



TAMI RITTER, CHAIR
Supervisor, District #3

ANGEL CALDERON, VICE CHAIR
Councilmember, Gridley

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ADDISON WINSLOW
Councilmember, Chico

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Vice Mayor, Paradise

STEPHEN 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
March 23, 2023 - 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=em1GWGk2cVJZTEExqYmwraGw2T1pqdz09>

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.**
- 2. Additions and Deletions to the Consent Agenda.**

Chair

Chair

CONSENT AGENDA

- 3.1** Minutes of the January 26, 2023, Meeting of the Board of Directors.
- 3.2** Activity Report on Butte County Air Quality Management District Activities.
- 3.3** Financial Status Report for Fiscal Year 2022-2023.
- 3.4** Status Report on Calendar of Events.
- 3.5** Status Report on Communications.
- 3.6** Consider approval of Board Policy - Alternative Means of Board Member Teleconferencing Under the Brown Act.

Cora Collins
Stephen Ertle
Aleah Ing
Stephen Ertle
Cora Collins
Stephen Ertle

- 3.7 Notice of Butte County Association of Governments Transportation Grant Support Letter. **Stephen Ertle**

REGULAR AGENDA

ITEMS FOR ACTION

4. **Items removed from the consent agenda for Board consideration and action - if any.** **Chair**
5. Receive Audit Presentation for Fiscal Year 2021-2022 and Approve. **Aleah Ing /
Smith & Newell**
6. Consider Approving a Contract for Laserfiche Workflow Development by UBEO. **Stephen Ertle**
7. Receive Annual Air Quality and Check Before You Light (CBYL) Report and Approve. **Jason Mandly**

ITEMS FOR INFORMATION

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

ADJOURNMENT

13. **The next Board of Directors Meeting is scheduled for April 27, 2023, 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:
Cora Collins, Clerk of the Board
629 Entler Avenue, Suite 15
Chico, CA 95928
ccollins@bcaqmd.org or 530-332-9400 ext. 100





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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 January 26, 2023

Members Present:

Bill Connelly	Supervisor, District 1
Peter Durfee	Supervisor, District 2
Tami Ritter	Supervisor, District 3
Tod Kimmelshue	Supervisor, District 4
Doug Teeter	Supervisor, District 5
Chuck Nuchols	Councilmember, Biggs
Addison Winslow	Councilmember, Chico
Angel Calderon	Councilmember, Gridley
Rose Tryon	Vice Mayor, Town of Paradise
Scott Thomson	Councilmember, Oroville Alternate

Others Present:

Ron Lassonde	Councilmember, Paradise Alternate
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Staff Present:

Stephen Ertle	Air Pollution Control Officer
Riley Peacock	Air Quality Engineer
Kelly Towne	Accounting Technician
Cora Collins	Clerk of the Board

Staff Remote:

Aleah Ing	Administrative Service Officer
Jason Mandly	Senior Air Quality Planner
Dave Campbell	Air Quality Compliance Specialist
Ursula Parker	Senior Air Quality Compliance Specialist

Others Remote:

Andrew Flynn	
Weist Law	

Due to the COVID-19 pandemic, members of the public are encouraged to attend the meeting using Zoom. Public comments were accepted before and during the meeting by emailing ccollins@bcagmd.org.

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

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

Agenda Item 3.1

2. Consider Election of Butte County Air Quality Management District Officers for 2023.

ACTION REQUESTED: Existing Chair Ritter, named as Chair Pro Tem, to oversee the election of a Chair and Vice Chair for calendar year 2023.

A motion was made by Supervisor Connelly and seconded by Supervisor Kimmelshue to re-elect Supervisor Ritter as Chair.

AYES: Supervisor Connelly (Motion), Supervisor Durfee, Supervisor Ritter, Supervisor Kimmelshue (Seconded), Supervisor Teeter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon, Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

A motion was made by Supervisor Kimmelshue and seconded by Supervisor Connelly to re-elect Councilmember Calderon as Vice Chair.

AYES: Supervisor Connelly (Seconded), Supervisor Durfee, Supervisor Ritter, Supervisor Kimmelshue (Motion), Supervisor Teeter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon, Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Supervisor Ritter served as Chair for the remainder of the meeting.

3. Welcome to New Board Members.

Chair Ritter welcomed new Board Members, District Supervisor Peter Durfee and Chico Councilmember Addison Winslow. Board members introduced themselves.

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

No additions or deletions.

5. Consent Agenda.

5.1 Minutes of the December 8, 2022, Meeting of the Board of Directors.

5.2 Activity Report on Butte County Air Quality Management District Activities.

5.3 Financial Status Report for Fiscal Year 2022-2023.

5.4 Status Report on Calendar of Events.

5.5 Status Report on Communications.

ACTION REQUESTED: Approve Consent Agenda Items.

Board comments: None

Public comments: None

A motion was made by Supervisor Connelly and seconded by Supervisor Teeter to approve the Consent Agenda Items.

AYES: Supervisor Connelly (Motion), Supervisor Durfee, Supervisor Ritter, Supervisor Kimmelshue , Supervisor Teeter (Seconded), Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon, Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

ITEMS FOR ACTION

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

No items removed from the Consent Agenda.

7. Consider Appointing one (1) member to serve with the Chair and Vice Chair on the Executive Committee.

ACTION REQUESTED: Chair to appoint one (1) member to serve with the Chair and Vice Chair on the Executive Committee.

A motion was made by Supervisor Durfee and seconded by Supervisor Kimmelshue to re-appoint Councilmember Tryon to serve on the Executive Committee with Supervisor Ritter and Councilmember Calderon.

AYES: Supervisor Connelly, Supervisor Durfee (Motion), Supervisor Ritter, Supervisor Kimmelshue (Seconded), Supervisor Teeter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon, Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

8. Consider Appointing two (2) members to serve as the Budget and Finance Committee.

ACTION REQUESTED: Chair to appoint two (2) members to serve as the Budget and Finance Committee.

A motion was made by Supervisor Kimmelshue and seconded by Councilmember Calderon to re-appoint Vice Mayor Tryon and appoint Councilmember Winslow to serve as the Budget and Finance Committee.

AYES: Supervisor Connelly, Supervisor Durfee, Supervisor Ritter, Supervisor Kimmelshue (Motion), Supervisor Teeter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon (Seconded), Vice Mayor Tryon, Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

9. Consider Appointing a Representative and Alternate Representative to the Sacramento Valley Basinwide Air Pollution Control Council BCC.

ACTION REQUESTED: Chair to appoint one (1) Primary and one (1) Alternate to represent the District on the BCC.

A motion was made by Supervisor Connelly and seconded by Supervisor Kimmelshue to re-appoint Supervisor Ritter as the Primary Representative and Supervisor Kimmelshue to serve as the Alternate on the BCC.

AYES: Supervisor Connelly, Supervisor Durfee, Supervisor Ritter, Supervisor Kimmelshue (Motion), Supervisor Teeter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon (Seconded), Vice Mayor Tryon, Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

10. Consider Approving Proposed Unfunded Accrued Liability Pension Management Policy.

ACTION REQUESTED: Review and Adopt Unfunded Accrued Liability (UAL) Pension Management Policy and Preliminary Intention to Proceed with Financing through adoption of Resolution 2023-01 Pension Management Policy and Financing.

Stephen Ertle, Air Pollution Control Officer, discussed the District's UAL Obligation to CalPERS. An Unfunded Accrued Liability Pension Management Policy (the "Pension Management Policy") was developed to ensure that any future pension liabilities do not grow to unmanageable levels. The Pension Management Policy will also guide in making annual budget decisions, demonstrate prudent financial management practices, help create fiscally sustainable budgets for pensions in future years, and help ensure that the District is being proactive in the management of its fiscal affairs. A PowerPoint presentation showed the Estimated 2022 Investment Impact and 15-Year, 20-Year, and 23-Year Post-Refinancing Depiction.

As of 2021	Estimated 2022 Investment Impact	15-Year Post Refinancing Depiction	20-Year Post Refinancing Depiction	23-Year Post Refinancing Depiction
Funded percent	75.9%	90.1%	90.1%	90.1%
Principle	\$2.0M	\$2.0M	\$2.0M	\$2.0M
Interest	\$1.5M	\$0.3M	\$0.6M	\$0.7M
Total Due	\$3.5M	\$2.3M	\$2.6M	\$2.7M
Savings		\$1.2M	\$0.9M	\$0.8M

Board discussion: What is the rate of financing? Staff replied the current rate is 4.75 % but it could be higher or lower. Councilmember Thomson mentioned that Oroville just went through this process.

Public comments: None.

A motion was made by Supervisor Durfee and seconded by Supervisor Connelly to Adopt Unfunded Accrued Liability Pension Management Policy and Preliminary Intention to Proceed with 20 year Financing through adoption of Resolution 2023-01 Pension Management Policy and Financing.

Amended Motion:

A motion was made by Supervisor Durfee and seconded by Supervisor Connelly to Adopt Unfunded Accrued Liability Pension Management Policy and Preliminary Intention to Proceed with *Multiple year* Financing through adoption of Resolution 2023-01 Pension Management Policy and Financing.

AYES: Supervisor Connelly (Seconded), Supervisor Durfee (Motion), Supervisor Ritter, Supervisor Kimmelshue, Supervisor Teeter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon, Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

11. Following a Public Hearing, Consider Approving the Air Toxics "Hot Spots" Program 2021 Annual Report.

ACTION REQUESTED: Following a Public Hearing, approve the report.

Riley Peacock, Air Quality Engineer, summarized the Air Toxics "Hot Spots" Program 2021 Annual Report. Eight (8) new facilities were added in 2021, all of which are in the Exempt category. New facilities include: Maverik 640, Northwest Lineman College, Town of Paradise Resiliency Center, Project Fusion, Kalkat Fruit and Nut, Tri Counties Bank, Feather River Hospital (Clinic), and City of Biggs-Wastewater Treatment Plant. Facilities are exempt when they have a Prioritization score of less than one (1) and have the potential to emit less than ten (10) tons per year with no toxic significance.

Board discussion: Supervisor Kimmelshue asked for a clarification of "Hot Spots". Staff replied, AB 2588 was adopted to provide transparency. This regulation requires the District to publicly notice all facilities that could be a "hot spot" or toxic emitter.

Public comments: None.

Public Hearing Opened: 10:22 a.m.

Public Hearing Closed: 10:22 a.m.

A motion was made by Supervisor Kimmelshue and seconded by Vice Mayor Tryon to approve the report.

AYES: Supervisor Connelly, Supervisor Durfee, Supervisor Ritter, Supervisor Kimmelshue (Motion), Supervisor Teeter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon (Seconded), Councilmember Thomson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

12. APCO Report.

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

Federal:

- EPA announced its proposed decision to revise the primary annual PM2.5 standard from its current level of 12.0 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$) to within the range of 9.0 to 10.0 $\mu\text{g}/\text{m}^3$. This change should not affect Butte County, as it is currently in attainment.
- The Asbestos Delegation Rule process has started. The Asbestos Rules were adopted by the Board and staff submitted an official delegation request to EPA.

State:

- CAPCOA's 2023-2024 Funding Priorities letter.
 - Federal Permit Requirements for Air Curtain Incinerators
 - Support for New and Existing Biomass Facilities
 - Promote electric Vehicle Charging Infrastructure
 - Provide Additional Resources for Hazard Reduction on Federal Lands
 - The Proposed Revision of the Annual PM2.5 National Ambient Air Quality Standard (NAAQS)
 - Local Federal Funding in Rural Air Districts for SIP Development and Program Support
- CAPCOA is sending a contingent to Washington DC. A list of discussion priorities is being developed.

Vice Mayor Tryon requested a copy of the budget letter.

- Brown Act changes through January 2026.

Local:

- The newly appointed Budget and Finance Committee will schedule a meeting.

Supervisor Kimmelshue asked if staff knew of other electric vehicle (EV) charging stations planned for Butte County. Staff replied, the District does not have plans for EV charging stations but are open to ideas for different projects, including EV charging stations. Funding is through the Community Air Protection Program.

13. Other Business. None.

14. 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.

15. Adjourn to Closed Session. No closed session was held.

16. Report From Closed Session. None

17. The meeting adjourned at 10:40 a.m. The next Board of Directors Meeting is scheduled for March 23, 2023, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.

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 January 26, 2023.

ATTEST: _____
Cora Collins, Clerk of the Governing Board

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



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Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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 2021, 2022 and year 2023 as of February 28th.

ACTION REQUESTED:

Accept and file report.

Attachment:
2023 Activity Report

Agenda Item 3.2

2023 Activity Report

Activity	2021	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ¹
Permits to Operate Issued/Renewed	788	813	51	66											117
Authority to Construct Permits Issued	46	50	4	2											6
Portable Equipment Registrations	22	34	1	2											3
Engine Registrations Issued/Renewed	30	261	0	0											0
Inspections Performed by Facility	115	496	40	75											115
Inspections Performed by Permits	193	658	35	50											85
Status Change Reports Received	45	3	1	0											1
Agricultural Burn Days ²	345	356	31	28											59
Agricultural No-Burn Days ²	20	9	0	0											0
Burn Permits Issued	845	750	62	79											141
Burn Notifications	4,332	5,152	291	451											742
Rice Fields Reported Harvested	341	375	0	0											0
Complaints Received	135	134	6	2											8
Notices of Noncompliance Issued	70	104	4	5											9
Notices to Comply Issued	13	23	0	0											0
Public Outreach	524	499	37	30											67
Environmental Documents Reviewed	2	5	0	1											1
Public Records Requests	X	64	1	1											2

¹ YTD = Year-to-date totals

X=2022 First Year Reporting Public Records Requests



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Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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 for Fiscal Year 2022-2023.**

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, 2022, to February 28, 2023, and Balance Sheet for the period ending February 28, 2023. The District operated within overall budgeted expenditures.

Attachments:

Fiscal Year 22-23 February Balance Sheet

Fiscal Year 22-23 February Revenue & Expense Report

Agenda Item 3.3

Butte Co. Air Quality Management Dist.
Balance Sheet
As of February 28, 2023

Feb 28, 23

ASSETS

Current Assets

Checking/Savings

1002 · Cash on Hand - Change Box	200.00
1003 · Bank of America - General-0648	195,655.48
1004 · Bank of America - Payroll-0649	9,008.89
1007 · B of A Reserve Acct - 1789	320,306.77
1010 · B o f A -Grant 1	0.34
1011 · Tri Counties - Carl Moyer 2618	777,615.10
1012 · Tri Counties - FARMER - 6831	1,383,230.62
1013 · Tri Counties - CAP-6855	355,068.82
1017 · Tri Counties - AB 617-6818	66,444.11
1018 · State LAIF Acct	1,217,757.94

Total Checking/Savings 4,325,288.07

Accounts Receivable

1200 · Accounts Receivable	1,656,505.40
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Total Accounts Receivable 1,656,505.40

Other Current Assets

1102 · Due From Other Governments	172,253.74
1500 · Undeposited Funds	665.78

Total Other Current Assets 172,919.52

Total Current Assets 6,154,712.99

TOTAL ASSETS 6,154,712.99

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable	34,290.88
2001 · A/P - Grantees	2,386,015.74

Total Accounts Payable 2,420,306.62

Other Current Liabilities

2100 · Accrual Payroll & Benefits

210011 · PERS Survivor Benefits	0.85
210013 · MED FLEX	2,140.97

Total 2100 · Accrual Payroll & Benefits 2,141.82

2107 · Unearned Revenue

210904 · FARMER	426,655.74
210906 · Carl Moyer	128,078.89
210910 · Community (CAP)	323,155.31
210914 · AB 617	61,339.47

Total 2107 · Unearned Revenue 939,229.41

Total Other Current Liabilities 941,371.23

Total Current Liabilities 3,361,677.85

Total Liabilities 3,361,677.85

ASSETS

Equity	
3100 · Reserves	320,255.00
3200 · Restricted Fund	
3004 · Carl Moyer Program	503,622.59
3005 · Reserved FARMER Prgm	717,227.99
3012 · Community (CAP)	875,763.39
Total 3200 · Restricted Fund	<u>2,096,613.97</u>
3900 · Retained Earnings	-832,897.21
Net Income	<u>1,209,063.38</u>
Total Equity	<u>2,793,035.14</u>
TOTAL LIABILITIES & EQUITY	<u><u>6,154,712.99</u></u>

Butte Co. Air Quality Management Dist.
Profit & Loss Budget vs. Actual
February 2023 -66.67% of the Year

Accrual Basis

	Jul '22 - Feb 2:	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
421 · License and Permits				
4213010 · Ag Burn Permits	61,081.88	91,000.00	-29,918.12	67.12%
4213013 · Ag Engine Registration Program	0.00	350.00	-350.00	0.0%
4213020 · Title V Permits	4,564.28	4,500.00	64.28	101.43%
4213030 · Operating Permits	202,660.38	345,000.00	-142,339.62	58.74%
4213035 · Portable Engine Registration	42,603.58	39,500.00	3,103.58	107.86%
4213038 · Asbestos Program	0.00	5,000.00	-5,000.00	0.0%
4213040 · Auth to Construct	21,989.44	29,000.00	-7,010.56	75.83%
4213060 · Misc. Other Permits	300.00	600.00	-300.00	50.0%
Total 421 · License and Permits	333,199.56	514,950.00	-181,750.44	64.71%
430 · Fines, Forfeitures & Penalties				
4300001 · Civil Settlements	43,945.52	24,000.00	19,945.52	183.11%
Total 430 · Fines, Forfeitures & Penalties	43,945.52	24,000.00	19,945.52	183.11%
441 · Interest Income	12,850.82	2,000.00	10,850.82	642.54%
451 · Intergovernmental				
45000 · Governmental Funds				
4500001 · State Subvention	65,301.09	55,200.00	10,101.09	118.3%
4511001 · DMV Surcharge	524,801.50	740,000.00	-215,198.50	70.92%
Total 45000 · Governmental Funds	590,102.59	795,200.00	-205,097.41	74.21%
45105 · Direct Grant Funds				
4510500 · AB 2588 Hot Spots Fee	0.00	134.00	-134.00	0.0%
4510501 · 105 Pilot Project Grant Funding	0.00	60,546.00	-60,546.00	0.0%
4510502 · AB 197 Funding	0.00	8,583.00	-8,583.00	0.0%
4510503 · AB 617 Funding	32,726.43	87,997.90	-55,271.47	37.19%
4510504 · Prescribed Fire Grant	498.58	32,700.00	-32,201.42	1.53%
4510505 · GHG Oil & Gas Funding	0.00	6,000.00	-6,000.00	0.0%
Total 45105 · Direct Grant Funds	33,225.01	195,960.90	-162,735.89	16.96%
45109 · Pass Through Grants				
4510904 · FARMER Funding	612,237.50	0.00	612,237.50	100.0%
4510906 · Carl Moyer Grant	561,315.20	438,375.00	122,940.20	128.05%
4510915 · Community Air Program (CAP)	1,182,572.85	1,216,360.65	-33,787.80	97.22%
Total 45109 · Pass Through Grants	2,356,125.55	1,654,735.65	701,389.90	142.39%
Total 451 · Intergovernmental	2,979,453.15	2,645,896.55	333,556.60	112.61%
471 · Miscellaneous Revenue				
4712523 · Other Misc. Revenue	27,949.02	24,395.00	3,554.02	114.57%
4712550 · Implementation Funds	73,010.97	863,438.41	-790,427.44	8.46%
Total 471 · Miscellaneous Revenue	100,959.99	887,833.41	-786,873.42	11.37%
Total Income	3,470,409.04	4,074,679.96	-604,270.92	85.17%
Gross Profit	3,470,409.04	4,074,679.96	-604,270.92	85.17%
Expense				
511 · Payroll Expenses				
511001 · Salaries & Wages	545,144.04	901,250.00	-356,105.96	60.49%
512000 · Extra Help	0.00	16,000.00	-16,000.00	0.0%
514000 · Overtime	0.00	4,000.00	-4,000.00	0.0%
518 · Employee Benefits				
518008 · Health Care	145,289.92	233,457.00	-88,167.08	62.23%
518009 · Cafeteria	19,976.16	41,100.00	-21,123.84	48.6%
518010 · Other Employee Benefits	15,121.62	22,378.00	-7,256.38	67.57%
518700 · Retirement Pension	86,697.85	144,085.86	-57,388.01	60.17%
518800 · Contrib to Pension Liability	130,886.00	135,390.00	-4,504.00	96.67%
518900 · Retiree's OPEB	23,245.60	36,601.00	-13,355.40	63.51%
518901 · Contrib to OPEB Liability	0.00	19,795.00	-19,795.00	0.0%
Total 518 · Employee Benefits	421,217.15	632,806.86	-211,589.71	66.56%
Total 511 · Payroll Expenses	966,361.19	1,554,056.86	-587,695.67	62.18%
520 · Materials & Supplies				
521104 · Postage	2,024.00	3,500.00	-1,476.00	57.83%
522201 · Office Supplies	6,629.54	9,500.00	-2,870.46	69.79%
523001 · Telecommunications	9,708.59	16,000.00	-6,291.41	60.68%
524544 · Utilities - Elec/Gas/Wtr/Grbge	4,936.64	8,720.00	-3,783.36	56.61%

	Jul '22 - Feb 2:	Budget	\$ Over Budget	% of Budget
525545 · Auto Fuel Costs/ Road Expense	3,107.69	6,500.00	-3,392.31	47.81%
Total 520 · Materials & Supplies	26,406.46	44,220.00	-17,813.54	59.72%
530 · Servies & Other Operating				
531201 · Household Janitorial	3,757.00	5,700.00	-1,943.00	65.91%
532527 · Insurance -Liability & Vehicle	13,974.47	16,872.00	-2,897.53	82.83%
533533 · Memberships, Dues & Subscript..	5,078.90	6,000.00	-921.10	84.65%
534537 · Public & Legal Notices	1,248.87	3,500.00	-2,251.13	35.68%
535540 · Public Outreach	4,493.00	13,700.00	-9,207.00	32.8%
536101 · Training	1,659.00	10,500.00	-8,841.00	15.8%
537202 · Travel & Conference Expenses	9,244.44	30,030.00	-20,785.56	30.78%
Total 530 · Servies & Other Operating	39,455.68	86,302.00	-46,846.32	45.72%
540 · Rents Lease, Repair, NonCapital				
541538 · Property Rents & Leases	42,346.00	56,460.00	-14,114.00	75.0%
542539 · Equipment Rents & Leases	549.18	740.00	-190.82	74.21%
543103 · Office Furniture & Equip	1,590.79	3,300.00	-1,709.21	48.21%
543203 · Computer Equipment	8,542.94	12,500.00	-3,957.06	68.34%
543204 · Computer Software-Subscriptions	8,378.50	30,900.00	-22,521.50	27.12%
543541 · Air Monitoring Equipment & Main	600.00	5,735.00	-5,135.00	10.46%
544001 · Vehicles Maintenance	1,109.69	4,960.00	-3,850.31	22.37%
544042 · IT Maintenance	15,533.68	35,100.00	-19,566.32	44.26%
544103 · Building Maintenance	2,207.69	15,225.00	-13,017.31	14.5%
Total 540 · Rents Lease, Repair, NonCapital	80,858.47	164,920.00	-84,061.53	49.03%
550 · Professional/Consulting Service				
551137 · AB2588 Hot Spots Fee	134.00	134.00	0.00	100.0%
551536 · Professional Services	17,747.60	66,200.00	-48,452.40	26.81%
551547 · Legal Services	10,500.00	18,500.00	-8,000.00	56.76%
555580 · Contingencies	0.00	20,000.00	-20,000.00	0.0%
Total 550 · Professional/Consulting Service	28,381.60	104,834.00	-76,452.40	27.07%
560 · Grants				
560006 · Carl Moyer Grant	174,351.64	677,974.23	-503,622.59	25.72%
560007 · Community Air (CAP)	685,884.05	1,566,115.86	-880,231.81	43.8%
560009 · WoodSmoke Grant	0.00	0.00	0.00	0.0%
560020 · Special Clean Air Grants	24,404.53	35,000.00	-10,595.47	69.73%
560021 · FARMER	235,242.04	340,232.53	-104,990.49	69.14%
Total 560 · Grants	1,119,882.26	2,619,322.62	-1,499,440.36	42.76%
570 · Capital Outlay				
571105 · Buildings & Improvements	0.00	0.00	0.00	0.0%
573105 · Vehicles -Fixed Asset Inventory	0.00	0.00	0.00	0.0%
Total 570 · Capital Outlay	0.00	0.00	0.00	0.0%
Total Expense	2,261,345.66	4,573,655.48	-2,312,309.82	49.44%

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Supervisor, District #3

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Councilmember, Gridley

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

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Vice Mayor, Biggs

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Councilmember, Chico

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Vice Mayor, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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
March 1-2	CAPCOA Prescribed Burning Training	Redding
March 6	Air and Land Managers (ALM) Meeting	Zoom
March 7	Lawn and Garden Program Prep Meeting	Zoom
March 8	CAPCOA Board Meeting	Zoom
March 9	CAPCOA Legislative Committee Meeting	Zoom
March 9	QEEPS Meeting	Willows
March 9	Carl Moyer / FARMER Dealer Meeting	Chico
March 14	Community Meeting	Chico
March 15	Technical Advisory Committee Meeting	Zoom
March 15	Community Air Protection Program - Online Community Meeting	Zoom
March 23	Community Meeting	Thermalito
March 23	Butte County AQMD Board Meeting	Chico
March 25	Grazing Festival	Paradise
March 27-30	Grants Retreat	Riverside
March 30	CA Wildfire & Forest Resilience Task Force Meeting	Zoom
March 31	Cesar Chavez Day – Office Closed	
April 3-9	Oil and Gas Training	Colusa
April 5	Fire Safe Council Meeting	Paradise
April 12-13	EPA RWS Workshop	Remote
April 12-13	CAPCOA Enforcement Managers Meeting National	Placer
April 17-21	Air Toxics Conference	Chicago
April 19-20	CAPCOA Rural Committee Meeting	TBD
April 24-25	CAPCOA Engineering Managers Meeting	Zoom
April 27	Butte County AQMD Board Meeting	Chico

Agenda Item 3.4

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PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023

Board Consideration: March 23, 2023

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Cora Collins, Clerk of the Board

Re: **Status Report on Communications.**

ISSUE:

Recent Governing Board correspondence.

Letter dated January 20, 2023, Notification of Nominations – 2023 Elections SDRMA Board of Directors (attached).

Oroville representative:

- Vice Mayor Eric Smith, Primary
- Mayor David Pittman, Alternate

The Budget and Finance Committee, Board Member Tryon and Board Member Winslow, met with Stephen Ertle and Aleah Ing on February 23, 2023, at the BCAG Boardroom.

The Executive Committee, Board Member Ritter, Board Member Calderon and Board Member Tryon, met with Stephen Ertle on March 6, 2023, at the District Office.

ACTION REQUESTED:

None. For information only.

Attachment:

Letter dated January 20, 2023, Notification of Nominations – 2023 Elections SDRMA Board of Directors.

Agenda Item 3.5

Notification of Nominations – 2023 Election
SDRMA Board of Directors

RECEIVED

January 18, 2023

Ms. Tami Ritter
Chair
Butte County Air Quality Management District
629 Entler Avenue, Suite 15
Chico, California 95928

JAN 20 2023

Butte County AQMD

Dear Ms. Ritter:

Notice of Nominations for the Special District Risk Management Authority (SDRMA) Board of Directors 2023 Election is being provided in accordance with the SDRMA Sixth Amended and Restated Joint Powers Agreement. The following nomination information has been posted to the SDRMA website: Nomination Packet Checklist, Board of Director Fact Sheet, Nomination/Election Schedule, SDRMA Election Policy No. 2022-06, Sample Resolution for Candidate Nomination and Candidate Statement of Qualifications.

General Election Information - Three (3) Directors seats are up for election. The nomination filing deadline is Monday, May 1, 2023. Nomination submissions must be received by 4:30 pm at the SDRMA office on May 1, 2023, in original format with wet signatures. *Digital/Electronic signatures will not be accepted.* Ballots will be mailed to all SDRMA member agencies in mid-May. Mail-in ballots will be due Tuesday, August 8, 2023.

Nominee Qualifications - Nominees must be a member or the agency's governing body or full-time management employee (see SDRMA Election Policy 2022-06, Section 4.1) and be an active member agency of both SDRMA's property/liability and workers' compensation programs. Candidates must be nominated by resolution of their member agency's governing body and complete and submit a "Statement of Qualifications".

Nomination Documents and Information - Nomination documents (Nominating Resolution and Candidates Statement of Qualifications) and nomination guideline information may be obtained on SDRMA's website at www.sdrma.org. To obtain documents electronically:

From the SDRMA homepage, click on the "2023 Nomination & Election Information" button. All necessary nomination documents and election information may be downloaded and printed.



Nomination Filing Deadline – Nomination documents must be received in SDRMA’s office no later than 5:00 P.M. on Monday, May 1, 2023.

Please do not hesitate to contact us memberplus@sdrma.org or 800-537-7790, if you have any questions regarding the 2023 SDRMA Board of Director Nominations or the election process.

Sincerely,
Special District Risk Management Authority

A handwritten signature in blue ink that reads 'Ellen Doughty'. The signature is written in a cursive, flowing style.

Ellen Doughty, ARM
Chief Member Services Officer

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Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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: **Board Policy - Alternative Means of Teleconferencing for Board Member Under the Brown Act.**

ISSUE:

Board policy update to establish process for administering requests for alternative means of teleconferencing for board members to ensure compliance with the Brown Act.

ACTION REQUESTED:

Accept and file.

DISCUSSION:

Governor Newsom signed Assembly Bill 2449 (Rubio), an act related to the Brown Act, into law. AB 2449 would provide for an alternative means of teleconferencing under the Brown Act.

AB 2449 establishes a new avenue for a minority of a local agency's board to meet remotely without noticing or providing public access to their remote meeting location under modified Brown Act requirements provided that the agency abides by the strict substantive and procedural requirements within the legislation and a quorum of the board meets in-person. Local agencies may avail themselves of the alternative agenda posting and teleconference requirements, potentially making it easier for local agency board members to participate in a meeting remotely under certain circumstances that would've otherwise precluded that participation.

Upon acceptance, this Policy will be included in the District's Administrative Code, Part A Section 10.

Attachments:

Board Member Teleconferencing Policy

Notification of Remote Board Meeting Attendance Form

Agenda Item 3.6

10.3 Board Member Teleconferencing Policy

The foregoing policy ("Policy") shall govern the Butte County Air Quality Management District's (Agency) use of teleconferencing for the attendance at Meetings of the members of its Legislative Bodies. The Global Teleconference Policies (Article III) and Standard Teleconferencing Procedures (Article IV) shall apply in all instances, except when (1) a Board member has either "just cause" or an "emergency circumstance" so as to permit the use the Expanded Teleconferencing Procedures (Article V) or (2) a State of Emergency issued by the California Governor is in effect sufficient to trigger the use of the Emergency Teleconferencing Procedures (Article VI).

10.3.1 Definitions:

Unless otherwise defined herein, the following definitions shall apply to this policy:

Agency: shall refer to the public agency that is the subject of this Policy.

Brown Act / Ralph M. Brown Act: shall reference to Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the California Government Code, known as the "Ralph M. Brown Act" pursuant to Government Code section 54950.5, as such shall be amended from time to time.

Legislative Body: shall have the same meaning as provided by Government Code section 54952, including the Agency's governing board.

Member: shall have the same meaning as provided by Government Code section 54952.1.

Meeting: shall have the same meaning as provided by Government Code section 54952.2.

State: shall mean the State of California.

State of Emergency: shall mean a state of emergency proclaimed by the California Governor or such others as may be empowered pursuant to Section 8625 of the California Emergency Services Act, as set forth in Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2 of the California Government Code.

Teleconferencing: attendance from different locations, other than the physical location of a meeting, by way of an audio device, whether it be telephone, audio-only internet connection, or otherwise.

Videoconferencing: attendance from different locations, other than the physical location of a meeting, by way of a dual audio and visual device, whereby participants can be both seen and heard. For purposes of this policy, videoconferencing may include attendance by way of a single device or software package, or attendance via an audio-device with synced camera or webcasting.

10.3.2 Global Teleconferencing Policies:

At the discretion of the Legislative Body and/or the General Manager, any employee, consultant, vendor, or individual presenting or attending a Meeting of a Legislative Body, other than a Member of the Legislative Body, shall be permitted to attend via teleconference or videoconference without compliance with the rules or conditions set forth herein. Members of a Legislative Body, inclusive of the governing board members and other committees or bodies required to comply with the Brown Act, may only participate via teleconference or videoconference as permitted by the foregoing policies.

To the extent a Member desires to attend a Meeting via teleconference or videoconference, the Member shall generally be required to comply with the foregoing "Standard Teleconferencing Procedures" (Article IV) unless the circumstances exist to justify the use of the "Expanded Teleconferencing Procedures" (Article V) or "Emergency Teleconferencing Procedures" (Article VI).

A Member not in compliance with any such procedures, as applicable, shall not be permitted to attend a Meeting via Teleconference or Videoconference for any purpose, whether to participate in or listen to such meeting.

In all instances in which a Member is attending a Meeting via teleconference or videoconference, teleconferencing or videoconferencing, the Legislative Body shall:

1. Take all votes by roll-call;
2. Conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and public appearing before the Legislative Body;
3. Provide notice and post agendas as otherwise required by the Brown Act;
4. Permit members of the public access to the meeting and an opportunity to address the Legislative Body as required by the Brown Act.

10.3.3 Standard Teleconferencing Procedures:

A Member may attend a Meeting via teleconference or videoconference if the following conditions are satisfied:

1. At least a quorum of the members of the Legislative Body participate in the meeting from locations within the boundaries of the agency;
2. The agenda posted for the Meeting is posted at all teleconference locations, each of which are identified in the notice and the agenda for the meeting;
3. Each teleconference location is accessible to the public, and the public is permitted to comment at each teleconference location.

10.3.4 Expanded Teleconferencing Procedures (Effective Through January 1, 2026):

A Member may attend a Meeting via videoconference only (teleconference will not be permitted under these procedures), without the need to comply with the Standard Teleconferencing Procedure requirements to notice and post at the agenda locations or make such locations accessible to the public, if the following conditions are satisfied:

1. At least a quorum of the members of the Legislative Body participate in-person from a single physical location accessible to the public, which is within the boundaries of the agency and clearly identified in the posted agenda;
2. The public is permitted to attend the meeting either by teleconference or videoconference in a manner such that the public can remotely attend and offer real-time comment during the meeting;
3. Notice of the means by which the public can remotely attend the meeting via teleconference or videoconference and offer comment during the meeting is included within the posted agenda;
4. The Member(s) attending remotely have either "just cause" or an "emergency circumstance" that justifies their attendance via videoconference.
 - a. A Member shall only have "just cause" for remote attendance if such participation is for one of the following reasons:
 - i. To provide childcare or caregiving need to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner, with such terms having the same meaning as those terms are defined in Government Code section 12945.2;
 - ii. Due to a contagious illness that prevents the Member from attending in-person;
 - iii. Due to a need related to a physical or mental disability as defined in Government Code sections 12926 and 12926.1 not otherwise accommodated; and

- iv. Due to travel while on official business of the Legislative Body or another state or local agency;
 - b. A Member shall have an “emergency circumstance” if such participation is due to a physical or family medical emergency that prevents the Member from attending in person.
5. The Member(s) have not attended a meeting remotely on the basis of “just cause” for more than two (2) meetings in the current calendar year; and
6. The Member(s) have not attended a meeting remotely on the basis of “just cause” or “emergency circumstance” for more than three (3) consecutive months or more than 2 [agency to number that would be 20% of the regular meetings of an agency in a calendar year, rounded down to nearest whole number] in a calendar year.
7. The Legislative Body has, and has implemented, a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the Legislative Body shall also give notice of the procedure for receiving and resolving requests for accommodation.

In order to utilize the Expanded Teleconference Procedures, a Member shall:

1. For a “just cause” circumstance, notify the Legislative Body at the earliest opportunity, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstance relating to their need to appear remotely at the given meeting;
2. For an “emergency circumstance,” request to participate at a meeting due to an “emergency circumstance” as soon as possible, preferably before the posting of the agenda but up to the start of the meeting, with such request including a general description of the circumstances relating to their need to appear remotely at the given meeting, though any description for emergency circumstances need not exceed 20 words and need not include any medical diagnosis or disability or personal medical information exempt from disclosure by law;
3. The Member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the Member’s relationship with such individuals;
4. Participate through videoconferencing, with both audio and visual technology.

Upon receipt of a request from a Member to utilize the Expanded Teleconference Procedures, the Legislative Body shall:

1. Take action by majority vote on a request to participate remotely due to an “emergency circumstance” at its earliest opportunity, which may be taken as a noticed agenda item or as an added item if sufficient time was not provided to place the proposed action on the agenda;
2. In the event of a disruption that prevents the broadcast of the meeting to members of the public, or in the event of a disruption within the Agency’s control that prevents members of the public from offering public comment using the teleconferencing or videoconferencing options, take no further action during a meeting until such access is restored.

10.3.5 Emergency Teleconferencing Procedures (Effective Through January 1, 2024):

Notwithstanding the Standard Teleconferencing Procedures, a Legislative Body may elect to use these “Emergency Teleconferencing Procedures” to allow teleconferencing if any of the following circumstances apply:

1. The Legislative Body holds a meeting during a proclaimed State of Emergency and state or local officials have imposed or recommended measures to promote social distancing;
2. The Legislative Body holds a meeting during a proclaimed State of Emergency for the purpose of determining, by a majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
3. The Legislative Body holds a meeting during a proclaimed State of Emergency and the Legislative Body has determined, by majority vote, that as a result of the emergency, meeting in person would present imminent risks to the health and safety of attendees.

If utilizing the Emergency Teleconferencing Procedures, the Legislative Body shall:

1. Give notice in the agenda for such Meeting of the means by which members of the public may access the meeting and offer public comment via a teleconferencing or videoconferencing option, which shall include an opportunity for public comment in real-time;
2. In the event of a disruption that prevents the broadcast of the meeting to members of the public, or in the event of a disruption within the Agency's control that prevents members of the public from offering public comment using the teleconferencing or videoconferencing options, take no further action during a meeting until such access is restored.
3. [Policy Should be Amended To Reflect Applicable Circumstance for Agency]:
 If agency provides a timed public comment period: not close the public period for an agenda item, or the opportunity to register to comment, until that timed comment period has elapsed; If agency has no timed public comment period, but takes public comment separately on each agenda item: allow a reasonable amount of time per agenda item to allow members of the public the opportunity to provide public comment, including time for members of the public to register to comment or otherwise be recognized for the purpose of providing public comment; If agency provides a general public comment period for all agendized items: not close the public comment period, or the opportunity to register to comment, until the timed general public comment period has elapsed.

The Legislative Body may continue use of the Emergency Teleconferencing Procedures for as long as the State of Emergency remains active, provided that, not later than 30 days after teleconferencing for the first time, and every 30 days thereafter, the Legislative Body finds by majority vote that:

1. The Legislative Body has reconsidered the circumstance of the State of Emergency; and
2. Any of the following circumstances exist:
 - a. The State of Emergency continues to directly impact the ability of the members to meet safely in person; or
 - b. State or local officials continue to impose or recommend measures to promote social distancing.

In the event of the use of these Emergency Teleconferencing Procedures, it shall not be necessary for the Agency to provide a physical location from which the public may attend or comment.

10.3.6 Miscellaneous Provisions:

With respect to the Standard Teleconferencing Procedures, Expanded Teleconferencing Procedures, and Emergency Teleconferencing Procedures set forth herein, such are intended to comply with Government Code sections 54953(b), (f), and (e), respectively, and, as such, in the event of a conflict between this Policy and such statutory provisions, the statutory provisions shall control and be implemented as if set forth in full in this Policy.



Name:

Today's Date:

Board Meeting Date:

NOTIFICATION OF REMOTE BOARD MEETING ATTENDANCE

Directors may not attend a meeting remotely on the basis of Just Cause or Emergency Circumstances for more than three (3) consecutive months or more than 20% (up to four) meetings in a calendar year.

JUST CAUSE

Each Director is responsible for notifying the APCO and Clerk of the Board at the earliest opportunity possible (including at the start of a regular meeting) of the need to participate remotely for Just Cause. Remote participation for Just Cause reasons shall not be utilized by any Director for more than two (2) meetings per calendar year.

Just Cause means any of the following:

- A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.
- A contagious illness that prevents a member from attending in person.
- A need related to a physical or mental disability not otherwise accommodated.
- Travel while on official business of the legislative body or another state or local agency.

A general description (typically not to exceed 20 words) of the circumstances relating to the need to appear remotely at the meeting **must** be included:

EMERGENCY CIRCUMSTANCES

Each Director is responsible for notifying the APCO and Clerk of the Board as soon as possible (preferably before the posting of the agenda but up to the start of the meeting) of the need to participate remotely due to Emergency Circumstances.

Emergency Circumstances means the following: A physical or family medical emergency that prevents a member from attending in person.

A general description (typically not to exceed 20 words) of the circumstances relating to the need to appear remotely at the meeting **must** be included. The general description of the circumstances does not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act.



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Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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: **Notice of Butte County Association of Governments Transportation Grant Support Letter.**

ISSUE:

Butte County Association of Government Transportation Grant Support Letter.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

The District submitted a support letter for BCAG's application for transportation grant funds in February. This is provided as notification of submission of the support letter.

Attachment:

Butte County Association of Government FY 2023 RAISE Grant Application for North Valley Rail Project letter dated February 28, 2023

Agenda Item 3.7



February 28, 2023

The Honorable Pete Buttigieg
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590-0001

RE: Butte County Association of Government (BCAG) FY2023 RAISE Grant Application for North Valley Rail Project

Dear Secretary Buttigieg:

I am writing on behalf of the Butte County Air Quality Management District (District) to express full support of the Butte County Association of Governments' (BCAG) application under the FY 2023 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) transportation grant program for the North Valley Rail Project.

The North Valley Rail Project will extend daily Intercity and Commuter passenger rail service to the urbanized areas of Chico, Marysville/Yuba City, and will also serve rural areas of persistent poverty and disadvantaged communities that make up 87% of the project area between the City of Chico and the City of Natomas.

The North Valley Rail project proposes to extend the Amtrak San Joaquin and the Altamont Corridor Express from the City of Natomas to the City of Chico, and will provide 4 round trips per day to Sacramento where connections can be made to the State's High Speed Rail service, the Bay Area and the San Joaquin Valley.

Butte County is currently in nonattainment for state and federal ambient air quality standards for ground-level ozone. The District supports the efforts of BCAG to plan for passenger rail options as this type of service may reduce vehicle emissions throughout the Sacramento Valley and in Butte County.

If awarded the \$5 million FY 2023 RAISE Grant, BCAG will fund the preparation of preliminary engineering and state/federal environmental documents for the North Valley Rail project in cooperation with Caltrans Division of Rail & Mass Transit, the San Joaquin Joint Powers Agency (SJJPA)/San Joaquin Regional Rail Commission (SJRRC), Union Pacific Railroad, Butte County, Yuba County, Sutter County, other public and community based organizations, and the public.

The District enthusiastically supports BCAG's application for funding under the FY 2023 RAISE grant program for the North Valley Rail Project. Thank you again for your consideration of this important project. If you have any questions, please feel free to contact me at 530-332-9400 x113.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Ertle', with a stylized flourish at the end.

Stephen Ertle
Air Pollution Control Officer

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TAMI RITTER, CHAIR
Supervisor, District #3

ANGEL CALDERON, VICE CHAIR
Councilmember, Gridley

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ADDISON WINSLOW
Councilmember, Chico

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Vice Mayor, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023
Board Consideration: March 23, 2023

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 2021-2022.**

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 will formally be presenting the audit before your Board at the March 23rd 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 20/21	Audited FY 21/22	Change
Operating Expenditures	1,564,526.00	2,151,258.00	586,732.00
Grant Pass Through	2,065,433.00	2,957,762.00	892,329.00
Total	3,629,959.00	5,109,020.00	1,479,061.00

Attachments:

Fiscal Audit for FY 2021-2022

Smith & Newell Letter, Conclusion of Audit

Agenda Item 5

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**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE
CONCLUSION OF THE AUDIT**

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

We have audited the financial statements of the governmental activities and the major fund of Butte County Air Quality Management District (District) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you during the planning of our audit. Professional standards also require that we communicate to you the following information related to our audit

SIGNIFICANT AUDIT MATTERS**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. In 2021-22, the District implemented, if applicable, Governmental Accounting Standards Board (GASB) Statement Nos. 87, 89, 92, 93, and 97. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements are depreciation of capital assets, net pension liability and net OPEB liability.

Management's estimate of depreciation is based on estimated or actual historical cost and the useful lives of such assets. Management's estimate of the net pension liability and the net OPEB liability is based on actuarial reports. We evaluated the key factors and assumptions used to develop the District's estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

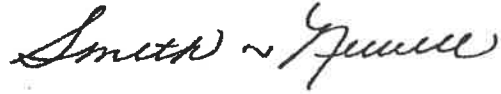
Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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

RESTRICTION ON USE

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in black ink.

Smith & Newell CPAs
Yuba City, California
February 21, 2023

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

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

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BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Annual Financial Report
For the Year Ended June 30, 2022

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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, 2022

Board of Directors

Bill Connelly	County of Butte
Debra Lucero	County of Butte
Tami Ritter	County of Butte
Tod Kimmelshue	County of Butte
Doug Teeter	County of Butte
John Busch	City of Biggs
Alex Brown	City of Chico
Angel Calderon	City of Gridley
Chuck Reynolds	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, 2022, 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, 2022, 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 these 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.

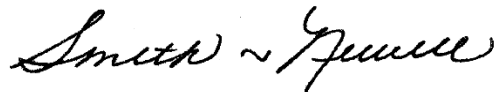
Other Information

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 February 21, 2023, 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
February 21, 2023

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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, 2022

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, 2022.

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

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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 \$312,136 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 \$5,197,200. 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 \$260,613. This account represents primarily amounts due from the state but not received by June 30, 2022.

The District also reports accounts payable of \$3,060,820. With the majority representing Grants that are contracted but had not been expended at year-end.

The District's Net Position decreased overall to \$312,136 during the current FY, compared to the prior year \$716,844 and is explained further in the Financial Analysis of the District's Governmental Fund, which follows. This decrease and the most significant variance are due to a decrease in restricted grant funds.

Comparing the original FY 21/22 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.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Condensed Statement of Net Position

	2022	2021
Assets:		
Current assets	\$ 5,457,813	\$ 4,611,005
Non-current assets:		
Lease Deposit	4,100	4,100
Capital assets, net	510,634	12,522
Total Assets	5,972,547	4,627,627
Deferred Outflows of Resources:		
Deferred outflows related to pension and OPEB	576,770	378,337
Liabilities:		
Current liabilities	3,750,900	2,156,043
Non-current liabilities:		
Due within one year	98,433	44,146
Due in more than one year	1,553,857	1,918,611
Total Liabilities	5,403,190	4,118,800
Deferred Outflows of Resources:		
Deferred inflows related to pension and OPEB	833,991	170,320
Net Position:		
Investment in capital assets	27,044	12,522
Restricted	963,375	1,831,766
Unrestricted	(678,283)	(1,127,444)
Total Net Position	\$ 312,136	\$ 716,844

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Condensed Statement of Activities

	2022	2021
Revenues:		
Program revenues:		
Licenses and permits	\$ 511,485	\$ 497,625
Fines, forfeitures and penalties	50,155	28,717
Operating grants and contributions	3,244,994	1,950,078
General revenues:		
Investment income	2,182	7,372
Miscellaneous revenue	15,943	131,094
Total Revenues	3,824,759	2,614,886
Expenses:		
Health and sanitation	4,226,289	3,798,597
Interest on long-term debt	3,178	-
Change in net position	(404,708)	(1,183,711)
Net Position - Beginning	716,844	1,900,555
Net Position - Ending	\$ 312,136	\$ 716,844

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, 2022, the District reported an ending fund balance of \$1,583,973 a decrease of \$870,989 compared to the \$2,454,962 fund balance from the prior year. This decrease 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 2021/22	FY 2020/21
Total revenues	\$ 3,701,819	\$ 2,614,886
Total expenditures	5,109,020	3,629,959
Revenues less expenditures	\$ (1,407,201)	\$ (1,015,073)

Total revenue (see above) primarily consisting of State subvention (2%), local permit fees (14%), civil penalties (1%), DMV Surcharges (20%), direct grants such as 105, AB617, GHG (5%), pass through grants such as Carl Moyer, CAP, FARMER (52%), and Implementation Funds of (7%). Revenue increased \$1,086,933 compared to FY 20/21 primarily due to pass through grant funding.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Total expenditures were \$5,109,020, an increase of \$1,479,061 from the prior year. This expenditure increase was primarily due to the timing of grant disbursements, purchase of a vehicle, replaced AC unit and increased expenses due to inflation.

Capital Assets and Debt Administration

Capital Assets

At the end of the current FY, the District had net capital assets, comprised of vehicles totaling \$29,892 and the right to use building of \$480,742.

Debt Administration

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

Economic Factors and 22/23 FY's Budget

The District is committed to pursuing grant opportunities as financial incentives to public and private entities to reduce air pollution. Approximately 38% of the proposed budgeted expenditures are for pass-through grants, with 19% of the proposed operating budget being funded by grant implementation funds. The District adopted a program cost recovery policy and will propose revenue adjustments to reduce operation reliance on grant revenues.

The following economic factors were considered in preparing the District's financial plan for FY 22/23:

- 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, 2022

	<u>Total Governmental Activities</u>
ASSETS	
Cash and investments	\$ 5,197,200
Receivables:	
Accounts	11,638
Intergovernmental	248,975
Lease deposit	4,100
Capital assets:	
Depreciable, net	<u>510,634</u>
Total Assets	<u>5,972,547</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	329,536
Deferred OPEB adjustments	<u>247,234</u>
Total Deferred Outflows of Resources	<u>576,770</u>
LIABILITIES	
Accounts payable	3,060,820
Salaries and benefits payable	18,270
Unearned revenues	671,810
Long-term liabilities:	
Due within one year	98,433
Due in more than one year	481,009
Net pension liability	760,188
Net OPEB liability	<u>312,660</u>
Total Liabilities	<u>5,403,190</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	812,719
Deferred OPEB adjustments	<u>21,272</u>
Total Deferred Inflows of Resources	<u>833,991</u>
NET POSITION	
Net investment in capital assets	27,044
Restricted for:	
Health and sanitation	963,375
Unrestricted	<u>(678,283)</u>
Total Net Position	<u><u>\$ 312,136</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, 2022**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<u>Functions/Programs:</u>				<u>Total Governmental Activities</u>	
Governmental activities:					
Health and sanitation	\$ 4,226,289	\$ 561,640	\$ 3,244,994	\$ -	\$ (419,655)
Interest on long-term debt	3,178	-	-	-	(3,178)
Total Governmental Activities	<u>4,229,467</u>	<u>561,640</u>	<u>3,244,994</u>	<u>-</u>	<u>(422,833)</u>
Total	<u>\$ 4,229,467</u>	<u>\$ 561,640</u>	<u>\$ 3,244,994</u>	<u>\$ -</u>	<u>(422,833)</u>
General revenues:					
Interest and investment earnings					2,182
Miscellaneous revenues					15,943
Total General Revenues					<u>18,125</u>
Change in Net Position					(404,708)
Net Position - Beginning					<u>716,844</u>
Net Position - Ending					<u>\$ 312,136</u>

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

Basic Financial Statements

- **Fund Financial Statements**

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BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Balance Sheet
Governmental Fund
June 30, 2022

	Operating Fund
ASSETS	
Cash and investments	\$ 5,197,200
Receivables:	
Accounts	11,638
Intergovernmental	248,975
Total Assets	\$ 5,457,813
LIABILITIES	
Accounts payable	\$ 3,060,820
Salaries and benefits payable	18,270
Unearned revenues	671,810
Total Liabilities	3,750,900
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	122,940
Total Deferred Inflows of Resources	122,940
FUND BALANCE	
Restricted	963,375
Assigned	320,255
Unassigned	300,343
Total Fund Balance	1,583,973
Total Liabilities and Fund Balance	\$ 5,457,813

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, 2022

Total Fund Balance - Total Governmental Fund	\$ 1,583,973
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.	29,892
Right to use capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	480,742
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	122,940
Deferred outflows of resources related to pension and OPEB are not reported in the governmental fund.	576,770
Deferred inflows of resources related to pension and OPEB are not reported in the governmental fund.	(833,991)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.	
Lease payable	(483,590)
Compensated absences	(95,852)
Net pension liability	(760,188)
Net OPEB liability	(312,660)
	(1,352,280)
Net Position of Governmental Activities	\$ 312,136

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, 2022

	Operating Fund
REVENUES	
Licenses and permits	\$ 511,485
Fines, forfeitures and penalties	50,155
Use of money and property	2,182
Intergovernmental	3,122,054
Other revenues	15,943
	<u>3,701,819</u>
Total Revenues	3,701,819
EXPENDITURES	
Current health and sanitation:	
Salaries and benefits	1,306,999
Communication	13,745
Household	5,245
Insurance	12,455
Maintenance	33,828
Membership dues and subscriptions	2,989
Office	27,820
Professional services	56,392
Public awareness	1,727
Publications and legal notices	2,696
Rents and leases	39,770
Training	8,864
Travel and transportation	11,566
Fuel	2,762
Utilities	7,416
Contributions to other agencies	2,957,762
Debt service:	
Principal	52,622
Interest and other charges	3,178
Capital outlay	561,184
	<u>5,109,020</u>
Total Expenditures	5,109,020
Excess of Revenues Over (Under) Expenditures	(1,407,201)
OTHER FINANCING SOURCES (USES)	
Debt proceeds	536,212
	<u>536,212</u>
Total Other Financing Sources (Uses)	536,212
Net Change in Fund Balance	(870,989)
Fund Balance - Beginning	<u>2,454,962</u>
Fund Balance - Ending	<u><u>\$ 1,583,973</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, 2022

Net Change in Fund Balance - Total Governmental Fund \$ (870,989)

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.

Expenditures for capital outlay	24,972
Capital outlay related to the right to use capital assets	536,212
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	52,622
Proceeds related to the right to use capital assets	(536,212)

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 therefore are not reported as revenues in the governmental funds.

Change in unavailable revenues	122,940
--------------------------------	---------

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	6,494
Change in deferred outflows of resources related to OPEB	191,939
Change in deferred inflows of resources related to pension	(661,771)
Change in deferred inflows of resources related to OPEB	(1,900)

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	(7,561)
Change in net pension liability	770,445
Change in net OPEB liability	31,173

Change in Net Position of Governmental Activities \$ (404,708)

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

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, 2022

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, 2022

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, 2022.

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, 2022

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. 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.

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.

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.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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, 2021
Measurement Period	July 1, 2020 to June 30, 2021

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

Statement No. 92, Omnibus 2020. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

P. Future Accounting Pronouncements

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

Statement No. 91 “Conduit Debt Obligations” The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)

Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

Statement No. 96 “Subscription-Based Information Technology Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

NOTE 2: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2022, the District’s cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 200
Deposits (less outstanding checks)	<u>3,991,120</u>
Total Cash	<u>3,991,320</u>
Investments:	
Local Agency Investment Fund (LAIF)	<u>1,205,880</u>
Total Investments	<u>1,205,880</u>
Total Cash and Investments	<u>\$ 5,197,200</u>

B. Cash

At year end, the carrying amount of the District’s cash deposits (including amounts in checking and savings accounts) was \$3,991,120 and the bank balance was \$4,056,178. 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, 2022

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, 2022, 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>1,205,880</u>			
Total Investments	<u>\$ 1,205,880</u>			

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022 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, 2022 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, 2022, the District's investment in LAIF valued at amortized cost was \$1,205,880 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 \$234.5 billion. Of that amount, 98.12 percent is invested in non-derivative financial products and 1.88 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, 2022

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2022</u>
Capital Assets, Being Depreciated:				
Equipment	\$ 72,191	\$ 24,972	-	\$ 97,163
Right to use building	<u>-</u>	<u>536,212</u>	<u>-</u>	<u>536,212</u>
Total Capital Assets, Being Depreciated	<u>72,191</u>	<u>561,184</u>	<u>-</u>	<u>633,375</u>
Less Accumulated Depreciation For:				
Equipment	(59,669)	(7,602)	-	(67,271)
Right to use building	<u>-</u>	<u>(55,470)</u>	<u>-</u>	<u>(55,470)</u>
Total Accumulated Depreciation	<u>(59,669)</u>	<u>(63,072)</u>	<u>-</u>	<u>(122,741)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 12,522</u>	<u>\$ 498,112</u>	<u>\$ -</u>	<u>\$ 510,634</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

Health and Sanitation	\$ 63,072
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 \$3,027,550.

NOTE 5: UNEARNED REVENUES

At June 30, 2022, components of unearned revenues were as follows:

Operating fund	
Carl Moyer	\$ 81,002
AB 617	39,936
FARMER	365,139
Community (CAP)	<u>185,733</u>
Total	<u>\$ 671,810</u>

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Lease payable	\$ -	\$ 536,212	(\$ 52,622)	\$ 483,590	\$ 52,676
Compensated Absences	<u>88,291</u>	<u>72,826</u>	<u>(65,265)</u>	<u>95,852</u>	<u>45,757</u>
Total	<u>\$ 88,291</u>	<u>\$ 609,038</u>	<u>(\$ 117,887)</u>	<u>\$ 579,442</u>	<u>\$ 98,433</u>

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 7: 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.

NOTE 8: 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.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 8: FUND BALANCE (CONTINUED)

- **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, 2022, was distributed as follows:

	<u>Operating</u>
Restricted for:	
Carl Moyer	\$ 239,599
CAP	383,543
FARMER	340,233
Subtotal	963,375
Assigned for:	
Reserves	320,255
Subtotal	320,255
Unassigned	300,343
Total	\$ 1,583,973

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 9: 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.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 9: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Plan Description (Continued)

Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New 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 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

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, 2022, 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	50-55	1.426% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52-62	1.000% to 2.500%

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 9: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

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	10.880%	7.000%	0.000%
Miscellaneous PEPRA	7.590%	6.750%	0.000%

For the year ended June 30, 2022, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 158,376	\$ -

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2021 and 2022 was as follows:

	<u>Proportion June 30, 2021</u>	<u>Proportion June 30, 2022</u>	<u>Change – Increase (Decrease)</u>
Miscellaneous	0.03629%	0.04004%	0.00375%

As of June 30, 2022, 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	\$ 760,188
Total Net Pension Liability	<u>\$ 760,188</u>

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 9: PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2022, the District recognized pension expense of \$68,105. At June 30, 2022, 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	\$ 183,273	\$ -
Change of assumptions	-	-
Differences between expected and actual experience	85,247	-
Differences between projected and actual earnings on pension plan investments	-	(663,604)
Difference between District contributions and proportionate share of contributions	-	(149,115)
Adjustments due to differences in proportions	<u>61,016</u>	<u>-</u>
Total	<u>\$ 329,536</u>	<u>(\$ 812,719)</u>

\$183,273 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, 2023. 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>	
2023	(\$ 168,384)
2024	(159,769)
2025	(154,916)
2026	(183,387)
Thereafter	<u>-</u>
Total	<u>(\$ 666,456)</u>

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 9: PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment rate of return	7.15%
Inflation	2.50%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 9: PENSION PLAN (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.18%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100.0%</u>		

- (a) An expected inflation of 2.00% used for this period
- (b) An expected inflation of 2.92% used for this period

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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Miscellaneous	\$ 1,725,207	\$ 760,188	(\$ 37,579)

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, 2022

NOTE 10: 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, 2022, 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, 2021, the District made a contribution of \$100,000 to the CERBT trust.

B. Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2021 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, 2022

NOTE 10: 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 2021 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, 2022

NOTE 10: 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, 2021 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, 2021	\$ 386,284	\$ 42,451	\$ 343,833
Changes for the year:			
Service cost	15,799	-	15,799
Interest	21,374	-	21,374
Net investment income	-	10,708	(10,708)
Contributions - employer	-	188,192	(188,192)
Differences between expected and actual experience	117,979	-	117,979
Changes in assumptions and other inputs	12,556	-	12,556
Benefit payments	(88,192)	(88,192)	-
Administrative expense	-	(19)	19
Net changes	<u>79,516</u>	<u>110,689</u>	<u>(31,173)</u>
Balance at fiscal year ended June 30, 2022	<u>\$ 465,800</u>	<u>\$ 153,140</u>	<u>\$ 312,660</u>

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	\$ 356,902	\$ 312,660	\$ 274,437

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: 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:

	<u>1% Decrease</u> <u>(4.20%)</u>	<u>Trend Rate</u> <u>(5.20%)</u>	<u>1% Increase</u> <u>(6.20%)</u>
Net OPEB Liability	\$ 269,052	\$ 312,660	\$ 364,288

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$57,458. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Contributions subsequent to the measurement date	\$ 90,478	\$ -
Net difference between expected and actual experience	136,958	-
Changes in assumptions and other inputs	19,604	(15,841)
Net difference between projected and actual return on investments	<u>194</u>	<u>(5,431)</u>
Total	<u>\$ 247,234</u>	<u>(\$ 21,272)</u>

\$90,478 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, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Year Ended</u> <u>June 30</u>	
2023	\$ 24,259
2024	24,196
2025	23,576
2026	23,371
2027	16,839
Thereafter	<u>23,243</u>
	<u>\$ 135,484</u>

NOTE 11: 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.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: RISK MANAGEMENT (CONTINUED)

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 12: 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, 2022, 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, 2022 through February 21, 2023, 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, 2022
Last 10 Years*

Measurement Date	2013/2014	2014/2015	2015/2016
Miscellaneous			
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 eight years are shown.

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

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2022
Last 10 Years*

Fiscal Year	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Miscellaneous			
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 eight years are shown.

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

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2022

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, 2019
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, 2022
Last 10 Years*

Measurement Date	2016/2017	2017/2018	2018/2019
Total OPEB Liability			
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)
Net Change in Total OPEB Liability	25,620	13,503	86,188
Total OPEB Liability - Beginning	285,516	311,136	324,639
Total OPEB Liability - Ending (a)	\$ 311,136	\$ 324,639	\$ 410,827
Plan Fiduciary Net Position			
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)
Net Change in Plan Fiduciary Net Position	8,300	11,099	1,358
Plan Fiduciary Net Position - Beginning	-	8,300	19,399
Plan Fiduciary Net Position - Ending (b)	\$ 8,300	\$ 19,399	\$ 20,757
Net OPEB Liability - Ending (a) - (b)	\$ 302,836	\$ 305,240	\$ 390,070
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>
\$ 20,135	\$ 15,799
21,819	21,374
(22,727)	12,556
-	117,979
<u>(43,770)</u>	<u>(88,192)</u>
(24,543)	79,516
<u>410,827</u>	<u>386,284</u>
<u>\$ 386,284</u>	<u>\$ 465,800</u>
\$ 63,770	\$ 188,192
1,709	10,708
-	-
(15)	(19)
<u>(43,770)</u>	<u>(88,192)</u>
21,694	110,689
<u>20,757</u>	<u>42,451</u>
<u>\$ 42,451</u>	<u>\$ 153,140</u>
<u>\$ 343,833</u>	<u>\$ 312,660</u>
10.99%	32.88%
\$ 746,422	\$ 658,133
46.06%	47.51%

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Contributions
For the Year Ended June 30, 2022
Last 10 Years*

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

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

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

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
District OPEB Plan
Notes to District OPEB Plan
For the Year Ended June 30, 2022

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	Individual Entry Age Normal
Measurement period	
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 2021 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, 2022

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 483,450	\$ 511,420	\$ 511,485	\$ 65
Fines, forfeitures and penalties	22,000	50,155	50,155	-
Use of money and property	2,000	2,390	2,182	(208)
Intergovernmental	1,183,203	3,005,887	3,122,054	116,167
Other revenues	561,284	257,095	15,943	(241,152)
Total Revenues	<u>2,251,937</u>	<u>3,826,947</u>	<u>3,701,819</u>	<u>(125,128)</u>
EXPENDITURES				
Current health and sanitation:				
Salaries and benefits	1,493,616	1,343,616	1,306,999	36,617
Communication	16,000	16,000	13,745	2,255
Household	5,200	5,300	5,245	55
Insurance	21,130	14,076	12,455	1,621
Maintenance	58,300	43,335	33,828	9,507
Membership dues and subscriptions	6,000	6,000	2,989	3,011
Office	47,675	56,765	27,820	28,945
Professional services	79,000	57,800	56,392	1,408
Public awareness	16,200	9,200	1,727	7,473
Publications and legal notices	3,500	3,500	2,696	804
Rents and leases	57,060	57,185	39,770	17,415
Special departmental	-	-	-	-
Training	10,500	10,500	8,864	1,636
Travel and transportation	30,000	30,000	11,566	18,434
Fuel	4,000	4,000	2,762	1,238
Utilities	8,000	8,000	7,416	584
Contributions to other agencies	292,652	2,977,762	2,957,762	20,000
Debt service:				
Principal	-	-	52,622	(52,622)
Interest and other charges	-	-	3,178	(3,178)
Capital outlay	29,463	41,263	24,972	16,291
Total Expenditures	<u>2,178,296</u>	<u>4,684,302</u>	<u>4,572,808</u>	<u>111,494</u>
Net Change in Fund Balances	73,641	(857,355)	(870,989)	(13,634)
OTHER FINANCING SOURCES (USES)				
Debt proceeds (related to right to use capital assets)	-	-	536,212	536,212
Capital outlay (related to right to use capital assets)	-	-	(536,212)	(536,212)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	73,641	(857,355)	(870,989)	(13,634)
Fund Balances - Beginning	<u>2,454,962</u>	<u>2,454,962</u>	<u>2,454,962</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,528,603</u>	<u>\$ 1,597,607</u>	<u>\$ 1,583,973</u>	<u>\$ (13,634)</u>

Butte County Air Quality Management District implemented GASB No. 87 in the current fiscal year. For purposes of the Budgetary Comparison Schedule, the capital outlay related to the right to use capital asset is presented as Other Financing Uses.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2022

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.

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 21, 2023.

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.

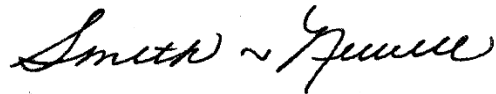
To the Board of Directors
Butte County Air Quality Management District
Chico, California

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
February 21, 2023



TAMI RITTER, CHAIR
Supervisor, District #3

ANGEL CALDERON, VICE CHAIR
Councilmember, Gridley

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ADDISON WINSLOW
Councilmember, Chico

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Vice Mayor, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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: **Contract for Laserfiche Workflow Development by UBEO Business Services.**

ISSUE:

The upcoming FARMER Grant solicitation period involves significant staff resources to process, rank, award, and track grant projects and proceeds. Development of a Laserfiche Workflow to support this process will greatly reduce staff resources for implementation of the program.

ACTION REQUESTED:

Consider Approving a Statement of Work Contract for Laserfiche Workflow Development by UBEO Business Services (formerly Ray Morgan and Company).

DISCUSSION:

UBEO Business Services is currently providing Laserfiche support to the District and has comprehensive knowledge of the existing Laserfiche program architecture. Staff began discussions with UBEO to develop a workflow to provide efficiency in implementing the upcoming year of FARMER Grant projects. The cost to develop the workflow requires Board approval. Existing surplus FARMER Grant implementation funds are available to cover the cost and have been approved by the State.

Attachment: UBEO Business Services Statement of Work

Agenda Item 6

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Statement of Work Butte County Air Quality Management District Grants Contracts

Per this agreement UBEO Inc. will provide the following deliverables to Butte County Air Quality Management District.

Template Creation: Grants Contracts

Will create a Laserfiche Template that will allow documents to be searched on and filed by custom search fields. Template will be designed with the following fields:

Field Name	Type	Notes
Company Name	Text	
Contact	Text	
Phone	Text	
Email	Text	
Address	Text	
Grant Type	List	(TBD)
Grant Status	List	Approved Rejected On Hold – No Funds
Date Grant Approved	Date	

Forms Design

Each step of the process will have an “Attach Supporting Documents” button for uploading documents when needed.

Grants Contracts Workflow

We will create a Laserfiche Forms process that will be used to route the Grants Applications through the following steps:

1. Applicant will send in the application via email or mail. The application will be attached to a Laserfiche Forms process by the **Review Team** (can consist of any number of Laserfiche users who can review). The following fields will be on the first form to be filled out:
 - Company Name, Contact, Phone, Email, Address, Project Type (I can make a list), proof of ownership (yes/no/NA), proof of 24mo historical use (yes/no/NA), itemized quote(yes/no/NA), basic project info in CARL/FARMER (yes/no/NA), application complete? (yes/no), comment box.



2. The **Review Team** will submit the form and it will then be assigned to the **Air Quality Planner**. The following field(s) will be on this form to be filled out:
 - Date Completeness Letter Sent (date).

A reminder will be sent to the **Air Quality Planner** in 20 days if the Date Completeness Letter Sent field is not populated and the form submitted on.
3. Once submitted, the **Air Quality Planner** will be assigned the form again, with additional options to choose: Calculate Cost Effectiveness at maximum project life (Yes / No / N/A), Rank Project based on program policies and procedures (Yes / No / N/A), Award Letter using Maximum CE and Award Memo using Adjusted CE prepared (Yes / No / N/A)
 - **Air Quality Planner** will have the following button options:
 - **Approved** – will email the applicant a notification of ranking and a prewritten approval letter (example in Attachment B), and the process will move to step 4 below.
 - **Rejected** - will email the applicant a notification of ranking and a prewritten rejection letter (example in Attachment B), and the process will end.
 - **On Hold/No Funds** – will email the applicant a notification of ranking and a prewritten approval but on hold letter (example in Attachment B). This selection will also move the process to a “hold” activity that will assign the **Review Team** and hold the application for X amount of time before either sending notifications to certain staff or ending the process.
4. The **Accounting Tech** will be assigned the form, with additional options to provide the Contract Number and submit.
5. The **Air Quality Planner** will be assigned the form, with additional options to provide Pre-inspection Date, W-9 received (yes/no), Proof of Liability insurance (yes/no), Proof of Workers Comp Insurance (yes/no/exempt), CBC Request? (yes/no/NA), Compliance Check? (yes/no/NA), Contract Number, Grant Amount and update CARL/FARMER system, Contract Change Form Needed? (Yes, No) if Yes, after submission this would kickoff the Change Form (Attachment C below) subprocess:
 - After submitting, the **Air Pollution Control Officer** will be assigned to approve changes.
 - Next, the **Air Quality Planner** will be assigned to enter changes into CARL database.
 - Then the **Accounting Tech** will be assigned again to enter changes into the Contract Log and Attach Minutes/Resolution.
 - Then the **Admin Services Officer** will be assigned to update budget Amendment.
6. The **Accounting Tech** will be assigned the form to review, process, and submit.
7. The **Admin Assistant** will be assigned to prepare contract signature flow, and mail Program Participant two (2) original contracts with cover letter and date field and submit.
8. The **Admin Assistant** and **Air Quality Planner** will be assigned and wait for the returned Signed Contract and attached required documents if applicable, a Received Date will need to be filled out and submitted.
9. The **Admin Services Officer** will be assigned the form, additional fields will be added: District named Additional Insured? (Yes/No/N/A), Draft Financing Terms (Yes/No/N/A), plus a signature field.
10. The **Air Pollution Control Officer** will be assigned the form, the same fields will be available: District named Additional Insured? (Yes/No/N/A), Draft Financing Terms (Yes/No /N/A), plus a signature field.



11. The **Accounting Tech** will be assigned the form to add Journal to relieve funds, Bill Customer, confirm W-9 info, Update monthly spreadsheet, and enter a Contract Execution Date.
12. The **Admin Assistant** will be assigned to email the Program Participant one (1) completed contract.
13. The **Air Quality Planner** will be assigned the form to complete post-inspections and fill out the following fields: Post-inspection (new equipment) date field, Post-Inspection (scrapped equipment) date field, final paid invoice? (yes/no), District added as Loss Payee? (yes/no/NA), warranty info? (yes/no/NA), final financing terms? (yes/no/NA), On-Road items (Junk slip, Reg., Title)? (yes/no/NA), CARL/FARMER Updated? (Yes/No), Payment Invoice Date (date field), Contract Change Form Needed? (Yes / No) and provide AERP Inspector a copy of post-inspection and wait for the Program Participant to submit final paperwork for payment (final invoice, final financing terms, additional insured and loss payee endorsement, payment request) (On-Road: Titles, Registration, DMV junk slip). Upon review of post-inspection/invoice determine if Amendment or Contract Change Form is required.
14. If Contract Change Form equals **Yes** from step 13 above, the **Accounting Tech** will be assigned the form the Contract Change Form (Attachment C below) subprocess with prepopulated information from the main contract, and the following fields will be available: Payment Date (date field), CARL/FARMER Payment Updated? (Yes, No), Fiscal Tracking? (Yes, No), Partial Payment Received (Yes/No/N/A).
 - After submitting, the **Air Pollution Control Officer** will be assigned to approve changes.
 - Next, the **Air Quality Planner** will be assigned to enter changes into CARL database.
 - Then the **Accounting Tech** will be assigned again to enter changes into the Contract Log and Attach Minutes/Resolution.
 - Then the **Admin Services Officer** will be assigned to update budget Amendment.
15. If Contract Change Form equals **No** from step 13 above, the **Admin Assistant** will be assigned with one available field called: UCC Lien on New Equipment if Needed (Yes/No/N/A).
16. If Draft Financing Terms from Step 9 above equals Yes, the **Air Quality Planner** is assigned the form to confirm payment of grant amount (if applicable – within 45 days of payment). The Document Upload section will be available to upload evidence of payment.

After submitting the final form, all forms and attachments from the process will be filed into the existing Grant folder structure.

Scope Agreement

The signed parties below agree that the above documentation is an accurate representation of labor details to be performed. Both parties agree that the Scope of Work shall not be altered without official scope amendment documentation and required project update. This document is to ensure that all mentioned deliverables and project goals are attained to client and project member specifications. Our goal as Team Members of Professional IT Services is to hold customer satisfaction as the highest standard and guarantee all project labor for (30-Days) post project completion.

Labor Amount: \$12,375 (55 Hours)– 100% billable upon signed statement of work.

Work to be completed 60 Days from Signed SOW.

- I have read this documentation and acknowledge the labor details defined above. -

UBEO Business Services

Butte County Air Quality Management District

Sign: _____

Sign: _____

Print: _____

Print: _____

Title: _____

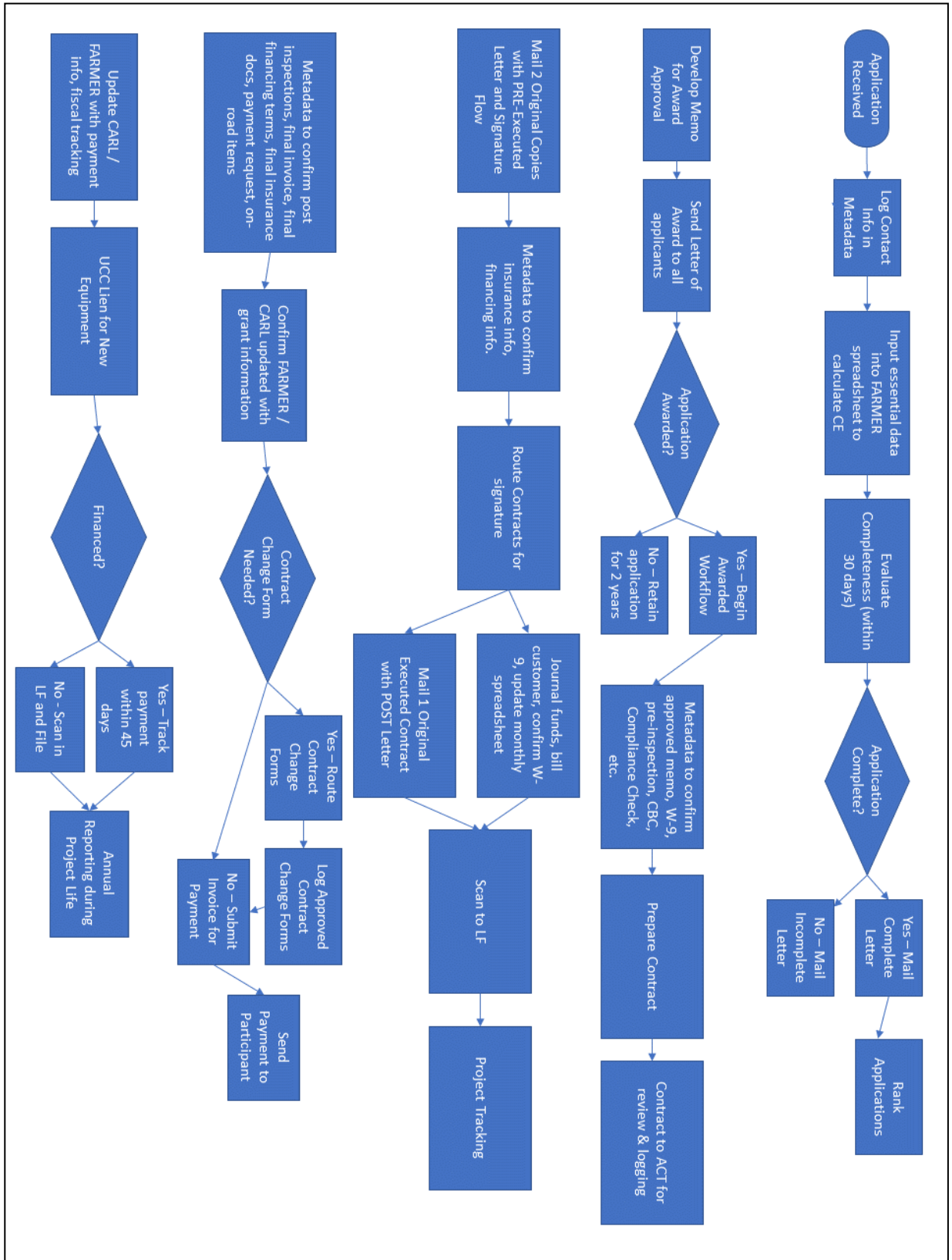
Title: _____

Date: _____

Date: _____



Attachment A



Attachment B

629 Entler Avenue, Suite 15
Chico, CA 95928

(530) 332-9400
(530) 332-9417 Fax



STEPHEN ERTL
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date: March 15, 2022
To: 2022 FARMER and Carl Moyer Program Applicants
Subject: FARMER Program FY 21/22 (Year 4) Tentative Awards
Carl Moyer Program Year 22, 23 & 24 Tentative Awards

Butte County Air Quality Management District staff has completed ranking the FARMER and Carl Moyer Program applications based on cost effectiveness (cost per ton of targeted emissions reduced). The District received 71 applications totaling \$4,672,022 in requested projects.

The allocation table on the back of this page shows the awarded projects. Note that the District's Policies and Procedures reserved eight (8) awards for on-road farm projects using FARMER Program funds. If your project has been awarded and you do not intend to accept the proposed funding amount, please contact the District by March 31, 2022 so funds can be allocated to other eligible projects. Unfunded eligible applications will be reserved until the next funding cycle in case additional funds are made available.

The awarded applicants will be mailed contracts after the District conducts pre-inspections of the existing equipment. **The District requires a fully executed grant contract prior to purchasing the new equipment. All awards are tentative and are subject to change.** Again, thank you for your participation. If you have any questions, please contact me at 530-332-9400 ext 108 or jmandly@bcaqmd.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Mandly", is written over a light blue horizontal line.

Jason Mandly
Senior Air Quality Planner



Attachment C (Change Form with Example Data)

Carl Moyer Contract Change Form

Date: 9/20/2022

Program Year 4 FARMER

Participant: Rystrom Farms Inc,

Contract #: FMR4-22-05

Check Box to Initiate new contract

Approve change in funding: (If new contract, enter amount in TO column only)

FROM:		TO:	
Grant YR	\$ Amount	Grant YR	\$ Amount
Year 4 FARMER	\$39,651.50	CM Year 23	\$36,134.50
		Unallocated	\$3,517.00
Total		Total	
	\$39,651.50		\$39,651.50

*Note: Difference between from and to funding changes will increase/decrease funds available for future allocation.

Review of available funding by (ACT) _____

Date _____

FROM

TO

Change contract term: _____

Amend Budget FY: _____

Budget Amendments require board approval.

Board Meeting Date: _____

Terminate Contract & Relieve funds for Reallocation: \$ _____

The above changes are approved:

Stephen Ertle, APCO

Date

- Changes entered into CARL dbase (AQP) _____
- Changes entered into Contract log (ACT) _____
- Attach minutes/resolution (ACT) _____
- Budget Amendment (ASO) _____

ACT - Accounting Technician
 APCO - Air Pollution Control Officer
 AQP - Air Quality Planner
 ASO - Administrative Services Officer

Form 559 Updated 11/16 CMP Contract Change Form



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TAMI RITTER, CHAIR
Supervisor, District #3

ANGEL CALDERON, VICE CHAIR
Councilmember, Gridley

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ADDISON WINSLOW
Councilmember, Chico

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Vice Mayor, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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 and Check Before You Light (CBYL) Report.

ISSUE:

District staff to provide the Annual Air Quality Summary for 2022 and report on the 2022-2023 Check Before You Light Program season.

ACTION REQUESTED:

Receive report and approve.

DISCUSSION:

The attached Air Quality Summary for 2022 provides an overview of last year's ambient air quality. The report also summarizes the District's 2022-2023 Check Before You Light Program season.

Attachment:

Annual Air Quality Summary for 2022 and Check Before You Light Program Summary for the 2022-2023 Season

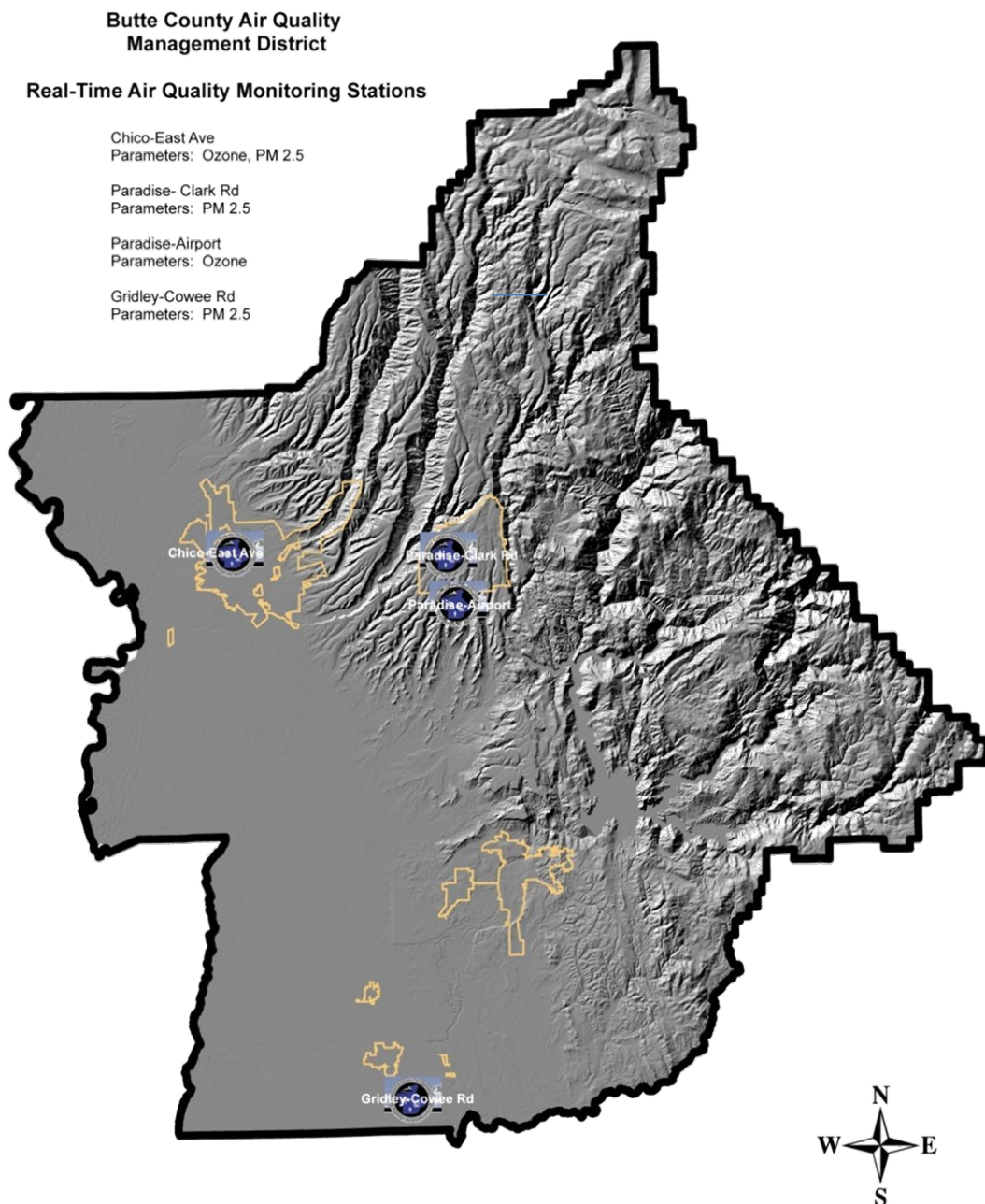
Agenda Item 7

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BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT

Air Quality Summary for 2022 and 2022 – 2023 Check Before You Light Program Summary

The following is a summary of Butte County’s air quality for 2022 and a summary of the 2022-2023 Check Before You Light Program. This document gives the reader an overview of the two (2) criteria pollutants of greatest concern - ozone (O₃) and particulate matter (PM_{2.5} and PM₁₀). The data was obtained from the official air monitoring sites located within Butte County. PM_{2.5} is monitored in Chico, South Butte County southeast of Gridley, and Paradise. Ozone is monitored in Chico and Paradise. PM₁₀ 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_{2.5}. 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_x) 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.

TABLE 1 AMBIENT AIR QUALITY STANDARDS - OZONE	
State Ozone Standard: 0.09 ppm for 1 hour, not to be exceeded. 0.07 ppm for 8 hours, not to be exceeded.	National Ozone Standards: --- 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 2022 and Figures 1 & 2 (attached) graphically show the maximum 8-hour measurements for each day in Chico and Paradise. Based on preliminary data, monitors in Chico and Paradise did not exceed the 2015 federal 8-hour ozone standard in 2022. This marks the second time (2019) that no ozone exceedances were documented at either monitoring site since the year 2000.

TABLE 2 BUTTE COUNTY OZONE AIR QUALITY DATA SUMMARY 2022 (data is still preliminary as of March 2023)		
	Chico	Paradise
Max. 1-Hour Ozone Measurement Date	0.082 ppm 10/5/2022	0.072 ppm 10/21/2022
Days Above State Std. (0.09ppm)	0	0
Max. 8-Hour Ozone Measurement	0.068 ppm 10/5/2022	0.066 ppm (tie) 6/22/2022 7/28/2022 10/15/2022 10/21/2022
4 th Highest 8-Hour Ozone Measurement (used for calculating Design Value)	0.067 ppm	0.066 ppm
Days Above State Std. (0.07ppm) – <i>rounding differs from Fed. Std.</i>	0	0
Days Above 2015 Fed. Std. (0.07ppm)	0	0

Particulate Matter (PM_{2.5})

Particulate Matter (PM_{2.5}) 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_{2.5} 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_x, sulfur oxides (SO_x), ROG, and ammonia. On an annual average basis, directly emitted PM_{2.5} emissions contribute approximately 70 percent of the ambient PM_{2.5} 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_{2.5} data and trends. Table 3 shows the State and National PM_{2.5} standards.

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

Butte County has continued to meet the federal PM_{2.5} standard since 2013 when the U. S. EPA officially recognized that Butte County’s monitoring data showed attainment of the standard. In October 2017, the District submitted a PM_{2.5} Redesignation Request and Maintenance Plan to CARB which was approved in

November 2017 and submitted to the U.S. EPA. The U. S. EPA approved the Redesignation Request and Maintenance Plan effective August 2018.

Table 4 shows the Chico, Paradise, and South Butte County PM_{2.5} monitoring summary for 2022. The Chico air monitoring station includes a continuous PM_{2.5} 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_{2.5} standards. Paradise and South Butte County monitor PM_{2.5} 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.

TABLE 4 BUTTE COUNTY PM _{2.5} AIR QUALITY DATA 2022 <i>(data is still preliminary as of March 2023)</i>			
	Chico (FEM)	Paradise (Non-FEM)	South Butte Co. (Non-FEM)
Max 24-Hour PM _{2.5} Measurement Date	42.8 ug/m ³ 9/11/2022	40.7 ug/m ³ 9/10/2022	36.6 ug/m ³ 9/11/2022
98 th Percentile 24-Hour PM _{2.5} Value (used for calculating Design Value)	25 ug/m ³	n/a	n/a
Days Above Fed. Std. (35 ug/m ³)	2	1	1
Annual Average	7.72 ug/m ³	n/a	n/a

Figures 3, 4, and 5 (attached) charts the 2022 PM_{2.5} 24-hour average data for Chico, Paradise, and South Butte County respectively. The exceedances documented at all three monitoring locations in September 2022 were due to smoke from the Mosquito Fire in El Dorado and Placer Counties. The District is working with CARB and U.S. EPA to flag and report wildfire impacts as part of the Exceptional Events process.

Particulate Matter (PM₁₀)

Particulate Matter (PM₁₀) refers to particles with an aerodynamic diameter of ten (10) microns or smaller. This measurement of particulate matter captures PM_{2.5} discussed above as well as coarser particulates that may still pose risks to human health at elevated concentrations. PM₁₀ 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 PM₁₀ standards.

TABLE 5 AMBIENT AIR QUALITY STANDARDS – PM ₁₀	
State PM₁₀ Standards: 20 µg/m ³ annual arithmetic mean not to be exceeded. 50 µg/m ³ for a 24-hour average not to be exceeded.	National PM₁₀ Standard: 150 µg/m ³ not to be exceeded more than once per year on average over 3 years.

The Chico monitoring location has the only permanent PM₁₀ monitor in Butte County. Table 6 shows the Chico PM₁₀ monitoring summary for 2022. The Chico air monitoring station includes a continuous PM₁₀ BAM that has been approved as a federal equivalency method (FEM) monitor, and therefore can be used for determining attainment with the federal PM₁₀ standards.

TABLE 6 BUTTE COUNTY PM₁₀ AIR QUALITY DATA 2022 <i>(data is still preliminary as of March 2023)</i>	
	Chico (FEM)
Max 24-Hour PM₁₀ Measurement	74 ug/m3
Date	9/10/2022
Days Above Fed. Std. (150 µg/m³)	0
Days Above State Std. (50 µg/m³)	11
Annual Average	20.0 µg/m³

There were PM₁₀ impacts throughout Butte County in September 2022 due to wildfire impacts from the Mosquito Fire. Elevated concentrations of PM₁₀ can also occur during the height of harvest season.

2022-2023 Check Before You Light Program Season

The 2022-2023 Check Before You Light (CBYL) Program was effective November 1, 2022 through February 28, 2023. 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_{2.5} health standard (35ug/m3). 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 2022-2023 CBYL season. There were also no exceedances of the federal 24-hr PM_{2.5} standard at the Chico, Paradise, or South Butte County monitoring locations during the 2022-2023 CBYL season. This was the second season in a row with these conditions (Figure 7). The District conducted outreach this season by including information about wood-burning in the Chico Enterprise-Record and the Chico News and Review during the winter season (Figure 8). The District also updated a television ad with KNVN & KHSL focusing on burning dry and well-seasoned wood.

Figure 1 - 2022 Air Quality Summary: Daily Max 8-Hour Ozone Concentrations – Chico, CA (East Avenue)

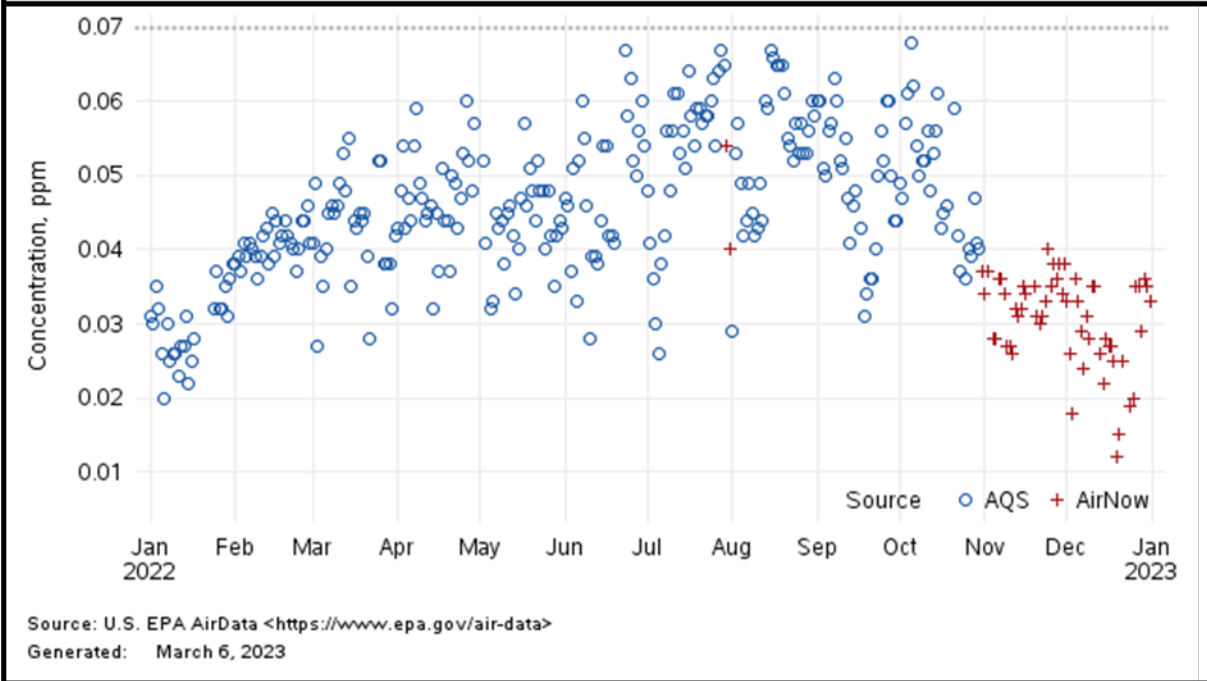


Figure 2 - 2022 Air Quality Summary: Daily Max 8-Hour Ozone Concentrations – Paradise, CA (Airport)

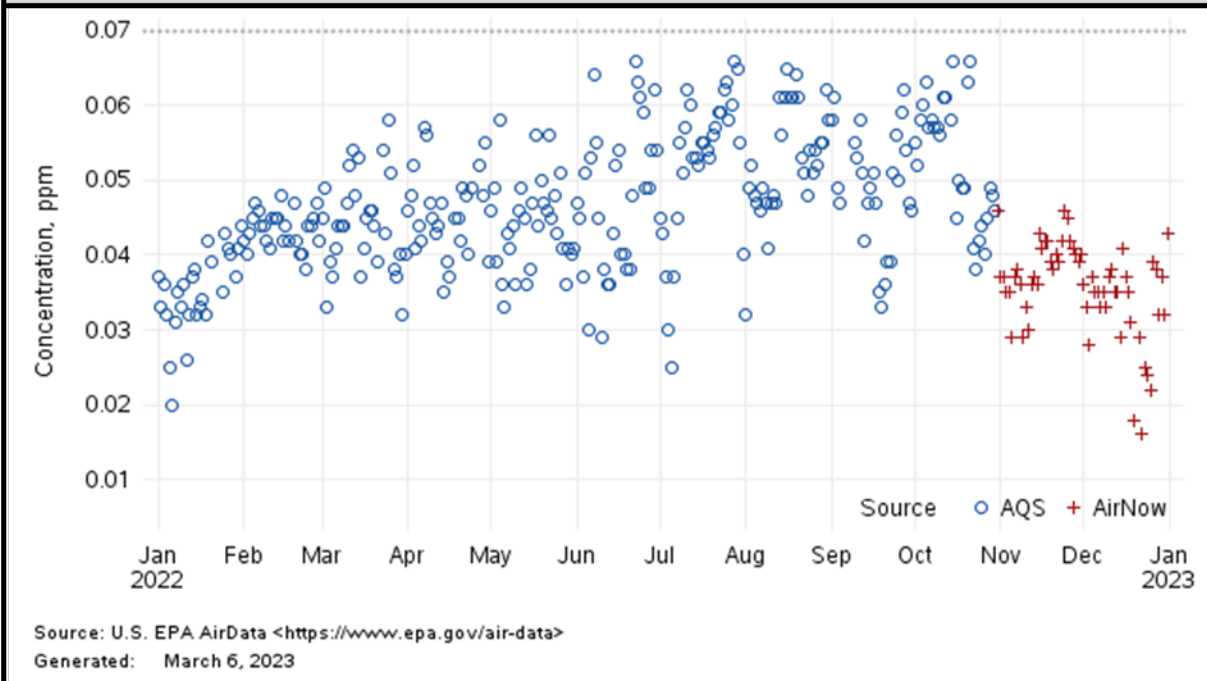


Figure 3 - 2022 Air Quality Summary: 24-hour Average PM2.5 Measurements – Chico, CA (East Avenue)

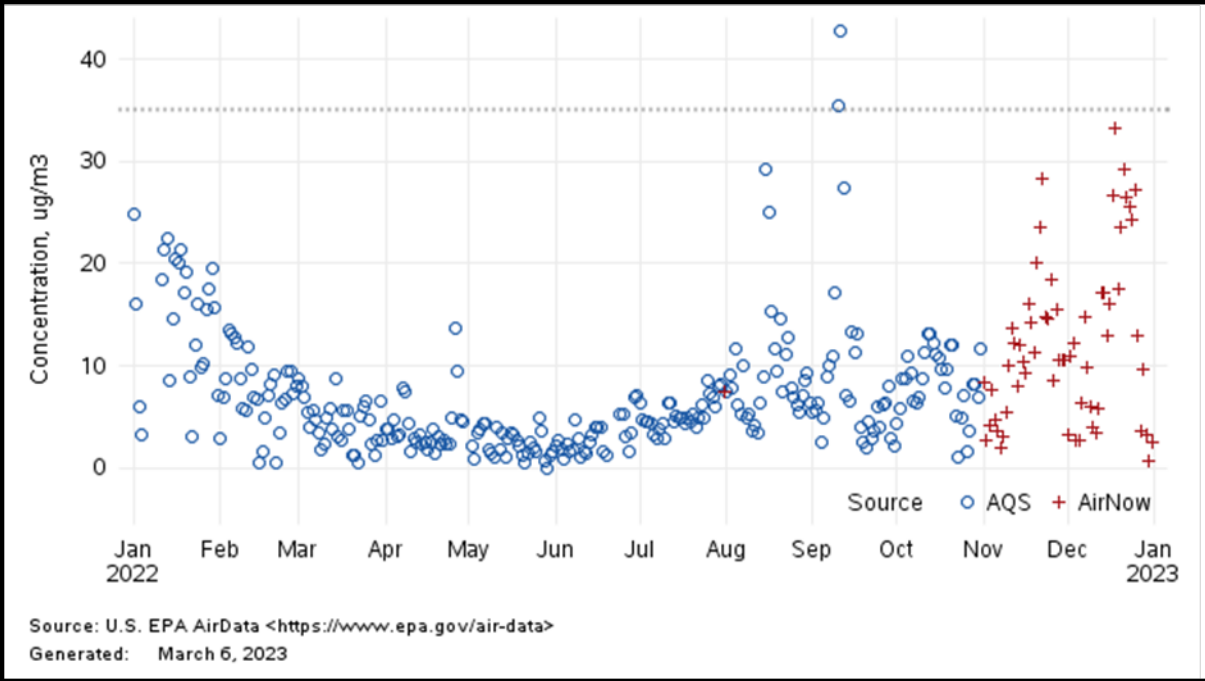


Figure 4 - 2022 Air Quality Summary: 24-hour Average PM2.5 Measurements – Paradise, CA (Airport)

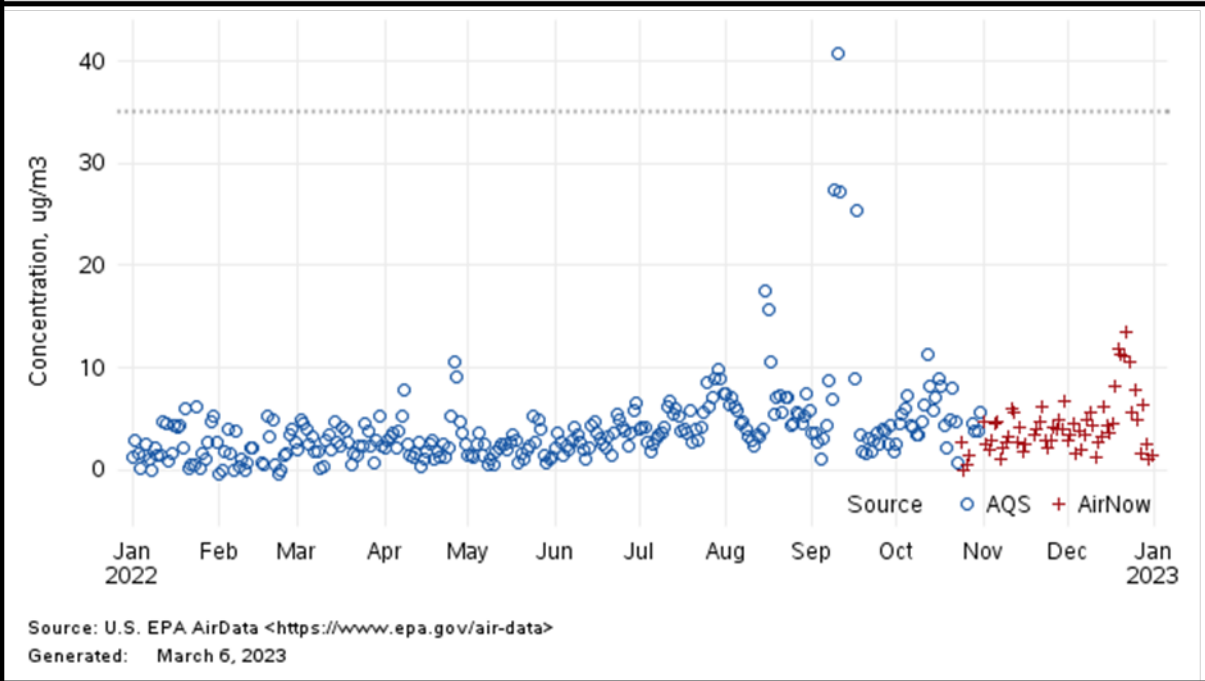


Figure 5 - 2022 Air Quality Summary: 24-hour Average PM2.5 Measurements – South Butte County (Cowee Avenue)

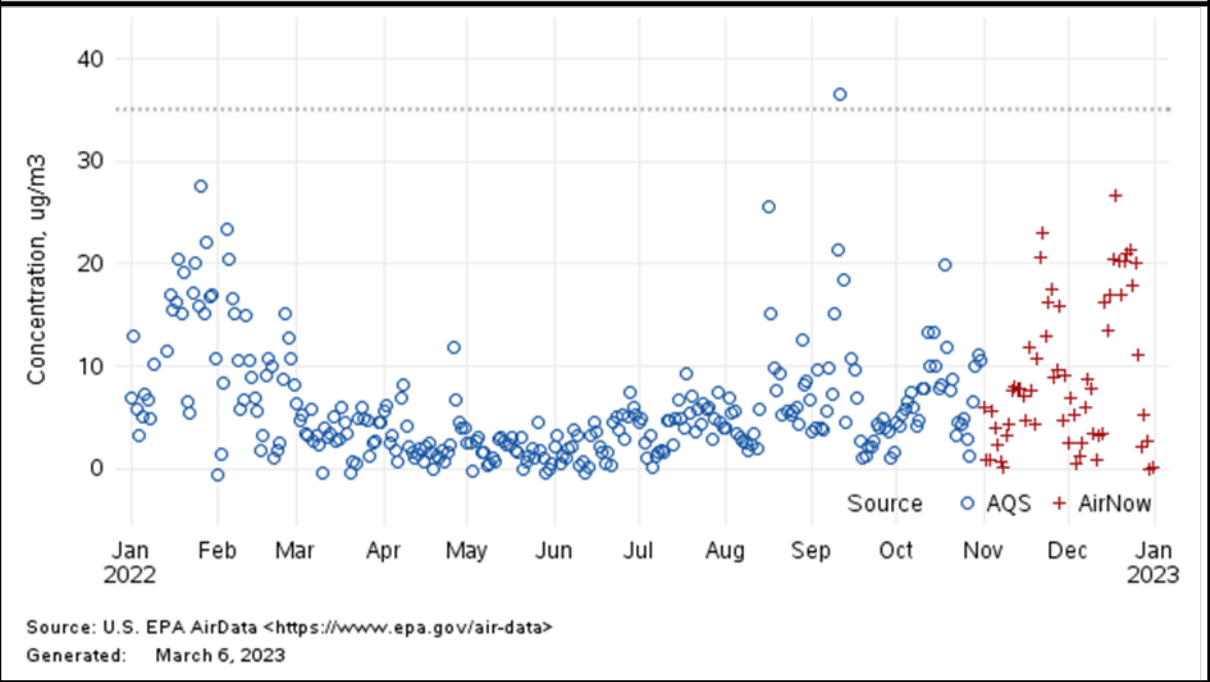


Figure 6 - 2022 Air Quality Summary: 24-hour Average PM10 Measurements – Chico, CA (East Avenue)

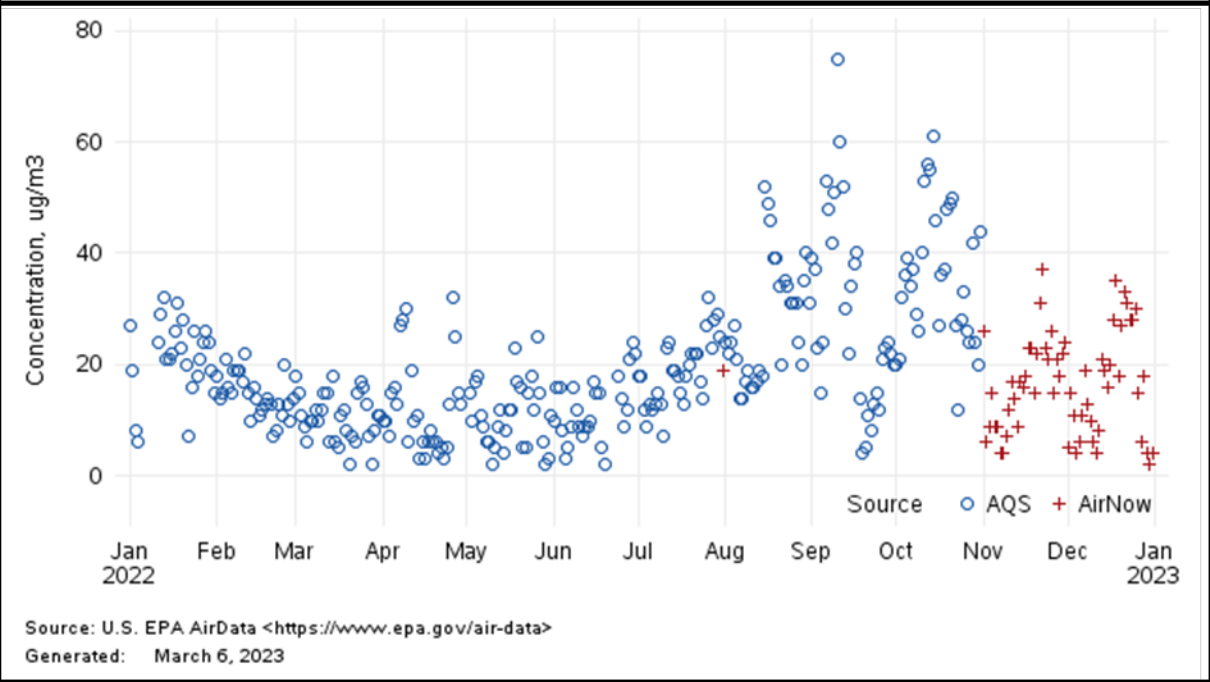


Figure 7 – Number of Exceedances of the Federal PM2.5 24-hr Standard in Chico & Number of CBYL Advisories

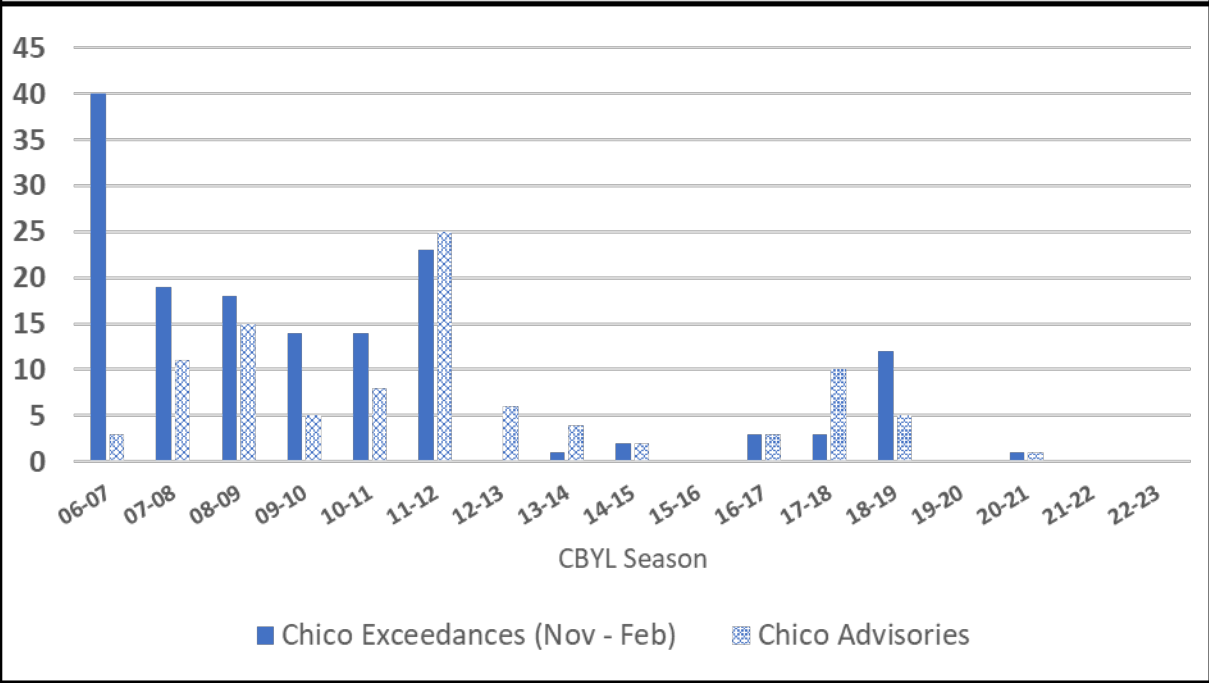


Figure 8 - 2022 Air Quality Summary: 24-hour Average PM10 Measurements – Chico, CA (East Avenue)

Wet Wood Is A Waste

Burning wet wood, green wood, or rotting wood creates less heat for you and more smoke for your neighborhood!

If you burn in a fireplace or woodstove, please:

- ✔ Use dry and seasoned wood
- ✘ Avoid burning trash or gift wrap
- ✔ Keep a hot flame to reduce smoldering

CHECK Before You Light
ButteAirQuality.com
 530-332-9409

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TAMI RITTER, CHAIR
Supervisor, District #3

ANGEL CALDERON, VICE CHAIR
Councilmember, Gridley

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ADDISON WINSLOW
Councilmember, Chico

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Vice Mayor, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: March 16, 2023

Board Consideration: March 23, 2023

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.

DISCUSSION:

The Air Pollution Control Officer will provide a verbal report to the Board.

Agenda Item 8

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