



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 May 23, 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 March 28, 2024 Meeting of the Board of Directors. *Kelly Towne*
- 3.2 Minutes of the April 25, 2024 Meeting of the Board of Directors. *Kelly Towne*
- 3.3 Activity Report on Butte County Air Quality Management District Activities. *Stephen Ertle*
- 3.4 Financial Status Report Fiscal Year 2023-2024 March. *Aleah Ing*
- 3.5 Financial Status Report Fiscal Year 2023-2024 April. *Aleah Ing*
- 3.6 FY 23-24 3<sup>rd</sup> Quarter Grant Revenue Report. *Aleah Ing*

Agenda for May 23, 2024

BCAG Board Room

Meeting is scheduled to begin at 10:00 a.m.

- 3.7 Calendar of Events.
- 3.8 Status Report on Communications.
- 3.9 Audit Report for Fiscal Year 2022-2023.
- 3.10 Annual Air Quality and Check Before You Light Report.

**Stephen Ertle**  
**Kelly Towne**  
**Aleah Ing**  
**Jason Mandly**

## **REGULAR AGENDA**

### **ITEMS FOR ACTION**

- 4. **Items removed from the consent agenda for Board consideration and action - if any** **Chair**
- 5. **FY24-25 Budget Hearing #1.** **Aleah Ing**
- 6. **AB617 Implementation Authorization for Residential Lawn and Garden Voucher Program.** **Jason Mandly**
- 7. **Authorization to Enter into a MOU with the Shasta County AQMD to Accept Additional Rx Fire Grant funds.** **Stephen Ertle**
- 8. **PCBTF Interim Permitting Policy.** **Patrick Lucey**

### **ITEMS FOR INFORMATION**

- 9. **Annual Report on District Deferred Compensation Program.** **Mason Moore**
- 10. **APCO Report.** **Stephen Ertle**
- 11. **Other Business.** **Chair**
- 12. **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. **Chair**
- 13. **Adjourn to Closed Session.** **Chair**  
**Conference with Labor Negotiators/Potential Litigation.**
- 14. **Report from Closed Session.** **Chair**

## **ADJOURNMENT**

- 15. **The next Board of Directors Meeting is scheduled for June 27, 2024, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.** **Chair**

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](mailto:ktowne@bcaqmd.org) or 530-332-9400 ext. 109





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*Councilmember, Gridley*

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*Vice Mayor, Oroville*

ROSE TRYON  
*Vice Mayor, Paradise*

STEPHEN ERTL  
*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

## **Draft Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of March 28, 2024**

### Members Present:

Tami Ritter	Supervisor, District 3
Bill Connelly	Supervisor, District 1
Doug Teeter	Supervisor, District 5
Rose Tryon	Councilmember, Town of Paradise
Eric Smith	Vice Mayor, City of Oroville
Addison Winslow	Councilmember, Chico
Tod Kimmelshue	Supervisor, District 4
Angel Calderon	Councilmember, Gridley

### Members Absent:

Peter Durfee	Supervisor, District 2
Chuck Nuchols	Vice Mayor, Biggs

### Staff Present:

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

### Remote Staff:

Samuel Nassie	Air Quality Compliance Specialist II
David Campbell	Air Quality Compliance Specialist II
Patrick Lucey	Assistant Air Pollution Control Officer (Asst. APCO)

### Others Present:

Cynthia Joy	Magalia Resident
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### Others Remote:

Rhianna Dutra  
Eric Sharberg

### **1. Call to Order and Roll Call.**

Chair Ritter called the meeting to order at 10:45 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 February 28, 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 Kimmelshue and seconded by Council member Tryon to approve the Consent Agenda Items.

**Motion carries by the following vote:**

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

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Durfee and Vice Mayor Nuchols.

**ITEMS FOR ACTION**

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

No items removed from the Consent Agenda.

**5. Budget Amendments.**

**ACTION REQUESTED: Approve budget transfers and amendment for FY 23-24.**

The Budget Amendments report was presented by Aleah Ing, Administrative Services Officer.

Board Discussion: None.

Public comments: None.

A motion was made by Councilmember Tryon and seconded by Supervisor Kimmelshue to Approve the Budget Amendments.



**Motion carries by the following vote:**

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

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Durfee and Vice Mayor Nuchols.

**6. FARMER Grant Program Policy & Procedure Update.**

**ACTION REQUESTED:** Discuss funding priorities & approve amendments to the District's FARMER Program Policy & Procedure Manual Resolution 2024-03.

The FARMER Grant Program Policy & Procedure Update was presented by Jason Mandy, Senior Air Quality Planner.

Board discussion: Board discussion ensued.

Public comments: None.

A motion was made by Councilmember Tryon and seconded by Supervisor Kimmelshue to Approve Resolution 2024-03 Approval of the Farmer Program and procedure manual for FY 2023-2024 with the addition to the manual that the District caps its grant portion at 65% up to \$100,000.

**Motion carries by the following vote:**

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

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Durfee and Vice Mayor Nuchols.

**7. Position Compensation Study Proposal Review and Approve.**

**ACTION REQUESTED:** Receive update on options and provide direction.

The Position Compensation Study Proposal Review and Approve was presented by Stephen Ertle, APCO.

Board discussion: Board discussion ensued.

Public comments: None.

A motion was made by Supervisor Teeter and seconded by Councilmember Winslow to provide direction for a District Compensation study selecting options 2 & 3 which Staff will update a Study from 2021 with benefit information and staff will complete a new study for 2024.

**Motion carries by the following vote:**

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

**8. CEQA Handbook Update Adoption Hearing.**

**ACTION REQUESTED:** After holding a Public Hearing, adopt resolution 2024-04 approving the updates to the CEQA Air Quality Handbook.

The CEQA Handbook Update and Adoption was presented by Jason Mandly, Senior Air Quality Planner.

Board discussion: Board Discussion ensued.

Public comment: None.

Public Hearing closed: 11:35 a.m.

A motion was made by Vice Mayor Smith and seconded by Supervisor Kimmelshue to approve Resolution 2024-04 CEQA Air Quality Handbook Update with the caveat that the District can make fact based clarifications including updated links to resources without board approval.

**Motion carries by the following vote:**

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

**ITEMS FOR INFORMATION**

**9. Ca Health & Safety Code Section 42409 Penalty Limits.**

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

The Ca Health & Safety Code Section 42409 Penalty Limits report was presented by Patrick Lucey, Asst. APCO.

Board Discussion: None.

Public Comment: None.

**10. APCO Report.**

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

See Addendum to the minutes for the report.

Board Discussion: Board discussion ensued.

Public Comment: None.

**11. Other Business.**

None.

**12. 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.

Public Comment: Cynthia Joy, resident of the community of Magalia, residing in the POA, addressed the Board on the issue of residential burning in the County area known as Magalia. She expressed concerns that burning is allowed in an area with small lot sizes similar to the City of Chico where burning is not allowed. She asked that it be considered to change burning requirements in that area so that there is fewer potential impacts due to smoke.

**13. Adjourn to Closed Session.** No closed session was held.

**14. Report From Closed Session.** None.

**12. The meeting adjourned at 11:50 a.m. The next Board of Directors Meeting is scheduled for April 25, 2024 at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.**

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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 March 28, 2024.

ATTEST: \_\_\_\_\_  
Kelly Towne, Clerk of the Governing Board

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Councilmember, Paradise

STEPHEN ERTL  
Air Pollution Control Officer

PATRICK LUCEY  
Assistant Air Pollution Control Officer

## Draft Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of April 25, 2024

Members Present:

Tami Ritter Supervisor, District 3  
Rose Tryon Councilmember, Town of Paradise  
Eric Smith Vice Mayor, City of Oroville

Addison Winslow Councilmember, Chico  
Angel Calderon Councilmember, Gridley

Members Absent:

Peter Durfee Supervisor, District 2  
Bill Connelly Supervisor, District 1  
Doug Teeter Supervisor, District 5  
Tod Kimmelshue Supervisor, District 4

Chuck Nuchols Vice Mayor, Biggs

Staff Present:

Stephen Ertle Air Pollution Control Officer (APCO)  
Kelly Towne Clerk of the Board  
Aleah Ing Administrative Services Officer (ASO)  
Patrick Lucey Assistant Air Pollution Control Officer (Asst. APCO)

Remote Staff:

Samuel Nassie Air Quality Compliance Specialist II  
David Campbell Air Quality Compliance Specialist II  
Jason Mandly Senior Air Quality Planner

Others Present:

Carrie Schroeder, Smith & Newell  
CPA

**1. Call to Order and Roll Call.**

Chair Ritter called the meeting to order at 10:48 a.m. at the BCAG Board Room, 326 Huss Drive, Suite 100, Chico, California.

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

629 Entler Avenue, Suite 15 ♦ Chico, CA 95928

# Agenda Item 3.2

No additions or deletions.

**3. Consent Agenda.**

- 3.1 Minutes of the March 28, 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 FY 23-24 3<sup>rd</sup> Quarter Grant Revenue Report.
- 3.5 Calendar of Events.
- 3.6 Status Report on Communications.

**ACTION REQUESTED: Approve Consent Agenda Items.**

Board comments: None.

Public comments: None.

Items on the Consent Agenda will be carried over to the May 23, 2024 BCAQMD Board meeting due to lack of a quorum.

**ITEMS FOR ACTION**

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

No items removed from the Consent Agenda.

**5. Audit Presentation for Fiscal Year 2022-2023.**

**ACTION REQUESTED:** Receive and file, Audit Report prepared by Smith & Newell, Certified Public Accountants. The Audit Report was presented by Smith & Newell representative Carrie Schroeder, CPA.

Board Discussion: None.

Public comments: None.

This item will be carried over to the Consent Agenda for acceptance at the May 23, 2024 BCAQMD Board meeting due to lack of a quorum.

**6. AB AB617 Implementation Authorization for Residential Lawn and Garden Voucher Program.**

**ACTION REQUESTED:** Approve residential lawn and garden projects using AB617 Implementation Funds & the release of an RFP requesting projects from local community groups, public entities, and businesses.

This report was not presented and will be carried over as an action item for the May 23, 2024 BCAQMD Board meeting due to lack of a quorum.

Board discussion: None.

Public comments: None.

**7. Annual Air Quality and Check Before You Light Report.**

**ACTION REQUESTED:** Receive report and approve.

The Annual Air Quality and Check Before You Light Report was presented by Jason Mandly, Senior Air Quality Planner.

Board discussion: Board discussion ensued.

Public comments: None.

This item will be carried over to the Consent Agenda for acceptance at the May 23, 2024 BCAQMD Board meeting due to lack of a quorum.

**ITEMS FOR INFORMATION**

**8. GASB 75 Valuation/Disclosure/Report of Fiduciary Change in Net Position.**

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

The GASB 75 Valuation/Disclosure/Report of Fiduciary Change in Net Position report was presented by Aleah Ing, Administrative Services Officer.

Board discussion: None.

Public comment: None.

**9. EICG/CTR/AERR Status Report.**

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

The EICG/CTR/AERR Status Report was presented by Patrick Lucey, Asst. APCO.

Board Discussion: Board Discussion ensued.

Public Comment: None.

**10. APCO Report.**

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

See Addendum to the minutes for the report.

Board Discussion: Board discussion ensued.

Public Comment: None.

**11. Other Business.**

None.

12. **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.
13. **Adjourn to Closed Session.** No closed session was held.
14. **Report From Closed Session.** None.
12. **The meeting adjourned at 11:45 a.m. The next Board of Directors Meeting is scheduled for May 23, 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 April 25, 2024.

ATTEST: \_\_\_\_\_  
Kelly Towne, Clerk of the Governing Board



# **Attachment 1**

## **APCO Report**

### **Federal**

- Last week the District applied for an EPA 103 grant to support a mobile monitoring system and staff time to operate (5-Year program).
- 4/17 EPA finalized rulemaking that removed Air Curtain Incinerators from the requirement to have Title V permitting (when burning wood waste, clean lumber, and yard waste).

### **State**

- CAPCOA Tracking 14 High Priority Bills
- Butte Priority Bills;
  - AB 1857 Air Quality Regulation: Valleys: requires State to adopt regulations to “improve air quality in population centers located in valleys.” After attempts to change the language were unsuccessful CAPCOA formally opposed as contradictory to existing regulations.
  - SB 1045 Composting facilities 30 day permitting limits: CAPCOA sent oppose letter.
  - AB 2781 State Grants: CAPCOA worked with the author to add language that will not restrict CAPCOA's ability to administer grants to Districts.

### **Local**

- Tuesday May 7 is the “Breathe Better Butte!” Fair to solicit input from the community for the AB617 Implementation grant. ZE lawn and garden equipment demonstrations, Health care Reps, Chico Unified and Tacos!
- American Lung Association has given Butte County an F in their annual State of the Air Report.
- We will be starting work on updating our website to meet upcoming accessibility requirements and to transition to a .gov domain.

### **CAPCOA Updates March 2024**

#### EC/ED Notes

- Board Meeting was on April 10
  - Discussed PCBTF risk concerns.
  - Tracking State Budget issues-Farmer still unfunded. Other grant programs alive. Chance for Moyer base allocation to be increased.



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*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 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 April 30, 2024.

**ACTION REQUESTED:**

Accept and file report.

**DISCUSSION:**

None.

Attachment:

2024 Activity Report.

## Agenda Item 3.3

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## 2024 Activity Report

Activity (2024)	2022	2023	Jan	Feb*	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD <sup>1</sup>
Permits to Operate Issued/Renewed	813	804	51	71	69	66									257
Authority to Construct Permits Issued	50	38	1	3	2	5									11
Portable Equipment Registrations	34	38	2	6	1	1									10
Engine Registrations Issued/Renewed	261	0	0	246	0	0									246
Inspections Performed by Facility	496	348	41	42	34	26									143
Inspections Performed by Permits	658	472	57	67	35	32									191
Status Change Reports Received	3	84	4	16	4	1									25
Agricultural Burn Days <sup>2*</sup>	356	353	31	29	31	30									121
Agricultural No-Burn Days <sup>2*</sup>	9	12	0	0	0	0									0
Burn Permits Issued	750	727	55	33	79	117									284
Burn Notifications	5,152	4,826	257	299	422	611									1589
Rice Fields Reported Harvested	375	394	0	0	0	3									3
Complaints Received	134	87	2	7	10	11									30
Notices of Noncompliance Issued	104	79	7	4	6	5									22
Notices to Comply Issued	23	5	0	1	1	0									2
Public Outreach	499	651	65	53	57	48									223
Environmental Documents Reviewed	5	1	0	0	0	0									0
Public Records Requests	64	31	9	4	3	5									21
Asbestos Packets Received	NOT ADDED TO BOARD PACKET UNTIL JULY				2	9									11
Asbestos Projects Approved	NOT ADDED TO BOARD PACKET UNTIL JULY				2	0									2

<sup>1</sup> YTD = Year-to-date totals

<sup>2</sup> Burn Day Status reported below 3000' elevation

\* Leap Year

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*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 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 2023-2024**

**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, 2023 through March 31, 2024 and the Balance sheet for the period ending March 31, 2024.

Attachment:

1-Fiscal Year 23-24 March Balance Sheet.

2-Fiscal Year 23-24 March Revenue and Expense Report.

## Agenda Item 3.4

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

	<b>March 31, 2024</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1002 · Cash on Hand - Change Box	200.00
1003 · Bank of America - General-0648	558,478.83
1004 · Bank of America - Payroll-0649	5,015.67
1007 · B of A Reserve Acct - 1789	329,679.85
1010 · B of A - 0980 (Grant 1)	58,854.85
1011 · Tri Counties - Carl Moyer 2618	601,752.41
1012 · Tri Counties - FARMER - 6831	1,583,616.75
1013 · Tri Counties - CAP-6855	1,488,389.93
1017 · Tri Counties - AB 617-6818	179,372.84
1018 · State LAIF Acct	1,259,257.91
<b>Total Checking/Savings</b>	6,064,619.04
<b>Accounts Receivable</b>	
1200 · Accounts Receivable	369,169.50
<b>Total Accounts Receivable</b>	369,169.50
<b>Other Current Assets</b>	
1102 · Due From Other Governments	119,279.72
1500 · Undeposited Funds	398.21
<b>Total Other Current Assets</b>	119,677.93
<b>Total Current Assets</b>	6,553,466.47
<b>Other Assets</b>	
1300 · Prepaid Costs	17,251.38
<b>Total Other Assets</b>	17,251.38
<b>TOTAL ASSETS</b>	<b>6,570,717.85</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts Payable	33,405.64
2001 · A/P - Grantees	1,967,437.51
<b>Total Accounts Payable</b>	2,000,843.15
<b>Other Current Liabilities</b>	
2100 · Accrual Payroll & Benefits	
210004 · HI 125	1,028.53
210011 · PERS Survivor Benefits	0.78
210013 · MED FLEX	660.84
<b>Total 2100 · Accrual Payroll &amp; Benefits</b>	1,690.15
2107 · Unearned Revenue	
210904 · FARMER	389,337.34

	<b>March 31, 2024</b>
210906 · Carl Moyer	66,852.73
210910 · Community (CAP)	339,522.55
210912 · WoodSmoke	14,538.24
210914 · AB 617	198,189.63
210917 · Prescribed Fire Grant	88,241.51
<b>Total 2107 · Unearned Revenue</b>	<b>1,096,682.00</b>
<b>2109 · Unavailable Revenue</b>	<b>283,533.96</b>
<b>Total Other Current Liabilities</b>	<b>1,381,906.11</b>
<b>Total Current Liabilities</b>	<b>3,382,749.26</b>
<b>Total Liabilities</b>	<b>3,382,749.26</b>
<b>Equity</b>	
3100 · Reserves	329,626.07
3200 · Restricted Fund	
3003 · Reserved for Encumbrances	8,300.00
3004 · Carl Moyer Program	201,725.57
3005 · Reserved FARMER Prgm	650,718.42
3009 · Woodsmoke Grant	296,361.00
3012 · Community (CAP)	1,228,202.42
<b>Total 3200 · Restricted Fund</b>	<b>2,385,307.41</b>
3900 · Retained Earnings	751,681.49
Net Income	-278,646.38
<b>Total Equity</b>	<b>3,187,968.59</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,570,717.85</b>

**Butte Co. Air Quality Management Dist.**  
**Profit & Loss Budget vs. Actual**  
 July 2023 - March 2024 -75% of the Year

Accrual Basis

	Jul '23 - Feb '24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>421 · License and Permits</b>				
4213010 · Ag Burn Permits	61,455.07	100,000.00	-38,544.93	61.46%
4213013 · Ag Engine Registration Program	14,446.79	14,450.00	-3.21	99.98%
4213020 · Title V Permits	4,681.55	4,682.00	-0.45	99.99%
4213030 · Operating Permits	368,816.02	477,000.00	-108,183.98	77.32%
4213035 · Portable Engine Registration	40,884.42	48,000.00	-7,115.58	85.18%
4213038 · Asbestos Program	1,932.87	5,000.00	-3,067.13	38.66%
4213040 · Auth to Construct	22,850.56	29,000.00	-6,149.44	78.8%
4213060 · Misc. Other Permits	0.00	600.00	-600.00	0.0%
<b>Total 421 · License and Permits</b>	<b>515,067.28</b>	<b>678,732.00</b>	<b>-163,664.72</b>	<b>75.89%</b>
<b>430 · Fines, Forfeitures &amp; Penalties</b>				
4300001 · Civil Settlements	42,768.84	45,000.00	-2,231.16	95.04%
<b>Total 430 · Fines, Forfeitures &amp; Penalties</b>	<b>42,768.84</b>	<b>45,000.00</b>	<b>-2,231.16</b>	<b>95.04%</b>
<b>441 · Interest Income</b>	<b>38,757.53</b>	<b>2,000.00</b>	<b>36,757.53</b>	<b>1,937.88%</b>
<b>451 · Intergovernmental</b>				
<b>45000 · Governmental Funds</b>				
4500001 · State Subvention	73,386.16	73,386.00	0.16	100.0%
4511001 · DMV Surcharge	532,563.46	740,000.00	-207,436.54	71.97%
<b>Total 45000 · Governmental Funds</b>	<b>605,949.62</b>	<b>813,386.00</b>	<b>-207,436.38</b>	<b>74.5%</b>
<b>45105 · Direct Grant Funds</b>				
4510500 · AB 2588 Hot Spots Fee	0.00	134.00	-134.00	0.0%
4510501 · 105 Pilot Project Grant Funding	0.00	61,012.00	-61,012.00	0.0%
4510502 · AB 197 Funding	0.00	8,583.00	-8,583.00	0.0%
4510503 · AB 617 Funding	13,904.93	212,071.75	-198,166.82	6.56%
4510504 · Prescribed Fire Grant	3,542.22	96,753.73	-93,211.51	3.66%
4510505 · GHG Oil & Gas Funding	0.00	6,000.00	-6,000.00	0.0%
<b>Total 45105 · Direct Grant Funds</b>	<b>17,447.15</b>	<b>384,554.48</b>	<b>-367,107.33</b>	<b>4.54%</b>
<b>45109 · Pass Through Grants</b>				
4510904 · FARMER Funding	1,224,474.50	1,224,474.50	0.00	100.0%
4510906 · Carl Moyer Grant	175,000.00	175,000.00	0.00	100.0%
4510909 · Woodsmoke Grant	463,270.00	463,270.00	0.00	100.0%
4510915 · Community Air Program (CAP)	0.00	967,559.27	-967,559.27	0.0%
<b>Total 45109 · Pass Through Grants</b>	<b>1,862,744.50</b>	<b>2,830,303.77</b>	<b>-967,559.27</b>	<b>65.81%</b>
<b>Total 451 · Intergovernmental</b>	<b>2,486,141.27</b>	<b>4,028,244.25</b>	<b>-1,542,102.98</b>	<b>61.72%</b>
<b>471 · Miscellaneous Revenue</b>				
4712523 · Other Misc. Revenue	24,495.37	28,495.00	-3,999.63	85.96%
<b>4712550 · Implementation Funds</b>				
Carl Moyer Implementation	43,130.70	109,983.43	-66,852.73	39.22%
Community CAP Implementation	70,293.67	548,038.95	-477,745.28	12.83%
FARMER Implementation	90,111.55	479,448.89	-389,337.34	18.8%
WoodSmoke Implementation	34,671.76	49,210.00	-14,538.24	70.46%
<b>Total 4712550 · Implementation Funds</b>	<b>238,207.68</b>	<b>1,186,681.27</b>	<b>-948,473.59</b>	<b>20.07%</b>
<b>Total 471 · Miscellaneous Revenue</b>	<b>262,703.05</b>	<b>1,215,176.27</b>	<b>-952,473.22</b>	<b>21.62%</b>
<b>Total Income</b>	<b>3,345,437.97</b>	<b>5,969,152.52</b>	<b>-2,623,714.55</b>	<b>56.05%</b>
<b>Expense</b>				
<b>511 · Payroll Expenses</b>				
511001 · Salaries & Wages	619,601.45	975,994.80	-356,393.35	63.48%
512000 · Extra Help	14,017.59	16,000.00	-1,982.41	87.61%
514000 · Overtime	0.00	4,000.00	-4,000.00	0.0%
<b>518 · Employee Benefits</b>				
518008 · Health Care	134,785.43	220,262.52	-85,477.09	61.19%
518009 · Cafeteria	27,403.99	28,597.32	-1,193.33	95.83%
518010 · Other Employee Benefits	17,805.71	27,716.43	-9,910.72	64.24%
518700 · Retirement Pension	104,513.40	160,237.53	-55,724.13	65.22%
518800 · Contrib to Pension Liability	122,440.00	155,627.85	-33,187.85	78.68%
518900 · Retiree's OPEB	39,624.51	54,136.20	-14,511.69	73.19%
518901 · Contrib to OPEB Liability	0.00	35,630.00	-35,630.00	0.0%

	<b>Jul '23 - Feb '24</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
Total 518 · Employee Benefits	446,573.04	682,207.85	-235,634.81	65.46%
Total 511 · Payroll Expenses	1,080,192.08	1,678,202.65	-598,010.57	64.37%
<b>520 · Materials &amp; Supplies</b>				
521104 · Postage	3,220.00	3,722.42	-502.42	86.5%
522201 · Office Supplies	5,497.81	9,435.00	-3,937.19	58.27%
523001 · Telecommunications	9,982.67	16,480.00	-6,497.33	60.57%
524544 · Utilities - Elec/Gas/Wtr/Grbge	5,880.51	9,341.60	-3,461.09	62.95%
525545 · Auto Fuel Costs/ Road Expense	3,356.50	6,695.00	-3,338.50	50.13%
<b>Total 520 · Materials &amp; Supplies</b>	<b>27,937.49</b>	<b>45,674.02</b>	<b>-17,736.53</b>	<b>61.17%</b>
<b>530 · Services &amp; Other Operating</b>				
531201 · Household Janitorial	4,275.00	5,871.00	-1,596.00	72.82%
532527 · Insurance -Liability & Vehicle	14,735.77	17,410.09	-2,674.32	84.64%
533533 · Memberships, Dues & Subscript..	2,929.00	6,500.33	-3,571.33	45.06%
534537 · Public & Legal Notices	1,105.99	4,017.00	-2,911.01	27.53%
535540 · Public Outreach	10,253.03	17,149.50	-6,896.47	59.79%
536101 · Training	4,869.95	14,707.00	-9,837.05	33.11%
537202 · Travel & Conference Expenses	12,523.29	33,950.00	-21,426.71	36.89%
<b>Total 530 · Services &amp; Other Operating</b>	<b>50,692.03</b>	<b>99,604.92</b>	<b>-48,912.89</b>	<b>50.89%</b>
<b>540 · Rents Lease, Repair, NonCapital</b>				
541538 · Property Rents & Leases	324.75	650.00	-325.25	49.96%
542539 · Equipment Rents & Leases	549.18	762.20	-213.02	72.05%
543103 · Office Furniture & Equip	0.00	16,789.00	-16,789.00	0.0%
543203 · Computer Equipment	3,612.99	12,875.00	-9,262.01	28.06%
543204 · Computer Software-Subscriptions	17,275.38	20,599.75	-3,324.37	83.86%
543541 · Air Monitoring Equipment & Main	822.36	5,907.05	-5,084.69	13.92%
544001 · Vehicles Maintenance	2,526.24	5,495.05	-2,968.81	45.97%
544042 · IT Maintenance	20,135.62	32,117.00	-11,981.38	62.7%
544103 · Building Maintenance	720.73	15,225.25	-14,504.52	4.73%
<b>Total 540 · Rents Lease, Repair, NonCapital</b>	<b>45,967.25</b>	<b>110,420.30</b>	<b>-64,453.05</b>	<b>41.63%</b>
<b>550 · Professional/Consulting Service</b>				
551137 · AB2588 Hot Spots Fee	134.00	134.00	0.00	100.0%
551536 · Professional Services	26,190.29	94,883.60	-68,693.31	27.6%
551547 · Legal Services	12,500.00	19,055.00	-6,555.00	65.6%
555580 · Contingencies	0.00	20,000.00	-20,000.00	0.0%
<b>Total 550 · Professional/Consulting Service</b>	<b>38,824.29</b>	<b>134,072.60</b>	<b>-95,248.31</b>	<b>28.96%</b>
<b>560 · Grants</b>				
560006 · Carl Moyer Grant	398,839.68	600,565.25	-201,725.57	66.41%
560007 · Community Air (CAP)	581,136.54	2,776,898.24	-2,195,761.70	20.93%
560009 · WoodSmoke Grant	166,909.00	463,270.00	-296,361.00	36.03%
560020 · Special Clean Air Grants	0.00	35,000.00	-35,000.00	0.0%
560021 · FARMER	1,191,735.99	1,842,454.41	-650,718.42	64.68%
<b>Total 560 · Grants</b>	<b>2,338,621.21</b>	<b>5,718,187.90</b>	<b>-3,379,566.69</b>	<b>40.9%</b>
<b>565 · Debt Service</b>				
565087 · GASB 87 Lease Principal	39,742.34	53,035.00	-13,292.66	74.94%
565987 · GASB 87 Lease Interest & Other	2,107.66	2,521.00	-413.34	83.6%
<b>Total 565 · Debt Service</b>	<b>41,850.00</b>	<b>55,556.00</b>	<b>-13,706.00</b>	<b>75.33%</b>
<b>Total Expense</b>	<b>3,624,084.35</b>	<b>7,841,718.39</b>	<b>-4,217,634.04</b>	<b>46.22%</b>
<b>Net Ordinary Income</b>	<b>-278,646.38</b>	<b>-1,872,565.87</b>	<b>1,593,919.49</b>	<b>14.88%</b>
<b>Net Income</b>	<b>-278,646.38</b>	<b>-1,872,565.87</b>	<b>1,593,919.49</b>	<b>14.88%</b>

The FY 23-24 Budget was adopted 6/22/2023; Amended 10/26/2023; Amended 3/28/2024



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: May 16, 2024

Board Consideration: May 23, 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 2023-2024**

**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, 2023 through April 30, 2024 and the Balance sheet for the period ending April 30, 2024.

Attachment:

1-Fiscal Year 23-24 April Balance Sheet.

2-Fiscal Year 23-24 April Revenue and Expense Report.

## Agenda Item 3.5

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

**Apr 30, 24**

**ASSETS**

**Current Assets**

**Checking/Savings**

1002 · Cash on Hand - Change Box	200.00
1003 · Bank of America - General-0648	590,958.16
1004 · Bank of America - Payroll-0649	4,995.66
1007 · B of A Reserve Acct - 1789	329,682.55
1010 · B of A - 0980 (Grant 1)	351,306.73
1011 · Tri Counties - Carl Moyer 2618	592,721.13
1012 · Tri Counties - FARMER - 6831	1,488,349.11
1013 · Tri Counties - CAP-6855	1,200,058.83
1017 · Tri Counties - AB 617-6818	174,925.70
1018 · State LAIF Acct	1,259,257.91

<b>Total Checking/Savings</b>	5,992,455.78
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**Accounts Receivable**

1200 · Accounts Receivable	86,809.05
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<b>Total Accounts Receivable</b>	86,809.05
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**Other Current Assets**

1102 · Due From Other Governments	120,263.82
1500 · Undeposited Funds	65.00

<b>Total Other Current Assets</b>	120,328.82
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<b>Total Current Assets</b>	6,199,593.65
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**Other Assets**

1300 · Prepaid Costs	17,251.38
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<b>Total Other Assets</b>	17,251.38
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<b>TOTAL ASSETS</b>	<b>6,216,845.03</b>
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**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

2000 · Accounts Payable	22,772.03
2001 · A/P - Grantees	1,647,349.47

<b>Total Accounts Payable</b>	1,670,121.50
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**Other Current Liabilities**

2100 · Accrual Payroll & Benefits	
210004 · HI 125	1,004.11
210011 · PERS Survivor Benefits	2.32
210013 · MED FLEX	1,351.67

<b>Total 2100 · Accrual Payroll &amp; Benefits</b>	2,358.10
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2107 · Unearned Revenue	
210904 · FARMER	389,413.63

	<b>Apr 30, 24</b>
210906 · Carl Moyer	66,852.73
210910 · Community (CAP)	339,522.55
210912 · WoodSmoke	14,538.24
210914 · AB 617	198,189.63
210917 · Prescribed Fire Grant	88,241.51
<b>Total 2107 · Unearned Revenue</b>	<b>1,096,758.29</b>
<b>2109 · Unavailable Revenue</b>	<b>283,533.96</b>
<b>Total Other Current Liabilities</b>	<b>1,382,650.35</b>
<b>Total Current Liabilities</b>	<b>3,052,771.85</b>
<b>Total Liabilities</b>	<b>3,052,771.85</b>
<b>Equity</b>	
3100 · Reserves	329,626.07
3200 · Restricted Fund	
3003 · Reserved for Encumbrances	8,300.00
3004 · Carl Moyer Program	201,725.57
3005 · Reserved FARMER Prgm	651,252.41
3009 · Woodsmoke Grant	291,361.00
3012 · Community (CAP)	1,209,967.18
<b>Total 3200 · Restricted Fund</b>	<b>2,362,606.16</b>
3900 · Retained Earnings	774,382.74
Net Income	-302,541.79
<b>Total Equity</b>	<b>3,164,073.18</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,216,845.03</b>



**Butte Co. Air Quality Management Dist.**  
**Profit & Loss Budget vs. Actual**  
 July 2023 - April 2024 -83.33% of the Year

Accrual Basis

	Jul '23 - Apr 24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>421 · License and Permits</b>				
4213010 · Ag Burn Permits	70,443.88	100,000.00	-29,556.12	70.44%
4213013 · Ag Engine Registration Program	14,446.79	14,450.00	-3.21	99.98%
4213020 · Title V Permits	4,681.55	4,682.00	-0.45	99.99%
4213030 · Operating Permits	442,213.98	477,000.00	-34,786.02	92.71%
4213035 · Portable Engine Registration	40,986.15	48,000.00	-7,013.85	85.39%
4213038 · Asbestos Program	3,458.82	5,000.00	-1,541.18	69.18%
4213040 · Auth to Construct	28,719.93	29,000.00	-280.07	99.03%
4213060 · Misc. Other Permits	0.00	600.00	-600.00	0.0%
<b>Total 421 · License and Permits</b>	<b>604,951.10</b>	<b>678,732.00</b>	<b>-73,780.90</b>	<b>89.13%</b>
<b>430 · Fines, Forfeitures &amp; Penalties</b>				
4300001 · Civil Settlements	44,388.84	45,000.00	-611.16	98.64%
<b>Total 430 · Fines, Forfeitures &amp; Penalties</b>	<b>44,388.84</b>	<b>45,000.00</b>	<b>-611.16</b>	<b>98.64%</b>
<b>441 · Interest Income</b>	<b>38,841.16</b>	<b>2,000.00</b>	<b>36,841.16</b>	<b>1,942.06%</b>
<b>451 · Intergovernmental</b>				
<b>45000 · Governmental Funds</b>				
4500001 · State Subvention	73,386.16	73,386.00	0.16	100.0%
4511001 · DMV Surcharge	594,379.42	740,000.00	-145,620.58	80.32%
<b>Total 45000 · Governmental Funds</b>	<b>667,765.58</b>	<b>813,386.00</b>	<b>-145,620.42</b>	<b>82.1%</b>
<b>45105 · Direct Grant Funds</b>				
4510500 · AB 2588 Hot Spots Fee	0.00	134.00	-134.00	0.0%
4510501 · 105 Pilot Project Grant Funding	0.00	61,012.00	-61,012.00	0.0%
4510502 · AB 197 Funding	0.00	8,583.00	-8,583.00	0.0%
4510503 · AB 617 Funding	13,904.93	212,071.75	-198,166.82	6.56%
4510504 · Prescribed Fire Grant	44,982.22	96,753.73	-51,771.51	46.49%
4510505 · GHG Oil & Gas Funding	0.00	6,000.00	-6,000.00	0.0%
<b>Total 45105 · Direct Grant Funds</b>	<b>58,887.15</b>	<b>384,554.48</b>	<b>-325,667.33</b>	<b>15.31%</b>
<b>45109 · Pass Through Grants</b>				
4510904 · FARMER Funding	1,224,474.50	1,224,474.50	0.00	100.0%
4510906 · Carl Moyer Grant	175,000.00	175,000.00	0.00	100.0%
4510909 · Woodsmoke Grant	463,270.00	463,270.00	0.00	100.0%
4510915 · Community Air Program (CAP)	0.00	967,559.27	-967,559.27	0.0%
<b>Total 45109 · Pass Through Grants</b>	<b>1,862,744.50</b>	<b>2,830,303.77</b>	<b>-967,559.27</b>	<b>65.81%</b>
<b>Total 451 · Intergovernmental</b>	<b>2,589,397.23</b>	<b>4,028,244.25</b>	<b>-1,438,847.02</b>	<b>64.28%</b>
<b>471 · Miscellaneous Revenue</b>				
4712523 · Other Misc. Revenue	29,429.96	28,495.00	934.96	103.28%
4712550 · Implementation Funds	238,207.68	1,186,681.27	-948,473.59	20.07%
<b>Total 471 · Miscellaneous Revenue</b>	<b>267,637.64</b>	<b>1,215,176.27</b>	<b>-947,538.63</b>	<b>22.03%</b>
<b>Total Income</b>	<b>3,545,215.97</b>	<b>5,969,152.52</b>	<b>-2,423,936.55</b>	<b>59.39%</b>
<b>Gross Profit</b>	<b>3,545,215.97</b>	<b>5,969,152.52</b>	<b>-2,423,936.55</b>	<b>59.39%</b>
<b>Expense</b>				
<b>511 · Payroll Expenses</b>				
511001 · Salaries & Wages	688,969.48	975,994.80	-287,025.32	70.59%
512000 · Extra Help	14,017.59	16,000.00	-1,982.41	87.61%
514000 · Overtime	0.00	4,000.00	-4,000.00	0.0%
<b>518 · Employee Benefits</b>				
518008 · Health Care	147,833.81	220,262.52	-72,428.71	67.12%
518009 · Cafeteria	31,276.10	28,597.32	2,678.78	109.37%
518010 · Other Employee Benefits	19,398.24	27,716.43	-8,318.19	69.99%
518700 · Retirement Pension	115,872.11	160,237.53	-44,365.42	72.31%
518800 · Contrib to Pension Liability	155,627.85	155,627.85	0.00	100.0%
518900 · Retiree's OPEB	45,502.37	54,136.20	-8,633.83	84.05%
518901 · Contrib to OPEB Liability	35,630.00	35,630.00	0.00	100.0%
<b>Total 518 · Employee Benefits</b>	<b>551,140.48</b>	<b>682,207.85</b>	<b>-131,067.37</b>	<b>80.79%</b>
<b>Total 511 · Payroll Expenses</b>	<b>1,254,127.55</b>	<b>1,678,202.65</b>	<b>-424,075.10</b>	<b>74.73%</b>
<b>520 · Materials &amp; Supplies</b>				
521104 · Postage	3,220.00	3,722.42	-502.42	86.5%
522201 · Office Supplies	5,762.89	9,435.00	-3,672.11	61.08%

	<b>Jul '23 - Apr 24</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
523001 · Telecommunications	10,947.86	16,480.00	-5,532.14	66.43%
524544 · Utilities - Elec/Gas/Wtr/Grbge	6,445.97	9,341.60	-2,895.63	69.0%
525545 · Auto Fuel Costs/ Road Expense	3,626.91	6,695.00	-3,068.09	54.17%
<b>Total 520 · Materials &amp; Supplies</b>	<b>30,003.63</b>	<b>45,674.02</b>	<b>-15,670.39</b>	<b>65.69%</b>
<b>530 · Servies &amp; Other Operating</b>				
531201 · Household Janitorial	4,750.00	5,871.00	-1,121.00	80.91%
532527 · Insurance -Liability & Vehicle	14,735.77	17,410.09	-2,674.32	84.64%
533533 · Memberships, Dues & Subscript..	3,078.08	6,500.33	-3,422.25	47.35%
534537 · Public & Legal Notices	1,591.79	4,017.00	-2,425.21	39.63%
535540 · Public Outreach	12,203.03	17,149.50	-4,946.47	71.16%
536101 · Training	4,909.90	14,707.00	-9,797.10	33.39%
537202 · Travel & Conference Expenses	13,592.58	33,950.00	-20,357.42	40.04%
<b>Total 530 · Servies &amp; Other Operating</b>	<b>54,861.15</b>	<b>99,604.92</b>	<b>-44,743.77</b>	<b>55.08%</b>
<b>540 · Rents Lease, Repair, NonCapital</b>				
541538 · Property Rents & Leases	574.75	650.00	-75.25	88.42%
542539 · Equipment Rents & Leases	549.18	762.20	-213.02	72.05%
543103 · Office Furniture & Equip	0.00	16,789.00	-16,789.00	0.0%
543203 · Computer Equipment	3,918.99	12,875.00	-8,956.01	30.44%
543204 · Computer Software-Subscriptions	17,537.37	20,599.75	-3,062.38	85.13%
543541 · Air Monitoring Equipment & Main	822.36	5,907.05	-5,084.69	13.92%
544001 · Vehicles Maintenance	2,624.75	5,495.05	-2,870.30	47.77%
544042 · IT Maintenance	22,337.76	32,117.00	-9,779.24	69.55%
544103 · Building Maintenance	720.73	15,225.25	-14,504.52	4.73%
<b>Total 540 · Rents Lease, Repair, NonCapital</b>	<b>49,085.89</b>	<b>110,420.30</b>	<b>-61,334.41</b>	<b>44.45%</b>
<b>550 · Professional/Consulting Service</b>				
551137 · AB2588 Hot Spots Fee	134.00	134.00	0.00	100.0%
551536 · Professional Services	32,539.09	94,883.60	-62,344.51	34.29%
551547 · Legal Services	14,000.00	19,055.00	-5,055.00	73.47%
555580 · Contingencies	0.00	20,000.00	-20,000.00	0.0%
<b>Total 550 · Professional/Consulting Service</b>	<b>46,673.09</b>	<b>134,072.60</b>	<b>-87,399.51</b>	<b>34.81%</b>
<b>560 · Grants</b>				
560006 · Carl Moyer Grant	398,839.68	600,565.25	-201,725.57	66.41%
560007 · Community Air (CAP)	599,371.78	2,776,898.24	-2,177,526.46	21.58%
560009 · WoodSmoke Grant	171,909.00	463,270.00	-291,361.00	37.11%
560020 · Special Clean Air Grants	0.00	35,000.00	-35,000.00	0.0%
560021 · FARMER	1,191,735.99	1,842,454.41	-650,718.42	64.68%
<b>Total 560 · Grants</b>	<b>2,361,856.45</b>	<b>5,718,187.90</b>	<b>-3,356,331.45</b>	<b>41.3%</b>
<b>565 · Debt Service</b>				
565087 · GASB 87 Lease Principal	48,601.53	53,035.00	-4,433.47	91.64%
565987 · GASB 87 Lease Interest & Other	2,548.47	2,521.00	27.47	101.09%
<b>Total 565 · Debt Service</b>	<b>51,150.00</b>	<b>55,556.00</b>	<b>-4,406.00</b>	<b>92.07%</b>
<b>Total Expense</b>	<b>3,847,757.76</b>	<b>7,841,718.39</b>	<b>-3,993,960.63</b>	<b>49.07%</b>
<b>Net Ordinary Income</b>	<b>-302,541.79</b>	<b>-1,872,565.87</b>	<b>1,570,024.08</b>	<b>16.16%</b>
<b>Net Income</b>	<b>-302,541.79</b>	<b>-1,872,565.87</b>	<b>1,570,024.08</b>	<b>16.16%</b>

The FY 23-24 Budget was adopted 6/22/2023; Amended 10/26/2023; Amended 3/28/2024



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STEPHEN ERTLE  
*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 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 3<sup>rd</sup> Quarter Grant Revenue Report**

**ISSUE:**

Quarterly 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 March 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. Through the first three quarters (75% of the fiscal year) the Districts has recognized ~72% of implementation revenues across all grant programs. We expect to meet budget projections for recognition of grant implementation funds through the fiscal year.

Attachment:

2024-03-31 BCAQMD Quarterly Grant Status Report.

## Agenda Item 3.6

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**Butte Co. Air Quality Management Dist.**  
**Grant Status - Budget vs. Actual**  
 July 2023- March 2024 -75% of the Year

**AB 617 Implementation Funds**

	<b>Jul - Mar 23</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>6/30/2024 Projected Balances</b>				
<b>Unearned - Deferred Inflows</b>				
<b>AB617 Implementation Funds</b>				
6/30/2023 Unearned Balance	46,239.75	46,239.75	0.00	100.0%
Unearned added during FY 23-24	165,854.81	165,832.00	22.81	100.01%
Implementation Funds Recognized during FY 23-24	13,904.93	54,562.94	-40,658.01	25.48%
<b>6/30/2024 Projected Unearned Balance</b>	<b>198,189.63</b>	<b>157,508.81</b>	<b>40,680.82</b>	<b>125.83%</b>
<b>Budgeted Actual vs Budgeted Hours</b>	<b>30.00</b>	<b>50.00</b>	<b>-20.00</b>	<b>60.0%</b>

*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**

	<b>Jul - Mar 23</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>6/30/2024 Projected Balances</b>				
<b>Unearned - Deferred Inflows</b>				
<b>Carl Moyer Implementation Funds</b>				
6/30/2023 Unearned Balance	84,983.43	84,983.43	0.00	
Unearned added during FY 23-24	25,000.00	25,000.00	0.00	100.0%
Implementation Funds Recognized during FY 23-24	43,130.70	32,553.60	10,577.10	132.49%
<b>6/30/2024 Projected Unearned Balance</b>	<b>66,852.73</b>	<b>77,429.83</b>	<b>-10,577.10</b>	
<b>Budgeted Actual vs Budgeted Hours</b>	<b>291.50</b>	<b>320.00</b>	<b>-28.50</b>	<b>91.09%</b>

*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	175,000.00	175,000.00	0.00	100.0%
Restricted expended during FY 23-24	398,190.21	600,565.25	-202,375.04	66.3%
<b>Balance</b>	<b>202,375.04</b>	<b>0.00</b>	<b>202,375.04</b>	

**Community CAP Grant Funds**

	<b>Jul - Mar 23</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>6/30/2024 Projected Balances</b>				
<b>Unearned - Deferred Inflows</b>				
<b>CAP Implementation Funds</b>				
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	70,293.67	86,770.50	-16,476.83	81.01%
<b>6/30/2024 Projected Unearned Balance</b>	<b>339,522.55</b>	<b>323,045.72</b>	<b>16,476.83</b>	
<b>Budgeted Actual vs Budgeted Hours</b>	<b>382.75</b>	<b>850.00</b>	<b>-467.25</b>	<b>45.03%</b>

*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%
<b>Balance</b>	<b>1,209,967.19</b>	<b>0.00</b>	<b>1,209,967.19</b>	

**FARMER Grant Funds**

	<b>Jul - Mar 23</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>6/30/2024 Projected Balances</b>				
<b>Unearned - Deferred Inflows</b>				
<b>FARMER Implementation Funds</b>				
6/30/2023 Unearned Balance	304,523.39	304,523.39	0.00	
Unearned added during FY 23-24	87,462.50	87,462.50	0.00	100.0%
Implementation Funds Recognized during FY 23-24	69,183.43	81,384.00	-12,200.57	85.01%
<b>6/30/2024 Projected Unearned Balance</b>	<b>322,802.46</b>	<b>310,601.89</b>	<b>12,200.57</b>	
<b>Budgeted Actual vs Budgeted Hours</b>	<b>402.50</b>	<b>800.00</b>	<b>-397.50</b>	<b>50.31%</b>

*Carl Moyer, Farmer & Community (CAP) Incentive Grants are anticipated to recognize more budgeted hours from April through June.*

**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	612,607.25	612,237.50	369.75	100.06%
Restricted expended during FY 23-24	1,207,982.09	1,230,217.41	-22,235.32	98.19%
<b>Balance</b>	<b>22,605.07</b>	<b>0.00</b>	<b>22,605.07</b>	

**WoodSmoke Grant Funds**

	<b>Jul - Mar 23</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>6/30/2024 Projected Balances</b>				
<b>Unearned - Deferred Inflows</b>				
<b>WoodSmoke Implementation Funds</b>				
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%
Implementation Funds Recognized during FY 23-24	34,671.76	23,152.94	11,518.82	149.75%
<b>6/30/2024 Projected Unearned Balance</b>	<b>14,538.24</b>	<b>0.00</b>	<b>14,538.24</b>	
<b>Budgeted Actual vs Budgeted Hours</b>	<b>255.50</b>	<b>227.59</b>	<b>27.91</b>	<b>112.26%</b>

*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	221,798.00	221,798.00	0.00	100.0%
Restricted expended during FY 23-24	159,798.00	221,798.00	-62,000.00	72.05%
<b>Balance</b>	<b>62,000.00</b>	<b>0.00</b>	<b>62,000.00</b>	



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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: May 16, 2024  
Board Consideration: May 23, 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
May 27	District Office Closed in honor of Memorial Day	Chico
May 28-31	CAPCOA Spring Retreat	Placer
June 4-5	NASA Health and Air Quality Applied Sciences Team Panel	Cambridge, MA
June 5	Fire Safe Council Meeting	Paradise
June 7	Sacramento Valley BCC Meeting	Davis
June 19	District Office Closed in honor of Juneteenth	Chico
June 20	Technical Advisory Committee (TAC)	Yuba City
<b>June 27</b>	<b>Butte County AQMD Board Meeting/Budget Hearing</b>	<b>Chico</b>
July 3	Fire Safe Council Meeting	Paradise
July 4	District Office Closed in honor of Independence Day	Chico
July 9	Vapor Recovery	Virtual
July 17	Technical Advisory Committee (TAC)	Red Bluff
July 23-24	Enforcement Managers	Santa Barbara
<b>July 25</b>	<b>Butte County AQMD Board Meeting</b>	<b>Chico</b>
July 29-30	Engineering Managers	Virtual
August 2	Sacramento Valley BCC Meeting	Chico
August 7	Fire Safe Council Meeting	Paradise
August 21	Technical Advisory Committee (TAC)	Willows
<b>August 22</b>	<b>Butte County AQMD Board Meeting</b>	<b>Chico</b>
September 2	District Office Closed in honor of Labor Day	Paradise

# Agenda Item 3.7

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TAMI RITTER, CHAIR  
*Supervisor, District #3*

ADDISON WINSLOW, VICE CHAIR  
*Councilmember, Chico*

BILL CONNELLY  
*Supervisor, District #1*

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*Councilmember, Paradise*

STEPHEN ERTLE  
*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 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 March and April.

**ACTION REQUESTED:**

None. For information only.

**DISCUSSION:**

No communications outside of regularly scheduled Board meeting.

Attachment:

None.

## Agenda Item 3.8

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TAMI RITTER, CHAIR  
Supervisor, District #3

ANGEL CALDERON, VICE CHAIR  
Councilmember, Gridley

BILL CONNELLY  
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ROSE TRYON  
Vice Mayor, Paradise

STEPHEN ERTL  
Air Pollution Control Officer

PATRICK LUCEY  
Assistant Air Pollution Control Officer

Date of Release: May 16, 2024  
Board Consideration: May 23, 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: **Receive Audit Presentation for Fiscal Year 2022-2023**

**ISSUE:**

Annual audit is required pursuant to Government Code Section 26909 et. Seq.

**ACTION REQUESTED:**

Receive and file, Audit Report prepared by Smith & Newell, Certified Public Accountants.

**DISCUSSION:**

Smith & Newell, Certified Public Accountants, have completed the annual fiscal audit of the District's financial records. Smith and Newell presented the audit before your Board at the April 25 Board Meeting.

The audit reports an unmodified opinion on the financial statements. An unmodified opinion provides a high level of assurance that the professional, independent examination of financial statements has not revealed any actual or possible material misstatements in those financial statements.

	Audited FY 21/22	Audited FY 22/23	Change
Operating Expenditures	2,151,258.00	1,698,298.00	(452,960)
Grant Pass Through	2,957,762.00	1,590,152.00	(1,367,610)
Total	5,109,020.00	3,288,450.00	(1,820,570)

Attachments:

Fiscal Audit for FY 2022-2023.

Smith & Newell Letter, Conclusion of Audit.

# Agenda Item 3.9

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**BUTTE COUNTY AIR QUALITY  
MANAGEMENT DISTRICT,  
CALIFORNIA**

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2023**

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Annual Financial Report**  
**For the Year Ended June 30, 2023**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**

**List of Officials**

**For the Year Ended June 30, 2023**

**Board of Directors**

Tami Ritter	County of Butte – Chair
Angel Calderon	City of Gridley – Vice Chair
Bill Connelly	County of Butte
Peter Durfee	County of Butte
Tod Kimmelshue	County of Butte
Doug Teeter	County of Butte
Chuck Nuchols	City of Biggs
Addison Winslow	City of Chico
Eric Smith	City of Oroville
Rose Tryon	Town of Paradise

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Butte County Air Quality Management District  
Chico, California

**Report on the Audit of the Financial Statements****Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of Butte County Air Quality Management District, California (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors  
Butte County Air Quality Management District  
Chico, California

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



To the Board of Directors  
Butte County Air Quality Management District  
Chico, California

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, District Pension Plan information, District OPEB plan information, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

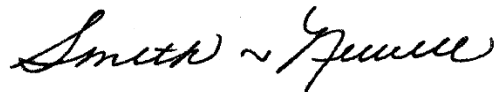
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated April 15, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Smith & Newell CPAs  
Yuba City, California  
April 15, 2024

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## **Management's Discussion and Analysis (Unaudited)**

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Year Ended June 30, 2023**

The Butte County Air Quality Management District (District) was created in 1967 by the California State Legislature through the “Mulford-Carrell Air Resources Act”, which provided local air districts with the primary responsibility for the control of non-vehicular sources of air pollution. The District’s Governing Board of Directors consists of ten members: the five members of the Butte County Board of Supervisors and five representatives appointed by each of the cities. The District is a special district, operating separate and apart from Butte County.

The District’s mission is to protect the people and environment of Butte County from the harmful effects of air pollution. The District is committed to achieving and maintaining healthful air quality throughout Butte County. This is accomplished through a comprehensive program of planning, regulation, enforcement, technical innovation, incentives to promote the reduction of air pollution, and promotion of the understanding of air quality issues.

As management of the District, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all the District’s assets and liabilities, with the difference between the two reported as *net position*.

The *Statement of Activities* presents information showing how the District’s net position changed during the most recent fiscal year (FY). All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The statements of Net Position and Activities can be found on pages 9 and 10 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the FY.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between the governmental fund and government-wide

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2023**

statements. The fund financial statements and reconciliations can be found on pages 11 to 14 of this report.

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 to 35 of this report.

**Government-Wide Financial Analysis**

The District presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments*. A comparative analysis of government-wide data is included with the prior FY.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceed liabilities by \$2,436,451 at the close of the most recent FY due to GASB 68 reporting requirements. The most significant portion of the District's assets is the *Cash and Investment* account in the amount of \$6,356,285. This account represents cash in the District's bank accounts, including Carl Moyer funds, CAP funds, FARMER funds, other grant funds and reserves.

Another major District asset is accounts receivable with a total of \$419,074. This account represents primarily amounts due from the state but not received by June 30, 2023.

The District also reports accounts payable of \$2,178,502. With the majority representing Grants that are contracted but had not been expended at year-end.

The District's Net Position increased overall to \$2,436,451 during the current FY, compared to the prior year \$312,136 and is explained further in the Financial Analysis of the District's Governmental Fund, which follows. This increase and the most significant variance are due to an increase in restricted grant funds that support emission reduction grant projects.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2023**

Comparing the original FY 22/23 budget to the final budget shows the most significant variance in *Intergovernmental (grant) revenue* and *Contributions to other Agencies (grant) expenses*. These funds are generally pass-through grants and were approved and restricted in the fund balance. A significant portion of these funds were re-appropriated to the subsequent budget year because they were not expended in the same year as initially appropriated. See the Budget Comparison Schedule on page 42 for detail.

**Condensed Statement of Net Position**

	FY 22/23	FY 21-22
<b>Assets:</b>		
Current assets	\$ 6,792,610	\$ 5,457,813
Non-current assets:		
Lease Deposit	4,100	4,100
Capital assets, net	447,562	510,634
Total Assets	7,244,272	5,972,547
<b>Deferred Outflows of Resources:</b>		
Deferred outflows related to pension and OPEB	1,123,129	576,770
<b>Liabilities:</b>		
Current liabilities	3,042,463	3,750,900
Non-current liabilities:		
Due within one year	95,921	98,433
Due in more than one year	2,581,985	1,553,857
Total Liabilities	5,720,369	5,403,190
<b>Deferred Outflows of Resources:</b>		
Deferred inflows related to pension and OPEB	210,581	833,991
<b>Net Position:</b>		
Investment in capital assets	16,647	27,044
Restricted	2,861,184	963,375
Unrestricted	(441,380)	(678,283)
Total Net Position	\$ 2,436,451	\$ 312,136

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2023**

**Condensed Statement of Activities**

	FY 22/23	FY 21-22
<b>Revenues:</b>		
Program revenues:		
Licenses and permits	\$ 513,442	\$ 511,485
Fines, forfeitures and penalties	52,337	50,155
Operating grants and contributions	4,383,273	3,244,994
General revenues:		
Investment income	18,883	2,182
Miscellaneous revenue	363,749	15,943
<b>Total Revenues</b>	<b>5,331,684</b>	<b>3,824,759</b>
<b>Expenses:</b>		
Health and sanitation	3,204,245	4,226,289
Interest on long-term debt	3,124	3,178
Change in net position	2,124,315	(404,708)
Net Position - Beginning	312,136	716,844
Net Position - Ending	\$ 2,436,451	\$ 312,136

**Financial Analysis of the District's Governmental Fund**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For the year ended June 30, 2023, the District reported an ending fund balance of \$3,466,613 an increase of \$1,882,640 compared to the \$1,583,973 fund balance from the prior year. This increase represents the amount of revenue received less expenditures. A significant portion of this is restricted for grant expenditures.

**Butte County Air Quality Management District**  
**Comparison**

	FY 2022/23	FY 2021/22
Total revenues	\$ 5,171,090	\$ 3,701,819
Total expenditures	3,288,450	5,109,020
Revenues less expenditures	\$ 1,882,640	\$ (1,407,201)

Total revenue (see above) primarily consisting of State subvention (1%), local permit fees (10%), civil penalties (1%), DMV Surcharges (14%), direct grants such as 105, AB617, GHG (3%), pass through grants such as Carl Moyer, CAP, FARMER (63%), and Implementation Funds of (6%). Revenue increased \$1,469,271 compared to FY 22/23 primarily due to pass through grant funding.

Total expenditures were \$3,288,450, a decrease of \$1,820,570 from the prior year. This expenditure decrease was primarily due to the timing of grant disbursements, a vacant permanent staff position that has been filled, and deferment of building maintenance.



**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2023**

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of the current FY, the District had net capital assets, comprised of vehicles totaling \$22,290 and the right to use building of \$425,272.

***Debt Administration***

At the end of the current FY year, the District had no bonded debt outstanding.

**Economic Factors and 23/24 FY's Budget**

The District is committed to pursuing grant opportunities as financial incentives to public and private entities to reduce air pollution. Approximately 58% of the proposed budgeted expenditures are for pass-through grants, with 11% of the proposed operating budget being funded by grant implementation funds. The District adopted a program cost recovery policy and will propose targeted fee increases to reduce operation reliance on grant revenues.

The following economic factors were considered in preparing the District's financial plan for FY 23/24:

- Continuing grants such as the Carl Moyer, CAP, AB617, the EPA 105 Grant and FARMER programs.
- Increase in grant implementation revenue.
- Filling all staff positions to address increasing State requirements.
- The effects of inflation on current and future expenditures.

**Emission Reduction Credits (ERCs)**

In accordance with District Rule 431-*Emission Reduction Credits and Banking*, the District maintains and controls a Community Bank of emission reduction credits available for loan at no cost to essential public services for compliance with the offset requirements specified in Rule 430- *State New Source Review (SNSR)*. While the District is not compensated for the use of these ERCs, they do have value in the open market.

In a previous fiscal audit, the District reported a potential ERC market value of \$2,700,000 for these credits. There has been insufficient recent activity to provide a new cost basis for all pollutants in the ERC register. Given that it is impossible to predict when or if the credits might be awarded, sold, or leased and at what price, management believes it would be misleading to record them in the financial statements at any value at this time.

Management, however, would like financial statement readers to be aware that the District is in possession of these credits and that they may be awarded, sold, or leased at some point in the future subject to the direction and approval of the Governing Board.

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Aleah Ing, Administrative Services Officer, Butte County Air Quality Management District, 629 Entler Avenue, Suite 15, Chico, California, 95928.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Statement of Net Position**  
**June 30, 2023**

	<u><b>Total Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and investments	\$ 6,356,285
Receivables:	
Accounts	4,487
Intergovernmental	414,587
Prepaid costs	17,251
Lease deposit	4,100
Capital assets:	
Depreciable, net	<u>447,562</u>
<b>Total Assets</b>	<u>7,244,272</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension adjustments	881,145
Deferred OPEB adjustments	<u>241,984</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,123,129</u>
<b>LIABILITIES</b>	
Accounts payable	2,178,502
Salaries and benefits payable	18,398
Unearned revenues	845,563
Long-term liabilities:	
Due within one year	95,921
Due in more than one year	420,764
Net pension liability	1,875,032
Net OPEB liability	<u>286,189</u>
<b>Total Liabilities</b>	<u>5,720,369</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension adjustments	194,124
Deferred OPEB adjustments	<u>16,457</u>
<b>Total Deferred Inflows of Resources</b>	<u>210,581</u>
<b>NET POSITION</b>	
Net investment in capital assets	16,647
Restricted for:	
Health and sanitation	2,861,184
Unrestricted	<u>(441,380)</u>
<b>Total Net Position</b>	<u><u>\$ 2,436,451</u></u>

The notes to the basic financial statements are an integral part of this statement.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**

**Statement of Activities  
For the Year Ended June 30, 2023**

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Health and sanitation	\$ 3,204,245	\$ 565,779	\$ 4,383,273	\$ -	\$ 1,744,807
Interest on long-term debt	3,124	-	-	-	(3,124)
<b>Total Governmental Activities</b>	<u>3,207,369</u>	<u>565,779</u>	<u>4,383,273</u>	<u>-</u>	<u>1,741,683</u>
<b>Total</b>	<u>\$ 3,207,369</u>	<u>\$ 565,779</u>	<u>\$ 4,383,273</u>	<u>\$ -</u>	<u>1,741,683</u>
<b>General revenues:</b>					
					18,883
					363,749
					<u>382,632</u>
					<b>Change in Net Position</b>
					2,124,315
					<u>Net Position - Beginning</u>
					312,136
					<u>Net Position - Ending</u>
					<u>\$ 2,436,451</u>

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2023**

	<u>Operating Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 6,356,285
Receivables:	
Accounts	4,487
Intergovernmental	414,587
Prepaid costs	<u>17,251</u>
<b>Total Assets</b>	<u><u>\$ 6,792,610</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,178,502
Salaries and benefits payable	18,398
Unearned revenues	<u>845,563</u>
<b>Total Liabilities</b>	<u>3,042,463</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues	<u>283,534</u>
<b>Total Deferred Inflows of Resources</b>	<u>283,534</u>
<b>FUND BALANCE</b>	
Restricted	2,861,184
Assigned	329,626
Unassigned	<u>275,803</u>
<b>Total Fund Balance</b>	<u>3,466,613</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u><u>\$ 6,792,610</u></u>

The notes to the basic financial statements are an integral part of this statement.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Reconciliation of the Governmental Fund Balance Sheet to the**  
**Government-Wide Statement of Net Position - Governmental Activities**  
**June 30, 2023**

<b>Total Fund Balance - Total Governmental Fund</b>	<b>\$ 3,466,613</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance sheet.	447,562
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the governmental fund.	
Lease deposit	4,100
Unavailable revenues	283,534
Deferred outflows of resources related to pension and OPEB are not reported in the governmental fund.	1,123,129
Deferred inflows of resources related to pension and OPEB are not reported in the governmental fund.	(210,581)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.	
Leases on right to use assets	(430,914)
Compensated absences	(85,771)
Net pension liability	(1,875,032)
Net OPEB liability	(286,189)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 2,436,451</u></b>

The notes to the basic financial statements are an integral part of this statement.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2023**

	<u>Operating Fund</u>
<b>REVENUES</b>	
Licenses and permits	\$ 513,442
Fines, forfeitures and penalties	52,337
Use of money and property	18,883
Intergovernmental	4,222,679
Other revenues	<u>363,749</u>
<b>Total Revenues</b>	<u>5,171,090</u>
<b>EXPENDITURES</b>	
Current health and sanitation:	
Salaries and benefits	1,433,389
Communication	14,532
Household	5,657
Insurance	13,974
Maintenance	31,001
Membership dues and subscriptions	5,573
Office	11,950
Professional services	61,430
Public awareness	7,989
Publications and legal notices	1,634
Rents and leases	22,854
Training	6,405
Travel and transportation	13,906
Fuel	4,745
Utilities	7,459
Contributions to other agencies	1,590,152
Debt service:	
Principal	52,676
Interest and other charges	<u>3,124</u>
<b>Total Expenditures</b>	<u>3,288,450</u>
<b>Net Change in Fund Balance</b>	1,882,640
<b>Fund Balance - Beginning</b>	<u>1,583,973</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 3,466,613</u></u>

The notes to the basic financial statements are an integral part of this statement.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balance of the Governmental Fund to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2023**

<b>Net Change in Fund Balance - Total Governmental Fund</b>	<b>\$ 1,882,640</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Less current year depreciation	(63,072)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position, Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal retirements	52,676
Some revenues reported in the Statement of Activities will not be collected for several months after the District's year end and do not provide current financial resources and therefor are not reported as revenues in the governmental funds.	
Change in unavailable revenues	160,594
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental fund.	
Change in deferred outflows of resources related to pension	551,609
Change in deferred outflows of resources related to OPEB	(5,250)
Change in deferred inflows of resources related to pension	618,595
Change in deferred inflows of resources related to OPEB	4,815
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	
Change in compensated absences	10,081
Change in net pension liability	(1,114,844)
Change in net OPEB liability	26,471
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 2,124,315</b>

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The District is one of the 35 local air pollution control agencies established pursuant to Section 40002 of the California Health and Safety Code (HSC). The District has primary responsibility for the control of air pollution from all local sources, other than the emissions from motor vehicles, which is the responsibility of the California Air Resources Board (ARB).

The District's objective is to maintain and improve Butte County's air quality for an aesthetically pleasing and healthful environment. Program activities include administration, enforcement, engineering, ambient air quality monitoring, and planning as related to air quality. This program is mandated by State and Federal laws and grant conditions to provide an active and effective air pollution control program.

The District, which became a separate legal entity July 1, 1994, has a governing board composed of 10 members. Five members are on the Butte County Board of Supervisors and five elected members are appointed by the City Councils of each of the cities incorporated within Butte County.

**Component Units**

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

**Joint Agencies**

The District is a member of the Special District Risk Management Authority (SDRMA). SDRMA is a joint powers authority organized for the purpose of providing coverage protection, risk management services, claims management as well as safety and loss prevention programs for its members. SDRMA is composed of member agencies and is governed by a board of directors appointed by the members. Complete audited financial statements can be obtained from SDRMA's office at 1112 I Street, Suite 300, Sacramento, CA 95814. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

**Related Organizations**

The County of Butte appoints five members to the Board of Directors. However, the County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information on all of the activities of the District. These statements include the financial activities of the overall District. These statements report on the governmental activities of the District, which are normally supported by licenses and permits and intergovernmental revenues. The District had no business-type activities at June 30, 2023.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions and 3) capital grants and contributions. Revenues not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Fund financial statements of the District are organized into one fund, which is considered to be a separate accounting entity. The fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. The fund of the District is organized into the governmental category and is treated as a major fund.

The District reports the following major governmental fund:

- The Operating fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District.

**C. Basis of Accounting and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements and donations. Under the accrual basis, revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Interest and certain state and federal grants are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental fund. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.



**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

**E. Cash and Investments**

Cash consists of cash held in checking and savings accounts, the State of California Local Agency Investment Fund (LAIF), and cash on hand. State statutes authorize the District to invest its cash surplus in obligations of the U.S. Treasury agencies and instrumentalities, corporate bonds, medium-term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements and LAIF.

**F. Receivables**

Receivables consist mainly of accounts and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

**G. Other Assets**

**Inventory**

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**Prepaid Costs**

Prepayments made for services that will benefit periods beyond June 30, 2023, are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**H. Capital Assets**

Capital assets are defined by the District as assets with a cost of \$25,000 or more and includes all vehicles regardless of cost. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3 to 7 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Unearned Revenues**

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenues.

**J. Compensated Absences**

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from District service. An unlimited amount of sick leave may be accrued and upon retirement an employee with over 240 hours may be compensated for the portion in excess of 240 hours at one-half the normal rate of pay for that employee up to \$3,000. It is the District's policy not to pay accumulated sick leave to employees who terminate prior to retirement. In the government-wide financial statements the accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature.

**K. Pension**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**L. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental fund reports unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second and third items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

**N. Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**O. Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 91, Conduit Debt Obligations.** This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

**Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements.** This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

**Statement No. 96, Subscription-Based Information Technology Arrangements.** This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)**

**Statement No. 99**, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**P. Future Accounting Pronouncements**

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

**NOTE 2: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2023, the District’s cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 200
Deposits (less outstanding checks)	<u>5,130,120</u>
Total Cash	<u>5,130,320</u>
Investments:	
Local Agency Investment Fund (LAIF)	<u>1,225,965</u>
Total Investments	<u>1,225,965</u>
Total Cash and Investments	<u>\$ 6,356,285</u>

**B. Cash**

At year end, the carrying amount of the District’s cash deposits (including amounts in checking and savings accounts) was \$5,130,120 and the bank balance was \$3,498,881. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$200.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2023**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**B. Cash (Continued)**

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District complies with the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the District’s deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

**C. Investments**

Investments are selected based on safety, liquidity, and yield. The District’s investment policy is more restrictive than the California Government Code. Under the provisions of the District’s investment policy and the California Government Code, the District may invest or deposit in the following:

- Bankers’ Acceptances
- Commercial Paper
- LAIF
- Mutual Funds
- Medium-Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements/Reverse Repurchase Agreements
- Securities of the Federal Government or its Agencies

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District’s position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District’s investments in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2023, the District had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
LAIF	<u>1,225,965</u>			
Total Investments	<u>\$ 1,225,965</u>			

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses from increases in interest rates, the District's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the District to meet all projected obligations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2023 the District's investments were held in LAIF which is not recognized by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's investment policy contains limitations on the amount that can be invested in any one issuer. At June 30, 2023 all investments of the District are in LAIF which contains a diversification of investments.

**D. Investments in External Pool**

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute. At June 30, 2023, the District's investment in LAIF valued at amortized cost was \$1,225,965 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$178.3 billion. Of that amount, 97.22 percent is invested in non-derivative financial products and 2.78 percent in structured notes and asset-backed securities.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2023</u>
Capital Assets, Being Depreciated:				
Equipment	\$ 97,163	\$ -	-	\$ 97,163
Right to use building	<u>536,212</u>	<u>-</u>	<u>-</u>	<u>536,212</u>
Total Capital Assets, Being Depreciated	<u>633,375</u>	<u>-</u>	<u>-</u>	<u>633,375</u>
Less Accumulated Depreciation For:				
Equipment	( 67,271)	( 7,602)	-	( 74,873)
Right to use building	<u>( 55,470)</u>	<u>( 55,470)</u>	<u>-</u>	<u>( 110,940)</u>
Total Accumulated Depreciation	<u>( 122,741)</u>	<u>( 63,072)</u>	<u>-</u>	<u>( 185,813)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 510,634</u>	<u>(\$ 63,072)</u>	<u>\$ -</u>	<u>\$ 447,562</u>

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

Health and Sanitation	\$ <u>63,072</u>
Total Depreciation Expense	\$ <u>63,072</u>

**NOTE 4: ACCOUNTS PAYABLE**

Accounts payable consists primary of amounts due to applicants of the Carl Moyer, FARMER Program, and Community (CAP) Grant of approximately \$2,172,128.

**NOTE 5: UNEARNED REVENUES**

At June 30, 2023, components of unearned revenues were as follows:

Operating fund	
Carl Moyer	\$ 84,984
AB 617	46,240
FARMER	304,523
Community (CAP)	<u>409,816</u>
Total	<u>\$ 845,563</u>

**NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

<u>Type of Indebtedness</u>	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2023</u>	Amounts Due Within <u>One Year</u>
Lease payable	\$ 483,590	\$ -	(\$ 52,676)	\$ 430,914	\$ 53,035
Compensated Absences	<u>95,852</u>	<u>75,309</u>	<u>( 85,390)</u>	<u>85,771</u>	<u>42,886</u>
Total	<u>\$ 579,442</u>	<u>\$ 75,309</u>	<u>(\$ 138,066)</u>	<u>\$ 516,685</u>	<u>\$ 95,921</u>

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 7: LEASE PAYABLE**

\$536,212 has been recorded as intangible right-to-use lease in capital assets. Due to the implementation of GASB Statement No. 87, this lease for the office building has met the criteria of a lease; thus, requiring it to be recorded by the District. This asset will be amortized over 9 years, and will end in February 2031. A summary of the principal and interest amounts for the remaining lease is as follows:

<u>Year Ended</u> <u>June 30</u>	Payments		
	Principal	Interest	Total
2024	\$ 53,035	\$ 2,765	\$ 55,800
2025	53,397	2,403	55,800
2026	54,742	2,038	56,780
2027	57,083	1,657	58,740
2028	57,473	1,267	58,740
2029-2033	155,184	1,456	156,640
Total	\$ 430,914	\$ 11,586	\$ 442,500

**NOTE 8: NET POSITION**

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.



**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: FUND BALANCE**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the District’s Operating fund that includes all amounts not contained in the other classifications.

The fund balance for the governmental fund as of June 30, 2023, was distributed as follows:

	<u>Operating</u>
<b>Restricted for:</b>	
Carl Moyer	\$ 425,565
CAP	1,809,339
FARMER	617,980
Encumbrances	8,300
Subtotal	2,861,184
<b>Assigned for:</b>	
Reserves	329,626
Subtotal	329,626
<b>Unassigned</b>	275,803
Total	\$ 3,466,613

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: FUND BALANCE (CONTINUED)**

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The District follows the requirements of GASB Statement No. 54 in establishing procedures for reporting fund balance classifications and establishing a hierarchy for fund balance expenditures.

**NOTE 10: PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer-defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the District added retirement tiers for both the Miscellaneous and Safety Benefit Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). Classic employees are generally defined as employees who have been a member of any public retirement system who have had less than a six-month break in service. Applicable new hires to the District defined as classic employees as determined by PERS will be subject to the appropriate non-PEPRA benefit tier (i.e., Safety or Miscellaneous). New non-classic employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new non-classic employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

**Summary of Rate Tiers and Eligible Participants**

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	50-62	1.426% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.000% to 2.500%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	10.870%	7.000%	0.000%
Miscellaneous PEPRA	7.470%	6.750%	0.000%

For the year ended June 30, 2023, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 183,272	\$ -

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**B. Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension**

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	<u>Proportion June 30, 2022</u>	<u>Proportion June 30, 2023</u>	<u>Change – Increase (Decrease)</u>
Miscellaneous	0.04004%	0.04007%	0.00003%

As of June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,875,032
Total Net Pension Liability	<u>\$ 1,875,032</u>

For the year ended June 30, 2023, the District recognized pension expense of \$154,798. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 210,158	\$ -
Change of assumptions	192,136	-
Differences between expected and actual experience	37,654	( 25,219)
Differences between projected and actual earnings on pension plan investments	343,456	-
Difference between District contributions and proportionate share of contributions	-	( 168,905)
Adjustments due to differences in proportions	<u>97,741</u>	<u>-</u>
Total	<u>\$ 881,145</u>	<u>(\$ 194,124)</u>

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**B. Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

\$210,158 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ended <u>June 30</u>		
2024		\$ 100,210
2025		105,047
2026		61,536
2027		210,070
Thereafter		<u>-</u>
Total		<u>\$ 476,863</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment rate of return	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80 percent of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the CalPERS 2021 experience study that can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**B. Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

**Long-Term Expected Rate of Return**

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
Global Equity – Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	( 5.0%)	( 0.59%)
Total	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management Study

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
	<u>5.90%</u>	<u>6.90%</u>	<u>7.90%</u>
Miscellaneous	\$ 2,963,933	\$ 1,875,032	\$ 979,138

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. General Information about the OPEB Plan**

**Plan Description**

The District sponsors a defined benefit OPEB plan (the Plan) that provides healthcare coverage under the California Public Employees Medical and Hospital Care Act (“PEMHCA”), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. The Plan is a multiple-employer plan administered by the California Public Employees’ Retirement System (CalPERS).

**Benefits Provided**

Eligible employees may retire and receive District-paid healthcare benefits in the amount of the PEMHCA minimum employer contribution for their lifetime.

Employees hired before October 1, 2018 are eligible to receive an additional benefit. Eligible employees retire with at least ten years of service and obtain age 55 or 62, depending on their CalPERS pension eligibility. The additional benefit is equal to one year of District-paid health premiums (medical, dental, and vision). Employees who have an unused sick leave balance at retirement can receive, in addition to the one year, one month of premium for every eight hours of unused sick leave. As an alternative option, retirees can receive an additional one month of premium for every 20 hours of unused sick leave for themselves and their spouse or domestic partner.

The additional benefit is paid until the earlier of when the balance is exhausted or age 65. After the unused sick leave balance is exhausted (or age 65), the retiree receives the PEMHCA minimum for life.

For the purposes of the valuation, it is assumed all employees have a year’s worth of unused sick leave at retirement, and therefore receive paid health premiums for a total of two years.

**Employees Covered by Benefit Terms**

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	6
Active plan members	9
	15

**Contributions**

The District has assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75. For the fiscal year ending June 30, 2022, the District made a contribution of \$19,794 to the CERBT trust.

**B. Net OPEB Liability**

The District’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age, level percent of pay
Salary increases	3.00%
Discount rate	6.25%
Inflation rate	2.50%
Investment rate of return	6.25%, net of OPEB plan investment expense
Healthcare cost trend rate	5.20% for 2022 through 2034; 5.00% from 2035 through 2049; 4.50% for 2050 through 2064; and 4.00% for 2065 and later years.

Mortality rates were based on the CalPERS Public Agency Miscellaneous Mortality, with fully generational mortality improvement using 80% of MP-2020, from the 2021 CalPERS Experience Study.

Actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumed asset allocation and best estimates of real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Rate of Return</u>
Global ex-U.S. Equity	40.0%	5.5%
U.S. Fixed	43.0%	1.5%
TIPS	5.0%	1.2%
Real Estate	8.0%	3.7%
Commodities	4.0%	0.6%

**Discount Rate**

GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.



**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

**Discount Rate (Continued)**

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability is equal to the long-term expected rate of return.

**C. Changes in the Net OPEB Liability**

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. Fair value of the Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2022 for the District's proportionate share.

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balance at fiscal year ended June 30, 2022	\$ 465,800	\$ 153,140	\$ 312,660
Changes for the year:			
Service cost	16,296	-	16,296
Interest	27,955	-	27,955
Net investment income	-	( 19,724)	19,724
Contributions - employer	-	90,485	( 90,485)
Benefit payments	( 70,691)	( 70,691)	-
Administrative expense	-	( 39)	39
Net changes	( 26,440)	31	( 26,471)
Balance at fiscal year ended June 30, 2023	\$ 439,360	\$ 153,171	\$ 286,189

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB liability	\$ 331,260	\$ 286,189	\$ 247,168

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**C. Changes in the Net OPEB Liability (Continued)**

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.20%)	Trend Rate (5.20%)	1% Increase (6.20%)
Net OPEB Liability	\$ 237,569	\$ 286,189	\$ 343,875

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the District recognized OPEB expense of \$64,323. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 90,352	\$ -
Net difference between expected and actual experience	112,225	-
Changes in assumptions and other inputs	15,369	( 12,398)
Net difference between projected and actual return on investments	24,038	( 4,059)
Total	\$ 241,984	(\$ 16,457)

\$90,352 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30		\$
2024		30,184
2025		29,564
2026		29,359
2027		22,825
2028		17,882
Thereafter		5,361
		\$ 135,175

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan's fiduciary net position is available in separately issued CalPERS financial reports and can be found on their website.

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 12: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of the Special District Risk Management Authority (SDRMA). The SDRMA's members have pooled funds to be self-insured for workers' compensation, general liability, public officials' errors and omissions, employment practices liability, auto, property, boiler and machinery and crime and fidelity. The District participates in the property/liability and workers' compensation programs.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three years.

**NOTE 13: OTHER INFORMATION**

**A. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. No additional liability has been accrued at June 30, 2023, based on the requirements of GASB Code Section C50.110, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**B. Subsequent Events**

Management has evaluated events subsequent to June 30, 2023 through April 15, 2024, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Measurement Date</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
<b>Miscellaneous</b>			
Proportion of the net pension liability	0.03590%	0.03297%	0.03384%
Proportionate share of the net pension liability	\$ 887,222	\$ 904,499	\$ 1,175,440
Covered payroll	924,409	944,106	799,894
Proportionate share of the net pension liability as a percentage of covered payroll	95.98%	95.80%	146.95%
Plan fiduciary net position as a percentage of the total pension liability	80.05%	80.56%	76.67%

\* The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only nine years are shown.



<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
0.03449%	0.03459%	0.03542%	0.03629%	0.04004%	0.04007%
\$ 1,359,556 853,055	\$ 1,303,675 821,458	\$ 1,418,320 787,343	\$ 1,530,633 746,422	\$ 760,188 670,299	\$ 1,875,032 737,760
159.37%	158.70%	180.14%	205.06%	113.41%	254.15%
76.11%	78.53%	78.48%	78.06%	89.60%	76.53%

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Fiscal Year</b>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
<b>Miscellaneous</b>			
Contractually required contribution (actuarially determined)	\$ 110,421	\$ 67,288	\$ 74,106
Contributions in relation to the actuarially determined contributions	<u>(110,421)</u>	<u>(128,428)</u>	<u>(143,025)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (61,140)</u>	<u>\$ (68,919)</u>
Covered payroll	\$ 944,106	\$ 799,894	\$ 853,055
Contributions as a percentage of covered payroll	11.70%	16.06%	16.77%

\* The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only nine years are shown.

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 62,640 (140,058)	\$ 59,458 (59,931)	\$ 57,028 (121,392)	\$ 66,068 (158,376)	\$ 71,659 (183,272)	\$ 79,272 (210,158)
<u>\$ (77,418)</u>	<u>\$ (473)</u>	<u>\$ (64,364)</u>	<u>\$ (92,308)</u>	<u>\$ (111,613)</u>	<u>\$ (130,886)</u>
\$ 821,458 17.05%	\$ 787,343 7.61%	\$ 746,422 16.26%	\$ 670,299 23.63%	\$ 737,760 24.84%	\$ 835,703 25.15%

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Notes to District Pension Plan**  
**For the Year Ended June 30, 2023**

**NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Summary of Changes of Benefits or Assumptions**

Benefit Changes: None

Changes of Assumptions: None

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**District OPEB Plan**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Measurement Date</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 13,352	\$ 13,753	\$ 18,620
Interest	15,779	16,696	17,916
Changes in assumptions	-	5,043	12,083
Differences between expected and actual experience	-	-	60,854
Benefit payments	(3,511)	(21,989)	(23,285)
<b>Net Change in Total OPEB Liability</b>	<b>25,620</b>	<b>13,503</b>	<b>86,188</b>
<b>Total OPEB Liability - Beginning</b>	<b>285,516</b>	<b>311,136</b>	<b>324,639</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 311,136</b>	<b>\$ 324,639</b>	<b>\$ 410,827</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 11,811	\$ 32,561	\$ 23,285
Investment income	-	542	1,362
Trustee fees	-	(4)	-
Administrative expenses	-	(11)	(4)
Benefit payments	(3,511)	(21,989)	(23,285)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>8,300</b>	<b>11,099</b>	<b>1,358</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>8,300</b>	<b>19,399</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 8,300</b>	<b>\$ 19,399</b>	<b>\$ 20,757</b>
<b>Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ 302,836</b>	<b>\$ 305,240</b>	<b>\$ 390,070</b>
Plan fiduciary net position as a percentage of the total OPEB liability	2.67%	5.98%	5.05%
Covered payroll	\$ 813,249	\$ 746,937	\$ 790,181
Net OPEB liability as a percentage of covered payroll	37.24%	40.87%	49.36%

\* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only five years are shown.

<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
\$ 20,135	\$ 15,799	\$ 16,296
21,819	21,374	27,955
(22,727)	12,556	-
-	117,979	-
<u>(43,770)</u>	<u>(88,192)</u>	<u>(70,691)</u>
(24,543)	79,516	(26,440)
<u>410,827</u>	<u>386,284</u>	<u>465,800</u>
<u>\$ 386,284</u>	<u>\$ 465,800</u>	<u>\$ 439,360</u>
\$ 63,770	\$ 188,192	\$ 90,485
1,709	10,708	(19,724)
-	-	-
(15)	(19)	(39)
<u>(43,770)</u>	<u>(88,192)</u>	<u>(70,691)</u>
21,694	110,689	31
<u>20,757</u>	<u>42,451</u>	<u>153,140</u>
<u>\$ 42,451</u>	<u>\$ 153,140</u>	<u>\$ 153,171</u>
<u>\$ 343,833</u>	<u>\$ 312,660</u>	<u>\$ 286,189</u>
10.99%	32.88%	34.86%
\$ 746,422	\$ 658,133	\$ 737,760
46.06%	47.51%	38.79%

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**District OPEB Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Fiscal Year</b>	<u><b>2016/2017</b></u>	<u><b>2017/2018</b></u>	<u><b>2018/2019</b></u>	<u><b>2019/2020</b></u>
Actuarially determined contribution	\$ 27,564	\$ 29,190	\$ 37,881	\$ 39,018
Contributions in relation to the actuarially determined contribution	<u>(11,811)</u>	<u>(32,561)</u>	<u>(23,285)</u>	<u>(63,770)</u>
Contribution deficiency (excess)	<u>\$ 15,753</u>	<u>\$ (3,371)</u>	<u>\$ 14,596</u>	<u>\$ (24,752)</u>
Covered payroll	\$ 813,249	\$ 746,937	\$ 790,181	\$ 746,422
Contributions as a percentage of covered payroll	1.45%	4.36%	2.95%	8.54%

\* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only seven years are shown.



<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 34,592 (188,192)	\$ 35,630 (90,478)	\$ - (90,352)
<u>\$ (153,600)</u>	<u>\$ (54,848)</u>	<u>\$ (90,352)</u>
\$ 658,133 28.59%	\$ 737,760 12.26%	\$ 835,703 10.81%

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**District OPEB Plan**  
**Notes to District OPEB Plan**  
**For the Year Ended June 30, 2023**

**NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

None.

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Valuation date	July 1, 2021
Reporting period	July 1, 2022 to June 30, 2023
Measurement period	July 1, 2021 to June 30, 2022
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.50 percent
Healthcare cost trend rates	5.20 percent for 2022 through 2034; 5.00 percent for 2035 through 2049; 4.50 percent for 2050 through 2064; and 4.00 percent for 2065 and later years.
Salary increases	3.00 percent
Investment rate of return	6.25 percent, net of OPEB plan investment expense
Retirement age	25.00 percent at age 59; 50.00 percent at age 60 through 61; 75.00 percent at age 62; and 100.00 percent at age 63.
Mortality	Based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Operating Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Licenses and permits	\$ 514,950	\$ 514,280	\$ 513,442	\$ (838)
Fines, forfeitures and penalties	24,000	52,340	52,337	(3)
Use of money and property	2,000	18,900	18,883	(17)
Intergovernmental	2,646,472	4,222,844	4,222,679	(165)
Other revenues	869,890	363,754	363,749	(5)
<b>Total Revenues</b>	<b>4,057,312</b>	<b>5,172,118</b>	<b>5,171,090</b>	<b>(1,028)</b>
<b>EXPENDITURES</b>				
Current health and sanitation:				
Salaries and benefits	1,554,057	1,521,057	1,433,389	87,668
Communication	16,000	16,000	14,532	1,468
Household	5,500	5,700	5,657	43
Insurance	16,872	16,872	13,974	2,898
Maintenance	52,235	55,285	31,001	24,284
Membership dues and subscriptions	6,000	6,000	5,573	427
Office	13,000	13,000	11,950	1,050
Professional services	104,834	104,834	61,430	43,404
Public awareness	13,700	13,700	7,989	5,711
Publications and legal notices	3,500	3,500	1,634	1,866
Rents and leases	52,115	53,475	22,854	30,621
Training	10,500	10,500	6,405	4,095
Travel and transportation	30,030	30,030	13,906	16,124
Fuel	5,000	6,500	4,745	1,755
Utilities	8,720	9,080	7,459	1,621
Contributions to other agencies	1,946,189	1,690,147	1,590,152	99,995
Debt service:				
Principal	56,460	52,950	52,676	274
Interest and other charges	-	2,850	3,124	(274)
<b>Total Expenditures</b>	<b>3,894,712</b>	<b>3,611,480</b>	<b>3,288,450</b>	<b>323,030</b>
<b>Net Change in Fund Balances</b>	<b>162,600</b>	<b>1,560,638</b>	<b>1,882,640</b>	<b>322,002</b>
<b>Fund Balances - Beginning</b>	<b>1,583,973</b>	<b>1,583,973</b>	<b>1,583,973</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,746,573</b>	<b>\$ 3,144,611</b>	<b>\$ 3,466,613</b>	<b>\$ -</b>

**BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for the Operating fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The Air Pollution Control Officer submits to the Board of Directors a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Directors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, the amounts stated therein, as recommended expenditures become appropriations to the District. The Board may amend the budget by motion during the fiscal year.

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## **OTHER REPORT**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Butte County Air Quality Management District  
Chico, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Butte County Air Quality Management District, California (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 15, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

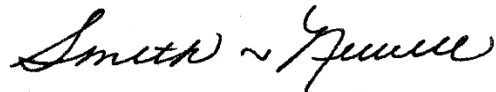
To the Board of Directors  
Butte County Air Quality Management District  
Chico, California

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Smith & Newell CPAs  
Yuba City, California  
April 15, 2024





TAMI RITTER, CHAIR  
*Supervisor, District #3*

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*Councilmember, Chico*

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*Supervisor, District #1*

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ROSE TRYON  
*Councilmember, Paradise*

STEPHEN ERTLE  
*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Jason Mandly, Senior Air Quality Planner

Re: **Annual Air Quality/Check Before You Light Report**

**ISSUE:**

District provided the Annual Air Quality Summary for 2023 and report on the 2023-2024 Check Before You Light Program season at the March meeting.

**ACTION REQUESTED:**

Review report and approve.

**DISCUSSION:**

The attached Air Quality Summary for 2023 provides an overview of last year's ambient air quality. The report also summarizes the District's 2023-2024 Check Before You Light Program season.

Attachment:

Annual Air Quality Summary for 2023 and Check Before You Light Program Summary for the 2023-2024 Season.

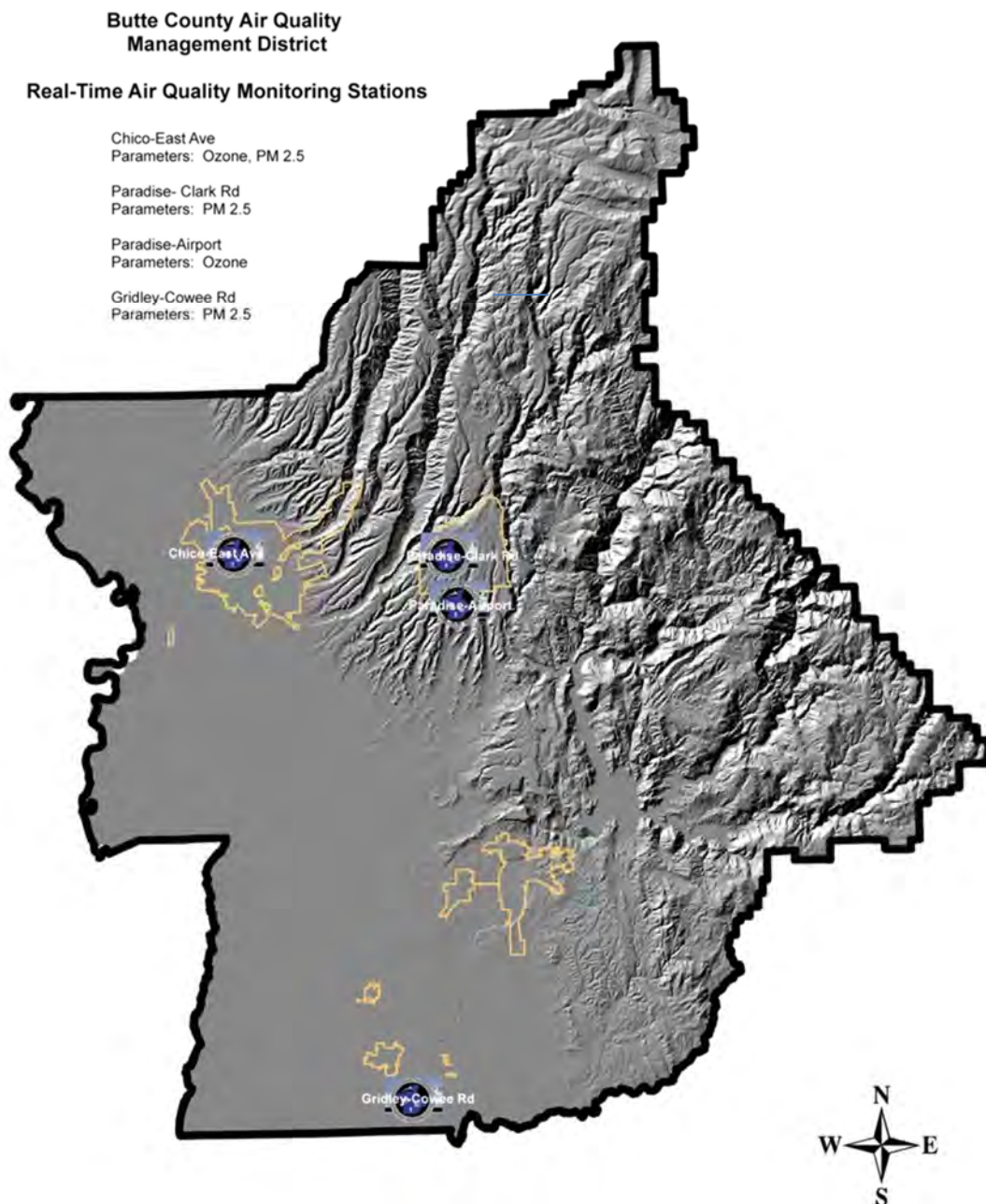
# Agenda Item 3.10

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# BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT

## Air Quality Summary for 2023 and 2023 – 2024 Check Before You Light Program Summary

The following is a summary of Butte County’s air quality for 2023 and a summary of the 2023-2024 Check Before You Light Program. This document gives the reader an overview of the two (2) criteria pollutants of greatest concern - ozone (O<sub>3</sub>) and particulate matter (PM<sub>2.5</sub> and PM<sub>10</sub>). The data was obtained from the official air monitoring sites located within Butte County. PM<sub>2.5</sub> is monitored in Chico, South Butte County southeast of Gridley, and Paradise. Ozone is monitored in Chico and Paradise. PM<sub>10</sub> is only monitored in Chico. Official air monitoring in Butte County is conducted by the California Air Resource Board (CARB).



The **Ambient Air Quality Standards** establishes the concentration at which a pollutant is known to cause adverse health effects to sensitive groups within the population, such as children and the elderly. Both the California and federal governments have adopted health-based standards for the *criteria pollutants*, which for this report include Ozone and PM<sub>2.5</sub>. In general, the air quality standards are expressed as a measure of the amount of pollutant per unit of air. For example, the ozone standards are expressed as parts per million (ppm) and the particulate matter standards are expressed as micrograms of particulate matter per cubic meter of air (ug/m3).

**Ozone**

Ozone is a colorless gas with a pungent odor. It is the chief component of urban smog. The name “smog” was created from the words smoke and fog. Ozone is not directly emitted as a pollutant but is formed in the atmosphere when reactive organic gases (ROG) and nitrogen oxides (NO<sub>x</sub>) precursor emissions react in the presence of sunlight. Meteorology and terrain play major roles in ozone formation. Generally, low wind speeds or stagnant air coupled with warm temperatures and cloudless skies provide for the optimum conditions. As a result, summer is generally the peak ozone season. Because of the reaction time involved, peak ozone concentrations often occur far downwind of the precursor emissions. Therefore, ozone is a regional pollutant that often impacts a widespread area. The largest contribution of ozone-forming pollution that is transported to Butte County comes from vehicle emissions in urban areas to the south. Wildfires can also create emissions that increase ozone concentrations. Ozone concentrations tends to peak where the subsidence inversion above the Sacramento Valley meets the foothills of the Sierra Nevada mountains. This is the reason why ozone concentrations at the Paradise monitoring station are historically higher than the Chico monitoring station.

Ozone impacts lung function by irritating and damaging the respiratory system. In addition, ozone causes damage to vegetation, buildings, rubber, and some plastics. Recognizing the health impacts of daylong exposure, the United States Environmental Protection Agency (U.S. EPA) promulgated an 8-hour ozone standard in 1997 as a successor to the 1-hour standard, which was established in 1979. EPA revised the 8-hour federal standard in 2008 and again in 2015. CARB approved an 8-hour ozone state standard on April 28, 2005, which became effective in early 2006. Table 1 shows the State and National Ozone Standards effective in 2022.

<b>TABLE 1 AMBIENT AIR QUALITY STANDARDS - OZONE</b>	
<b>State Ozone Standard:</b> 0.09 ppm for 1 hour, not to be exceeded. 0.07 ppm for 8 hours, not to be exceeded.	<b>National Ozone Standards:</b> --- 0.070 ppm for 8 hours, not to be exceeded. Based on the fourth highest concentration averaged over three years.* * Federal 8-hour ozone standard revised October 2015.

Butte County was officially designated marginal nonattainment for the 2015 federal ozone standard in 2018 by the U. S. EPA. August 2021 was the deadline for marginal areas to attain the 2015 federal ozone standard. U.S. EPA took final action in October 2022 to determine that Butte County met the 2015 federal ozone standard by the required deadline.

Table 2 shows the ozone air quality summary for 2023 and Figures 1 & 2 (attached) graphically show the maximum 8-hour measurements for each day in Chico and Paradise. CARB installed a new ozone monitor in Paradise on Clark Road while continuing to use the existing Airport monitor. The Paradise-Airport ozone monitor is considered the monitor of record for 2023, however the new Paradise-Clark Road monitor will become the monitor of record in Paradise for future years. Based on preliminary data, monitors in Chico

and Paradise did not exceed the 2015 federal 8-hour ozone standard in 2023. This is also the first time since ozone monitoring began in Butte County (1976) where the 2015 federal 8-hour ozone standard was not exceeded two years in a row. CARB designated Butte County as nonattainment-transitional for the California Ambient Air Quality Standard for ozone in January 2024.

<b>TABLE 2</b> <b>BUTTE COUNTY OZONE AIR QUALITY DATA SUMMARY 2023</b> <i>(data is still preliminary as of April 2024)</i>		
	<b>Chico</b>	<b>Paradise (Airport)</b>
<b>Max. 1-Hour Ozone Measurement Date</b>	0.075 ppm 7/1/2023	0.075 ppm 10/20/2023
<b>Days Above State Std. (0.09ppm)</b>	<b>0</b>	<b>0</b>
<b>Max. 8-Hour Ozone Measurement</b>	0.068 ppm (tie) 7/19/2023 7/20/2023	0.07 ppm 10/20/2023
<b>4<sup>th</sup> Highest 8-Hour Ozone Measurement (used for calculating Design Value)</b>	0.066 ppm	0.066 ppm
<b>Days Above State Std. (0.07ppm) – rounding differs from Fed. Std.)</b>	<b>0</b>	<b>0</b>
<b>Days Above 2015 Fed. Std. (0.07ppm)</b>	<b>0</b>	<b>0</b>

**Particulate Matter (PM<sub>2.5</sub>)**

Particulate Matter (PM<sub>2.5</sub>) refers to particles with an aerodynamic diameter of 2.5 microns or smaller. For comparison, the average diameter of a human hair is about 70 microns. PM<sub>2.5</sub> is a mixture of substances that can include elements such as carbon, lead, and nickel; compounds such as nitrates, organic compounds, and sulfates; and complex mixtures such as diesel exhaust and soil. These substances occur in the form of solid particles or as liquid droplets. Some particles are emitted directly into the atmosphere. Other particles, referred to as secondary particles, result from gases that are transformed into particles through physical and chemical processes in the atmosphere. Emissions are dominated by contributions from area-wide sources, primarily fugitive dust from construction and demolition, residential fuel combustion (woodstoves and fireplaces), and open burning.

Particulate matter can be directly emitted into the air (primary PM) or, similar to ozone, it can be formed in the atmosphere (secondary PM) from the reaction of gaseous precursors such as NO<sub>x</sub>, sulfur oxides (SO<sub>x</sub>), ROG, and ammonia. On an annual average basis, directly emitted PM<sub>2.5</sub> emissions contribute approximately 70 percent of the ambient PM<sub>2.5</sub> in the Sacramento Valley Air Basin.

The fine particles pose an increased health risk because they can deposit deep in the lung and contain substances that are particularly harmful to human health; therefore, this report will look at PM<sub>2.5</sub> data and trends. Table 3 shows the State and National PM<sub>2.5</sub> standards effective in 2023. In early 2024, US EPA updated the annual PM<sub>2.5</sub> standard from 12 µg/m<sup>3</sup> to 9 µg/m<sup>3</sup>.

<b>TABLE 3</b> <b>AMBIENT AIR QUALITY STANDARDS – PM<sub>2.5</sub></b>	
<b>State PM<sub>2.5</sub> Standards:</b> 12 µg/m <sup>3</sup> annual arithmetic mean not to be exceeded.	<b>National PM<sub>2.5</sub> Standards:</b> 35 µg/m <sup>3</sup> for 24 hours, not to be exceeded, based on the 98 <sup>th</sup> percentile concentration averaged over three years and 12 µg/m <sup>3</sup> annual arithmetic mean averaged over 3 years.

Butte County has continued to meet the federal PM<sub>2.5</sub> standard since 2013 when the U. S. EPA officially recognized that Butte County’s monitoring data showed attainment of the standard. The U. S. EPA approved a PM<sub>2.5</sub> Redesignation Request and Maintenance Plan effective August 2018. CARB designated Butte County as attainment for the California Ambient Air Quality Standard for PM<sub>2.5</sub> in January 2024.

Table 4 shows the Chico, Paradise, and South Butte County PM<sub>2.5</sub> monitoring summary for 2023. The Chico air monitoring station includes a continuous PM<sub>2.5</sub> monitor known as a Beta Attenuation Monitor (BAM). This monitor has been approved as a federal equivalency method (FEM) monitor and therefore can be used for determining attainment with the federal PM<sub>2.5</sub> standards. Paradise and South Butte County monitor PM<sub>2.5</sub> using a non-FEM BAM. This data is useful for public reporting and understanding diurnal and episodic behavior of fine particles, background monitoring, and transport assessment. The Paradise-Theater monitoring location was closed by CARB in July 2023 and moved to the new Paradise-Clark Road location to be co-located with the ozone monitor.

TABLE 4 BUTTE COUNTY PM <sub>2.5</sub> AIR QUALITY DATA 2023 <i>(data is still preliminary as of April 2024)</i>			
	Chico (FEM)	Paradise (Non-FEM)	South Butte Co. (Non-FEM)
<b>Max 24-Hour PM<sub>2.5</sub> Measurement Date</b>	35.4 ug/m <sup>3</sup> 8/29/2023	22.9 ug/m <sup>3</sup> 6/14/2023	33.1 ug/m <sup>3</sup> 12/10/2023
<b>98<sup>th</sup> Percentile 24-Hour PM<sub>2.5</sub> Value (used for calculating Design Value)</b>	21.7 ug/m <sup>3</sup>	n/a	n/a
<b>Days Above Fed. Std. (35 ug/m<sup>3</sup>)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Annual Average</b>	7.8 ug/m <sup>3</sup>	n/a	n/a

Figures 3, 4, and 5 (attached) charts the 2023 PM<sub>2.5</sub> 24-hour average data for Chico, Paradise, and South Butte County respectively. There were no exceedances of the federal PM<sub>2.5</sub> standards at any monitor in Butte County in 2023. Portions of Butte County experienced short-term wildfire smoke impacts in late August 2023 due to wildfires burning in far northwest California and southwest Oregon.

**Particulate Matter (PM<sub>10</sub>)**

Particulate Matter (PM<sub>10</sub>) refers to particles with an aerodynamic diameter of ten (10) microns or smaller. This measurement of particulate matter captures PM<sub>2.5</sub> discussed above as well as coarser particulates that may still pose risks to human health at elevated concentrations. PM<sub>10</sub> includes larger particulates like dust from disturbed soil, rock crushing, traffic on dirt roads, or high wind events. Table 5 shows the State and National PM<sub>10</sub> standards.

TABLE 5 AMBIENT AIR QUALITY STANDARDS – PM <sub>10</sub>	
<b>State PM<sub>10</sub> Standards:</b> 20 µg/m <sup>3</sup> annual arithmetic mean not to be exceeded. 50 µg/m <sup>3</sup> for a 24-hour average not to be exceeded.	<b>National PM<sub>10</sub> Standard:</b> 150 µg/m <sup>3</sup> not to be exceeded more than once per year on average over 3 years.

The Chico monitoring location has the only permanent PM<sub>10</sub> monitor in Butte County. Table 6 shows the Chico PM<sub>10</sub> monitoring summary for 2023. The Chico air monitoring station includes a continuous PM<sub>10</sub> BAM that has been approved as a federal equivalency method (FEM) monitor, and therefore can be used for determining attainment with the federal PM<sub>10</sub> standards.



<b>TABLE 6</b> <b>BUTTE COUNTY PM<sub>10</sub> AIR QUALITY DATA 2023</b> <i>(data is still preliminary as of April 2024)</i>	
	<b>Chico (FEM)</b>
<b>Max 24-Hour PM<sub>10</sub> Measurement</b>	78.6 ug/m <sup>3</sup>
<b>Date</b>	9/22/2023
<b>Days Above Fed. Std. (150 µg/m<sup>3</sup>)</b>	<b>0</b>
<b>Days Above State Std. (50 µg/m<sup>3</sup>)</b>	<b>15</b>
<b>Annual Average</b>	<b>21.5 µg/m<sup>3</sup></b>

Although smoke transported from wildfires and dust generated during harvest season can lead to exceedances of the State PM<sub>10</sub> standard, most exceedances in 2024 were the result of construction activities generating localized dust at McMannus Elementary School and along East Avenue next to the monitoring station.

**2023-2024 Check Before You Light Program Season**

The 2023-2024 Check Before You Light (CBYL) Program was effective November 1, 2023 through February 29, 2024. The CBYL Program requests that the public voluntarily refrain from using woodstoves and fireplaces when an area in Butte County is expected to exceed the federal 24-hr PM<sub>2.5</sub> health standard (35ug/m<sup>3</sup>). These conditions generally occur on cold winter nights with little air movement and strong inversions. The federal standard is also the threshold for the Air Quality Index (AQI) level of 101 which is considered Unhealthy for Sensitive Groups. People with respiratory or heart disease, the elderly and children are the groups most at risk. Advisories are issued for the following day based on air quality and meteorological data measured in Chico, Gridley, and Paradise. When advisories are issued for the Chico area a mandatory no-burn ordinance adopted by the Chico City Council restricts burning in non-EPA certified wood burning devices within the city limits.

There were no advisories issued for the 2023-2024 CBYL season. There were also no exceedances of the federal 24-hr PM<sub>2.5</sub> standard at the Chico, Paradise, or South Butte County monitoring locations during the 2023-2024 CBYL season. This was the third season in a row with these conditions (Figure 7).

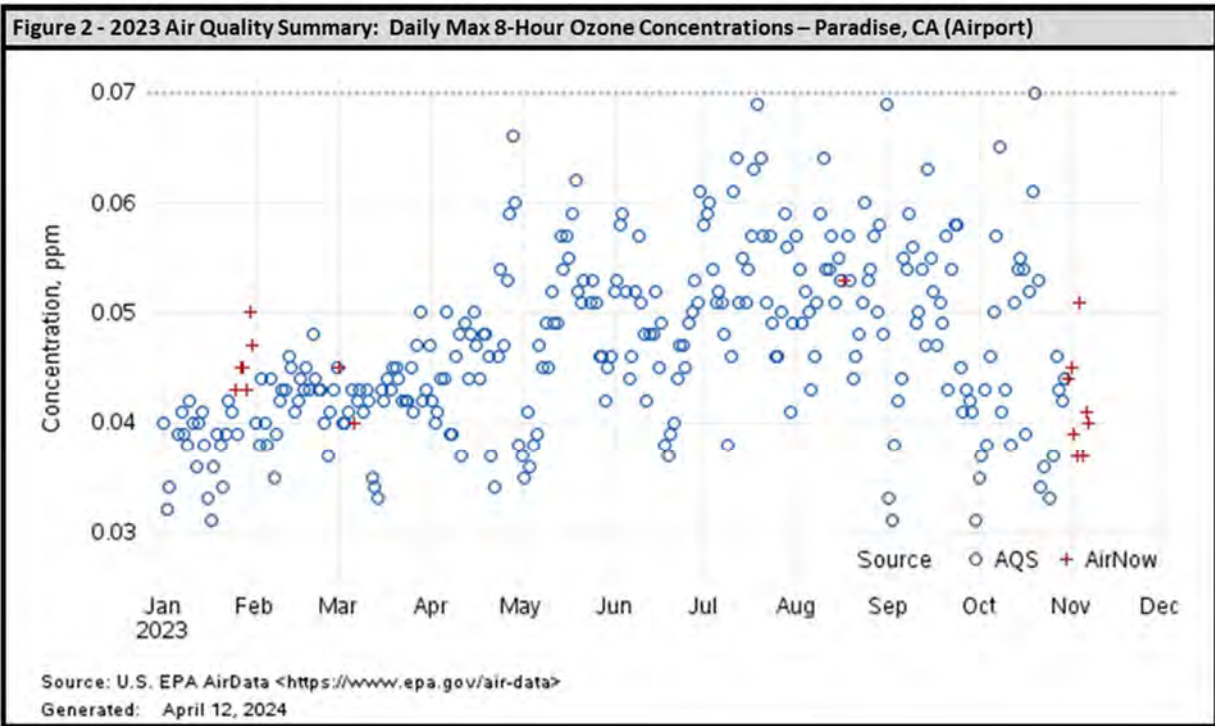
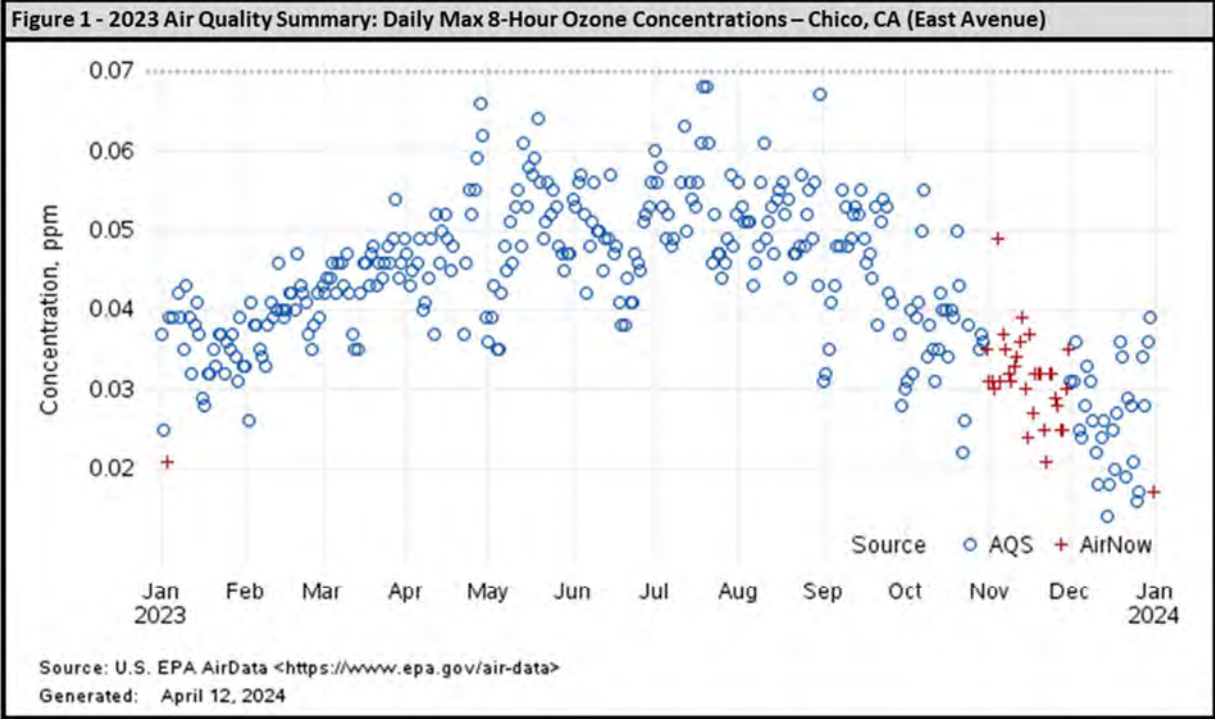




Figure 3 - 2023 Air Quality Summary: 24-hour Average PM2.5 Measurements – Chico, CA (East Avenue)

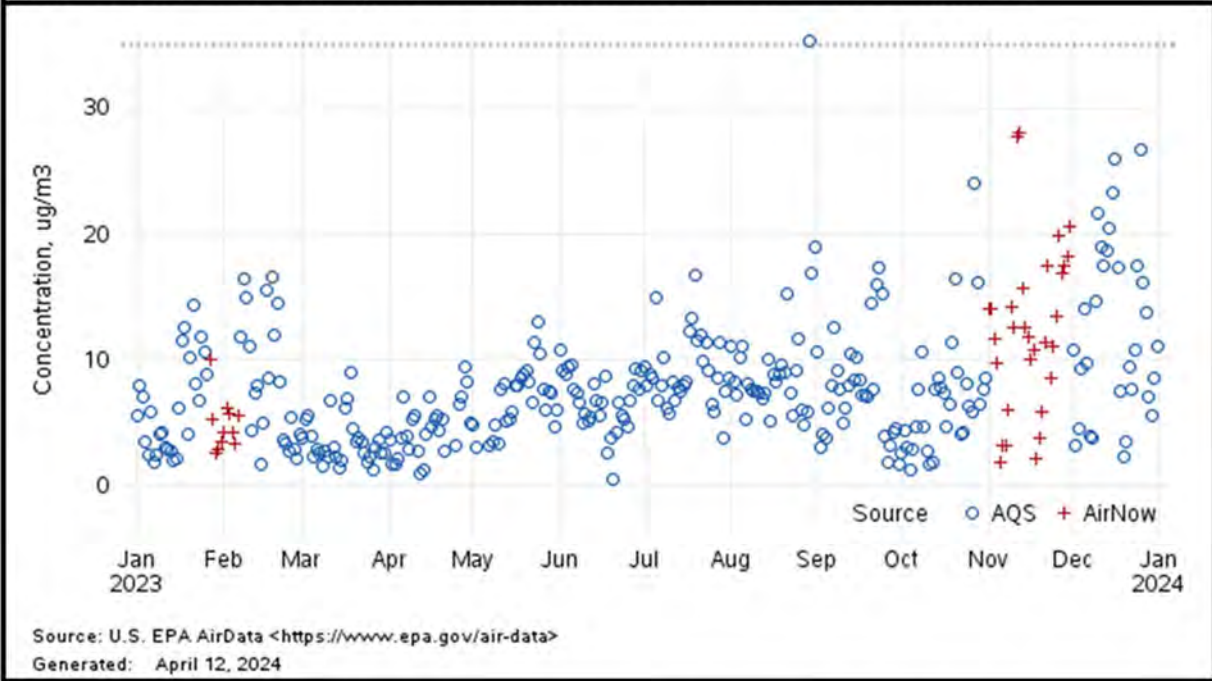


Figure 4 - 2023 Air Quality Summary: 24-hour Average PM2.5 Measurements – Paradise, CA (Clark Road)

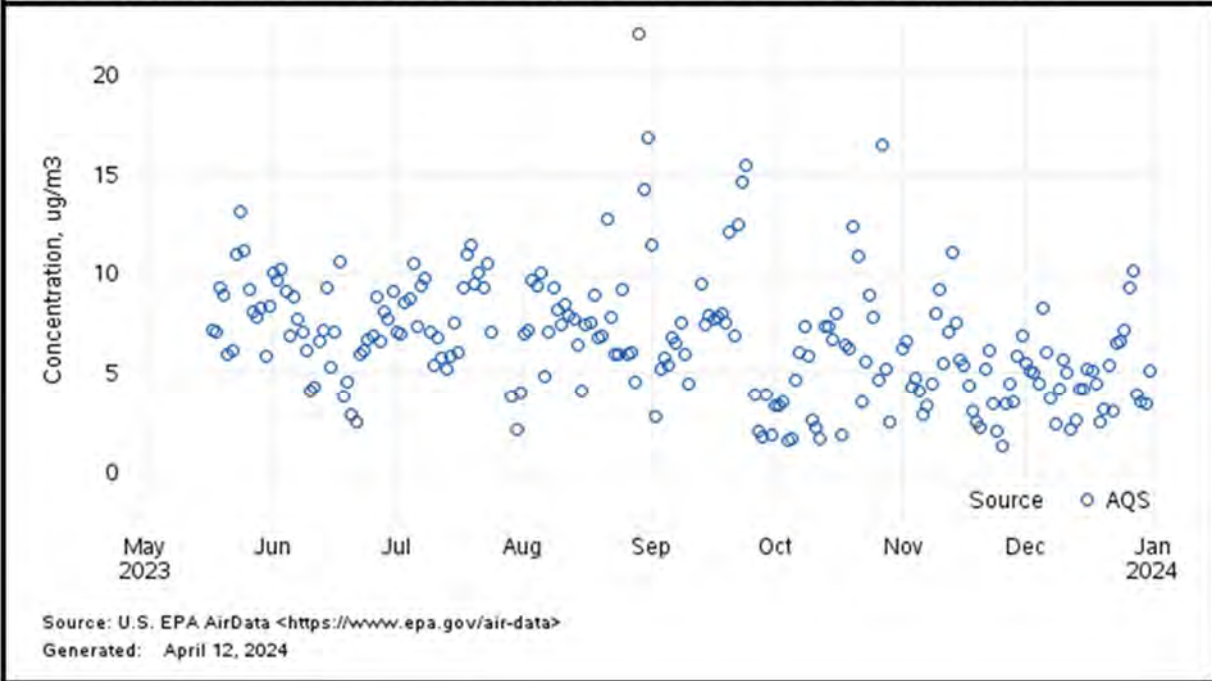


Figure 5 - 2023 Air Quality Summary: 24-hour Average PM2.5 Measurements – South Butte County (Cowee Avenue)

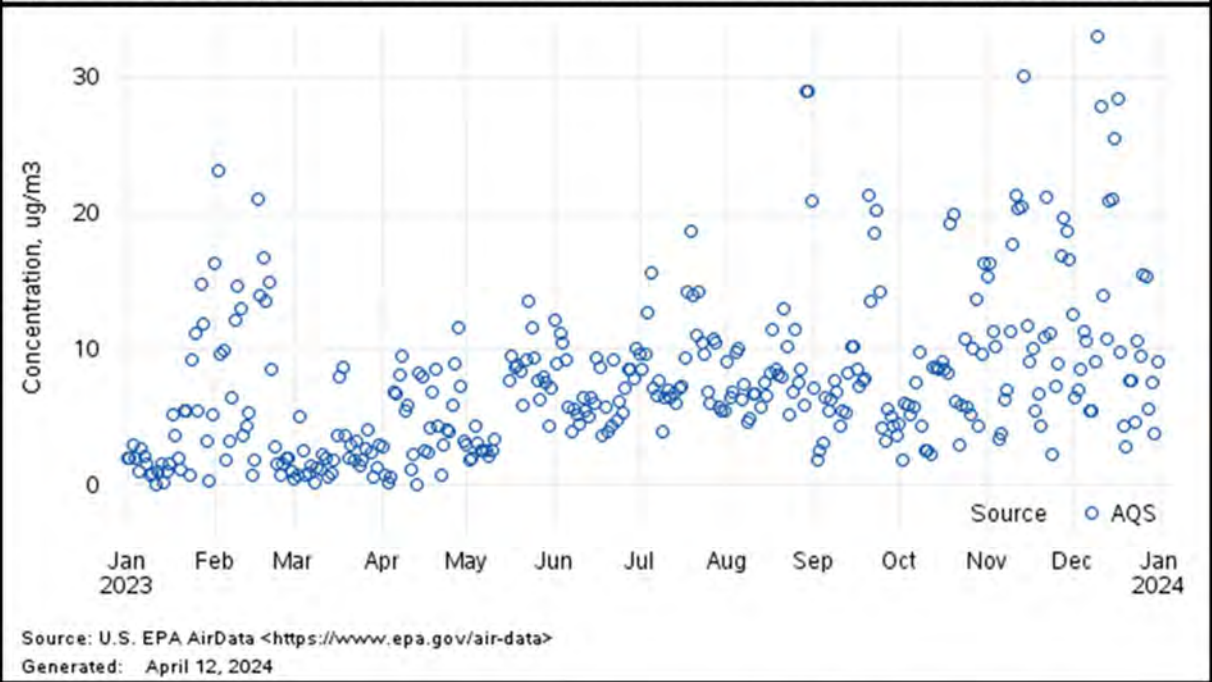
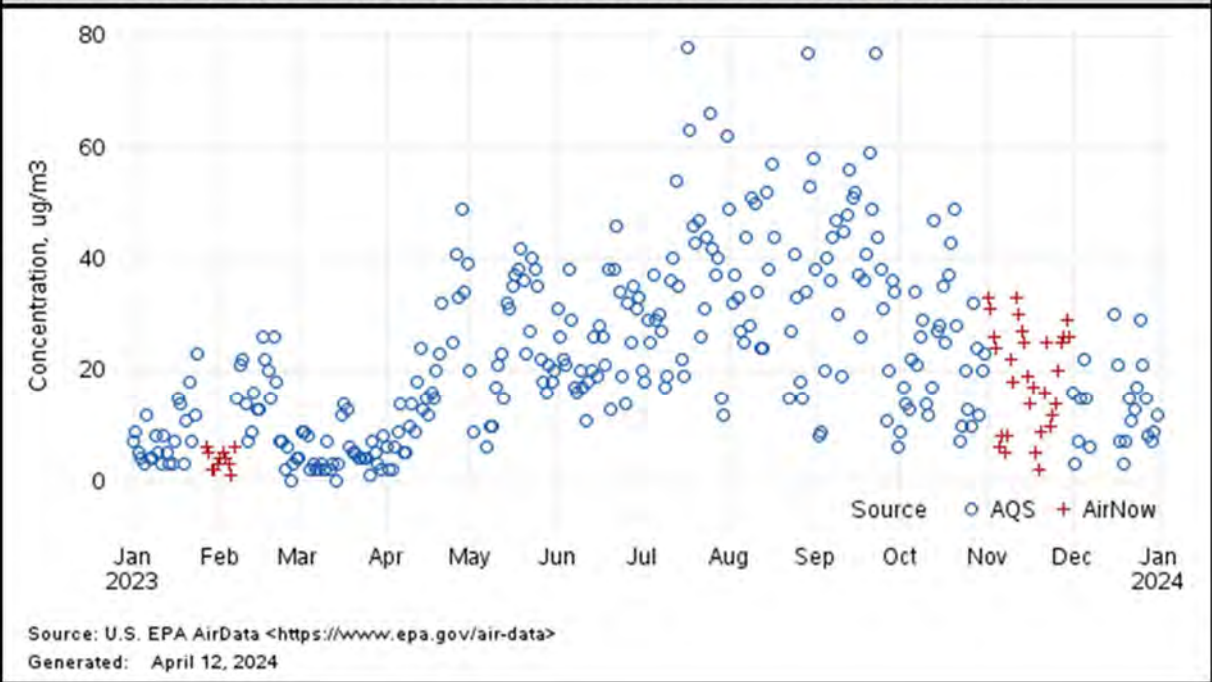
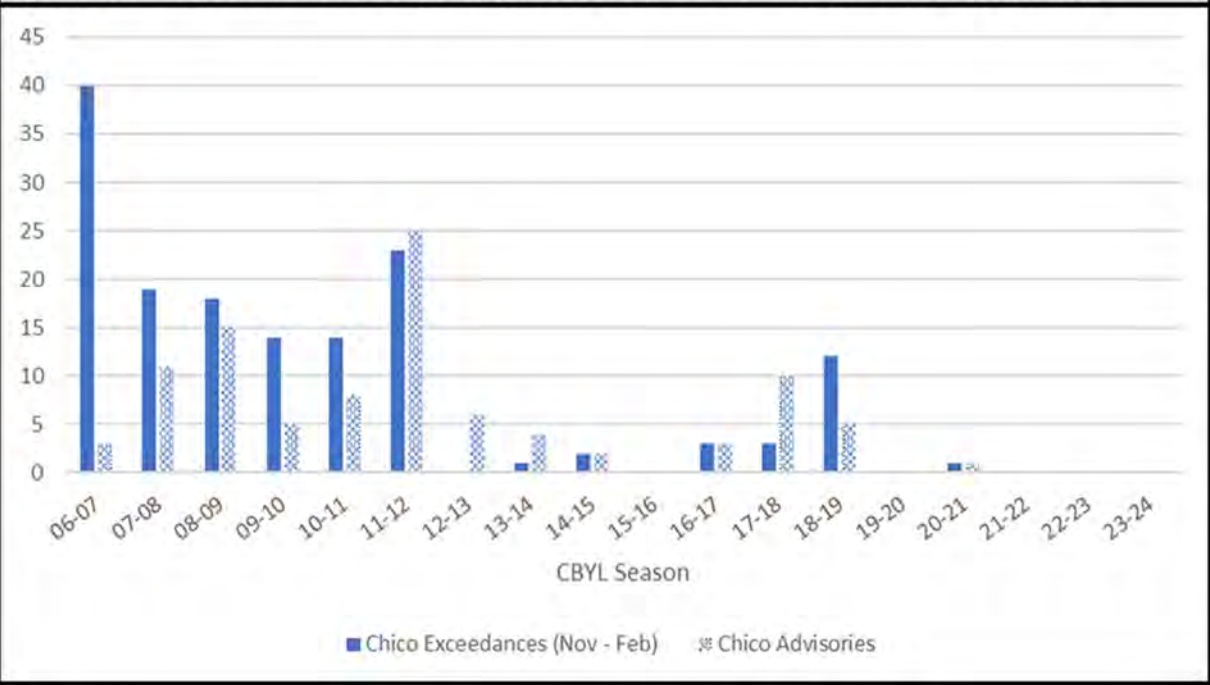


Figure 6 - 2023 Air Quality Summary: 24-hour Average PM10 Measurements – Chico, CA (East Avenue)



**Figure 7 – Number of Exceedances of the Federal PM2.5 24-hr Standard in Chico & Number of CBYL Advisories**



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TAMI RITTER, CHAIR  
*Supervisor, District #3*

ADDISON WINSLOW, VICE CHAIR  
*Councilmember, Chico*

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*Councilmember, Paradise*

STEPHEN ERTLE  
*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 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: **Initial Public Hearing for Proposed Fiscal Year 2024-2025 Budget**

**ISSUE:**

Staff released the proposed Fiscal Year 2024-2025 Budget on April 24<sup>th</sup>, 2024. A Public Hearing is required pursuant to Health & Safety Code, Sections 40130 and 40131 in a separate meeting prior to the meeting where the Board adopts the Budget. The adoption hearing is scheduled for June 27<sup>th</sup>, 2024.

**ACTION REQUESTED:**

1. Open Initial Public Hearing and accept comments.
2. Proposed Fiscal Year 2024-2025 Budget Hearing remains open until the adoption hearing in June.

**DISCUSSION:**

Before your Board is the initial hearing for the purpose of reviewing and receiving comments on the District's Proposed Fiscal Year 2024-2025 Budget. Staff is proposing a balanced total budget of \$2,317,175 with an operating budget of \$2,100,343.

Health & Safety Code, Sections 40130 and 40131 require that prior to adoption of the District's annual budget; the District is to hold a public hearing for the purpose of reviewing its budget proposal and providing the public with opportunity to comment. Today's hearing is the first hearing, the second hearing, where the District Governing Board formally considers adopting the annual budget is scheduled for the June 27<sup>th</sup> Board meeting. If any public comments should be received, those comments will be forwarded to your Board at the June 27<sup>th</sup>, 2024, Public Hearing.

# Agenda Item 5

The APCO and staff have met with the Board's Budget and Finance Committee to discuss the Proposed Budget. Another meeting will be scheduled in early June to review any final budget recommendations for the proposed Fiscal Year 2024-2025 Budget.

Also, the APCO and staff have met with the Board's Budget and Finance Committee (Councilmember Tryon and Councilmember Winslow) on March 28<sup>th</sup> and April 22<sup>nd</sup> to review and discuss the Proposed Budget. The Committee supports the proposed Fiscal Year 2024-2025 Budget as prepared.

**Attachments:**

Proposed Fiscal Year 2024-2025 Budget.



TAMI RITTER, CHAIR  
*Supervisor, District #3*

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*Councilmember, Chico*

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*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Jason Mandly, Senior Planner

Re: **AB617 Implementation Authorization for Residential Lawn and Garden Voucher Program & Community Air Protection Support Grants**

**ISSUE:**

District staff propose funding the Residential Lawn and Garden Voucher Program & Community Air Protection (CAP) Support Grants using AB617 Implementation funds to help further the goals of AB617 and the Community Air Protection Program.

**ACTION REQUESTED:**

Approve residential lawn and garden projects using AB617 Implementation Funds & the release of an RFP requesting projects from local community groups, public entities, and businesses.

**DISCUSSION:**

Your Board approved the receipt of State FY2022-23 & FY2023-24 funds to implement the goals of AB 617 and the statewide Community Air Protection (CAP) Program - a community focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants, especially in California's most burdened communities. The District has used AB617 Implementation funding in the past to support a variety of activities as allowed by the grant agreement with CARB, including emissions inventory, wildfire response and recovery, air monitoring support, public outreach, and community support grants.

The District developed a Lawn and Garden Equipment (L&G) Program in 2023 meeting the requirements of the State Carl Moyer Guidelines. A commercial L&G program was successfully implemented using Carl Moyer funds and the District is now accepting applications for residential L&G projects in disadvantaged communities using CAP Incentives. Due to the wide interest in participating in the residential L&G program throughout the county, the District is proposing to use **\$35,000** budgeted for FY2023-24 towards eligible residential lawn and garden projects throughout Butte County. Applications will be processed in a first-come, first-served manner until funds are exhausted. The replacement of

# Agenda Item 6

combustion lawn and garden equipment with zero-emission equipment reduces the emissions of smog-forming pollutants which benefits air quality throughout the entire air basin, particularly during the summer months.

In 2021 your Board approved CAP Support Grants which offered small grants ranging from \$500 - \$15,000 to community groups, public agencies, and businesses that were able to implement projects that met the goals of AB617 and the Community Air Protection Program. The District is requesting to use up to **\$60,000** during FY2024-25 towards CAP Support Grants ranging from \$500 - \$10,000.

Eligible projects are proposed to include:

1. Projects reducing emissions of criteria (particulates, smog-forming pollutants), toxic, or GHG air pollutants, particularly in Disadvantaged and Low-Income communities;
2. Projects reducing exposure to criteria or toxic air pollutants, particularly in Disadvantaged and Low-Income communities, or for sensitive populations;
3. Projects that indirectly reduce emissions of or exposure to air pollutants through outreach and community engagement;
4. Community air monitoring activities.

District staff will prioritize project proposals based on the following criteria which will be published in the RFP:

1. Projects benefitting Disadvantaged Communities;
2. Projects benefitting Low-Income Communities;
3. All other eligible projects;
4. Within each of the above categories, projects benefitting sensitive populations will be prioritized.

Eligible projects will be brought to your Board for approval after the application period. District staff will also work with CARB to ensure that proposed projects are within the scope of the AB617 Implementation Grant Agreement with CARB.

Attachment: None.





TAMI RITTER, CHAIR  
*Supervisor, District #3*

ADDISON WINSLOW, VICE CHAIR  
*Councilmember, Chico*

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*Supervisor, District #1*

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ROSE TRYON  
*Councilmember, Paradise*

STEPHEN ERTLE  
*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 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: **Shasta County AQMD MOU**

**ISSUE:**

The Shasta County AQMD has \$17,436.55 additional funds available from Year Two (2) of the Prescribed Fire Grant program.

**ACTION REQUESTED:**

Approve Resolution #2024-06 authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, a Memorandum of Understanding between the Shasta County Air Quality Management District related to these activities, and to accept funds and to implement associated projects, subject to District Counsel review and the existing authorizations set forth under District Resolution #2019-11. Activities associated with these funds have already been conducted and this will not result in additional staff time to encumber these grant funds.

**DISCUSSION:**

None.

Attachment:

Approved Resolution #2019-11.

Proposed Resolution #2024-06.

# Agenda Item 7

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**RESOLUTION 2019-11  
BEFORE THE BOARD OF DIRECTORS OF  
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT  
STATE OF CALIFORNIA  
AUTHORIZATION TO ACCEPT FUNDS FOR  
IMPLEMENTATION OF THE DISTRICT'S SMOKE MANAGEMENT PROGRAM AND  
ACTIVITIES RELATED TO PRESCRIBED BURNING**

Resolution 2019-11.....)  
Authorization to Accept Funds and Enter into a Grant Agreement for...)  
Implementation of the District's Smoke Management Program and.....)  
Activities Related to Prescribed Burning.....)

**WHEREAS**, Local air districts operate smoke management programs which are intended to manage emissions from the use of fire, which includes the use of fire for residential burning, agricultural burning, and prescribed fire on the landscape; and

**WHEREAS**, In Butte County, with the exception of residential burning, this entails the submittal of smoke management plans by entities desiring to conduct prescribed burning, in most cases, which are reviewed by District staff, who then issues a District issued burn permit; and

**WHEREAS**, In 2018, the Legislature passed, and the Governor signed, several bills to improve forest resiliency and to reduce the risk of wildfires in California; and

**WHEREAS**, Senate Bill (SB) 901 addresses numerous issues concerning wildfire prevention, response and recovery; and provides authorization of \$200 million in funding per year for five years to CAL FIRE for healthy forests and fire prevention; and

**WHEREAS**, SB 1260 requires the California Department of Forestry and Fire Protection (CAL FIRE) and the California Air Resources Board (CARB), in coordination with local air districts, to develop and fund a program, upon appropriation by the Legislature, to enhance air quality and smoke monitoring, and to provide a public awareness campaign regarding prescribed burns. The program shall include adequate funding, upon appropriation by the Legislature, for local district participation and implementation costs; and

**WHEREAS**, SB 856 appropriates \$2 million to CARB for local air districts to support the implementation of SB 901 and SB 1260 related to air monitoring of prescribed fires and public outreach; and

**WHEREAS**, CARB is proposing that approximately \$1 million of these funds be made available through direct grants to local air districts to implement their smoke management programs, to enhance air quality and smoke monitoring, and to provide public awareness regarding prescribed burns; and that a portion of the remaining approximately \$1 million be made available to local air districts, on a reimbursement basis, through a contract with the California Air Pollution Control Officers Association (CAPCOA), for costs associated with training, travel, and deployment of air monitors in support of the use of prescribed fire by land managers; and

**WHEREAS**, because of delays associated with CARB developing appropriate grant agreements with local air districts and a memorandum of understanding (MOU) with CAPCOA, District staff are not yet in a position to bring a

proposed grant agreement or contract to the Butte County Air Quality Management District Board of Directors (Board); and

**WHEREAS**, because the funding must statutorily be encumbered by local air districts and CAPCOA this fiscal year, CARB is requiring the signing of the grant agreements as soon as they are finalized (most likely by the end of April 2019).

**NOW THEREFORE BE IT RESOLVED**, that the District Board hereby authorizes the acceptance of funds from CARB and/or CAPCOA for implementation of the District's Smoke Management Program, as well as for support of District activities associated with prescribed burning and smoke management; and

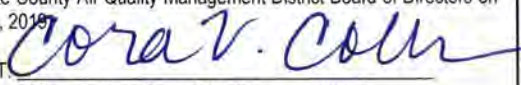
**BE IT FURTHER RESOLVED**, that the District Board hereby authorizes the Air Pollution Control Officer to negotiate, sign, and amend, as needed, future agreements and contracts related to these activities, and to accept funds and to implement associated projects, subject to District Counsel review.

On Motion of Councilmember Schwab, Seconded by Mayor Jones, the foregoing resolution is hereby PASSED AND ADOPTED by the Air Quality Management District Board of Directors on this 25<sup>th</sup> day of April, 2019 by the following:

- AYES: Supervisor Connelly, Supervisor Teeter, Councilmember Thompson, Councilmember Schwab (motion), Mayor Reynolds, Mayor Jones (seconded).
- NOES: None
- ABSTAIN: None
- ABSENT: Supervisor Ritter, Supervisor Lucero, Supervisor Lambert, Councilmember Borges.

  
\_\_\_\_\_  
W. James Wagoner, 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 April 25, 2019.

ATTEST:   
Cora Collins, Clerk of the Governing Board

**RESOLUTION 2024-05  
BEFORE THE BOARD OF DIRECTORS OF  
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT  
STATE OF CALIFORNIA**

**AUTHORIZATION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE SHASTA COUNTY AIR  
QUALITY MANAGEMENT DISTRICT TO ACCEPT ADDITIONAL FUNDS FOR  
IMPLEMENTATION OF THE DISTRICT’S SMOKE MANAGEMENT PROGRAM AND  
ACTIVITIES RELATED TO PRESCRIBED BURNING**

Resolution 2024-05 .....)  
Authorization to Enter into a Memorandum of Understanding.....)  
With the Shasta County Air Quality Management District and.....)  
Amend Existing Grant Agreement (Resolution 2019-11) to.....)  
Receive Additional Funds for Implementation of the District’s.....)  
Smoke Management Program and Activities Related to.....)  
Prescribed Burning.....)

**WHEREAS**, Existing Resolution 2019-11 authorizes the acceptance of funds from CARB and/or CAPCOA for implementation of the District’s Smoke Management Program, as well as for support of District activities associated with prescribed burning and smoke management; and

**WHEREAS**, Shasta County Air Quality Management District has \$17,436.55 from their Year Two (2) allocation available to transfer to Butte County to implement Butte’s smoke management programs, to enhance air quality and smoke monitoring, and to provide public awareness regarding prescribed burns; and

**WHEREAS**, Butte County Air Quality Management District will need to enter into a Memorandum of Understanding with Shasta County Air Quality Management District to accept the funds; and

**BE IT FURTHER RESOLVED**, that the District Board hereby authorizes the Air Pollution Control Officer to negotiate, sign, and amend, as needed, a Memorandum of Understanding between the Shasta County Air Quality Management District related to these activities, and to accept funds and to implement associated projects, subject to District Counsel review.

On Motion of , Seconded by , the foregoing resolution is hereby **PASSED AND ADOPTED** by the Air Quality Management District Board of Directors on this 23<sup>rd</sup> day of May, 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 May 23, 2024.

ATTEST: \_\_\_\_\_  
Kelly Towne, Clerk of the Governing Board





TAMI RITTER, CHAIR  
*Supervisor, District #3*

ADDISON WINSLOW, VICE CHAIR  
*Councilmember, Chico*

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STEPHEN ERTLE  
*Air Pollution Control Officer*

PATRICK LUCEY  
*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Patrick Lucey, Assistant Air Pollution Control Officer

Re: **Interim PCBTF Policy**

**ISSUE:**

To establish interim guidance that will allow the District to equitably process permits pending state or federal action on the California Office of Environmental Health Hazard Assessment (OEHHA) newly identified toxic compound Parachlorobenzotrifluoride (PCBTF). PCBTF is not currently listed on the Federal Hazardous Air Pollutant (HAP) list or the California Toxic Air Contaminant (TAC) list.

**ACTION REQUESTED:**

Approve adoption of the attached District's Interim PCBTF Policy.

**DISCUSSION:**

PCBTF was added to the list of pollutants that must be quantified as part of the Criteria Pollutant and Toxics Emissions Reporting (CTR) updates to the AB 2588 "Hot Spots" Program in 2020. The OEHHA has established a Unit Risk Factor (URF) for PCBTF. The California Air Resources Board (CARB) has not identified it as a "toxic air contaminant" as of April 2024. PCBTF is used in autobody coatings, other coatings, and solvents. As Volatile Organic Compounds (VOCs) in coatings/solvents have reduced, the prevalence of PCBTF has increased because of its exempt VOC status. The District evaluates a facility's priority under AB 2588 during the permit process. During the permit process, a facility will be evaluated under the current standards and regulations at the time the application is received.

PCBTF is becoming the main driver of cancer risk in coating systems. Previously, ethylbenzene was the main driver of this risk from automotive refinishing and other coating operations, but the resultant cancer risks were generally well below permitting thresholds.

# Agenda Item 8

The District has consulted with neighboring air districts and found PCBTF use occurs statewide. In districts where they are evaluating the toxics risk (some districts are not currently evaluating it), the chemical is resulting in elevated prioritizations. Some districts are conducting additional research, others are beginning to require more recordkeeping, and some are limiting throughput in new auto body permits. Limiting throughput in new auto body permits is expected to result in an inability to issue permits as the lower limit is not economically feasible, thus transferring emissions of PCBTF from new shops to existing shops.

There are approximately 36 autobody shops in the District. Other facilities using coatings or solvents may also become subject to this interim guidance.

With Board approval, this interim guidance will immediately go into effect and remain in effect unless and until the State Air Resources Board adopts Statewide guidelines or regulations.

Attachment:

BCAQMD Interim PCBTF Policy.docx





## PCBTF Interim Guidance

Date Approval Requested: May 23, 2024

### PURPOSE:

To establish interim guidance that will allow the District to equitably process permits pending state or federal action on the California Office of Environmental Health Hazard Assessment (OEHHA) newly identified toxic compound Parachlorobenzotrifluoride (PCBTF). PCBTF is not currently listed on the Federal Hazardous Air Pollutant (HAP) list or the California Toxic Air Contaminant (TAC) list.

### BACKGROUND:

PCBTF was added to the list of pollutants that must be quantified as part of the Criteria Pollutant and Toxics Emissions Reporting (CTR) updates to the AB 2588 "Hot Spots" Program in 2020. The OEHHA has established a Unit Risk Factor (URF) for PCBTF. The California Air Resources Board (CARB) has not identified it as a "toxic air contaminant" as of April 2024. PCBTF is used in autobody coatings, other coatings, and solvents. As Volatile Organic Compounds (VOCs) in coatings/solvents have reduced, the prevalence of PCBTF has increased because of its exempt VOC status.

The District evaluates a facility's priority under AB 2588 during the permit process. During the permit process, a facility will be evaluated under the current standards and regulations at the time the application was received.

Recent permit applications for autobody shops have required updated Safety Data Sheets (SDS) for coatings and solvents. The presence of PCBTF has resulted in high priority based on the Potential to Emit (PTE). There are no additional technologies or toxics best available control devices for the use of these coatings in auto body shops and other industries. Further, requiring additional control devices or limiting throughput of coatings containing PCBTF in some autobody shops, but not all, creates an unfair economic burden on the facilities that have recently applied for changes to their permits.

The District has sought guidance from CARB, which is aware of the issue, and has deferred to air districts regarding issuing permits for PCBTF-containing compounds and to manufacturers to reformulate products.

The District has consulted with neighboring air districts and found PCBTF use occurs statewide. In districts where they are evaluating the toxics risk (some districts are not currently evaluating it), the chemical is resulting in elevated prioritizations. Some districts are conducting additional research, others are beginning to require more recordkeeping, and some are limiting throughput in new auto body permits. Limiting throughput in new auto body permits is expected to result in an inability to issue permits as the lower limit is not economically feasible, thus transferring emissions of PCBTF from new shops to existing shops.

With Board approval, this interim guidance will immediately go into effect and remain in effect unless and until the State Air Resources Board adopts Statewide guidelines or regulations.

There are approximately 36 autobody shops in the District. Other facilities using coatings or solvents may also become subject to this interim guidance.

**POLICY:**

The District shall prioritize facilities that use PCBTF as new Authority to Construct (ATC) applications are received based on SDS or manufacturer information. If the prioritization results are "high" and the driving contributor is PCBTF, the District shall deviate from the Butte County Air Quality Management District Toxics Health Risk Assessment Guidelines and issue the permit without a Health Risk Assessment. This policy will be in effect unless and until the State Air Resources Board adopts Statewide guidelines or regulations.

\_\_\_\_\_  
Stephen Ertle  
Air Pollution Control Officer

\_\_\_\_\_  
Date:



TAMI RITTER, CHAIR  
*Supervisor, District #3*

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*Assistant Air Pollution Control Officer*

Date of Release: May 16, 2024

Board Consideration: May 23, 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/Mason Moore, Fermata

Re: **Annual Report on District Compensation Program**

**ISSUE:**

The Board will receive a presentation reviewing the annual Deferred Compensation Program.

**ACTION REQUESTED:**

Accept Report.

**DISCUSSION:**

Mason Moore is our registered Investment Advisor (IA) and provides fiduciary responsibilities and assists with the administrative elements of the District's Deferred Compensation Program held by One America. Mr. Mason moved to Fermata Advisors last year when Kornerstone dissolved. All plan offerings and programs with One America were retained during the move and Mr. Mason was retained as our IA. Some of these administrative elements include quarterly plan reviews, yearly presentations to the Board, one-on-one employee investment coaching, employee education, attendance at investment committee meetings, assist in establishing policies and performing benchmark fee reviews.

Mason Moore, Retirement Plan Consultant, will be providing a review of the District's Deferred Compensation Program and will be available if the Board has any questions.

Attachment:  
None.

# Agenda Item 9

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TAMI RITTER, CHAIR  
*Supervisor, District #3*

ADDISON WINSLOW, VICE CHAIR  
*Councilmember, Chico*

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Date of Release: May 16, 2024

Board Consideration: May 23, 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: **APCO Report**

**ISSUE:**

Report from the Air Pollution Control Officer on current areas of potential interest to your Board, including air-quality related activities at the local, State, and Federal scenes.

**ACTION REQUESTED:**

None. This item is provided for information and discussion.

Attachment:

None.

# Agenda Item 10

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# BCAQMD ACRONYM REFERENCE

Updated Oct. 2015

-Board of Director's Meeting -

*Summarized below are acronyms commonly used in Board folders and accompanying staff reports.*

A/C	Authority to Construct Permit
AB	Assembly Bill
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	Chemical symbol for 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
CUA	Chico Urbanized Area
DMV	Department of Motor Vehicles
DTSC	California Department of Toxic Substance Control
EG	Emission Guidelines
EI	Emission Inventory
Eufac	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
HCl	Hydrochloric Acid
Hg	Chemical symbol for mercury
HRA	Health Risk Assessments
HSC	Health & Safety Code
ICE	Internal Combustion Engine

# BCAQMD ACRONYM REFERENCE

Updated Oct. 2015

## -Board of Director's Meeting -

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
Pb	Chemical symbol for lead
PERP	Portable Equipment Registration Program
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
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
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