,481,969	\$3,705,273	\$776,696	82.7%	\$767,945
06/30/2015	4,860,828	3,885,491	975,337	79.9%	724,544
06/30/2016	5,249,920	3,936,046	1,313,874	75.0%	768,599
06/30/2017	5,724,495	4,448,056	1,276,439	77.7%	730,980
06/30/2018	6,367,716	4,885,731	1,481,985	76.7%	626,370
06/30/2019	6,727,292	5,179,947	1,547,345	77.0%	540,844
06/30/2020	7,038,809	5,314,226	1,724,583	75.5%	447,010
06/30/2021	7,605,715	6,531,678	1,074,037	85.9%	389,353
06/30/2022	7,969,162	5,895,912	2,073,250	74.0%	484,940
06/30/2023	8,217,171	5,969,743	2,247,428	72.6%	506,016

Risk Analysis

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Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS [Funding Risk Mitigation Policy](#). The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	12.6%	12.6%	12.6%	12.6%	12.6%
UAL Contribution	\$205,000	\$228,000	\$273,000	\$301,000	\$334,000
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	12.8%	13.1%	13.3%	13.6%	13.8%
UAL Contribution	\$194,000	\$195,000	\$207,000	\$190,000	\$165,000

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	12.58%	12.6%
UAL Contribution	\$184,753	\$234,000
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	12.58%	12.6%
UAL Contribution	\$184,753	\$217,000

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	24.55%	19.51%	15.67%
b) Accrued Liability	\$9,275,039	\$8,217,171	\$7,334,610
c) Market Value of Assets	\$5,969,743	\$5,969,743	\$5,969,743
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$3,305,296	\$2,247,428	\$1,364,867
e) Funded Ratio	64.4%	72.6%	81.4%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	20.46%	19.51%	17.81%
b) Accrued Liability	\$8,474,077	\$8,217,171	\$7,669,176
c) Market Value of Assets	\$5,969,743	\$5,969,743	\$5,969,743
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$2,504,334	\$2,247,428	\$1,699,433
e) Funded Ratio	70.4%	72.6%	77.8%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	19.84%	19.51%	19.20%
b) Accrued Liability	\$8,372,837	\$8,217,171	\$8,073,495
c) Market Value of Assets	\$5,969,743	\$5,969,743	\$5,969,743
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$2,403,094	\$2,247,428	\$2,103,752
e) Funded Ratio	71.3%	72.6%	73.9%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	\$5,888,668	\$5,886,242
2. Total Accrued Liability	\$7,969,162	\$8,217,171
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	74%	72%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	6	6
2. Number of Retirees	13	13
3. Support Ratio [(1) ÷ (2)]	0.46	0.46

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets	\$5,895,912	\$5,969,743
2. Payroll	\$484,940	\$506,016
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	12.2	11.8
4. Accrued Liability	\$7,969,162	\$8,217,171
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	16.4	16.2

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	38%	1.29	6.1	7.8
06/30/2018	51%	0.80	7.8	10.2
06/30/2019	55%	0.64	9.6	12.4
06/30/2020	68%	0.50	11.9	15.7
06/30/2021	77%	0.38	16.8	19.5
06/30/2022	74%	0.46	12.2	16.4
06/30/2023	72%	0.46	11.8	16.2

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan’s ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability ¹	\$13,054,233	\$9,831,441
2. Market Value of Assets (MVA)	5,969,743	5,969,743
3. Unfunded Termination Liability [(1) – (2)]	\$7,084,490	\$3,861,698
4. Funded Ratio [(2) ÷ (1)]	45.7%	60.7%

¹ The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan’s assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of “benefit entitlements” calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index¹ discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability ² – Low-Default-Risk Basis (LDROM)	
a) Active Members	\$3,025,467
b) Transferred Members	89,839
c) Separated Members	169,748
d) Members and Beneficiaries Receiving Payments	7,240,712
e) Total	\$10,525,766
2. Market Value of Assets (MVA)	5,969,743
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	\$4,556,023
4. Unfunded Accrued Liability – Funding Policy Basis	2,247,428
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	\$2,308,595

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan’s benefit obligations (see [Funded Status – Termination Basis](#)), nor is it appropriate for assessing the need for future contributions (see [Funded Status – Funding Policy Basis](#)).

¹ This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees’ Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

² If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2022	June 30, 2023
Active Members		
Counts	6	6
Average Attained Age	47.7	48.7
Average Entry Age to Rate Plan	34.1	34.1
Average Years of Credited Service	13.7	14.7
Average Annual Covered Pay	\$80,823	\$84,336
Annual Covered Payroll	\$484,940	\$506,016
Present Value of Future Payroll	\$4,577,271	\$4,540,358
Transferred Members	1	1
Separated Members	3	3
Retired Members and Beneficiaries*		
Counts	13	13
Average Annual Benefits	\$32,503	\$33,159
Total Annual Benefits	\$422,541	\$431,068

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the following Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Member Category	Benefit Group	
	Misc	Misc
Demographics		
Actives	Yes	No
Transfers/Separated	Yes	Yes
Receiving	Yes	Yes
Benefit Provision		
Benefit Formula	2% @ 55	2% @ 55
Social Security Coverage	No	No
Full/Modified	Full	Full
Employee Contribution Rate	7.00%	
Final Average Compensation Period	One Year	One Year
Sick Leave Credit	Yes	Yes
Non-Industrial Disability	Standard	Standard
Industrial Disability	No	No
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	Yes
1959 Survivor Benefit Level	Level 3	No
Special	No	No
Alternate (firefighters)	No	No
Post-Retirement Death Benefits		
Lump Sum	\$2,000	\$2,000
Survivor Allowance (PRSA)	No	No
COLA	2%	2%

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

[Section 2](#) may be found on the CalPERS website (www.calpers.ca.gov) in the Forms & Publications section

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**California Public Employees' Retirement System
Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2024

**PEPRA Miscellaneous Plan of the Butte County Air Quality Management District (CalPERS ID: 3225653892)
Annual Valuation Report as of June 30, 2023**

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2023 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2023.

[Section 2](#) can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2023.

Required Contributions

The table below shows the minimum required employer contributions and the PEPRA member contribution rate for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Contribution Rate
2025-26	7.96%	\$1,780	7.75%
<i>Projected Results</i>			
2026-27	8.0%	\$2,300	TBD

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to [Projected Employer Contributions](#). This section also contains projected required contributions through FY2030-31.

Report Enhancements

A number of enhancements were made to the report this year to ease navigation and allow the reader to find specific information more quickly. The tables of contents are now "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Further descriptions of general changes are included in the [Highlights and Executive Summary](#) section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Sincerely,



Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the PEPRA Miscellaneous Plan of the Butte County Air Quality Management District as of June 30, 2023

(CalPERS ID: 3225653892)
(Rate Plan ID: 27241)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

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Section 2 – Risk Pool Actuarial Valuation Information

Section 1

California Public Employees' Retirement System

**Plan Specific Information
for the
PEPRA Miscellaneous Plan
of the
Butte County Air Quality Management District**

**(CalPERS ID: 3225653892)
(Rate Plan ID: 27241)**

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Rate Plan belonging to the Miscellaneous Risk Pool

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the PEPRA Miscellaneous Plan of the Butte County Air Quality Management District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Butte County Air Quality Management District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.



Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

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Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the PEPRA Miscellaneous Plan of the Butte County Air Quality Management District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Butte County Air Quality Management District of CalPERS was prepared by the Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	7.87%	7.96%
Unfunded Accrued Liability (UAL) Contribution Amount	\$781	\$1,780
Paid either as		
Option 1) 12 Monthly Payments of	\$65.08	\$148.33
Option 2) Annual Prepayment in July	\$756	\$1,722

Member Contribution Rates — page 9

	Fiscal Year 2024-25	Fiscal Year 2025-26
Member Contribution Rate	7.75%	7.75%

Projected Employer Contributions — page 14

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	8.0%	\$2,300
2027-28	8.0%	\$2,900
2028-29	8.0%	\$3,400
2029-30	8.0%	\$3,500
2030-31	8.0%	\$3,500

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	\$188,637	\$284,693
Market Value of Assets (MVA)	168,027	253,651
Unfunded Accrued Liability (UAL) [AL – MVA]	\$20,610	\$31,042
Funded Ratio [MVA ÷ AL]	89.1%	89.1%

Summary of Valuation Data — Page 26

	June 30, 2022	June 30, 2023
Active Member Count	5	5
Annual Covered Payroll	\$289,972	\$325,357
Transferred Member Count	0	1
Separated Member Count	3	2
Retired Members and Beneficiaries Count	0	0

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the [Plan's Major Benefit Options](#) in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, [Funded Status – Low-Default-Risk Basis](#).

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the [Future Investment Return Scenarios](#) exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

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Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, unfunded accrued liability (UAL) emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the Unfunded Accrued Liability Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS [Actuarial Amortization Policy](#). The Unfunded Accrued Liability Contribution is the sum of the payments on all bases. See the [Schedule of Amortization Bases](#) section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Required Employer Contributions	Fiscal Year 2025-26
Employer Normal Cost Rate	7.96%
<i>Plus</i>	
Unfunded Accrued Liability (UAL) Contribution Amount¹	\$1,780
<i>Paid either as</i>	
1) Monthly Payment	\$148.33
<i>Or</i>	
2) Annual Prepayment Option*	\$1,722

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly(1) or prepaid annually(2) in dollars).

* Only the UAL portion of the employer contribution can be prepaid (**which must be received in full no later than July 31**).

For [Member Contribution Rates](#) see the following page.

Development of Normal Cost as a Percentage of Payroll	Fiscal Year 2024-25	Fiscal Year 2025-26
Base Total Normal Cost for Formula	15.62%	15.71%
Surcharge for Class 1 Benefits ²		
None	0.00%	0.00%
Plan's Total Normal Cost	15.62%	15.71%
Offset Due to Employee Contributions ³	7.75%	7.75%
Employer Normal Cost	7.87%	7.96%

¹ The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2024.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges.

³ This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see [Member Contribution Rates](#).

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members ... shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2025, based on 50% of the total normal cost rate as of the June 30, 2023, valuation.

Rate Plan Identifier	Benefit Group Name	Basis for Current Rate		Rates Effective July 1, 2025			
		Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
27241	Miscellaneous PEPRA Level	15.43%	7.75%	15.71%	0.28%	No	7.75%

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown on this page, correspond to rate plan 27241. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the total employer payroll within the Miscellaneous Risk Pool will grow according to the overall payroll growth assumption of 2.80% per year for three years. Classic members who are projected to terminate employment are assumed to be replaced by PEPRA members.

Estimated Employer Contributions for all Pooled Miscellaneous Rate Plans	Fiscal Year	Fiscal Year
	2024-25	2025-26
Projected Payroll for the Contribution Year	\$841,845	\$903,182
Estimated Employer Normal Cost	\$89,157	\$95,082
Required Payment on Amortization Bases	\$157,445	\$186,533
Estimated Total Employer Contributions	\$246,602	\$281,615
Estimated Total Employer Contribution Rate (illustrative only)	29.29%	31.18%

Breakdown of Entry Age Accrued Liability

Active Members	\$246,668
Transferred Members	14,964
Separated Members	23,061
Members and Beneficiaries Receiving Payments	<u>0</u>
Total	\$284,693

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$284,693
2. Projected UAL Balance at 6/30/2023	25,005
3. Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4. Adjusted UAL Balance at 6/30/2023 for Asset Share	25,005
5. Pool's Accrued Liability ¹	23,349,910,053
6. Sum of Pool's Individual Plan UAL Balances at 6/30/2023 ¹	5,227,602,209
7. Pool's 2022-23 Investment (Gain)/Loss ¹	114,855,623
8. Pool's 2022-23 Non-Investment (Gain)/Loss ¹	360,116,330
9. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (4)] \div [(5) - (6)] \times (7)$	1,646
10. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (5) \times (8)$	4,391
11. Plan's New (Gain)/Loss as of 6/30/2023: $(9) + (10)$	6,037
12. Increase in Pool's Accrued Liability due to Change in Assumptions ¹	0
13. Plan's Share of Pool's Change in Assumptions: $(1) \div (5) \times (12)$	0
14. Increase in Pool's Accrued Liability due to Funding Risk Mitigation ¹	0
15. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (5) \times (14)$	0
16. Offset due to Funding Risk Mitigation	0
17. Plan's Investment (Gain)/Loss: $(9) - (16)$	1,646

¹ Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18. Plan's UAL: $(2) + (3) + (11) + (13) + (15)$	\$31,042
19. Plan's Share of Pool's Market Value of Assets (MVA): $(1) - (18)$	\$253,651

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see [Section 2](#), which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (Present Value of Benefits) to individual years of service (the Normal Cost). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The Unfunded Accrued Liability (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The funded ratio equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	\$706,233	\$857,323
2. Entry Age Accrued Liability	188,637	284,693
3. Market Value of Assets (MVA)	168,027	253,651
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$20,610	\$31,042
5. Funded Ratio [(3) ÷ (2)]	89.1%	89.1%

A funded ratio of 100% (UAL of \$0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	\$350,376	\$284,693	\$234,362
2. Market Value of Assets (MVA)	253,651	253,651	253,651
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	\$96,725	\$31,042	(\$19,289)
4. Funded Ratio [(2) ÷ (1)]	72.4%	89.1%	108.2%

The [Risk Analysis](#) section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is \$1,780. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see [Amortization Schedule and Alternatives](#). Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP ¹	Total UAL Contribution	Estimated Total Contribution
Minimum required only	\$31,940	\$1,780	0	\$1,780	\$33,720
20 year funding horizon	\$31,940	\$1,780	\$1,332	\$3,112	\$35,052
15 year funding horizon	\$31,940	\$1,780	\$1,850	\$3,630	\$35,570
10 year funding horizon	\$31,940	\$1,780	\$2,943	\$4,723	\$36,663
5 year funding horizon	\$31,940	\$1,780	\$6,342	\$8,122	\$40,062

The minimum required contribution above is less than interest on the UAL. With no ADP the UAL is projected to increase over the following year. If the minimum UAL payment were split between interest and principal, the principal portion would be negative. This situation is referred to as **negative amortization**. If only the minimum required contribution is made, contributions are not expected to exceed interest on the UAL until FY 2026-27, as shown in the [Amortization Schedule and Alternatives](#) section of the report (see columns labeled Current Amortization Schedule).

Fiscal Year 2025-26 Employer Contribution Necessary to Avoid Negative Amortization

Estimated Normal Cost	Minimum UAL Contribution	ADP ¹	Total UAL Contribution	Estimated Total Contribution
\$31,940	\$1,780	\$497	\$2,277	\$34,217

¹ The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	\$0	2022-23	\$0
2020-21	\$0	2023-24 ²	\$0
2021-22	\$0		

² Excludes payments made after April 30, 2024

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 27241 Results					
Normal Cost %	7.96%	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Payment	\$1,780	\$2,300	\$2,900	\$3,400	\$3,500	\$3,500

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in anyone year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the ramp up period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

The required contribution for FY 2025-26 is less than interest on the UAL, a situation referred to as **negative amortization**, as explained in the [Additional Employer Contributions](#) section earlier in this report. If only the minimum required contribution is made, contributions are not expected to exceed interest on the UAL until FY 2026-27, as shown in the [Amortization Schedule and Alternatives](#) section of the report (see columns labelled "Current Amortization Schedule").

For projected contributions under alternate investment return scenarios, please see the [Future Investment Return Scenarios](#) exhibit. Our online pension plan projection tool, [Pension Outlook](#), is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2024, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	19	2,831	0	3,024	272	2,949	272
Partial Fresh Start	6/30/22	40%	Up Only	0.00%	19	22,174	0	23,682	509	24,766	1,018
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	1,646	0	1,758	0	1,878	40
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	20	4,391	0	4,690	0	5,009	450
Total						31,042	0	33,154	781	34,602	1,780

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in [Allocation of Plan's Share of Pool's Experience](#) earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS [Actuarial Amortization Policy](#).

Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternative Schedules			
	Balance	Payment	20 Year Amortization		15 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2025	34,602	1,780	34,602	3,112	34,602	3,630
6/30/2026	35,115	2,331	33,739	3,112	33,204	3,630
6/30/2027	35,094	2,879	32,817	3,111	31,710	3,630
6/30/2028	34,505	3,428	31,834	3,112	30,115	3,630
6/30/2029	33,308	3,470	30,783	3,112	28,411	3,630
6/30/2030	31,987	3,469	29,660	3,111	26,592	3,630
6/30/2031	30,577	3,470	28,462	3,112	24,649	3,630
6/30/2032	29,070	3,469	27,181	3,111	22,574	3,630
6/30/2033	27,462	3,470	25,814	3,111	20,358	3,630
6/30/2034	25,744	3,469	24,354	3,111	17,991	3,630
6/30/2035	23,910	3,471	22,795	3,112	15,463	3,630
6/30/2036	21,948	3,469	21,129	3,111	12,763	3,630
6/30/2037	19,855	3,470	19,351	3,112	9,879	3,629
6/30/2038	17,619	3,469	17,451	3,111	6,800	3,629
6/30/2039	15,232	3,469	15,423	3,112	3,512	3,629
6/30/2040	12,683	3,469	13,256	3,112		
6/30/2041	9,961	3,469	10,941	3,111		
6/30/2042	7,053	3,469	8,470	3,112		
6/30/2043	3,948	3,469	5,830	3,112		
6/30/2044	631	652	3,010	3,111		
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		63,111		62,231		54,447
Interest Paid		28,509		27,629		19,845
Estimated Savings				880		8,664

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Payment
06/30/2016	2018 - 19	6.842%	\$490
06/30/2017	2019 - 20	6.985%	1,224
06/30/2018	2020 - 21	7.732%	744
06/30/2019	2021 - 22	7.59%	952
06/30/2020	2022 - 23	7.47%	1,131
06/30/2021	2023 - 24	7.68%	0
06/30/2022	2024 - 25	7.87%	781
06/30/2023	2025 - 26	7.96%	1,780

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2016	\$466	\$431	\$35	92.6%	\$44,551
06/30/2017	7,818	7,721	97	98.8%	83,257
06/30/2018	29,695	27,915	1,780	94.0%	146,146
06/30/2019	57,103	53,426	3,677	93.6%	155,261
06/30/2020	77,435	71,664	5,771	92.5%	197,781
06/30/2021	138,740	149,437	(10,697)	107.7%	256,050
06/30/2022	188,637	168,027	20,610	89.1%	289,972
06/30/2023	284,693	253,651	31,042	89.1%	325,357

Risk Analysis

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Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS [Funding Risk Mitigation Policy](#). The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Contribution	\$2,600	\$3,600	\$4,900	\$5,900	\$7,100
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	8.2%	8.4%	8.6%	8.3%	8.5%
UAL Contribution	\$2,100	\$2,300	\$2,100	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	7.96%	8.0%
UAL Contribution	\$1,780	\$3,800
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	7.96%	8.0%
UAL Contribution	\$1,780	\$3,100

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	19.65%	15.71%	12.71%
b) Accrued Liability	\$350,376	\$284,693	\$234,362
c) Market Value of Assets	\$253,651	\$253,651	\$253,651
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$96,725	\$31,042	(\$19,289)
e) Funded Ratio	72.4%	89.1%	108.2%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	16.56%	15.71%	14.29%
b) Accrued Liability	\$301,457	\$284,693	\$257,272
c) Market Value of Assets	\$253,651	\$253,651	\$253,651
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$47,806	\$31,042	\$3,621
e) Funded Ratio	84.1%	89.1%	98.6%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	15.98%	15.71%	15.46%
b) Accrued Liability	\$290,234	\$284,693	\$279,566
c) Market Value of Assets	\$253,651	\$253,651	\$253,651
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$36,583	\$31,042	\$25,915
e) Funded Ratio	87.4%	89.1%	90.7%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	\$0	\$0
2. Total Accrued Liability	\$188,637	\$284,693
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	0%	0%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	5	5
2. Number of Retirees	0	0
3. Support Ratio [(1) ÷ (2)]	N/A	N/A

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets	\$168,027	\$253,651
2. Payroll	\$289,972	\$325,357
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	0.6	0.8
4. Accrued Liability	\$188,637	\$284,693
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	0.7	0.9

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0%	N/A	0.1	0.1
06/30/2018	0%	N/A	0.2	0.2
06/30/2019	0%	N/A	0.3	0.4
06/30/2020	0%	N/A	0.4	0.4
06/30/2021	0%	N/A	0.6	0.5
06/30/2022	0%	N/A	0.6	0.7
06/30/2023	0%	N/A	0.8	0.9

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan’s ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability ¹	\$427,810	\$266,650
2. Market Value of Assets (MVA)	253,651	253,651
3. Unfunded Termination Liability [(1) – (2)]	\$174,159	\$12,999
4. Funded Ratio [(2) ÷ (1)]	59.3%	95.1%

¹ The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan’s assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of “benefit entitlements” calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index¹ discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability ² – Low-Default-Risk Basis (LDROM)	
a) Active Members	\$368,490
b) Transferred Members	29,619
c) Separated Members	35,582
d) Members and Beneficiaries Receiving Payments	0
e) Total	\$433,691
2. Market Value of Assets (MVA)	253,651
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	\$180,040
4. Unfunded Accrued Liability – Funding Policy Basis	31,042
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	\$148,998

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan’s benefit obligations (see [Funded Status – Termination Basis](#)), nor is it appropriate for assessing the need for future contributions (see [Funded Status – Funding Policy Basis](#)).

¹ This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees’ Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

² If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2022	June 30, 2023
Active Members		
Counts	5	5
Average Attained Age	43.4	44.4
Average Entry Age to Rate Plan	40.9	40.9
Average Years of Credited Service	2.6	3.6
Average Annual Covered Pay	\$57,994	\$65,071
Annual Covered Payroll	\$289,972	\$325,357
Present Value of Future Payroll	\$3,175,833	\$3,563,665
Transferred Members	0	1
Separated Members	3	2
Retired Members and Beneficiaries*		
Counts	0	0
Average Annual Benefits	\$0	\$0
Total Annual Benefits	\$0	\$0

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the following Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

		Benefit Group
Member Category	Misc	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	7.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	Level 3	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	\$2,000	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

[Section 2](#) may be found on the CalPERS website (www.calpers.ca.gov) in the Forms & Publications section

BCAQMD ACRONYM REFERENCE

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Summarized below are acronyms commonly used in Board folders and accompanying staff reports.

A/C or ATC	Authority to Construct Permit
AB	Assembly Bill
AERR	U.S. EPA Air Emissions Reporting Requirements
AMOS	Automatic Meteorological Observation Stations
AP-42	EPA technical reference specifying specific Air Pollutant Emission Factors
APCD	Air Pollution Control District
APCO	Air Pollution Control Officer
AQMD	Air Quality Management District
ATCM	Airborne Toxic Control Measure
AQI	Air Quality Index
BACT	Best Available Control Technology
BAM	Beta Attenuation Monitor (records hourly ambient particulate data)
BCAG	Butte County Association of Governments
BCAQMD	Butte County Air Quality Management District
BCC	Sacramento Valley Basinwide Air Pollution Control Council
BOS	Board of Supervisors
CAA	Clean Air Act
CAAQS	California Ambient Air Quality Standards
CAP	Climate Action Plan
Cal-EPA	California Environmental Protection Agency
CAPCOA	California Air Pollution Control Officers Association
CARB	California Air Resources Board
CARPA	California Air Response Planning Alliance
CBYL	Check Before You Light
Cd	Cadmium
CEQA	California Environmental Quality Act
CI	Compression Ignition
CO	Chemical symbol for carbon monoxide
CO2	Chemical symbol for carbon dioxide
CPA	Certified Public Accountant
CPI	Consumer Price Index
CSAC	California State Association of Counties
CTR	Criteria Pollutant and Toxic Emissions Reporting Regulation
CUA	Chico Urbanized Area
DMV	Department of Motor Vehicles
DTSC	California Department of Toxic Substance Control
EG	Emission Guidelines
EICG	Emission Inventory Criteria and Guideline Regulation
EI	Emission Inventory
Emfac	Emission Factor Computer Model
EPA	Environmental Protection Agency (Federal)
ERC	Emission Reduction Credit
ESA	Endangered Species Act
EVR	Enhanced Vapor Recovery
FIP	Federal Implementation Plan
FRM	Federal Reference Method
FY	Fiscal Year (June 30-July 1, unless otherwise stated)
GASB	Governmental Accounting Standards Board
GDF	Gasoline Dispensing Facilities
GFOA	Governmental Finance Officers Association
GHG	Greenhouse Gases
GWP	Global Warming Potential
HAP	Hazardous Air Pollutants

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Hg	Mercury
HRA	Health Risk Assessments
HSC	Health & Safety Code
ICE	Internal Combustion Engine
ISD	In-Station Diagnostics
ISR	Indirect Source Review
LESB	Lower Emission School Bus program
Mb	Millibar
Mg/Yr	Milligrams per year
Micron	Abbreviation of Micrometer or 1,000,000th of a meter in size
MPO	Metropolitan Planning Organization
Msl	Mean sea level
MMT CO2	Million Metric Tons of Carbon Dioxide equivalent emissions
MSW	Municipal Solid Waste
NAAQS	National Ambient Air Quality Standard
NACAA	National Association of Clean Air Agencies
NESHAPS	National Emission Standards for Hazardous Air Pollutants
NMOC	Non-Methane Organic Compound
NON	Notice of Noncompliance
NOx	Oxides of Nitrogen
NSPS	New Source Performance Standards
NSR	New Source Review
NTA	Notice to Apply for a Permit
NTC	Notice to Comply
OEHHA	California Office of Environmental Health Hazard Assessment
OAL	Office of Administrative Law
ORVR	Onboard Refueling Vapor Recovery
PERP	Portable Equipment Registration Program
Pb	Lead
PCBTf	Para-chloro-benzo-tri-fluoride
PM	Particulate Matter
PM 10-2.5	Particulate Matter 10 Microns in Size and smaller, but greater than 2.5 Microns
PM10	Particulate Matter 10 Microns in Size and smaller
PM2.5	Particulate Matter 2.5 Microns in Size and smaller
PSD	Prevention of Significant Deterioration
RACT	Reasonably Available Control Technology
RICE	Reciprocating Internal Combustion Engine
RCRC	Regional Council of Rural Counties
RRF	Relative Reduction Factor
RSD	Remote Sensing Device
SB	Senate Bill
SCM	Suggested Control Measure
SDRMA	Special District Risk Management Authority
SF	Square Foot
SIC	Standardized Industrial Classification
SIP	State Implementation Plan
SLCP	Short-lived Climate Pollutant
SO2	Chemical symbol for sulfur dioxide
SSI	Size Selective Inlet (applies to particulate samplers)
TAC	Technical Advisory Committee of the BCC
TARMAC	CAPCOA Toxics and Risk Managers Committee
TEIP	Toxic Emission Inventory Plan
TEIR	Toxic Emission Inventory Report

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Title 17	California Code of Regulations, Administrative Law adopted by the California Air Resources Board, and referencing in this Board folder the Agricultural burn guidelines
ug/m3	Micrograms per cubic meter
USDA	United States Department of Agriculture
USEPA	United States Environmental Protection Agency
VEE	Visible Emission Evaluation Certification
VOC	Volatile Organic Compound
WUI	Wildland Urban Interface
YTD	Year to Date

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