



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*

## Draft Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of May 25, 2023

### Members Present:

Bill Connelly	Supervisor, District 1
Peter Durfee	Supervisor, District 2
Tami Ritter	Supervisor, District 3
Eric Smith	Vice Mayor, Oroville
Chuck Nuchols	Councilmember, Biggs
Addison Winslow	Councilmember, Chico
Angel Calderon	Councilmember, Gridley
Rose Tryon	Vice Mayor, Town of Paradise

### Members Absent:

Tod Kimmelshue	Supervisor, District 4
Doug Teeter	Supervisor, District 5

### Staff Present:

Stephen Ertle	Air Pollution Control Officer
Patrick Lucey	Assistant Air Pollution Control Officer
Kelly Towne	Accounting Technician
Aleah Ing	Administrative Services Officer

### Staff Remote:

Jason Mandly	Senior Planner
David Campbell	Air Quality Compliance Specialist II
Mason Moore	Hub International

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 [ktowne@bcaqmd.org](mailto:ktowne@bcaqmd.org).

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

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

## Agenda Item 3.1

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

No additions or deletions.

**3. Consent Agenda.**

**3.1** Minutes of the April 27, 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.

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

Board comments: None

Public comments: None

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

**AYES:** Supervisor Connelly, Supervisor Durfee (Motion), Supervisor Ritter, Councilmember Nuchols (Seconded), Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon, Vice Mayor Smith

**NOES:** None.

**ABSTAIN:** None.

**ABSENT:** Supervisor Kimmelshue and Supervisor Teeter

**ITEMS FOR ACTION**

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

No items removed from the Consent Agenda.

**5. Annual Report on District Deferred Compensation Program**

**ACTION REQUESTED:** Accept report

Mason Moore from Hub International spoke to the board about the District's deferred compensation program for the annual review and stated he meets with Stephen Ertle (APCO) and Aleah Ing (ASO) semiannual to make sure the District's needs are being met. The District has eleven employees receiving District contributions, six employees in the voluntary plan and two terminated participants. Total participant fees are currently a combined 1.42%. A full benchmark analysis will take place this year. ESG investing will not actively be placed in the plan and Secure Act 2.0 provisions will be implemented over the next few years. Lastly, funds are evaluated on a quarterly basis to verify that they have a passing score of 7-10 and all funds in the District's plans are passing.

Board discussion: Stephen Ertle, APCO, clarified that the match dollars mentioned in the report are the in-lieu of dollars for Social Security, which the District has opted out of, there are no additional funds added. Supervisor Ritter requested clarification on the two participants labeled as terminated. Mason Moore clarified that there were two

participants that were once employed by the District that have over \$5,000 in their accounts and they cannot force them out of the program. Supervisor Ritter also asked for clarification on ESG funds and Mason Moore clarified that they are now able as a fiduciary to look at if the fund is an ESG fund. There is no common denominator as to what a ESG fund is. Vice Mayor Tryon asked if there is a requirement to invest in an ESG and there is not.

Public discussion: None.

**A motion was made by Vice Mayor Tryon and seconded by Councilmember Winslow to accept the Annual Report on District Deferred Compensation Program**

AYES: Supervisor Connelly, Supervisor Durfee, Supervisor Ritter, Councilmember Nuchols, Councilmember Winslow (Seconded), Councilmember Calderon, Vice Mayor Tryon (Motion), Vice Mayor Smith

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Kimmelshue and Supervisor Teeter

**6. Other Post-Employment Benefits and CalPERS Liability Report**

**ACTION REQUESTED:** Accept and file the PERS Annual Valuation reports for CLASSIC & PEPRA 6/30/2021 and the CERBT Account Summary as of 3/30/2023.

Aleah Ing, Administrative Services Officer presented the annual PERS valuation reports for Classic and PEPRA members through 06/30/2021. The report shows the District being 85.9% funded for Classic Pension Plan with a total unfunded pension liability of \$1,063,340. There is an increase in the employer cost for classic from 10.87% to 12.47% and 7.47% to 7.68% for PEPRA. PEPRA employee's contribution rate will increase from 6.75% to 7.75% effective July 1<sup>st</sup>. These reports use a positive projection of 6.8 rate of return and do not reflect the negative 6.1% investment net return that occurred during FY21-22 that accounts for 79% of CalPERS total fund and will impact the next valuation report.

Board Discussion: None.

Public Comments: None.

**A motion was made by Councilmember Winslow and seconded by Vice Mayor Tryon to accept and file the PERS Annual Valuation report for CLASSIC & PEPRA 6/30/2021 and the CERBT Account Summary as of 3/30/2023.**

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

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Kimmelshue and Supervisor Teeter

**7. CAP Incentives Project Approvals**

**ACTION REQUESTED:** Approve FY 2022-23 CAP Incentives Projects.

Jason Mandly, Senior Air Quality Planner, presented the Approved projects for Community Air Protection incentives. The District received close to \$1,000,000 for this year and had previous funds specifically to spend in disadvantaged communities per the requirements of the program. The district has been participating in the Community Air Protection Program for about 6 years. It meets the requirements of AB617 which is to prioritize zero emissions technologies, protect sensitive receptors, such as students and also to fund projects in low income and disadvantaged communities. Jason shared the California Priority Populations Map with the board identifying the State defined locations of low income and disadvantaged communities in Butte County.

The goal of the award round is to fund 70% of projects in Disadvantaged communities and 80% of projects in low-income communities. The District goes by the Policies and Procedures manual which is board approved and the guiding principles of AB617 to prioritize the project applications.

The District held several community meetings in March and April.

- Thermalito
- Chico
- Online via Zoom
- Paradise Grazing Festival information booth

During these meetings there was interest expressed in equipment replacement at schools, on-road alternatives to diesel and electric for school bus fleets in mountainous communities or for buses for field trips. There was interest in small engine projects in wildland-urban interface areas as well as for composite wood projects for schools and expanding the program to include woodstove replacement projects.

There was a Request for Proposals throughout April and May for CAP, Carl Moyer, and FARMER at the same time. While the Carl Moyer and FARMER programs were oversubscribed, the Community Air Protection program was not. The awards are grouped into three categories:

- Disadvantage communities (DAC)
  1. Farming projects
  2. Thermalito UESD
  3. 300,00 woodsmoke Program
  4. 300,000 Commercial Lawn & Garden
  5. 300,000 Residential Lawn & Garden
- Low income (LI)
  1. Thermalito UESD
  2. 25,000 Residential Lawn & Garden
- Outside DACs & LI – prioritize schools and zero emissions
  1. Durham USD – Lawn and Composite wood

Board discussion: Councilmember Winslow questioned the base address for business and what if they fall in the residential area. For example, Chapman is more residential and has few businesses in the area. Suggest shifting funds from the commercial DAC program to the Residential DAC program. Vice Mayor Smith stated that the Thermalito

DAC area was much the same. Supervisor Durfee also questioned the residential vs. commercial aspect in the DAC communities. Jason Mandy stated that the Board could choose a funding path that makes sense to the Board. He also stated that Commercial entities throughout the county could apply to the Carl Moyer Lawn & Garden program. After discussion, the Board chose to amend the proposal for the DAC Lawn & Garden residential and commercial programs. The decision was to combine the funds together for a total of \$600,000 with residential receiving minimum \$400,000.

Upon conclusion of the CAP Incentive Project Approvals Vice Mayor Tryon questioned if there were any Biomass projects in the works. Stephen Ertle, Air Pollution Control Officer, replied that the BCC (Sacramento Valley Basinwide Air Pollution Control Council) is planning a Biomass Summit later this year. There are projects in the works focused specifically on Ag, while other entities are focusing on handling forestry. Discussion was centered on the increase in fuels from burn scars, forestry tree removal and increasing ag orchard removal due to fluctuating crop prices.

Public comments: None.

**A motion was made by Supervisor Durfee to approve the CAP Incentives Project Approvals with an amendment to combine the Disadvantaged Communities Lawn & Garden Residential and Commercial Programs into one with a total amount of \$600,000 with a minimum of \$400,000 for the residential sector and was seconded by Supervisor Connelly.**

AYES: Supervisor Connelly (Seconded), Supervisor Durfee (Motion), Supervisor Ritter, Councilmember Nuchols, Councilmember Winslow, Councilmember Calderon, Vice Mayor Tryon, Vice Mayor Smith

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Kimmelshue and Supervisor Teeter

## **8. Initial Public Hearing for Proposed Fiscal Year 2023-2024 Budget**

### **ACTION REQUESTED:**

1. Open initial Public Hearing and accept comments
2. Take no action on the Proposed Fiscal Year 2023-2024 Budget at this time

Chair Ritter opened the Public hearing at 10:37 a.m. and stated that the hearing will remain open until the second hearing held on June 22, 2023.

Aleah Ing, Administrative Services Officer stated that the FY 2023-24 budget was released to the public on April 25, 2023. Two public workshops were held on May 2, 2023 with no public attendance. Two public hearings are being held, one today and one on June 22, 2023 for the scheduled adoption of the budget. The proposed operating budget is \$2,067,974 with a total budget of \$4,343,394. Grants make up 51% of the budget. The District anticipates changes to the grants before budget adoption. There is a 5% CPI rate used for budgeting projections which will be updated as soon as the April-to-April CPI index from the State of California becomes available. The District relies on one-time grant revenues. In preparing the budget significant effort was made to project staff time on grant programs. Staff will provide quarterly updates on grant revenue implementation. Program cost recovery efforts will continue to address

structural budget shortfalls. Those efforts will likely include additional revenue initiatives and the development of multi-year budget projections. With the Rule adoption at the last meeting, we are able to propose a balanced budget.

Board discussion: None.

Public comments: None.

**9. APCO Report.**

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

No APCO report this month.

**10. Other Business.** None.

**11. 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.

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

**13. Report From Closed Session.** None

**14. The meeting adjourned at 10:42 a.m. The next Board of Directors Meeting is scheduled for June 22, 2023, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.**



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

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on May 25, 2023.

ATTEST:



Kelly Towne, Clerk of the Governing Board