REGULAR MEETING NOTICE OF THE BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT GOVERNING BOARD

September 24, 2026 - 10:00 a.m.

Meeting Locations:
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 link and call in information below. 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 the call-in number listed to join by audio only

Join Zoom Meeting:
https://us02web.zoom.us/j/87111751705?pwd=em1GWGk2cVJZTExqYmwraGw2T1pqdz09
Meeting ID: 871 1175 1705
Passcode: 298155
Call-in: 1-669-900-9128

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

1.	**Call to Order and Roll Call.**	***Chair***
2.	**Additions and Deletions to the Consent Agenda.**	***Chair***

CONSENT AGENDA — ***Chair***

3.1	Minutes of August 27, 2026 Meeting of the Board of Directors.	***Kelly Towne***
3.2	Activity Report on Butte County Air Quality Management District Activities.	***Stephen Ertle***
3.3	Financial Status Report for Fiscal Year 2026-27.	***Aleah Ing***
3.4	Status Report on Calendar of Events.	***Stephen Ertle***
3.5	Status Report on Communications.	***Kelly Towne***

September 24, 2026
BCAG Board Room
Meeting is scheduled to begin at 10:00 a.m.

REGULAR AGENDA

ITEMS FOR ACTION

4.	**Items removed from the Consent Agenda for Board consideration and actions.**	***Chair***
5.	PERS 2025 Actuarial Report.	***Aleah Ing***
6.	Proposed Rule 509 - Subject Research Fees and Hourly Rate. (Public Hearing-Resolution)	***Stephen Ertle***
7.	Proposed Budget Amendments – FY 2026-2027	***Aleah Ing***

ITEMS FOR INFORMATION

8.	SDRMA Excellence in Safety Award	***Stephen Ertle***
9.	APCO Report.	***Stephen Ertle***
10.	**Other Business.**	***Chair***
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 agendized item when that time is called. The chair requests that each person addressing the Board limits their presentation to five (5) minutes.	***Chair***
12.	**Adjourn to Closed Session.** Conference with Labor Negotiators	***Chair***
13.	**Report from Closed Session.**	***Chair***

ADJOURNMENT

14. **The next Board of Directors Meeting is scheduled for October 22, 2026, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.**

Questions, comments, and correspondence may be directed to:
Kelly Towne, Clerk of the Board
629 Entler Avenue, Suite 15
Chico, CA 95928
ktowne@bcaqmd.org or 530-332-9400 ext. 109

Draft Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of August 27, 2026

Members Present:

Bill Connelly	Supervisor, District 1
Peter Durfee	Supervisor, District 2
Tami Ritter	Supervisor, District 3
Doug Teeter	Supervisor, District 5
Bryce Goldstein	Councilmember, Chico
Bruce Johnson	Councilmember, Gridley
Ron Lassonde	Councilmember, Paradise
Anita Wilks	Councilmember, Biggs

Staff Present:

Stephen Ertle	Air Pollution Control Officer (APCO)
Patrick Lucey	Assistant Air Pollution Control Officer (AAPCO)
Aleah Ing	Administrative Services Officer, (ASO)
Kelly Towne	Clerk of the Board
Jason Mandly	Senior Air Quality Planner
Samuel Nassie	Air Quality Compliance Officer II
Paige McCleskey	Administrative Assistant

Members Absent:

Tod Kimmelshue	Supervisor, District 4
Eric Smith	Vice Mayor, Oroville

Staff Remote:

Riley Peacock	Air Quality Engineer, II

Public comments are accepted before and during the meeting by emailing ktowne@bcaqmd.org.

1. **Call to Order and Roll Call.**
   Chair Tami Ritter called the meeting to order at 10:00 a.m. at the BCAG Board Room, 326 Huss Drive, Suite 100, Chico, California.

2. **Additions and Deletions to the Consent or Regular Agenda.**
   No additions or deletions.

Agenda Item 3.1

3. Consent Agenda.

- **3.1** Minutes of July 23, 2026, 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 2025-26.
- **3.4** Status Report on Calendar of Events.
- **3.5** Status Report on Communications.
- **3.6** Memorandum of Understanding Cost of Living Adj. (Resolutions 2026-18 & 2026-19).
- **3.7** CalPERS CCR 570.5 Compensation Schedule-COLA (Resolution 2026-17).

ACTION REQUESTED: Approve Consent Agenda Items.

Board comments: None.
Public comments: None.

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

AYES: Supervisor Ritter, Supervisor Durfee(motion), Supervisor Connelly, Supervisor Teeter, Councilmember Wilks, Councilmember Goldstein(second), Vice Mayor Johnson, and Councilmember Lassonde.
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Kimmelshue and Vice Mayor Smith.

ITEMS FOR ACTION

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

No items were removed from the Consent Agenda.

5. Review and Approve Proposed CAP Support Grant Projects.

ACTION REQUESTED:
Approve awards for CAP Support Grants.

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

Board comments: Discussion ensued.
Public comments: None.

A motion was made by Supervisor Teeter and seconded by Councilmember Goldstein to approve the proposed CAP Support Grant Projects.

AYES: Supervisor Ritter, Supervisor Durfee, Supervisor Connelly, Supervisor Teeter(motion), Councilmember Wilks, Councilmember Goldstein(second), Vice Mayor Johnson, and Councilmember Lassonde.
NOES: None.

ABSTAIN: None.
ABSENT: Supervisor Kimmelshue and Vice Mayor Smith.

6. Climate Heat Impact Response Program (CHIRP) Policies &Procedures Manual.
ACTION REQUESTED:
Adopt Resolution 2026-21 approving the CHIRP Policies and Procedures Manual .

The CHIRP Policies and Procedures Manual report was presented by Jason Mandly, Senior Air Quality Planner.

Board comments: None.
Public comments: None.

A motion was made by Supervisor Connelly and seconded by Supervisor Teeter to adopt Resolution 2026-21 approving the CHIRP Policies and Procedures Manual.
AYES: Supervisor Ritter, Supervisor Durfee, Supervisor Connelly(motion), Supervisor Teeter(second), Councilmember Wilks, Councilmember Goldstein, Vice Mayor Johnson, and Councilmember Lassonde.
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Kimmelshue and Vice Mayor Smith.

7. Final 2025-2026 Budget Amendments.
<u>ACTION REQUESTED:</u>
Approve proposed budget transfers and amendments.

The Final 2025-2026 Budget Amendments report was presented by Aleah Ing, Administrative Services Officer.

Board comments: None.
Public comments: None.

A motion was made by Councilmember Wilks and seconded by Supervisor Durfee to Approve the Final 2025-2026 budget Amendments.
AYES: Supervisor Ritter, Supervisor Durfee(second), Supervisor Connelly, Supervisor Teeter, Councilmember Wilks(motion), Councilmember Goldstein, Vice Mayor Johnson, and Councilmember Lassonde.
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Kimmelshue and Vice Mayor Smith.

8. Employee Association Health Plan Change.
This item was removed from the Agenda, to be brought back at a future date.

ITEMS FOR INFORMATION

9. Lawn and Garden Voucher Program Update.
ACTION REQUESTED:
None. This Item is provided for information and discussion.

The Lawn and Garder Voucher Program Update report was presented by Samuel Nassie, Air Quality Compliance Specialist II and Paige McCleskey, Administrative Assistant.

Board comments: Discussion ensued.
Public comments: None.

9. Other Business. No other business was presented.

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 agendized item when that time is called. The Chair requests that each person addressing the Board limits their presentation to five (5) minutes.

11. Adjourn to Closed Session.
The meeting was adjourned to Closed Session at 10:17 a.m.

12. Report from Closed Session.
Closed Session concluded at 10:31 a.m.
The Board approved the Air Pollution Control Officer's renewal contract.

13. The meeting was adjourned at 10:32 a.m. The next Board of Directors Meeting is scheduled for August 27, 2026 at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.

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

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on August 27, 2026.

ATTEST: ____
Kelly Towne, Clerk of the Governing Board

Date of Release:	September 17, 2026
Board Consideration:	September 24, 2026

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 2024, 2025 and 2026 as of August, 31 2026.

ACTION REQUESTED:
Accept and file report.

DISCUSSION:
None.

Attachment:
2026 Activity Report.

Agenda Item 3.2

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Activity (2026)	*2024*	*2025*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD [1]
Permits to Operate Issued/Renewed	841	830	52	66	52	63	160	63	101	54					611
Authority to Construct Permits Issued	26	41	3	1	1	4	0	8	3	4					24
Portable Equipment Registrations	33	32	2	6	5	1	0	0	5	5					24
Engine Registrations Issued/Renewed	246	0	0	230	0	0	0	0	1	0					231
Inspections Performed by Facility	362	403	74	30	46	26	55	40	23	35					329
Inspections Performed by Permits	489	557	100	36	72	42	102	54	29	46					481
Status Change Reports Received	72	102	6	5	1	2	0	3	9	4					30
Agricultural Burn Days[2]*	329	361	25	28	31	30	31	30	31	31					237
Agricultural No-Burn Days[2]*	6	4	6	0	0	0	0	0	0	0					6
Burn Permits Issued	733	716	38	48	79	93	56	54	55	44					467
Burn Notifications	4,310	4,813	386	340	628	375	371	347	285	250					2982
Rice Fields Reported Harvested	336	367	0	0	3	2	0	0	0	0					5
Complaints Received	97	101	3	4	5	9	3	7	7	8					46
Notices of Noncompliance Issued	60	62	6	1	2	26	2	2	2	3					44
Notices to Comply Issued	3	5	0	0	0	0	0	0	0	0					0
Public Outreach	1193	1964	47	52	63	44	42	286	173	80					787
Environmental Documents Reviewed	0	0	0	0	0	0	0	0	0	0					0
Public Records Requests	49	46	5	2	2	4	5	9	2	4					33
															0

[1] YTD = Year-to-date totals

[2] Burn Day Status reported below 3000' elevation

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Date of Release: September 17, 2026
Board Consideration: September 24, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: Financial Status Report Fiscal Year 2026-2027

ISSUE:
Financial Status Report.

ACTION REQUESTED:
Accept and file report.

DISCUSSION:
The Districted implemented a new QuickBooks accounting platform in July that will provide additional tools and analysis for management use to analyze and report financial activity and performance. Future reports may include additional reporting.

The attached financial reports summarize the District's revenue and expense in the Budget vs Actual report for year to date through the month of August and the Statement of Financial Position as of August 31, 2026.

Attachment:
BCAQMD Budget vs Actual Report.
BCAQMD Statement of Financial Position.

Agenda Item 3.3

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Butte County Air Quality Management District

July, 2026 – August, 2026

Budget vs. Actual - 17%

	TOTAL			
	Actual	Budget	Over budget by	Percent of budget
Revenue				
421 License and Permits				
4213010 Ag Burn Permits	11,919.10	95,000.00	-83,080.90	12.55 %
4213013 Ag Engine Registration Program		350.00	-350.00	0.0 %
4213020 Title V Permits		5,672.00	-5,672.00	0.0 %
4213030 Operating Permits	182,607.66	686,000.00	-503,392.34	26.62 %
4213035 Portable Engine Registration	1,506.05	43,750.00	-42,243.95	3.44 %
4213038 Asbestos Program	2,134.40	10,000.00	-7,865.60	21.34 %
4213040 Auth to Construct	8,615.43	22,000.00	-13,384.57	39.16 %
4213055 Emission Reduction Fee		0.00	0.00	
4213060 Misc. Other Permits		0.00	0.00	
4713061 Technical Evaluation	1,425.45	3,000.00	-1,574.55	47.52 %
Total for 421 License and Permits	**$208,208.09**	**$865,772.00**	**-$657,563.91**	**24.05 %**
430 Fines, Forefeitures & Penalties	**$7,860.00**	**$40,000.00**	**-$32,140.00**	**19.65 %**
471 Miscellaneous Revenue				
4711900 BCC & Other Reimbursements	4,379.37	17,628.29	-13,248.92	24.84 %
4711910 Reimbursements (Copy & Other)	813.36	1,826.71	-1,013.35	44.53 %
4712523 Fees -Finance Chrgs, Return Chk	**$80.42**	**$1,035.00**	**-$954.58**	**7.77 %**
4712550 Implementation Funds				
01 FARMER Implementation		62,113.39	-62,113.39	0.0 %
02 Carl Moyer Implementation		59,999.81	-59,999.81	0.0 %
03 CHIRP Implementation		41,686.00	-41,686.00	0.0 %
04 WoodSmoke Implementation		17,542.87	-17,542.87	0.0 %
05 Community CAP Implementation	0.00	100,323.77	-100,323.77	0.0 %
Total for 4712550 Implementation Funds	**$0.00**	**$281,665.84**	**-$281,665.84**	**0.0 %**
Total for 471 Miscellaneous Revenue	**$5,273.15**	**$302,155.84**	**-$296,882.69**	**1.75 %**
Total for Revenue	**$221,341.24**	**$1,207,927.84**	**-$986,586.60**	**18.32 %**
Cost of Goods Sold				
Gross Profit	**$221,341.24**	**$1,207,927.84**	**-$986,586.60**	**18.32 %**
Expenditures				
511 Payroll Expenses				
511001 Salaries & Wages	**$209,664.51**	**$1,235,486.41**	**-$1,025,821.90**	**16.97 %**
512000 Extra Help		16,000.00	-16,000.00	0.0 %
514000 Overtime		16,175.41	-16,175.41	0.0 %
518 Employee Benefits				
518008 Health Care	47,062.69	233,828.16	-186,765.47	20.13 %
518009 Cafeteria	11,132.88	46,996.34	-35,863.46	23.69 %
518010 Other Employee Benefits	9,377.09	32,923.42	-23,546.33	28.48 %
518011 Vehicle Allowance	1,860.00	8,556.00	-6,696.00	21.74 %
518700 Retirement Pension	**$34,109.09**	**$192,224.33**	**-$158,115.24**	**17.74 %**
518800 Contrib to Pension Liability	202,142.00	208,902.00	-6,760.00	96.76 %
518900 Retiree's OPEB	9,786.15	42,325.15	-32,539.00	23.12 %
Total for 518 Employee Benefits	**$315,469.90**	**$765,755.40**	**-$450,285.50**	**41.2 %**

	TOTAL			
	Actual	Budget	Over budget by	Percent of budget
Total for 511 Payroll Expenses	**$525,134.41**	**$2,033,417.22**	**-$1,508,282.81**	**25.83 %**
520 Materials & Supplies				
521104 Postage	2,582.85	4,829.39	-2,246.54	53.48 %
522201 Office Supplies	1,019.74	15,164.00	-14,144.26	6.72 %
523001 Telecommunications	7,698.61	23,458.80	-15,760.19	32.82 %
524544 Utilities - Elec/Gas/Wtr/Grbge	1,618.92	10,610.80	-8,991.88	15.26 %
525545 Auto Fuel Costs/ Road Expense	860.84	4,092.50	-3,231.66	21.03 %
Total for 520 Materials & Supplies	**$13,780.96**	**$58,155.49**	**-$44,374.53**	**23.7 %**
530 Servies & Other Operating				
531201 Household Janitorial	2,025.00	12,051.00	-10,026.00	16.8 %
532527 Insurance -Liability & Vehicle	23,736.25	25,230.00	-1,493.75	94.08 %
533533 Memberships, Dues & Subscript..	1,049.20	15,417.00	-14,367.80	6.81 %
534537 Public & Legal Notices		3,825.00	-3,825.00	0.0 %
535540 Public Outreach		20,358.00	-20,358.00	0.0 %
536101 Training	3,039.95	20,249.80	-17,209.85	15.01 %
537202 Travel & Conference Expenses	2,066.95	39,495.35	-37,428.40	5.23 %
Total for 530 Servies & Other Operating	**$31,917.35**	**$136,626.15**	**-$104,708.80**	**23.36 %**
540 Rents Lease, Repair, NonCapital				
541538 Property Rents & Leases		1,954.00	-1,954.00	0.0 %
542539 Equipment Rents & Leases	677.22	3,862.50	-3,185.28	17.53 %
543103 Office Furniture & Equip	269.42	2,913.00	-2,643.58	9.25 %
543203 Computer Equipment		22,557.00	-22,557.00	0.0 %
543204 Computer Software-Subscriptions	4,821.73	32,505.72	-27,683.99	14.83 %
543541 Air Monitoring Equipment & Main	337.70	9,252.83	-8,915.13	3.65 %
544001 Vehicles Maintenance	8,192.09	7,460.19	731.90	109.81 %
544042 IT Maintenance	9,082.95	48,959.44	-39,876.49	18.55 %
544103 Building Maintenance		11,815.50	-11,815.50	0.0 %
Total for 540 Rents Lease, Repair, NonCapital	**$23,381.11**	**$141,280.18**	**-$117,899.07**	**16.55 %**
550 Professional/Consulting Service				
551137 AB2588 Hot Spots Fee		138.02	-138.02	0.0 %
551536 Professional Services	1,997.32	43,415.00	-41,417.68	4.6 %
551547 Legal Services	3,000.00	19,055.00	-16,055.00	15.74 %
Total for 550 Professional/Consulting Service	**$4,997.32**	**$62,608.02**	**-$57,610.70**	**7.98 %**
Total for Expenditures	**$599,211.15**	**$2,432,087.06**	**-$1,832,875.91**	**24.64 %**
Net Operating Revenue	**-$377,869.91**	**-$1,224,159.22**	**$846,289.31**	**30.87 %**
Other Revenue				
6000 NonCapital Subsidies				
451 Intergovernmental				
Direct Grant Funds				
600001 State Subvention		73,400.00	-73,400.00	0.0 %
600002 DMV Surcharge	188,244.51	735,000.00	-546,755.49	25.61 %
600500 AB 2588 Hot Spots Fee		134.00	-134.00	0.0 %
600501 105 Pilot Project Grant Funding		0.00	0.00	
600502 AB 197 Funding		8,583.00	-8,583.00	0.0 %
600503 AB 617 Funding		69,969.23	-69,969.23	0.0 %
600504 Prescribed Fire Grant	1,337.67	47,027.17	-45,689.50	2.84 %
600505 GHG Oil & Gas Funding		0.00	0.00	
600506 Monitoring Grant		27,573.53	-27,573.53	0.0 %

	TOTAL			
	Actual	Budget	Over budget by	Percent of budget
Total for Direct Grant Funds	**$189,582.18**	**$961,686.93**	**-$772,104.75**	**19.71 %**
Pass Through Grants				
600606 Carl Moyer Grant		170,000.00	-170,000.00	0.0 %
600608 Community Air Program (CAP)	201,692.00		201,692.00	
600609 CHIRP Grant		236,224.00	-236,224.00	0.0 %
600610 Woodsmoke Grant		163,953.50	-163,953.50	0.0 %
Total for Pass Through Grants	**$201,692.00**	**$570,177.50**	**-$368,485.50**	**35.37 %**
Total for 451 Intergovernmental	**$391,274.18**	**$1,531,864.43**	**-$1,140,590.25**	**25.54 %**
Total for 6000 NonCapital Subsidies	**$391,274.18**	**$1,531,864.43**	**-$1,140,590.25**	**25.54 %**
7000 Other Nonoperating Revenue				
700410 Interest Income	$13,725.19		$13,725.19	
Total for 7000 Other Nonoperating Revenue	**$13,725.19**		**$13,725.19**	
Total for Other Revenue	**$404,999.37**	**$1,531,864.43**	**-$1,126,865.06**	**26.44 %**
Other Expenditures				
6500 Grants				
650606 Carl Moyer Grant	33,179.70	251,991.68	-218,811.98	13.17 %
650607 FARMER		4,179.42	-4,179.42	0.0 %
650608 Community Air (CAP)	60,668.04	1,530,194.27	-1,469,526.23	3.96 %
650609 CHIRP Grant		236,224.00	-236,224.00	0.0 %
650610 WoodSmoke Grant		163,953.50	-163,953.50	0.0 %
650650 Special Clean Air Grants		60,000.00	-60,000.00	0.0 %
Total for 6500 Grants	**$93,847.74**	**$2,246,542.87**	**-$2,152,695.13**	**4.18 %**
7500 Other Nonoperating Expense				
750 Debt Serivce				
750087 GASB 87 Lease Principal	18,984.71	58,048.55	-39,063.84	32.7 %
750110 GASB 87 Lease Interest & Other	595.29	1,028.00	-432.71	57.91 %
Total for 750 Debt Serivce	**$19,580.00**	**$59,076.55**	**-$39,496.55**	**33.14 %**
Total for 7500 Other Nonoperating Expense	**$19,580.00**	**$59,076.55**	**-$39,496.55**	**33.14 %**
9000 Capital Outlay				
900105 Buildings & Improvements		10,000.00	-10,000.00	0.0 %
Total for 9000 Capital Outlay		**$10,000.00**	**-$10,000.00**	**0.0 %**
Total for Other Expenditures	**$113,427.74**	**$2,315,619.42**	**-$2,202,191.68**	**4.9 %**
Net Other Revenue	**$291,571.63**	**-$783,754.99**	**$1,075,326.62**	**-37.2 %**
Net Revenue	**-$86,298.28**	**-$2,007,914.21**	**$1,921,615.93**	**4.3 %**

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Butte County Air Quality Management District

Statement of Financial Position

As of Aug 31, 2026

	Total
Assets	
Current Assets	
Bank Accounts	
1002 Cash on Hand - Change Box	200.00
1003 Bank of America - General-0648	337,514.73
1004 Bank of America - Payroll-0649	11,795.57
1007 B of A Reserve Acct - 1789	750,344.32
1010 B of A - 0980 (Grant 1)	136,904.03
1011 Tri Counties - Carl Moyer 2618	333,523.11
1012 Tri Counties - FARMER - 6831	289,497.37
1013 Tri Counties - CAP-6855	962,814.78
1017 Tri Counties - AB 617-6818	107,753.88
1018 State LAIF Acct	1,402,740.57
Total for Bank Accounts	**$4,333,088.36**
Accounts Receivable	
1200 Accounts Receivable	272,082.05
Total for Accounts Receivable	**$272,082.05**
Other Current Assets	
1102 Due From Other Governments	126,721.17
1500 Undeposited Funds	1,419.15
Total for Other Current Assets	**$128,140.32**
Total for Current Assets	**$4,733,310.73**
Total for Assets	**$4,733,310.73**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	**$610,126.02**
Credit Cards	**$410.47**
Other Current Liabilities	
2100 Accrual Payroll & Benefits	$0.00
210011 PERS Survivor Benefits	3.08
210013 MED FLEX	-596.78
Total for 2100 Accrual Payroll & Benefits	**-$593.70**
2107 Unearned Revenue	
210904 FARMER	235,693.47
210906 Carl Moyer	19,359.59
210910 Community (CAP)	483,583.75
210914 AB 617	107,744.43
210917 Prescribed Fire Grant	115,279.32
210918 Monitoring Grant	78,081.22
Total for 2107 Unearned Revenue	**$1,039,741.78**
Total for Other Current Liabilities	**$1,039,148.08**
Total for Current Liabilities	**$1,649,684.57**

Accrual Basis Friday, September 11, 2026 09:59 AM GMT-07:00

	Total
Total for Liabilities	**$1,649,684.57**
Equity	
3100 Reserves	608,022.00
3200 Restricted Fund	$0.00
3004 Carl Moyer Program	51,782.32
3005 Reserved FARMER Prgm	4,179.42
3012 Community (CAP)	1,816,061.38
Total for 3200 Restricted Fund	**$1,872,023.12**
3900 Retained Earnings	702,084.36
Net Revenue	-98,503.32
Total for Equity	**$3,083,626.16**
Total for Liabilities and Equity	**$4,733,310.73**

Date of Release: September 17, 2026
Board Consideration: September 24, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Paige McCleskey, Administrative Assistant

Re: Calendar of Events

DATE	EVENT	LOCATION
October 2	Sacramento Valley BCC Meeting	Chico
October 7	Butte County Fire Safe Council Meeting	Paradise
October 13	District Audit	Chico
October 20-22	Enforcement Managers Conference	Lake Tahoe
October 21	TAC Meeting	Placer County APCD
October 22	**Butte County Air Quality Governing Board Meeting**	**Chico**
October 26-29	Engineering Managers	Diamond Bar
November 3-5	CSDA Board Clerk Conference	Santa Barbara
November 4-5	SWAG Conference	San Diego
November 4	Butte County Fire Safe Council Meeting	Paradise
November 11	**Veteran's Day – District Office Closed**	**Chico**
November 12	PEEPs Meeting	Colusa APCD
November 18	TAC Meeting	Sac-Metro AQMD
November 26-27	**Thanksgiving – District Office Closed**	**Chico**
December 4	Sacramento Valley BCC Meeting	Colusa County APCD
December 10	**Butte County Air Quality Governing Board Meeting**	Chico
December 16	TAC Meeting	Shasta County AQMD
December 25	**Christmas – District Office Closed**	**Chico**
January 1	**New Year's Day – District Office Closed**	**Chico**

Agenda Item 3.4

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Date of Release: September 17, 2026
Board Consideration: September 24, 2026

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: Status Report on Communications

ISSUE:

Status Report on Communications with Board Members in August of 2026.

ACTION REQUESTED:

None. For information only.

DISCUSSION:

APCO met with Chair Ritter on August 17th to review the August Governing Board Agenda.

Attachment:
None.

Agenda Item 3.5

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Date of Release: September 17, 2026
Board Consideration: September 24, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: PERS Actuarial Valuation Report, PERS CEPPT Trust Summary

ISSUE:

Reports related to employee retirement liability.

ACTION REQUESTED:

Receive report and accept CalPERS Annual Valuation reports ending June 30, 2025, and the CalPERS CEPPT Trust Account Summary report as of June 30, 2025.

DISCUSSION:

CalPERS combined the GASB 68 Pension reporting for the CLASSIC and PEPRA plans effective the Valuation report for June 30, 2024. The most recent PERS Annual Valuation Report for June 30, 2025, shows the District is 79% funded (4.2% increase from 2024) with an unfunded accrued liability (UAL) of $1,993,069.

The FY 26-27 cost rate for classic employees is 12.58% and PEPRA employees at 7.93%. The FY 27-28 employer cost rate for CLASSIC employees will increase to 13.11% and PEPRA to 8.05% with a UAL lump sum payment for FY 27-28 of $219,861.

The UAL is projected to increase every year through FY 2028-29 when the UAL payment will reach $235,000 and then decreases to $213,000 in FY 2032-33.

From PERS Report Page 18

Agenda Item 5

Rate Plan Identifier	Covered Payroll June 30, 2025	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2025-26 and Beyond)				
		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
		Normal Cost Rates (Percentage of Payroll)					
3300	$520,381	13.11%	13.1%	13.1%	13.1%	13.1%	13.1%
27241	434,386	8.05%	8.1%	8.1%	8.1%	8.1%	8.1%
	UAL Payment	$219,861	$235,000	$228,000	$220,000	$215,000	$213,000

As part of the Pension Policy adopted by the Board, the District established a California Employer's Pension Prefunding Trust (CEPPT) with Resolution 2023-06 on April 27, 2023 with PERS to generate returns and reduce the unfunded liability. As of June 30, the CEPPT Trust Balance was $44,533.19 and as of June 30, 2026, the balance is $54,542.54.

Attachment:

CalPERS Valuation Report ending June 30, 2025

2025-06-30 CEPPT Trust $44,533-19

2026-06-30 CEPPT Trust $54,542-54

CalPERS

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2026

All Rate Plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool (CalPERS ID: 3225653892)
Annual Valuation Report as of June 30, 2025

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2025, actuarial valuation report for the plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2027-28**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the following rate plan(s) including the development of the current and projected employer contributions.
  - 3300, Miscellaneous Plan
  - 27241, PEPRA Miscellaneous Plan
- Section 2 contains the Miscellaneous Risk Pool information as of June 30, 2025.

Section 2 can be found on the CalPERS website in the Forms & Publications section. Search for *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2025.

Required Contributions

The table below shows the minimum required employer contributions and member contribution rates for FY 2027-28 along with an estimate of the required employer Unfunded Accrued Liability (UAL) contribution for FY 2028-29. **The required employer and member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Rate Plan	Employer Normal Cost Rate	Member Contribution Rate
2027-28	3300	13.11%	7.00%
	27241	8.05%	7.75%

Fiscal Year	Employer Amortization of Unfunded Accrued Liability
2027-28	$219,861
	Projected (Estimated)
2028-29	*$235,000*

The actual investment return for FY 2025-26 was not known at the time this report was prepared. The projected UAL payment above assumes the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2025-26 differs from 6.8%, the actual UAL contribution requirement for FY 2028-29 will differ from that shown above. For additional information on future contribution requirements, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2032-33.

Changes from Previous Year's Valuations

On November 19, 2025, the CalPERS Board of Administration (board) adopted new actuarial assumptions based on the recommendations in the *November 2025 CalPERS Experience Study and Review of Actuarial Assumptions*. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increase, the inflation assumption, and various other assumptions for public agencies. These new assumptions are incorporated in this actuarial valuation and impact the required contributions for FY 2027-28.

In addition, the board adopted changes to the CalPERS Total Fund Investment Policy, which provides the framework for the management of CalPERS assets. The board adopted a discount rate of 6.80%, which is unchanged from the prior year's valuation, and an increase in the price inflation assumption from 2.30% to 2.50% per year.

Besides the above-noted changes, there may also be changes specific to the plan such as contract amendments and funding changes such as additional discretionary payments and amortization schedule fresh starts.

A consolidated plan identifier has been added to the cover page of the report. As a result of the combination of some or all of the employer's rate plans in the Miscellaneous Risk Pool effective with the prior year's valuation, there is now one consolidated UAL value and actuarial valuation report for the group of component rate plans. This single identifier, set equal to the identifier of the component rate plan to which the UAL is attached, is intended to make it easier to identify a specific group of rate plans, the associated UAL, and the actuarial report.

PEPRA Member Contribution Rate

The employee contribution rate for PEPRA members can change based on the results of the actuarial valuation. See Member Contribution Rates for more information.

Report Navigation Features

The valuation report has a number of features to ease navigation and allow the reader to find specific information more quickly. The tables of contents are "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Sincerely,

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Fritzie Dorais, ASA, MAAA
Deputy Chief Actuary, Special Programs, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS

California Public Employees’ Retirement System

Actuarial Valuation for the Rate Plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool

as of June 30, 2025

Consolidated Plan ID: 27241

(CalPERS ID: 3225653892)
(Rate Plan IDs: 3300, 27241)

Required Contributions for Fiscal Year

July 1, 2027 — June 30, 2028

CalPERS

Table of Contents

Section 1 – Employer Specific Information

Section 2 – Miscellaneous Risk Pool Actuarial Information

Section 2 may be found on the CalPERS website in the Forms & Publications section.

Section 1

California Public Employees' Retirement System

Employer Specific Information
for the
Rate Plans of the
Butte County Air Quality Management District
in the Miscellaneous Risk Pool

(CalPERS ID: 3225653892)
(Rate Plan IDs: 3300, 27241)

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions. The actuaries responsible for this report and their respective responsibilities are as follows.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Fritzie Dorais, ASA, MAAA
Deputy Chief Actuary, Special Programs, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

The assumptions and methods in this report are the responsibility of the CalPERS Chief Actuary and Deputy Chief Actuaries named above. These were established pursuant to their responsibility for setting actuarial policy and are relied upon without independent assessment of the reasonableness of the assumptions and methods, as such an evaluation would have required substantial additional work beyond the scope of this assignment. To the best of my knowledge and having relied upon the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the rate plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2025, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Butte County Air Quality Management District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2025, actuarial valuation of the rate plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2027-28.

Purpose of Section 1

This Section 1 report for rate plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool of CalPERS was prepared by the Actuarial Office using data as of June 30, 2025. This report contains actuarial information for the following rate plan(s).

- 3300, Miscellaneous Plan
- 27241, PEPRA Miscellaneous Plan

The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of these rate plans as of June 30, 2025;
- Determine the minimum required employer contributions for these rate plans for FY July 1, 2027, through June 30, 2028;
- Determine the required member contribution rate for FY July 1, 2027, through June 30, 2028, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2025, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of the Actuarial Standards of Practice:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2025.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- The funded status on a termination basis.
- A low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2026-27	Fiscal Year 2027-28
Employer Normal Cost Rates		
Rate Plan 3300	12.56%	13.11%
Rate Plan 27241	7.93%	8.05%
Unfunded Accrued Liability (UAL) Contribution Amount	$208,902	$219,861
Paid either as		
Option 1) 12 Monthly Payments of	$17,408.50	$18,321.75
Option 2) Annual Prepayment in July	$202,142	$212,747

Member Contribution Rates — page 9

	Fiscal Year 2026-27	Fiscal Year 2027-28
Rate Plan 3300	7.00%	7.00%
Rate Plan 27241	7.75%	7.75%

Projected Employer Contributions — page 13

	Normal Cost (% of payroll)		Annual
Fiscal Year	Rate Plan 3300	Rate Plan 27241	UAL Payment
2028-29	13.1%	8.1%	$235,000
2029-30	13.1%	8.1%	$228,000
2030-31	13.1%	8.1%	$220,000
2031-32	13.1%	8.1%	$215,000
2032-33	13.1%	8.1%	$213,000

Funded Status — Funding Policy Basis — page 11

	June 30, 2024	June 30, 2025
Entry Age Accrued Liability (AL)	$8,921,569	$9,473,698
Fair Value of Assets (Assets)	6,674,421	7,480,629
Unfunded Accrued Liability (UAL) [AL – Assets]	$2,247,148	$1,993,069
Funded Ratio [Assets ÷ AL]	74.8%	79.0%

Summary of Valuation Data — page 28

	June 30, 2024	June 30, 2025
Active Member Count	11	11
Annual Covered Payroll	$860,778	$954,767
Transferred Member Count	2	2
Separated Member Count	5	5
Retired Members and Beneficiaries Count	14	14

Changes Since the Prior Year's Valuation

Investment Policy and Discount Rate

On November 19, 2025, the board adopted changes to the CalPERS Total Fund Investment Policy, which provides the framework for the management of CalPERS assets. Consistent with that policy, the board also adopted a discount rate of 6.80% for use in this valuation, which is unchanged from the prior year's valuation.

Actuarial Methods and Other Assumptions

On November 19, 2025, the board adopted new actuarial assumptions based on the recommendations in the *November 2025 CalPERS Experience Study and Review of Actuarial Assumptions*. This study assessed various assumptions including retirement rates, termination rates, mortality rates, rates of salary increase, and inflation. New assumptions stemming from the study are incorporated in this actuarial valuation and affect required contributions for fiscal year 2027-28. Among the changes were an increase in the price inflation assumption from 2.30% to 2.50% per year and an increase in the wage inflation assumption from 2.80% to 3.00% per year.

Plan Assets

Plan assets are measured at fair value. In the prior year's actuarial valuation report the term Market Value of Assets was used to describe the asset value used for funding purposes. The Actuarial Office has used this term interchangeably with Fair Value of Assets. Effective with the June 30, 2025, valuation, CalPERS will exclusively use the term Fair Value of Assets in actuarial reports. This is a change in terminology and does not represent any change in methodology.

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the Plan's Major Benefit Options in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Plan Identification

A consolidated plan identifier has been added to the cover page of the report. As a result of the combination of some or all of the employer's rate plans in the Miscellaneous Risk Pool effective with the prior year's valuation, there is now one consolidated Unfunded Accrued Liability (UAL) value and actuarial valuation report for the group of component rate plans. This single identifier, set equal to the identifier of the component rate plan to which the UAL is attached, is intended to make it easier to identify a specific group of rate plans, the associated UAL, and the actuarial report.

Amendments to Regulations Regarding Participation in Risk Pools

On September 17, 2025, the board approved amendments to pooling regulations, which were endorsed by the Office of Administrative Law on May 12, 2026. Beginning with the June 30, 2026, actuarial valuation, it will be possible for pooled plans to be removed from the risk pool and become non-pooled plans. The general rule is that if an employer sponsors a pooled plan with at least 150 but less than 200 active members as of the valuation date, the employer may elect to remove that plan from the risk pool. If the plan has at least 200 active members, the plan will be automatically removed. More information can be found in Regulatory Actions on the CalPERS website under the heading Participation in Risk Pools.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2025, as well as statutory changes, regulatory changes and board actions through January 2026.

The 2025 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.5% per year based on the price inflation assumption. The actual 2026 limits, determined in October 2025, are not reflected.

To the best of our knowledge, there have been no subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, UAL emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the UAL Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS Actuarial Amortization Policy. The UAL Contribution is the sum of the payments on all bases. See the Schedule of Amortization Bases section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees. For employee contribution rates, see Member Contribution Rates.

Required Employer Contributions	Fiscal Year 2027-28
Employer Normal Cost Rate	
Classic Rate Plan 3300	**13.11%**
PEPRA Rate Plan 27241	**8.05%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount†	**$219,861**
Paid either as	
1) Monthly Payment	**$18,321.75**
Or	
2) Annual Prepayment Option‡	**$212,747**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

†The required UAL contribution does not take into account any additional discretionary payment made after April 30, 2026.
‡Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

Development of Normal Cost as a Percentage of Payroll

	Fiscal Year 2026-27	Fiscal Year 2027-28
Classic Rate Plan 3300		
Base Total Normal Cost for Formula	18.85%	19.36%
Surcharge for Class 1 Benefits[1]	0.64%	0.69%
Plan's Total Normal Cost	19.49%	20.05%
Offset Due to Employee Contributions[2]	(6.93%)	(6.94%)
Employer Normal Cost for Rate Plan 3300	12.56%	13.11%
PEPRA Rate Plan 27241		
Base Total Normal Cost for Formula	15.68%	15.80%
Surcharge for Class 1 Benefits[1]	0.00%	0.00%
Plan's Total Normal Cost	15.68%	15.80%
Offset Due to Employee Contributions[2]	(7.75%)	(7.75%)
Employer Normal Cost for Rate Plan 27241	7.93%	8.05%

1 See Surcharge for Class 1 Benefits in the supplementary information section of this report.

2 This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Classic Members

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

PEPRA Members

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2027, based on 50% of the total normal cost rate as of the June 30, 2025, valuation.

		Basis for Current Rate		Rates Effective July 1, 2027			
Rate Plan Identifier	Benefit Group Name	Total Normal Cost	Member Rate	Total Normal Cost	Change in Normal Cost	Adj. Needed	Member Rate
27241	PEPRA Miscellaneous Plan	15.43%	7.75%	15.80%	0.37%	No	7.75%

Breakdown of Entry Age Accrued Liability

Active Members	$3,114,474
Transferred Members	90,679
Separated Members	165,563
Members and Beneficiaries Receiving Payments	6,102,982
Total	$9,473,698

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$9,473,698
2.	Projected UAL Balance at 6/30/2025	2,237,245
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2025 for Asset Share	2,237,245
5.	Pool's Accrued Liability[1]	26,128,329,326
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2025[1]	5,408,106,113
7.	Pool's 2024-25 Investment (Gain)/Loss[1]	(1,023,922,845)
8.	Pool's 2024-25 Non-Investment (Gain)/Loss[1]	254,352,784
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	(357,601)
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	92,224
11.	Plan's New (Gain)/Loss as of 6/30/2025: (9) + (10)	(265,377)
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	58,472,717
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	21,201
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	(357,601)

[1] Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$1,993,069
19.	Plan's Share of Pool's Fair Value of Assets: (1) - (18)	$7,480,629

For a reconciliation of the pool's Fair Value of Assets, information on the fund's asset allocation and a history of CalPERS investment returns, see Section 2, which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the fair value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the **Accrued Liability** and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **Funded Ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2024	June 30, 2025
1. Present Value of Benefits	$10,338,031	$11,071,935
2. Entry Age Accrued Liability	8,921,569	9,473,698
3. Fair Value of Assets	6,674,421	7,480,629
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$2,247,148	$1,993,069
5. Funded Ratio [(3) ÷ (2)]	74.8%	79.0%

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$10,706,067	$9,473,698	$8,446,611
2. Fair Value of Assets	7,480,629	7,480,629	7,480,629
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$3,225,438	$1,993,069	$965,982
4. Funded Ratio [(2) ÷ (1)]	69.9%	79.0%	88.6%

The Risk Analysis section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The CalPERS amortization policy provides a systematic methodology for paying down a plan's unfunded accrued liability (UAL) over a reasonable period of years. The projected schedule of required payments for this plan under the amortization policy is provided in Amortization Schedule and Alternatives. Certain aspects of the policy such as 1) layered amortization bases (positive and negative) with different remaining payoff periods, and 2) the phase-in of required payments toward investment gains and losses, can result in volatility in year-to-year projected UAL payments. Provided below is information on how an Additional Discretionary Payment (ADP), together with your required UAL payment of $219,861 for FY 2027-28, may better accomplish your agency's specific objectives with regard to either smoothing out projected future payments or achieving a greater reduction in UAL than would otherwise occur when making only the minimum required payment. Such additional payments are allowed at any time and can also result in significant long-term savings.

Fiscal Year 2027-28 Employer Contribution Versus Agency Funding Objectives

The interest-to-payment ratio for the FY 2027-28 minimum required UAL payment is 54%, which means the required payment of $219,861 includes $118,553 of interest cost and results in a $101,308 reduction in the UAL, as can be seen in Amortization Schedule and Alternatives (see columns labelled Current Amortization Schedule). If the interest-to-payment ratio is close to 100%, and the reduction in the UAL is small, it may indicate that required contributions will be increasing in the coming years, which would be shown in Projected Employer Contributions. An alternative metric that provides similar information about the FY 2027-28 required UAL payment is the number of years it would take that payment, if held constant, to pay off the existing UAL (note: actual required UAL payments will vary each year). An annual payment of $219,861 would pay off the current UAL in 12.3 years (ignoring any unexpected changes in UAL occurring after June 30, 2025). If the agency would like their FY 2027-28 payment toward the UAL to be consistent with a faster pace for reaching 100% funded, an ADP can be added to the required minimum payment.

Provided below are select ADP options for consideration. Making such an ADP during FY 2027-28 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2027-28 Employer Contributions — Illustrative Scenarios

If the Annual UAL Payment Each Year Were…	The Current UAL Would be Paid Off in…	This Would Require an ADP[1] in FY 2027-28 of…	Plus the Estimated Normal Cost of…	Estimated Total Contribution
$219,861	12.3 years	$0	$109,417	$329,278
252,739	10 years	32,878	109,417	362,156
434,632	5 years	214,771	109,417	544,049

1 The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2027, as determined in the June 30, 2025, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan through April 30, 2026.

Fiscal Year	ADP
2019-20	$0
2020-21	0
2021-22	0
2022-23	0

Fiscal Year	ADP
2023-24	$0
2024-25	0
2025-26	0

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2025-26 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

The normal cost rates for each rate plan are assumed to remain constant. The employer normal cost rate for pooled plans is relatively constant from year to year when there are no assumption changes. Beginning with the June 30, 2026, actuarial valuation, it will be possible for pooled plans to be removed from the risk pool, in which case the employer normal cost would be based only on the members of that plan and will be different than the projections below. Plans with at least 200 active members on a valuation date will be automatically removed from the risk pool.

If the normal cost rates do remain constant, the employer contribution amounts will vary due to changes in payroll. The actuarial valuation does not include payroll beyond the valuation date. For the most realistic projections, the employer should apply projected payroll amounts to the rates below based on the most recent information available, such as current payroll as well as any plans to fill vacancies or add or remove positions.

		Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2025-26 and Beyond)**				
		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Rate Plan Identifier	**Covered Payroll June 30, 2025**	Normal Cost Rates (Percentage of Payroll)					
3300	$520,381	13.11%	13.1%	13.1%	13.1%	13.1%	13.1%
27241	434,386	8.05%	8.1%	8.1%	8.1%	8.1%	8.1%
	UAL Payment	$219,861	$235,000	$228,000	$220,000	$215,000	$213,000

Unlike the normal cost rates, the required UAL payments are expected to vary significantly from the projections above due to experience, particularly investment experience. For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

For ongoing plans, investment gains and losses are amortized using an initial 5-year ramp. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the initial ramp period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2025.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2027-28.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2025-26 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2026, if necessary, and the expected payment for FY 2026-27 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2027-28	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Expected Payment 2026-27	Balance 6/30/27	Minimum Required Payment 2027-28
Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	18	519,658	40,532	513,107	41,667	504,938	42,834
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	18	(5,188)	(405)	(5,122)	(416)	(5,040)	(428)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	10	289,914	30,534	278,073	31,389	264,543	32,268
Assumption Change	6/30/14	100%	Up/Dn	2.80%	9	207,628	27,738	193,081	28,515	176,742	29,314
Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	19	(416,604)	(31,304)	(412,582)	(32,181)	(407,380)	(33,082)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	19	459	34	455	35	450	37
Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	20	279,514	20,288	277,555	20,856	274,875	21,440
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	20	(22,597)	(1,640)	(22,439)	(1,686)	(22,222)	(1,733)
Assumption Change	6/30/16	100%	Up/Dn	2.80%	11	97,314	11,016	92,547	11,324	87,138	11,641
Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	21	367,228	25,808	365,528	26,531	362,966	27,274
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	21	(44,615)	(3,135)	(44,409)	(3,223)	(44,098)	(3,314)
Assumption Change	6/30/17	100%	Up/Dn	2.80%	12	121,817	12,862	116,808	13,222	111,087	13,593
Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	22	(200,808)	(13,694)	(200,311)	(14,078)	(199,383)	(14,472)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	22	(10,088)	(688)	(10,063)	(707)	(10,017)	(727)
Assumption Change	6/30/18	100%	Up/Dn	2.80%	13	210,748	20,900	203,480	21,485	195,113	22,086
Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	23	(66,225)	(4,391)	(66,190)	(4,514)	(66,026)	(4,640)
Method Change	6/30/18	100%	Up/Dn	2.80%	13	57,683	5,720	55,694	5,881	53,404	6,045
Non-Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	23	31,814	2,109	31,798	2,168	31,720	2,229
Investment (Gain)/Loss	6/30/19	100%	Up Only	0.00%	14	30,943	3,128	29,815	3,128	28,610	3,128
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	14	26,362	2,665	25,400	2,665	24,373	2,664

Schedule of Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2027-28	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Expected Payment 2026-27	Balance 6/30/27	Minimum Required Payment 2027-28
Investment (Gain)/Loss	6/30/20	100%	Up Only	0.00%	15	154,703	12,330	152,480	15,413	146,920	15,412
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	15	23,116	2,259	22,353	2,259	21,538	2,259
Assumption Change	6/30/21	No Ramp		0.00%	16	29,976	2,842	29,077	2,842	28,117	2,842
Net Investment (Gain)	6/30/21	100%	Up Only	0.00%	16	(806,037)	(48,464)	(810,763)	(64,619)	(799,115)	(80,774)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	16	(33,268)	(3,154)	(32,271)	(3,154)	(31,206)	(3,154)
Investment (Gain)/Loss	6/30/22	80%	Up Only	0.00%	17	1,104,998	45,423	1,133,196	68,135	1,139,840	90,847
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	17	127,511	11,760	124,028	11,759	120,310	11,759
Partial Fresh Start	6/30/22	80%	Up Only	0.00%	17	24,766	1,018	25,398	1,527	25,547	2,036
Investment (Gain)/Loss	6/30/23	60%	Up Only	0.00%	18	46,231	993	48,349	1,987	49,583	2,981
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	18	149,561	13,449	145,832	13,449	141,850	13,449
Investment (Gain)/Loss	6/30/24	40%	Up Only	0.00%	19	(176,990)	0	(189,025)	(4,063)	(197,680)	(8,126)
Non-Investment (Gain)/Loss	6/30/24	No Ramp		0.00%	19	117,721	0	125,726	11,306	122,591	11,306
Assumption Change	6/30/25	No Ramp		0.00%	20	21,201	0	22,643	0	24,183	2,175
Investment (Gain)/Loss	6/30/25	20%	Up Only	0.00%	20	(357,601)	0	(381,918)	0	(407,888)	(8,767)
Non-Investment (Gain)/Loss	6/30/25	No Ramp		0.00%	20	92,224	0	98,495	0	105,193	9,459
Total						**1,993,069**	**186,533**	**1,935,825**	**208,902**	**1,851,576**	**219,861**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in Allocation of Plan's Share of Pool's Experience earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Each year, many agencies express a desire for a more stable pattern of payments or indicate interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative “fresh start” amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single “fresh start” base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternative Schedules			
			10 Year Amortization		5 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2027	1,851,576	219,861	1,851,576	252,739	1,851,576	434,632
6/30/2028	1,750,268	235,456	1,716,292	252,739	1,528,317	434,632
6/30/2029	1,625,958	227,951	1,571,809	252,739	1,183,076	434,632
6/30/2030	1,500,947	219,568	1,417,501	252,739	814,359	434,633
6/30/2031	1,376,102	215,374	1,252,700	252,739	420,568	434,632
6/30/2032	1,247,100	213,342	1,076,693	252,739		
6/30/2033	1,111,430	211,073	888,717	252,739		
6/30/2034	968,876	205,715	687,959	252,739		
6/30/2035	822,166	196,543	473,549	252,738		
6/30/2036	674,956	179,509	244,561	252,739		
6/30/2037	535,339	126,611				
6/30/2038	440,899	114,370				
6/30/2039	352,685	104,616				
6/30/2040	268,552	98,161				
6/30/2041	185,369	81,307				
6/30/2042	113,949	61,910				
6/30/2043	57,718	59,648				
6/30/2044						
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**2,771,015**		**2,527,389**		**2,173,161**
Interest Paid		**919,439**		**675,813**		**321,585**
Estimated Savings				**243,626**		**597,854**

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

		Employer Normal Cost Rate		
Valuation Date	**Contribution Year**	**Rate Plan 3300**	**Rate Plan 27241**	**Unfunded Liability Payment**
06/30/2016	2018-19	9.409%	6.842%	$97,609
06/30/2017	2019-20	10.221%	6.985%	82,092
06/30/2018	2020-21	11.031%	7.732%	95,484
06/30/2019	2021-22	10.88%	7.59%	115,454
06/30/2020	2022-23	10.87%	7.47%	135,390
06/30/2021	2023-24	12.47%	7.68%	126,534
06/30/2022	2024-25	12.52%	7.87%	157,445
06/30/2023	2025-26	12.58%	7.96%	186,533
06/30/2024	2026-27	12.56%	7.93%	208,902
06/30/2025	2027-28	13.11%	8.05%	219,861

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool’s fair value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability	Share of Pool’s Fair Value of Assets	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2016	$5,250,386	$3,936,477	$1,313,909	75.0%	$813,150
06/30/2017	5,732,313	4,455,777	1,276,536	77.7%	814,237
06/30/2018	6,397,411	4,913,646	1,483,765	76.8%	772,516
06/30/2019	6,784,395	5,233,373	1,551,022	77.1%	696,105
06/30/2020	7,116,244	5,385,890	1,730,354	75.7%	644,791
06/30/2021	7,744,455	6,681,115	1,063,340	86.3%	645,403
06/30/2022	8,157,799	6,063,939	2,093,860	74.3%	774,912
06/30/2023	8,501,864	6,223,394	2,278,470	73.2%	831,373
06/30/2024	8,921,569	6,674,421	2,247,148	74.8%	860,778
06/30/2025	9,473,698	7,480,629	1,993,069	79.0%	954,767

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2025 was performed to determine the effects of various future investment returns on required employer UAL contributions. The CalPERS Funding Risk Mitigation Policy stipulates that when the investment return exceeds the discount rate by at least 2% the board will consider adjustments to the discount rate. The projections below use a discount rate of 6.8% for all scenarios even though an annual return of 11.6% is high enough to trigger a board discussion on the discount rate. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The employer normal cost rates are not affected by Investment returns, and since no future assumption changes are being reflected, the projected employer normal cost rates for every future investment return scenario are the same as those shown earlier in this report. See Projected Employer Contributions for more information on projecting the employer normal cost.

The first table shows projected UAL contribution requirements if the fund were to earn either 1.9% or 11.6% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2045.

Assumed Annual Return FY 2025-26 through FY 2044-45	Projected Employer UAL Contributions				
	2028-29	2029-30	2030-31	2031-32	2032-33
1.9% (5th percentile)	$244,000	$255,000	$274,000	$307,000	$351,000
11.6% (95th percentile)	$227,000	$201,000	$80,000	$0	$0

Required UAL contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.9% or greater than 11.6% over a 20-year period, the likelihood of a single investment return less than 1.9% or greater than 11.6% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.7% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.9% or less and a 2.5% probability that the annual return will be -18.6% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2025-26 on the FY 2028-29 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2028-29.

Assumed Annual Return for Fiscal Year 2025-26	Required Employer UAL Contributions	Projected Employer UAL Contributions
	2027-28	2028-29
(18.6%) (2 standard deviation loss)	$219,861	$282,000
(5.9%) (1 standard deviation loss)	$219,861	$259,000

- Without investment gains (returns higher than 6.8%) in FY 2026-27 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2025-26.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2028-29 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.3% and 2.5%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2025, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Discount Rate Due to Varying the Real Rate of Return Assumption

As of June 30, 2025	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.5%	2.5%	2.5%
Real Rate of Return	**3.3%**	**4.3%**	**5.3%**
a) Total Normal Cost			
Rate Plan 3300	25.26%	20.05%	16.08%
Rate Plan 27241	19.87%	15.80%	12.71%
b) Accrued Liability	$10,706,067	$9,473,698	$8,446,611
c) Fair Value of Assets	$7,480,629	$7,480,629	$7,480,629
d) Unfunded Liability/(Surplus) [(b) - (c)]	$3,225,438	$1,993,069	$965,982
e) Funded Ratio	69.9%	79.0%	88.6%

Sensitivity to the Discount Rate Due to Varying the Price Inflation Assumption

As of June 30, 2025	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.5%**	**2.5%**	**3.5%**
Real Rate of Return	4.3%	4.3%	4.3%
a) Total Normal Cost			
Rate Plan 3300	21.42%	20.05%	18.43%
Rate Plan 27241	16.95%	15.80%	14.46%
b) Accrued Liability	$9,959,550	$9,473,698	$8,989,784
c) Fair Value of Assets	$7,480,629	$7,480,629	$7,480,629
d) Unfunded Liability/(Surplus) [(b) - (c)]	$2,478,921	$1,993,069	$1,509,155
e) Funded Ratio	75.1%	79.0%	83.2%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2025, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2025. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2025	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost			
Rate Plan 3300	20.39%	20.05%	19.73%
Rate Plan 27241	16.08%	15.80%	15.54%
b) Accrued Liability	$9,665,846	$9,473,698	$9,296,780
c) Fair Value of Assets	$7,480,629	$7,480,629	$7,480,629
d) Unfunded Liability/(Surplus) [(b) - (c)]	$2,185,217	$1,993,069	$1,816,151
e) Funded Ratio	77.4%	79.0%	80.5%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures include only the rate plans covered in this report. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2024	June 30, 2025
1. Retiree Accrued Liability	$6,098,275	$6,102,982
2. Total Accrued Liability	$8,921,569	$9,473,698
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	68%	64%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

Support Ratio	June 30, 2024	June 30, 2025
1. Number of Actives	11	11
2. Number of Retirees	14	14
3. Support Ratio [(1) ÷ (2)]	0.79	0.79

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of fair value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2024	June 30, 2025
1. Fair Value of Assets	$6,674,421	$7,480,629
2. Payroll	$860,778	$954,767
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	7.8	7.8
4. Accrued Liability	$8,921,569	$9,473,698
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	10.4	9.9

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	38%	1.57	5.5	7.0
06/30/2018	50%	1.10	6.4	8.3
06/30/2019	54%	0.91	7.5	9.7
06/30/2020	68%	0.83	8.4	11.0
06/30/2021	75%	0.77	10.4	12.0
06/30/2022	72%	0.85	7.8	10.5
06/30/2023	69%	0.85	7.5	10.2
06/30/2024	68%	0.79	7.8	10.4
06/30/2025	64%	0.79	7.8	9.9

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimated range for the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2025. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis are based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as demonstrated below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
6/30/2016	1.86%	6/30/2021	2.00%
6/30/2017	2.61%	6/30/2022	3.38%
6/30/2018	2.91%	6/30/2023	4.06%
6/30/2019	2.31%	6/30/2024	4.61%
6/30/2020	1.18%	6/30/2025	4.79%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Fair Value of Assets also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the assets will change in different interest rate environments, the results below use the plan's share of the pool's Fair Value of Assets as of the valuation date.

	Discount Rate: 3.79% Price Inflation: 2.47%	Discount Rate: 5.79% Price Inflation: 2.47%
1. Termination Liability[1]	$13,036,193	$9,952,357
2. Fair Value of Assets	7,480,629	7,480,629
3. Unfunded Termination Liability [(1) – (2)]	$5,555,564	$2,471,728
4. Funded Ratio [(2) ÷ (1)]	57.4%	75.2%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.58%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2025.

Selected Measures on a Low-Default-Risk Basis	June 30, 2025
Discount Rate	5.58%
1. Accrued Liability – Low-Default-Risk Basis (LDROM)	
a) Active Members	$3,829,589
b) Transferred Members	122,952
c) Separated Members	192,884
d) Members and Beneficiaries Receiving Payments	6,864,324
e) Total	$11,009,749
2. Fair Value of Assets	7,480,629
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$3,529,120
4. Unfunded Accrued Liability – Funding Policy Basis	1,993,069
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$1,536,051

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

1 This index is based on a yield curve of hypothetical AA-rated zero-coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Supplementary Information

Normal Cost by Benefit Group

The table below displays the Total Normal Cost broken out by benefit group for FY 2027-28. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits contracted. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as changes in economic and demographic assumptions, changes in plan benefits, or changes in applicable law.

Rate Plan Identifier	Benefit Group Name	Total Normal Cost FY 2027-28	Offset due to Employee Contributions FY 2027-28	Employer Normal Cost FY 2027-28	Number of Actives	Payroll on 6/30/2025
3300	Miscellaneous Plan	20.05%	6.94%	13.11%	5	$520,381
27241	PEPRA Miscellaneous Plan	15.80%	7.75%	8.05%	6	434,386
	Total				11	$954,767

Note that if a Benefit Group above has multiple bargaining units, each of which has separately contracted for different benefits such as Employer Paid Member Contributions, then the Normal Cost shown for the respective benefit level does not reflect those differences.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2024	June 30, 2025
Active Members		
Counts	11	11
Average Attained Age	44.4	45.4
Average Entry Age to Rate Plan	34.9	34.9
Average Years of Credited Service	9.5	10.5
Average Annual Covered Pay	$78,253	$86,797
Annual Covered Payroll	$860,778	$954,767
Present Value of Future Payroll	$8,418,103	$9,341,300
Transferred Members		
Counts	2	2
Separated Members		
Counts	5	5
Retired Members and Beneficiaries*		
Counts	14	14
Average Annual Benefits	$32,411	$33,472
Total Annual Benefits	$453,757	$468,610

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Average Annual Benefits represents benefit amounts payable by this plan only. Some members may have service in another plan and would therefore have a larger total benefit than would be included as part of the average shown here.

* Values include community property settlements

Status of PEPRA Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2025.

	Classic	PEPRA	PEPRA as a Percent of Total
Active Members			
Count	5	6	54.5%
Average Attained Age	48.2	43.0	
Average Entry Age	31.0	38.2	
Average Years of Credited Service	17.2	4.9	
Average Annual Covered Payroll	$104,076	$72,398	
Annual Covered Payroll	$520,381	$434,386	45.5%
Present Value of Future Payroll	$4,434,145	$4,907,155	52.5%
Transferred Members			
Count	1	1	50.0%
Separated Members			
Count	3	2	40.0%
Retired Members and Beneficiaries Receiving Payments			
Count	14	0	0.0%
Average Annual Benefit	$33,472	$0	
Total Annual Benefits	$468,610	$0	0.0%
Accrued Liabilities			
Active Members	$2,633,103	$481,371	15.5%
Transferred Members	71,424	19,255	21.2%
Separated Members	139,779	25,784	15.6%
Retired Members and Beneficiaries	6,102,982	0	0.0%
Total	$8,947,288	$526,410	5.6%

Surcharge for Class 1 Benefits

This plan has the following Class 1 benefit provisions which result in the surcharges indicated:

Class 1 benefit provisions	Rate Plan 3300	Rate Plan 27241
One Year Final Compensation (FAC 1)	0.69%	N/A
Surcharge for Class 1 Benefits	0.69%	0.00%

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 3300	Benefit Group		
Member Category	**Misc**	**Misc**	
Demographics			
Actives	Yes	No	
Transfers/Separated	Yes	Yes	
Receiving	Yes	Yes	
Benefit Provision			
Benefit Formula	2% @ 55	2% @ 55	
Social Security Coverage	No	No	
Full/Modified	Full	Full	
Employee Contribution Rate	7.00%		
Final Average Compensation Period	One Year	One Year	
Sick Leave Credit	Yes	Yes	
Non-Industrial Disability	Standard	Standard	
Industrial Disability	No	No	
Pre-Retirement Death Benefits			
Optional Settlement 2	Yes	Yes	
1959 Survivor Benefit Level	Level 3	No	
Special	No	No	
Alternate (firefighters)	No	No	
Post-Retirement Death Benefits			
Lump Sum	$2,000	$2,000	
Survivor Allowance (PRSA)	No	No	
COLA	2%	2%	

Plan's Major Benefit Options (Continued)

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 27241	**Benefit Group**		
Member Category	**Misc**		
Demographics			
Actives	Yes		
Transfers/Separated	Yes		
Receiving	No		
Benefit Provision			
Benefit Formula	2% @ 62		
Social Security Coverage	No		
Full/Modified	Full		
Employee Contribution Rate	7.75%		
Final Average Compensation Period	Three Year		
Sick Leave Credit	Yes		
Non-Industrial Disability	Standard		
Industrial Disability	No		
Pre-Retirement Death Benefits			
Optional Settlement 2	Yes		
1959 Survivor Benefit Level	Level 3		
Special	No		
Alternate (firefighters)	No		
Post-Retirement Death Benefits			
Lump Sum	$2,000		
Survivor Allowance (PRSA)	No		
COLA	2%		

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

Section 2 may be found on the CalPERS website
in the Forms & Publications section

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Butte County Air Quality Management District

CEPPT Strategy 2
Entity #: SKHE-3225653892-501P
Quarter Ended June 30, 2025

CalPERS

Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	$37,871.39	$36,118.85
Contribution	5,149.00	5,149.00
Disbursement	0.00	0.00
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	1,554.98	3,372.40
Administrative Expenses	(14.68)	(57.59)
Investment Expense	(7.50)	(29.47)
Other	0.00	0.00
Ending Balance	$44,553.19	$44,553.19
FY End Contribution Accrual	0.00	0.00
FY End Disbursement Accrual	0.00	0.00
Grand Total	$44,553.19	$44,553.19

Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	3,377.346	3,377.346
Unit Purchases from Contributions	457.694	457.694
Unit Sales for Withdrawals	0.000	0.000
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	3,835.040	3,835.040
Period Beginning Unit Value	11.213381	10.694469
Period Ending Unit Value	11.617392	11.617392

Please note the Grand Total is your actual fund account balance at the end of the period, including accrued contribution and disbursements. Please review your statement promptly. All information contained in your statement will be considered true and accurate unless you contact us within 30 days of receipt of this statement. If you have questions about the validity of this information, please contact CEPPT4U@calpers.ca.gov.

CalPERS

Statement of Transaction Detail for the Quarter Ending 06/30/2025

Butte County Air Quality Management District

Entity #: SKHE-3225653892-501P

Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
05/22/2025	Contribution	$5,149.00	$11.249876	457.694	1000000526504 35	

Client Contact:

CEPPT4U@CalPERS.ca.gov

If you have any questions or comments regarding the new statement format, please contact CEPPT4U@CalPERS.ca.gov

Butte County Air Quality Management District
CEPPT Strategy 2
Entity #: SKHE-3225653892-501P
Quarter Ended June 30, 2026

CalPERS

Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	$46,413.77	$44,553.19
Contribution	6,036.00	6,036.00
Disbursement	0.00	0.00
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	2,121.84	4,063.09
Administrative Expenses	(19.20)	(72.31)
Investment Expense	(9.87)	(37.43)
Other	0.00	0.00
Ending Balance	$54,542.54	$54,542.54
FY End Contribution Accrual	0.00	0.00
FY End Disbursement Accrual	0.00	0.00
Grand Total	$54,542.54	$54,542.54

Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	3,835.040	3,835.040
Unit Purchases from Contributions	482.917	482.917
Unit Sales for Withdrawals	0.000	0.000
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	4,317.957	4,317.957
Period Beginning Unit Value	12.102557	11.617392
Period Ending Unit Value	12.631577	12.631577

Please note the Grand Total is your actual fund account balance at the end of the period, including accrued contribution and disbursements. Please review your statement promptly. All information contained in your statement will be considered true and accurate unless you contact us within 30 days of receipt of this statement. If you have questions about the validity of this information, please contact CEPPT4U@calpers.ca.gov.

Statement of Transaction Detail for the Quarter Ending 06/30/2026

Butte County Air Quality Management District

Entity #: SKHE-3225653892-501P

Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
05/21/2026	Contribution	$6,036.00	$12.499030	482.917	1000000554398 70	

Client Contact:

CEPPT4U@CalPERS.ca.gov

	Date of Release:	September 17, 2026
	Board Consideration:	September 24, 2026
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:	Public Hearing - Rule 509 Subject Research Fees and Hourly Rate	

ISSUE:
Amendments to Rule 509 are proposed to increase the District hourly labor rate by 10% annually from 2027 through 2030, followed by the existing annual CPI review beginning in 2031. The change is intended to move hourly-rate cost recovery toward the District's 90% target.

ACTION REQUESTED:
Following a Public Hearing, accept comments and approve the proposed amendments to Rule 509 - Subject Research Fees and Hourly Rate and the Resolution of Adoption.

DISCUSSION:
The current Rule 509 hourly rate is $112.35 and recovers approximately 65% of the District's estimated $165 hourly cost for services billed at that rate. This shortfall has persisted for nearly 20 years and has required support from one-time revenues and other program sources. State law authorizes annual fee increases of up to 15%, and District policy targets 90% cost recovery.

The proposed amendments increase the hourly rate by 10% each January from 2027 through 2030: $123.59 in 2027, $135.94 in 2028, $149.54 in 2029, and $164.49 in 2030. Based on current projections, the 2030 rate would recover approximately 89% of the projected $185 hourly cost. Maximum additional annual revenue is estimated at less than $83,335 in 2027, increasing to less than $178,968 in 2030; actual revenue may be lower due to permitting variability. No staffing increases are proposed.

The hourly rate supports stationary source and authority-to-construct permits, portable and agricultural equipment registrations, asbestos demolition and renovation activities, inspections, and technical evaluations. A draft rule workshop was held August 4, 2026, and a proposed rule workshop was held September 3, 2026. After 2030, the existing annual CPI review would resume, with any adjustment requiring Board approval at a public hearing.

Attachments:

Agenda Item 6

Staff Report - Proposed Amendments to Rule 509 - Subject Research Fees and Hourly Rate
Proposed Amended Rule 509
Proposed Amended Rule 509-Underline/Strikethrough
Resolution of Adoption

STAFF REPORT

Proposed Amendments to Rule 509 – *Subject Research Fees and Hourly Rate*

Date of Release: August 25, 2026

Proposed for Adoption: September 24, 2026

Schedule of Hearings

- Date of Draft Rule Workshop: Tuesday August 4, 2026, at 2:30pm, Butte County Air Quality Management District and Zoom, 629 Entler Avenue, Suite 15, Chico, CA 95928
- Date of Proposed Rule Workshop: Thursday, September 3, 2026, at 2:30pm, Butte County Air Quality Management District and Zoom, 629 Entler Avenue, Suite 15, Chico, CA 95928
- Date of Board Adoption Hearing: Thursday, September 24, 2026, at 10:00 a.m., Butte County Association of Governments Board Room, 326 Huss Drive, Suite #100, Chico, CA 95928

STAFF REPORT

Proposed Amendments to Rule 509 – *Subject Research Fees and Hourly Rate*

Date of Release: August 25, 2026

Proposed for Adoption: September 24, 2026

Public Adoption Hearing: Thursday, September 24, 2026
at 10:00 a.m., Butte County Association of Governments Board Room,
326 Huss Drive, Suite #100, Chico, CA 95928

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STAFF REPORT

Executive Summary

The federal Clean Air Act, California Health and Safety Code, and local Rules and Regulations of the Butte County Air Quality Management District (District) establish requirements on the District to develop, implement and enforce numerous programs designed to achieve and maintain ambient air quality standards and protect public health. These programs have primarily been funded from District fee sources, such as regulatory and/or user fees (including burn permit fees, stationary source permit fees and State subvention funding). The District does not utilize any County or City general funds or other tax revenues.

The District is committed to ensuring the health and safety of our community by regulating and managing air quality standards as required in State Law. A critical component of this *responsibility involves the administration of the Permit to Operate program, which ensures that facilities that emit certain air pollutants comply with environmental regulations to minimize air pollution. The District assists these facilities with meeting the complex and often changing requirements in a way that is consistent with the needs of Butte County. This approach has allowed the District to maintain local control of these requirements and avoid State intervention.*

Current Challenge: The existing Rule 509 hourly rate ($112.35) recovers less than 65% of the actual costs (~$165) associated with services billed at that rate. A similar shortfall has persisted for nearly 20 years. Previously, this deficit was supplemented through one-time revenues (like grants) or other program sources. Increasing unfunded State mandates and requirements and increasing operations costs over the last decade are challenging the District's ability to manage these liabilities and meet District requirements moving forward. This significant deficit poses several challenges:

1. ***Financial Strain: The disparity between the costs of services billed at the hourly rate and the revenue generated by that rate results in a financial strain on the District's budget. This strain limits our ability to allocate resources to other vital programs and initiatives aimed at improving air quality (e.g., facility support, matching grants funds, public outreach).***

2. ***Sustainability Concerns: Maintaining the Rule 509 hourly rate at its current level is financially unsustainable. The ongoing use of one-time revenues to subsidize services billed at the hourly rate detracts from other essential services and creates long-term fiscal imbalances.***

3. ***Compliance Assistance and Enforcement: Adequate funding is crucial to maintain local control, a level playing field for facilities, and monitoring and enforcement activities. Under-recovery through the hourly rate can compromise our ability to ensure that all facilities adhere to the same air quality standards, potentially leading to unfair business advantages, increased pollution, and health risks for the community. Districts that fail to meet the requirements are also subject to State intervention.***

4. ***Growth of Unfunded Accrued Liability (UAL): Failure to improve hourly rate cost recovery will result in an inability to make additional contributions toward the District UAL. As the UAL grows, so does the financial burden on the District, leading to higher future required contributions and interest costs, further exacerbating our long-term fiscal challenges.***

5. ***Decreased Financial Flexibility: The lack of additional revenue will reduce the District's financial flexibility. This inflexibility will hinder our ability to respond to unforeseen financial needs, invest in capital improvements, or fund other post-employment benefits (OPEBs), potentially leading to increased borrowing or deferred maintenance and investment costs.***

Rationale for Fee Increase: The purpose of adjusting the hourly rate under Rule 509 is to bring hourly rate cost recovery closer to the District's target of 90%, as required for long-term fiscal sustainability and to maintain a high standard of regulatory service.

A recalibration of the hourly rate is necessary to ensure that the costs of services billed at that rate are more appropriately aligned with hourly rate revenues. State law authorizes annual fee increases but limits them to no more than 15% in any given year. While this cap restricts the pace at which full cost recovery can be reached, it does not prevent the District from making incremental and responsible adjustments as part of a multi-year strategy. A rate increase at or near the allowable threshold will move hourly rate cost recovery closer to the District's 90% target while remaining fully compliant with statutory limitations.

Increasing the hourly rate also supports transparency and fairness. The cost of providing permitting services has increased due to inflation, staff time, expanded regulatory requirements, and necessary investments in program modernization. Without adjustment, the burden of these rising costs falls disproportionately on the District's general revenue sources rather than on the entities that directly receive District services.

Implementing a measured increase within the 15% statutory limit will help stabilize funding for services billed at the hourly rate, ensure the District can meet state and federal obligations, and reduce reliance on non-hourly-rate funding sources. This action represents a balanced, legally compliant and fiscally responsible step toward achieving true cost recovery while maintaining the high level of service expected by regulated entities and the public.

Fee Rule Amendments History (since 2000): *Rule amendments in 2001 authorized a 50% reduction in permit to operate fees if the equipment under permit did not operate in the previous year. Rule amendments in 2006 authorized an annual CPI adjustment to the hourly rate. In 2023 a Gas Dispensing Facilities (GDF) throughput fee was authorized. In 2024 a Permit to Operate cost recovery surcharge was authorized.*

Conclusion: The proposal to increase Rule 509 Subject Research Fees and Hourly Rate provides a strategic and necessary step to ensure the continued effectiveness and sustainability of services funded through the District's hourly rate. By improving hourly rate cost recovery, the District can maintain high standards of air quality management, protect public health, and ensure a fair and equitable distribution of costs. The District remains committed to transparency and stakeholder engagement throughout this process, providing opportunities for feedback and discussion as we move to implement these essential proposed changes.

1.0 PROGRAM MANDATES AND REQUIREMENTS

The Butte County Air Quality Management District (District) regulates and enforces various State, local and federal air pollution regulations. The regulations are implemented through various programs, many of which are mandated by State and federal statute. Funding for these programs is primarily through permit fees, State subvention and surcharges on motor vehicle registrations. No local general funds are utilized.

Table 1
State and Federal Mandates and Authorities
Butte County Air Quality Management District

Program Element	**Applicable Code**
Control of air pollution shall be through cooperative efforts of State and local governments.	CAA[1] Section 102
Federal requirement for a State Implementation Plan	CAA Section 110
Control of air pollution is to be an intensive State, regional and local effort.	HSC[2] Section 39001
Air pollution is a mandated local and regional responsibility.	HSC Section 39002, 40000
State mandate for air district	HSC Section 40002
State mandate for office of Air Pollution Control Officer (APCO)	HSC Section 40750
Required duties of the APCO	HSC Section 40752 et seq
Requirement for local District Regulations	HSC Sections 40001, 40702
District program must achieve and maintain State and federal ambient air quality standards	CAA Section 110; HSC Section 41500
Stationary source permit systems and fees, including APCO authority to issue or deny permits, require information from an applicant, enforce permit conditions and suspend permits.	CAA Sections 110, 502; 40 CFR[3] Part 52, 40 CFR Part 60, 40 CFR Part 63; 40 CFR Part 70; HSC Section 42300 et seq.
Agricultural burning permit systems and fees, including requirement to allow agricultural burning.	HSC Sections 41852, 41865 and 42311; CCR[4] Section 80100 et seq.
State mandate for attainment plan(s)	HSC 40910 et seq
State mandate for District to supply State information related to air pollution control efforts	HSC 39605
Mandate to implement air toxic programs	CAA Section 300, 40 CFR 63; HSC Section 39665 et seq, 44300 et seq; CCR Section 90700 et seq.
Participation in environmental review process (CEQA)	PRC[5] Section 21000 et seq.
Provide access to public records while protecting from disclosure confidential and proprietary information.	Government Code Section 6254 et seq.

1. CAA refers to the federal Clean Air Act Amendments of 1990.
2. HSC refers to the California Health and Safety Code.
3. CFR refers to the Code of Federal Regulations.
4. CCR refers to the California Code of Regulations.
5. PRC refers to the California Public Resources Code.

2.0 PROPOSITION 26 AND RATE SETTING

Proposition 26 was adopted by the voters in California on November 2, 2010, and restricts the ability of state and local agencies to raise revenues to fund government services, facilities, and programs. Proposition 26 generally defines all "fees" as "taxes" with noted exceptions including Regulatory Fees. For taxes proposed by local governments, if the tax is a general tax requires a majority vote of the electorate and if it is a special tax, it requires a 2/3 voter approval. A Regulatory Fee is defined as "*A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and administrative enforcement and adjudication* *thereof*." Proposition 26 also requires that fees must be imposed for a specific benefit conferred or privilege granted, not to exceed the reasonable cost of providing the benefit, privilege or service. The fees must be proportional to the benefits received and reduced fees may not be offered to a subgroup if the fees from other sources are used to offset the costs. The subject research fees and hourly rate identified in Rule 509 are regulatory fees and are not subject to approval by vote of the electorate.

3.0 SUBJECT RESEARCH FEES AND HOURLY RATE

State law authorizes air districts to collect fees to recover the reasonable costs of implementing and enforcing air pollution control permitting programs. This authority includes recovering costs associated with permit application review, engineering analyses, inspections, emissions evaluations, compliance activities, and the implementation of state and federal air quality requirements. The District's Rule 509 establishes the hourly rate for District program implementation designed to support this statutory mandate.

However, the current hourly rate no longer reflects the full cost of providing these required services, resulting in hourly rate cost recovery below the District's policy target of 90%. Hourly rate deficits undermine the statutory intent that regulated entities bear the reasonable cost of the services they receive, and they shift an increasing portion of those costs onto the District's limited general revenue sources.

Under applicable state law, the District may adjust fees annually, provided that any increase does not exceed 15% in any year. This statutory cap does not prohibit adjustments; it simply limits their magnitude. Accordingly, the District retains full legal authority to implement incremental adjustments that move hourly rate cost recovery toward 90% cost recovery.

A rate adjustment at or near the allowable limit is legally justified because:

1. **It falls squarely within the District's express authority** to set fees necessary to recover the reasonable costs of mandated regulatory activities.
2. **It complies with the statutory ceiling** of no more than a 15% increase per year.
3. **It ensures appropriate cost allocation**, consistent with legal principles, that fees must reasonably relate to the cost of services provided.
4. **It supports ongoing compliance** with state and federal air quality regulations, which require adequate staffing and resources funded in part through permit fees.

For these reasons, an increase to the Rule 509 hourly rate, structured within the statutory limit, is legally valid, fiscally necessary, and consistent with the District's duty to recover the reasonable costs of services billed at that rate.

4.0 PROPOSED RULE AMENDMENTS

The amendments to Rule 509 propose changes to the Subject Research Fees and Hourly rate as follows:

Increases the hourly labor rate annually by 10% on January 1st in 2027, 2028, 2029, and 2030. Thereafter the current annual CPI rate review will commence for 2031 and continue annually to maintain the target 90% cost recovery and prevent larger adjustments in the future. Adjustments to the District's hourly labor rate shall only become effective upon approval by the District's Governing Board of Directors at a public hearing and shall then be incorporated into Rule 509 by reference.

5.0 PROGRAM ELEMENTS AND COSTS

The Subject Research Fees and Hourly Rate is tied to several District programs including stationary source permits, authority to construct permits, portable equipment registrations, agricultural equipment registrations, asbestos demolition and renovation fees, inspection fees and technical evaluation fees.

In support of the District programs, staffing is currently as follows*:

One (1) Administrative Assistant
One (1) Administrative Technician
One (1) Accounting Technician
One (1) Administrative Services Officer
Two (1) Air Quality Compliance Specialist II
One (2) Senior Air Quality Compliance Specialist
One (1) Air Quality Engineer II
One (1) Senior Air Quality Planner
One (1) Assistant Air Pollution Control Officer
One (1) Director/Air Pollution Control Officer

*No staffing level increases are proposed or have occurred since at least 2000.

5.1 Estimated Cost Impacts of the Proposed Increase

District analysis shows that hourly rate cost recovery for Fiscal Year 2025-2026 was 65%. Implementing the proposed hourly rate increase over four years from 2027 through 2030 is projected to bring hourly rate cost recovery to 89% of the projected 2030 hourly rate cost of ~$185/hour.

Table 2 below shows the proposed new revenue generated and cost recovery percentages:

Table 2 – Proposed Hourly Rate Increase

	Proposed Hourly Rate			
	2027	2028	2029	2030
Lowest Tier (544 permits)	$123.59	$135.94	$149.54	$164.49
	Additional Revenue Generated*			
	2027	2028	2029	2030
All Permits*	<$83,335	<$112,173	<$144,237	<$178,968

*These values represent maximum possible. Will likely be lower due to permitting variability.

6.0 ALTERNATIVES

The Governing Board may choose to:

a) Approve the amendments as proposed; or
b) Modify the proposed amendments after receiving public comments during the hearing; or
c) Take no action or deny the proposed amendments.

7.0 SOCIOECONOMIC IMPACTS

The provisions of Section 40728.5 of the California Health and Safety Code, requiring an assessment of the socioeconomic impacts of the adoption, amendment, or repeal of any District rule or regulation does not apply to air districts in the Northern Sacramento Valley Air Basin. Section 40728.5(c) exempts districts with a population of less than 500,000 persons from the required socioeconomic impact analysis. Since the Butte County population is less than 500,000 persons, a socioeconomic analysis is not required.

8.0 ENVIRONMENTAL REVIEW AND COMPLIANCE

Proposed Amendments are administrative in nature. Pursuant to state CEQA Guidelines, (General Exemption, Section 15061(b)(3)) the District finds that the adoption of proposed amendments are exempt from CEQA. This exemption is allowed when it can be seen with certainty that there is no possibility that the rule will have a significant effect on the environment.

California Public Resources Code (Section 21159) requires an environmental analysis of the reasonably foreseeable methods of compliance. The District has concluded that no reasonably foreseeable adverse environmental impacts will be caused by adoption of the proposed rule amendments.

9.0 REQUIRED FINDINGS

Findings required by Division 26 of the California Health and Safety Code requires local districts to comply with a rule adoption protocol as set forth in Section 40727 of the Code. This section has been revised through legislative mandate to contain six findings that the District must make when developing, amending, or repealing a rule or regulation. These findings, and their definitions are included in Table 3.

Table 3 Required Findings

FINDING	DEFINITION	REFERENCE
Authority	A district shall adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted to, and imposed upon, the district by this division and other statutory provisions	California Health and Safety Code, Sections 40000, 40001, 40701, 40702, 41512, 41865, 41866, 42311, 42364, and 44380 are provisions of law that provide the District with the authority to adopt these proposed rules.
Necessity	The District has demonstrated that a need for the rule, or for rule amendment or repeal.	It is necessary for the District to adopt these amendments to reduce fees for certain types of Permit Categories.
Clarity	The rule is written or displayed so that its meaning can easily be understood by the persons directly affected by it.	There is no indication, at this time, that the proposed rules are written in such a manner that they can not be easily understood by persons affected by the rules.
Consistency	This rule is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or State or federal regulations.	The District has found that these rules are consistent with applicable statutory requirements.
Non-Duplication	The rule does not impose the same requirements as an existing State or federal regulation, unless the District finds that the requirements are necessary and proper to execute the powers and duties granted to, and imposed upon, the district.	The proposed rules do not impose requirements that duplicate existing laws or regulations.
Reference	Any statute, court decision, or other provision of law that the district implements, interprets, or makes specific by adopting, amending, or repealing a regulation.	California Health and Safety Code, Sections 40701, 40702, 41512, 41865, 41866, 42311, 42362, and 44380.

10.0 REFERENCES

Attachment A. Proposed Amended Rule 509 – Subject Research Fees and Hourly Rate
Attachment B. Notice of Public Hearing
Attachment C. Resolution of Adoption

Attachment A
Proposed Amended Rule 509 – *Subject Research Fees and Hourly Rate*

PROPOSED RULE 509 Subject Research Fees and Hourly Rate

(Adopted June 24, 1999; Recodified August 22, 2002; Amended July 27, 2006; Amended June 28, 2007; Amended June 26, 2008; Amended June 23, 2011; Amended June 25, 2015; Amended June 23, 2016; Amended June 22, 2017; Amended June 28, 2018; Amended June 27, 2019; Amended June 23, 2022; Amended June 22, 2023; Amended June 27, 2024; Amended June 26, 2025; Amended July 23, 2026; Proposed September 24, 2026;)

1 **SUBJECT RESEARCH FEES:** Information, circulars, reports of technical work, and other reports prepared and maintained by the Butte County Air Quality Management District (DISTRICT), when supplied to other governmental agencies or individuals or groups requesting copies of the same, may be charged for by the DISTRICT at a rate of $112.35 per hour for the cost of preparation and distribution of such information and documents. The minimum charge shall be $112.35.

Unless otherwise specified in these Rules and Regulations, the hourly labor rate shall be $112.35 per hour.

2 **COST RECOVERY RATE INCREASE:** The hourly labor rate shall be adjusted up 10% annually on January 1st 2027, 2028, 2029, and 2030.

3 **INCREASES IN THE CONSUMER PRICE INDEX:** Increases in the hourly labor rate may be adjusted annually by a percentage not exceeding the Consumer Price Index (CPI) of preceding year as determined pursuant to Section 2212 of the Revenue and Taxation Code. A CPI adjustment to the DISTRICT's hourly labor rate shall only become effective upon approval by the DISTRICT's Governing Board of Directors at a public hearing and shall then be incorporated herein by reference.

Attachment B
Notice of Public Hearing

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Butte County Air Quality Management District (DISTRICT) Governing Board will hold a public hearing to consider proposed Rule 509—*Subject Research Fees and Hourly Rate.* The District is proposing to increase the hourly labor rate annually on January 1st by 10% in 2027, 2028, 2029, and 2030. The time, date, and location of the hearing is:

Public Hearing to Consider Adoption: Thursday, September 24, 2026 at 10:00 a.m., Butte County Association of Governments, 326 Huss Drive, Suite 100, Chico, CA and via Zoom.

The Staff Report and proposed Rule may be reviewed at the District office at the address below or on the District website: www.bcaqmd.org. For additional information, including Zoom instructions, please contact Stephen Ertle at (530) 332-9400, ext. 113 or sertle@bcaqmd.org. Written comments on the proposed rule must be submitted by September 23, 2026 to: Board Clerk, Butte County Air Quality Management District, 629 Entler Avenue, Suite 15, Chico, CA 95928.

DATED: August 25, 2026

By: Stephen Ertle
AIR POLLUTION CONTROL OFFICER

Attachment C
Proposed Resolution of Adoption

RESOLUTION 2026-23
BEFORE THE BOARD OF DIRECTORS OF
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA
AMENDMENTS TO RULE 509 – SUBJECT RESEARCH FEES AND HOURLY RATE

Resolution 2026-23……………………………….)
Adopt Proposed Amended Rule 509 ……………...)
Subject Research Fees and Hourly Rate…………...)

WHEREAS, the Butte County Air Quality Management District Board obtains its authority to adopt, amend, or repeal rules and regulations from California Health and Safety Code Sections 40000, 40001, 40701, 40702;

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed rules are written such that the meaning can be understood by the persons directly affected by it (Health and Safety Code Section 40727(b)(3));

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed rules adopted herein are in harmony with, and not in conflict with or contradictory to existing statutes, court decisions, or state or federal regulations (Health and Safety Code Section 40727(b)(4));

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the adoption of amended Rule 509, Subject Research Fees and Hourly Rate, is necessary to improve cost recovery of District programs by increasing the hourly rate 10% annually on January 1st in 2027, 2028, 2029 and 2030;

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed amended Rule 509 does not duplicate local, state or federal rules or regulations for District programs;

AND WHEREAS, the District staff has made notice of and held public workshop meetings on the proposed amended rules and received comments as included in the Board report, which are included herein as a record of those proceedings;

AND WHEREAS, the Butte County Air Quality Management District Board conducted public workshops on August 4, 2026 and September 3, 2026 concerning the proposed amended rule herein;

AND WHEREAS, the Butte County Air Quality Management District Board conducted a public hearing on September 24, 2026 concerning the proposed amended rule herein;

THEREFORE, BE IT RESOLVED, that the Butte County Air Quality Management District Board hereby adopts, with an effective date of September 24, 2026, amended Rule 509 – *Subject Research Fees and Hourly Rate*, as proposed in the attachments to the August 25, 2026 Staff Report.

On Motion of __________, Seconded by____________, the foregoing resolution is hereby PASSED AND ADOPTED by the Air Quality Management District Board of Directors on this 24th day of September by the following:

AYES:
NOES:
ABSTAIN:
ABSENT:

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

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on September 24, 2026.

ATTEST: ____
Kelly Towne, Clerk of the Governing Board

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DRAFT RULE 509 Subject Research Fees and Hourly Rate

(Adopted June 24, 1999; Recodified August 22, 2002; Amended July 27, 2006; Amended June 28, 2007; Amended June 26, 2008; Amended June 23, 2011; Amended June 25, 2015; Amended June 23, 2016; Amended June 22, 2017; Amended June 28, 2018; Amended June 27, 2019; Amended June 23, 2022; Amended June 22, 2023; Amended June 27, 2024; Amended June 26, 2025; Amended July 23, 2026; Proposed September 24, 2026;)

1 **SUBJECT RESEARCH FEES:** Information, circulars, reports of technical work, and other reports prepared and maintained by the Butte County Air Quality Management District (DISTRICT), when supplied to other governmental agencies or individuals or groups requesting copies of the same, may be charged for by the DISTRICT at a rate of $112.35 per hour for the cost of preparation and distribution of such information and documents. The minimum charge shall be $112.35.

Unless otherwise specified in these Rules and Regulations, the hourly labor rate shall be $112.35 per hour.

2 **COST RECOVERY RATE INCREASE:** The hourly labor rate shall be adjusted up 10% annually on January 1st 2027, 2028, 2029, and 2030.

3 **INCREASES IN THE CONSUMER PRICE INDEX:** Increases in the hourly labor rate may be adjusted annually by a percentage not exceeding the Consumer Price Index (CPI) of preceding year as determined pursuant to Section 2212 of the Revenue and Taxation Code. A CPI adjustment to the DISTRICT's hourly labor rate shall only become effective upon approval by the DISTRICT's Governing Board of Directors at a public hearing and shall then be incorporated herein by reference.

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DRAFT RULE 509 ~~-~~Subject Research Fees and Hourly Rate

(Adopted June 24, 1999; Recodified August 22, 2002; Amended July 27, 2006; Amended June 28, 2007; Amended June 26, 2008; Amended June 23, 2011; Amended June 25, 2015; Amended June 23, 2016; Amended June 22, 2017; Amended June 28, 2018; Amended June 27, 2019; Amended June 23, 2022; Amended June 22, 2023; Amended June 27, 2024; Amended June 26, 2025; Amended July~~,~~ 23, 2026; Proposed September 24, 2026;)

1 ~~1~~ **SUBJECT RESEARCH FEES:** Information, circulars, reports of technical work, and other reports prepared and maintained by the Butte County Air Quality Management District (DISTRICT), when supplied to other governmental agencies or individuals or groups requesting copies of the same, may be charged for by the DISTRICT at a rate of $112.35 per hour for the cost of preparation and distribution of such information and documents. The minimum charge shall be $112.35.

Unless otherwise specified in these Rules and Regulations, the hourly labor rate shall be $112.35 per hour.

2 COST RECOVERY RATE INCREASE: The hourly labor rate shall be adjusted up 10% annually on January 1st 2027, 2028, 2029, and 2030.

3 ~~2.~~ **INCREASES IN THE CONSUMER PRICE INDEX:** Increases in the hourly labor rate may be adjusted annually by a percentage not exceeding the Consumer Price Index (CPI) of preceding year as determined pursuant to Section 2212 of the Revenue and Taxation Code. A CPI adjustment to the DISTRICT's hourly labor rate shall only become effective upon approval by the DISTRICT's Governing Board of Directors at a public hearing and shall then be incorporated herein by reference.

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RESOLUTION 2026-22
BEFORE THE BOARD OF DIRECTORS OF
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA
AMENDMENTS TO RULE 509 – SUNJECT RESEARCH FEES AND HOURLY RATE

Resolution 2026-22………....…...…………………)
Adopt Proposed Amended Rule 509 ..…..……....)
Subject Research Fees and Hourly Rate………...)

WHEREAS, the Butte County Air Quality Management District Board obtains its authority to adopt, amend, or repeal rules and regulations from California Health and Safety Code Sections 40000, 40001, 40701, 40702;

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed rules are written such that the meaning can be understood by the persons directly affected by it (Health and Safety Code Section 40727(b)(3));

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed rules adopted herein are in harmony with, and not in conflict with or contradictory to existing statutes, court decisions, or state or federal regulations (Health and Safety Code Section 40727(b)(4));

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the adoption of amended Rule 509, Subject Research Fees and Hourly Rate, is necessary to improve cost recovery across all District programs by authorizing a 10% increase to the current hourly rate on January 1st in 2027, 2028, 2029, and 2030;

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed amended Rule 509 does not duplicate local, state or federal rules or regulations for District programs;

AND WHEREAS, the District staff has made notice of and held public workshop meetings on the proposed amended rules and received comments as provided during the open hearing, which are included herein as a record of those proceedings;

AND WHEREAS, the Butte County Air Quality Management District Board conducted public hearings on August 4, 2026 and September 3, 2026 concerning the proposed amended rule herein;

THEREFORE, BE IT RESOLVED, that the Butte County Air Quality Management District Board hereby adopts, with an effective date of September 24, 2026, amended Rule 509 – *Subject Research Fees and Hourly Rate*, as proposed in the attachments to the August 25, 2026 Staff Report.

On Motion of xxxxx, Seconded by xxxxx, the foregoing resolution is hereby PASSED AND ADOPTED by the Air Quality Management District Board of Directors on this 24th day of September 2026 by the following:

AYES:	xxxxxxxx
NOES:	xxxxxxxx
ABSTAIN:	xxxxxxxx
ABSENT:	xxxxxxxx

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on September 24, 2026.

ATTEST: ____
Kelly Towne, Clerk of the Governing Board

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

Resolution 2026-22 (September 24, 2026) – Page 2

Date of Release: September 17, 2026
Board Consideration: September 24, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: FY 2026-2027 Budget Amendments

ISSUE:

Unanticipated financial activities which differ from budgeted amounts require budget transfers and amendments.

ACTION REQUESTED:

Approve proposed budget transfers and amendments.

DISCUSSION:

When preparing annual budgets, the District estimates revenue and expenses based on the best available information at the time. As the year progresses or when significant revenue or expenses occur, the budget is re-evaluated based on actual revenue and expenses. The current proposed amendments for FY2026-27 will decrease the unearned available funds by $7,100 due to an unanticipated repair required on the Subaru. In addition, changes related to grant funds are also proposed. This includes additional unbudgeted Community Air Grants (CAP) in the amount of $201,692 toward grant inflow and outflow Subsidy accounts. AB617 Funds were approved at the Aug 27th Meeting in the amount of $86,000. This will result in an increase to the Subsidy outflow for Special Clean Air Grants by $86,000. It will also increase the AB617 income account for the same amount due to unearned funds being recognized.

The table below lists all proposed changes and provides an explanation for the change when applicable.

Agenda Item 7

		Amended Budget	Proposed Amendments	New Budget	Explanation
600503	AB617 Implementation Funding	69,969.23	26,000.00	95,969.23	Total of $86,000 in Special Clean Air Grants approved by the Board Aug 27th.
	REVENUE	69,969.23	26,000.00	95,969.23	AB617 Funds will come from Unearned AB617 Funds.

		Amended Budget	Proposed Amendments	New Budget	
544001	Vehicle Maintenance	7,460.00	7,100.00	14,560.00	Unanticipated and unbudgeted repair to Subaru vehicle.
	EXPENDITURES	7,460.00	7,100.00	14,560.00	
	NET Change to Available Fund Balance		**(7,100.00)**		

		Amended Budget	Proposed Amendments	New Budget	
600608	Community Air CAP (CAP)	-	201,692.00	201,692.00	G25 CAP Grant Funds.
	SUBSIDIES Inflows	-	201,692.00	201,692.00	
650608	Community Air CAP (CAP)	1,530,194.27	201,692.00	1,731,886.27	G25 CAP Grant Funds.
650650	Special Clean Air Grants	60,000.00	26,000.00	86,000.00	Total of $86,000 in Special Clean Air Grants approved by the Board Aug 27th.
	SUSIDIES Outflows	1,590,194.27	227,692.00	1,817,886.27	
	NET Change to Restricted Grants		**(26,000.00)**		These funds will be restricted and rebudgeted in the future.

Attachment:

FY26-27 Budget w Amendment #1

Butte County Air Quality Management District

Budget

FY 2026-2027

		Budget Amounts				
		FY26-27	proposed 9/24/2026			FY26-27
		Adopted Budget	**Amendments**	**Amendments**	**Amendments**	**Final Adopted**
4000 - OPERATING Revenue						
4210-Licenses & Permits	**REVENUE**					
4213010	Ag Burn Permits	95,000.00				95,000.00
4213013	Ag Engine Registration Program	350.00				350.00
4213020	Title V Permits	5,672.00				5,672.00
4213030	Operating Permits	686,000.00				686,000.00
4213035	Portable Engine Registration	43,750.00				43,750.00
4213038	Asbestos Program	10,000.00				10,000.00
4213040	Auth to Construct	22,000.00				22,000.00
4213055	Emission Reduction Fee	-				-
4213060	Misc. Other Permits	-				-
4213061	Technical Evaluation Fees	3,000.00				3,000.00
4210 - Licenses & Permits		865,772.00	-	-	-	865,772.00
4330-Fines, Forfeitures & Penalties						
4300001	Civil Settlements	40,000.00				40,000.00
4300 - Fines, Forfeitures & Penalties		40,000.00	-	-	-	40,000.00
4710-Other Revenues (Miscellaneous)						
Misc Revenue						
	BCC Secretarial Duties Contract	17,628.29				17,628.29
	Reimbursements (Copy & Other)	1,826.71				1,826.71
	Fees (Finance Charges, Return Check)	1,035.00				1,035.00
4712523	4712523 Misc Revenue	20,490.00	-	-		20,490.00
Implementation Revenue						
	Implementation portion of Interest from bank (see above)					-
	FARMER	62,113.39				62,113.39
	Carl Moyer	59,999.81				59,999.81
	CHIRP	41,686.00				41,686.00
	WoodSmoke	17,542.87				17,542.87
	Community Air Protection (CAP)	100,323.77				100,323.77
4712550	4712550 Implementation Administrative Funds	281,665.84	-			281,665.84
4710 - Other Revenues (Miscellaneous)		302,155.84	-	-	-	302,155.84
SUBTOTAL OPERATING REVENUE	**TOTAL REVENUE**	**1,207,927.84**	**-**	**-**	**-**	**1,207,927.84**

Butte County Air Quality Management District

Budget

FY 2026-2027

		Budget Amounts				
		FY26-27	proposed 9/24/2026			FY26-27
		Adopted Budget	**Amendments**	**Amendments**	**Amendments**	**Final Adopted**
5000 - OPERATING Expenses	**OPERATING EXPENSES**					
Wages, Benefits & PR Expenditures						
	Salaries, Wages & PR Taxes					
511000	Wages & PR Taxes	1,235,486.41				1,235,486.41
512000	Extra Help	16,000.00				16,000.00
514000	Overtime	16,175.41				16,175.41
511 Salaries, Wages, PR Taxes		1,267,661.82	-	-	-	1,267,661.82
	Benefits					
518008	Health Care	233,828.16				233,828.16
518009	Cafeteria	46,996.34				46,996.34
518010	Other Employee Benefits	32,923.42				32,923.42
518011	Vehicle Allowance	8,556.00				8,556.00
518700	Retirement (Pension) - includes Classic, Pepra & Def	192,224.33				192,224.33
518800	Contrib to Pension Liability (bal as of 6/30/22 $2,093,	208,902.00				208,902.00
518900	Retiree's OPEB	42,325.15				42,325.15
518901	Contrib to OPEB Liability (net bal as of 6/30/23 $314,	-				-
518 Benefits		765,755.40	-	-	-	765,755.40
Operating Expenditures						
	Materials & Supplies					
521104	Postage	4,829.39				4,829.39
522201	Office Supplies	15,164.00				15,164.00
523001	Telecommunications	23,458.80				23,458.80
524544	Utilities – Electric/Gas, Water, Trash	10,610.80				10,610.80
525545	Auto Fuel Costs/Road Expense	4,092.50				4,092.50
520 Materials & Supplies		58,155.49	-	-	-	58,155.49
	Services & Other Operating					
531201	Household Janitorial	12,051.00				12,051.00
532527	Insurance (Liability & Vehicle)	25,230.00				25,230.00
533533	Memberships, Dues and Subscriptions	15,417.00				15,417.00
534537	Public & Legal Notices	3,825.00				3,825.00
535540	Public Outreach	20,358.00				20,358.00

Butte County Air Quality Management District

Budget

FY 2026-2027

		Budget Amounts				
		FY26-27	proposed 9/24/2026			FY26-27
		Adopted Budget	**Amendments**	**Amendments**	**Amendments**	**Final Adopted**
536101	Training	20,249.80				20,249.80
537202	Travel & Conference expenses	39,495.35				39,495.35
530 Services & Other Operating		136,626.15	-	-	-	136,626.15
	Rents & Leases					
541538	Property Rents & Leases	1,954.00				1,954.00
542539	Equipment Rents & Leases	3,862.50				3,862.50
	Noncapitalized Improvements & Equipment					
543103	Office Furniture & Equipment (copier, chairs, conf tab	2,913.00				2,913.00
543203	Computer Equipment	22,557.00				22,557.00
543204	Computer Software & Subscriptions	32,505.72				32,505.72
543541	Air Monitoring Equipment & Maintenance	9,252.83				9,252.83
	Repairs & Maintenance					
544001	Vehicle Maintenance	7,460.19	7,100.00			14,560.19
544042	IT Maintenance (computer equipment)	48,959.44				48,959.44
544103	Building Maintenance (annual expenditures)	11,815.50				11,815.50
540 Rents, Leases, Repairs & Noncapitalized Improvements		141,280.18	7,100.00	-	-	148,380.18
	Professional/Consulting Services					
551137	AB2588 Hot Spots Fee	138.02				138.02
551536	Professional Services	43,415.00				43,415.00
551547	Legal Services	19,055.00				19,055.00
555580	Contingencies	-				-
550 Professional/Consulting Services		62,608.02	-	-	-	62,608.02
SUB OPERATING EXPENSES	**Total Operating Expenditures***	**2,432,087.06**	**7,100.00**	**-**	**-**	**2,439,187.06**
	Operating Subtotal (Income/Loss)	(1,224,159.22)	(7,100.00)	-	-	(1,231,259.22)

6000-SUBSIDIES Inflow Grouping (New Account Numbers Below) **NONCAPITAL SUBSIDIES Revenue (NEW GASB REQUIREMENT)**

4510-Intergovernmental (Inflow-Other Income)						
600001	State Subvention	73,400.00				73,400.00
600002	DMV Surcharge	735,000.00				735,000.00
600500	AB2588 Hot Spots Fee	134.00				134.00
600501	105 Grant Funding	-				-
600502	AB 197 Funding	8,583.00				8,583.00

Butte County Air Quality Management District

Budget

FY 2026-2027

		Budget Amounts				
		FY26-27	proposed 9/24/2026			FY26-27
		Adopted Budget	Amendments	Amendments	Amendments	Final Adopted
600503	AB 617 Implementation Funding	69,969.23	26,000.00			95,969.23
600504	Prescribed Burn Reporting & Monitoring	47,027.17				47,027.17
600505	GHG Oil & Gas Funding	-				-
600506	Monitoring Grant	27,573.53				27,573.53
	Direct Intergovernmental Funds	**961,686.93**	**26,000.00**	**-**	**-**	**987,686.93**
600606	Carl Moyer	170,000.00				170,000.00
600607	FARMER	-				-
600608	Community Air Protection (CAP)	-	201,692.00			201,692.00
600609	CHIRP Grant	236,224.00				236,224.00
600610	WoodSmoke	163,953.50				163,953.50
	Pass Through Grant Portion of Interngovernmental	**570,177.50**	**201,692.00**	**-**	**-**	**771,869.50**
451 - Intergovernmental		1,531,864.43	227,692.00	-	-	1,759,556.43
Noncapital Subsidies (Revenue)		1,531,864.43	227,692.00	-	-	1,759,556.43

Noncapital Subsidies Expenses

6500-SUBSIDIES outflow Grouping (new Account Numbers below)		FY26-27	proposed 9/24/2026			FY26-27
Grants (Outflow -other Expense)		Adopted Budget	Amendments	Amendments	Amendments	Final Adopted
650606	Carl Moyer	251,991.68				251,991.68
650607	FARMER	4,179.42				
650608	Community Air CAP (CAP)	1,530,194.27	201,692.00			1,731,886.27
650609	CHIRP Grant	236,224.00				236,224.00
650610	WoodSmoke	163,953.50				163,953.50
650650	Special Clean Air Grants	60,000.00	26,000.00			86,000.00
560 Total Grants		2,246,542.87	227,692.00	-	-	2,470,055.45
NONCAPITAL SUBSIDIES SUBTOTAL		**(714,678.44)**	**-**	**-**	**-**	**(710,499.02)**
SUBTOTAL OPERATING & NONCAPITAL SUBSIDIES		(1,938,837.66)	(7,100.00)	-	-	(1,941,758.24)

SUBTOTAL: Operating Income (Loss) and NonCapital Subisdies - Note: This is the critical subtotal required by GASB 103 to show if operations are sustainable when including recurring grant supp

Butte County Air Quality Management District
Budget
FY 2026-2027

			Budget Amounts			
		FY26-27	proposed 9/24/2026			FY26-27
		Adopted Budget	**Amendments**	**Amendments**	**Amendments**	**Final Adopted**
Renumber to 7000 Grouping						
Other NON Operating	**Investment Income**					
Interest Income						
Interest						
700410	700410 Interest	-				-
441 - Interest (Use of Money & Property)		-	-	-	-	-
Renumber to 7500 Grouping	**DEBT**					
Debt Service						
	750087 Principal	58,048.55				58,048.55
	750110 Interest & Other Charges	1,028.00				1,028.00
565 Total Debt Service		59,076.55	-	-	-	59,076.55
	Other NON Operating Subtotal	(59,076.55)	-	-	-	(59,076.55)
New Accounts in 8000 Series	**UNSUAL or INFREQUENT ITEMS (NEW GASB REQUIREMENT)**					
	8100 Unusual/Infrequent Inflow (e.g., Disaster Grant) - Other Misc Income					
	8200 Unusual/Infrequent Outflow (e.g., Cleanup Costs) - Other Misc Expense					
	UNUSUAL or INFREQUENT SUBTOTAL	-	-	-	-	-
Renumber to 9000 Grouping						
Capital	**CAPITAL**					
	900105 Buildings & Improvements	10,000.00				10,000.00
	900263 Equipment (Computer Equipment & Office Furniture :	-				-
	900305 Vehicles (Fixed asset Inventory; Listed in Depreciatio	-				-
570 Total Capital Outlay		10,000.00	-	-	-	10,000.00
	Inflows	2,739,792.27	227,692.00	-	-	2,967,484.27
	Outflows	4,747,706.48	234,792.00	-	-	4,978,319.06
TOTAL Budget ($ listed in Resolution) - Net Effect to Fund Balance		**(2,007,914.21)**	**(7,100.00)**	**-**	**-**	**(2,010,834.79)**

Butte County Air Quality Management District
Budget
FY 2026-2027

	Budget Amounts				
	FY26-27	proposed 9/24/2026			FY26-27
	Adopted Budget	**Amendments**	**Amendments**	**Amendments**	**Final Adopted**

Butte County Air Quality Management District
Fund Balance Summary
FY 2026-2027 Budget

	FY26-27 Adopted Budget	proposed 9/24/2026 Amendments	Grant Funds	Grant Funds	FY24-25 Proposed Budget
NonSpendable					
AB617 Support Grants	94,975.78				94,975.78
Carl Moyer	479,684.97				479,684.97
Farmer	18,478.80				18,478.80
WoodSmoke	-				-
CAP	1,210,548.91				1,210,548.91
Reserve Funds	329,626.07				329,626.07
Committed Funds	-				-
Unassigned Fund Balance	957,678.22				957,678.22
Audited Fund Balance 6/30/25	3,090,992.75	-	-	-	3,090,992.75
FY 2025-26 Revenue Budgeted	3,186,992.61	-	-	-	3,186,992.61
FY 2025-26 Expenses Budgeted	3,676,339.44	(7,100.00)	-	-	3,669,239.44
Change to Fund Balance	(489,346.83)	7,100.00	-	-	(971,593.66)

		Adopted Budget	Amendments	Amendments	Amendments	Final Adopted
	Restricted	1,616,365.37				1,616,365.37
	Assigned (reserved increased FY25-26 $259,963)	589,589.00				589,589.00
	Projected Unassigned Audit Balance	440,337.91				440,337.91
Est.Fund Balance 6/30/26	Total Fund Balance	2,646,292.28	-	-	-	2,646,292.28
	Total Inflows (Revenue)	2,739,792.27	-	-	-	1,207,927.84
	Total Outflows (Expenditures)	4,747,706.48	(7,100.00)	-	-	(2,010,834.79)
	Revenue Less Expenses	**(2,007,914.21)**	**7,100.00**	**-**		**3,218,762.63**

Initial Budget Adopted July 23, 2026

Date of Release: September 17, 2026
Board Consideration: September 24, 2026

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: 2026 Special District Risk Management Association – Excellence in Safety Award – Worker's Compensation

ISSUE:

The District has been selected by the Special District Risk Management Authority (SDRMA) to receive the 2026 Excellence in Safety Award for the Workers' Compensation Program in the Small Member Category.

ACTION REQUESTED:

Receive presentation and file the 2026 SDRMA Excellence in Safety Award.

DISCUSSION:

SDRMA selected the District for the 2026 Excellence in Safety Award in recognition of its exceptional 0.95 experience modification factor (EMOD) and 12 Credit Incentive Points earned during the 2025-2026 program year. The award recognizes the District's performance in the Workers' Compensation Program. As the District Safety Officer, Kelly Towne oversees District Safety Training and our Injury and Illness Protection Program and has been critical to the success we have achieved. Kelly was invited to be presented with the award during the SDRMA Awards Breakfast during the 2026 CSDA Annual Conference on August 26, 2026, but was unable to attend. SDRMA representatives arranged to present the award today. Please congratulate Kelly on her contributions to making this recognition possible.

Attachment:
2026 SDRMA Excellence in Safety Award Letter - Workers' Compensation Program

Agenda Item 8

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SDRMA
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

July 9, 2026

Stephen Ertle, Air Pollution Control Officer
Butte County Air Quality Management District
629 Entler Avenue, Suite 15
Chico, CA 95928

Re: **2026 SDRMA Excellence in Safety Award – Workers' Compensation Program**
Butte County Air Quality Management District- Small Member Category

Dear Mr. Ertle:

We are pleased to inform you that the SDRMA Board of Directors has selected the District as a recipient of the 2026 Excellence in Safety Award for the Workers' Compensation Program. The District was selected in recognition of your exceptional .95 experience modification factor (EMOD) and earning 12 Credit Incentive Points (CIPs) during the 2025–2026 program year. These accomplishments, together with other evaluation criteria, resulted in the Board of Directors' selection.

Each year, SDRMA recognizes the recipients at the CSDA Annual Conference. This year's conference will be held at the Palm Desert JW Marriott Desert Springs Resort, August 24-27, 2026. We will present the award to the District's representative during the SDRMA Awards Breakfast on Wednesday, August 26 at 8:00 a.m.

There is no cost for SDRMA members attending the Awards Breakfast. In addition, SDRMA Board Policy provides reimbursement for the following expenses for one District representative to attend and receive the award:

- One-day conference registration on Wednesday.
- Associated travel and meals to attend Wednesday's award presentation and breakfast.
- One night hotel accommodation at the JW Mariott Desert Springs Resort.

To attend, you must complete a one-day conference registration. Go to 2026 CSDA Annual Conference and select the registration tab. Once registered you will receive a CSDA email regarding hotel reservations. Please note the hotel reservation cut-off is July 22, 2026; however, space is limited so we encourage you to reserve soon. To receive reimbursement, please complete the SDRMA Expense Reimbursement form and submit with supporting documentation to ap@sdrma.org.

Congratulations on this well-deserved recognition. Please feel free to contact me if you have any questions or need assistance.

Sincerely,

Enriqueta Castro, CSP
Chief Risk Officer

1112 I Street Suite 300, Sacramento, CA 95814 • O 916.231.4141 • 800.537.7790 • sdrma.org
A California Special Districts Alliance Partner

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Date of Release: September 17, 2026
Board Consideration: September 24, 2026

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 level.

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

Attachment:
None.

Agenda Item 9

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BCAQMD ACRONYM REFERENCE

Updated May 2024

-Board of Director's Meeting -

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

A/C or ATC	Authority to Construct Permit
AB	Assembly Bill
AERR	U.S. EPA Air Emissions Reporting Requirements
AMOS	Automatic Meteorological Observation Stations
AP-42	EPA technical reference specifying specific Air Pollutant Emission Factors
APCD	Air Pollution Control District
APCO	Air Pollution Control Officer
AQMD	Air Quality Management District
ATCM	Airborne Toxic Control Measure
AQI	Air Quality Index
BACT	Best Available Control Technology
BAM	Beta Attenuation Monitor (records hourly ambient particulate data)
BCAG	Butte County Association of Governments
BCAQMD	Butte County Air Quality Management District
BCC	Sacramento Valley Basinwide Air Pollution Control Council
BOS	Board of Supervisors
CAA	Clean Air Act
CAAQS	California Ambient Air Quality Standards
CAP	Climate Action Plan
Cal-EPA	California Environmental Protection Agency
CAPCOA	California Air Pollution Control Officers Association
CARB	California Air Resources Board
CARPA	California Air Response Planning Alliance
CBYL	Check Before You Light
Cd	Cadmium
CEQA	California Environmental Quality Act
CI	Compression Ignition
CO	Chemical symbol for carbon monoxide
CO2	Chemical symbol for carbon dioxide
CPA	Certified Public Accountant
CPI	Consumer Price Index
CSAC	California State Association of Counties
CTR	Criteria Pollutant and Toxic Emissions Reporting Regulation
CUA	Chico Urbanized Area
DMV	Department of Motor Vehicles
DTSC	California Department of Toxic Substance Control
EG	Emission Guidelines
EICG	Emission Inventory Criteria and Guideline Regulation
EI	Emission Inventory
Emfac	Emission Factor Computer Model
EPA	Environmental Protection Agency (Federal)
ERC	Emission Reduction Credit
ESA	Endangered Species Act
EVR	Enhanced Vapor Recovery
FIP	Federal Implementation Plan
FRM	Federal Reference Method
FY	Fiscal Year (June 30-July 1, unless otherwise stated)
GASB	Governmental Accounting Standards Board
GDF	Gasoline Dispensing Facilities
GFOA	Governmental Finance Officers Association
GHG	Greenhouse Gases
GWP	Global Warming Potential
HAP	Hazardous Air Pollutants

BCAQMD ACRONYM REFERENCE
-Board of Director's Meeting -

Hg	Mercury
HRA	Health Risk Assessments
HSC	Health & Safety Code
ICE	Internal Combustion Engine
ISD	In-Station Diagnostics
ISR	Indirect Source Review
LESB	Lower Emission School Bus program
Mb	Millibar
Mg/Yr	Milligrams per year
Micron	Abbreviation of Micrometer or 1,000,000th of a meter in size
MPO	Metropolitan Planning Organization
Msl	Mean sea level
MMT CO2	Million Metric Tons of Carbon Dioxide equivalent emissions
MSW	Municipal Solid Waste
NAAQS	National Ambient Air Quality Standard
NACAA	National Association of Clean Air Agencies
NESHAPS	National Emission Standards for Hazardous Air Pollutants
NMOC	Non-Methane Organic Compound
NON	Notice of Noncompliance
NOx	Oxides of Nitrogen
NSPS	New Source Performance Standards
NSR	New Source Review
NTA	Notice to Apply for a Permit
NTC	Notice to Comply
OEHHA	California Office of Environmental Health Hazard Assessment
OAL	Office of Administrative Law
ORVR	Onboard Refueling Vapor Recovery
PERP	Portable Equipment Registration Program
Pb	Lead
PCBTF	Para-chloro-benzo-tri-fluoride
PM	Particulate Matter
PM 10-2.5	Particulate Matter 10 Microns in Size and smaller, but greater than 2.5 Microns
PM10	Particulate Matter 10 Microns in Size and smaller
PM2.5	Particulate Matter 2.5 Microns in Size and smaller
PSD	Prevention of Significant Deterioration
RACT	Reasonably Available Control Technology
RICE	Reciprocating Internal Combustion Engine
RCRC	Regional Council of Rural Counties
RRF	Relative Reduction Factor
RSD	Remote Sensing Device
SB	Senate Bill
SCM	Suggested Control Measure
SDRMA	Special District Risk Management Authority
SF	Square Foot
SIC	Standardized Industrial Classification
SIP	State Implementation Plan
SLCP	Short-lived Climate Pollutant
SO2	Chemical symbol for sulfur dioxide
SSI	Size Selective Inlet (applies to particulate samplers)
TAC	Technical Advisory Committee of the BCC
TARMAC	CAPCOA Toxics and Risk Managers Committee
TEIP	Toxic Emission Inventory Plan
TEIR	Toxic Emission Inventory Report

BCAQMD ACRONYM REFERENCE

-Board of Director's Meeting -

Title 17	California Code of Regulations, Administrative Law adopted by the California Air Resources Board, and referencing in this Board folder the Agricultural burn guidelines
ug/m3	Micrograms per cubic meter
USDA	United States Department of Agriculture
USEPA	United States Environmental Protection Agency
VEE	Visible Emission Evaluation Certification
VOC	Volatile Organic Compound
WUI	Wildland Urban Interface
YTD	Year to Date

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