



TAMI RITTER, CHAIR
Supervisor, District #3

ADDISON WINSLOW, VICE CHAIR
Councilmember, Chico

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ANGEL CALDERON
Councilmember, Gridley

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Councilmember, Paradise

STEPHEN ERTL
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

**REGULAR MEETING NOTICE OF THE
BUTTE COUNTY AIR QUALITY
MANAGEMENT DISTRICT GOVERNING BOARD
June 27, 2024 - 10:00 a.m.**

Meeting Location:

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

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

<https://us02web.zoom.us/j/87111751705?pwd=em1GWGk2cVJZTExqYmwraGw2T1pqdz09>

Zoom Meeting ID: 871 1175 1705 Passcode: 298155

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

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

CONSENT AGENDA

- | | |
|--|----------------------|
| 3.1 Minutes of the May 27, 2024 Meeting of the Board of Directors. | Kelly Towne |
| 3.2 Activity Report on Butte County Air Quality Management District Activities. | Stephen Ertle |
| 3.3 Financial Status Report Fiscal Year 2023-2024. | Aleah Ing |
| 3.4 Calendar of Events. | Stephen Ertle |
| 3.5 Status Report on Communications. | Kelly Towne |

REGULAR AGENDA

ITEMS FOR ACTION

- | | |
|---|-------------------------------------|
| 4. Items removed from the consent agenda for Board consideration and action - <i>if any</i> | <i>Chair</i> |
| 5. Public Hearing for Adoption of Proposed Fiscal Year 2024-2025 Budget. | <i>Stephen Ertle/
Aleah Ing</i> |
| 6. Permit to Operate Program Cost Recovery Analysis & Request for Fee Increase Direction. | <i>Stephen Ertle/
Aleah Ing</i> |
| 7. CAP Policies and Procedures Update. | <i>Jason Mandly</i> |

ITEMS FOR INFORMATION

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

ADJOURNMENT

- | | |
|--|--------------|
| 13. The next Board of Directors Meeting is scheduled for July 25, 2024, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California. | <i>Chair</i> |
|--|--------------|

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





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Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Draft Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of May 23, 2024

Members Present:

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

Members Absent:

Peter Durfee	Supervisor, District 2
Doug Teeter	Supervisor, District 5

Staff Present:

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

Remote Staff:

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

Others Remote:

Mason Moore	FERMATA
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1. Call to Order and Roll Call.

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

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

No additions or deletions.

3. Consent Agenda.

- 3.1 Minutes of the March 28, 2024 Meeting of the Board of Directors.
- 3.2 Minutes of the April 25, 2024 Meeting of the Board of Directors.
- 3.3 Activity Report on Butte County Air Quality Management District Activities.
- 3.4 Financial Status Report Fiscal Year 2023-2024 March.
- 3.5 Financial Status Report Fiscal Year 2023-2024 April.
- 3.6 FY 23-24 3rd Quarter Grant Revenue Report.
- 3.7 Status Report on Calendar of Events.
- 3.8 Status Report on Communications.
- 3.9 Audit Report for Fiscal Year 2022-2023.
- 3.10 Annual Air Quality and Check Before You Light Report.

ACTION REQUESTED: Approve Consent Agenda Items.

Board comments: None.

Public comments: None.

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

Motion carries by the following vote:

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

ITEMS FOR ACTION

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

No items removed from the Consent Agenda.

5. FY24-25 Budget Hearing #1.

ACTION REQUESTED:

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

The FY2024-2025 Budget report was presented by Aleah Ing, Administrative Services Officer.

Chair Ritter opened the Public hearing at 10:04 a.m. and stated that the hearing will remain open until the second hearing held on June 27, 2024. No public comments have been received.

Board Discussion: None.

Public comments: None.

6. AB617 Implementation Authorization for Residential Lawn and Garden Voucher Program & Community Air Protection Support Grants.

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

The AB617 Implementation Authorization for Residential Lawn and Garden Voucher Program & Community Air Protection Support Grants report was presented by Jason Mandly, Senior Air Quality Planner.

Board discussion: Board discussion ensued.

Public comments: None.

A motion was made by Councilmember Tryon and seconded by Supervisor Connelly to Approved residential lawn and garden projects using AB617 Implementation Funds & the release of an RFP requesting projects from local community groups, public entities, and businesses.

Motion carries by the following vote:

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

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Durfee and Supervisor Teeter.

7. Shasta County AQMD MOU.

ACTION REQUESTED: Approve Resolution #2024-06 authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, a Memorandum of Understanding between the Shasta County Air Quality Management District related to these activities, and to accept funds and to implement associated projects, subject to District Counsel review and the existing authorizations set forth under District Resolution #2019-11.

The Shast County AQMD MOU report was presented by Stephen Ertle, APCO.

Board discussion: None.

Public comments: None.

A motion was made by Supervisor Connelly and seconded by Councilmember Tryon to Approve Resolution #2024-06 authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, a Memorandum of

Understanding between the Shasta County Air Quality Management District and Butte County Air Quality Management District for funds from Year Two of the Prescribed Fire Grant program.

Motion carries by the following vote:

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

8. Interim PCBTF Policy.

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

The Interim PCBTF Policy report was presented by Patrick Lucey, Assistant Air Pollution Control Officer.

Board discussion: Board Discussion ensued.

Public comment: None.

A motion was made by Councilmember Winslow and seconded by Vice Mayor Smith to approve the adoption of the District's Interim PCBTF Policy.

Motion carries by the following vote:

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

ITEMS FOR INFORMATION

9. Annual Report on District Deferred Compensation Program.

ACTION REQUESTED: Accept report.

The Annual Report on the District's Deferred Compensation Program was presented by Mason Moore, FERMATA.

Board Discussion: None.

Public Comment: None.

10. APCO Report.

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

The APCO report was tabled to the June 27, 2024 Governing Board meeting.

11. Other Business.

None.

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

13. Adjourn to Closed Session. The meeting went to closed session at 10:34am.

14. Report From Closed Session.

- Board received update on potential litigation,
- Board provided direction on woodstove vendor program participation,
- Board provided direction on upcoming successor MOU discussions.

12. The meeting adjourned at 11:24 a.m. The next Board of Directors Meeting is scheduled for June 27, 2024 at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.

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

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on May 23, 2024.

ATTEST: _____
Kelly Towne, Clerk of the Governing Board

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Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **Activity Report**

ISSUE:

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

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

None.

Attachment:

2024 Activity Report.

Agenda Item 3.2

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2024 Activity Report

Activity (2024)	2022	2023	Jan	Feb*	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ¹
Permits to Operate Issued/Renewed	813	804	51	71	69	66	155								412
Authority to Construct Permits Issued	50	38	1	3	2	5	0								11
Portable Equipment Registrations	34	38	2	6	1	1	3								13
Engine Registrations Issued/Renewed	261	0	0	246	0	0	0								246
Inspections Performed by Facility	496	348	41	44	40	26	27								178
Inspections Performed by Permits	658	472	57	69	43	32	30								231
Status Change Reports Received	3	84	4	16	4	1	11								36
Agricultural Burn Days ^{2*}	356	353	31	29	31	30	31								152
Agricultural No-Burn Days ^{2*}	9	12	0	0	0	0	0								0
Burn Permits Issued	750	727	55	33	79	117	81								365
Burn Notifications	5,152	4,826	257	299	422	611	436								2025
Rice Fields Reported Harvested	375	394	0	0	0	3	0								3
Complaints Received	134	87	2	7	10	12	9								40
Notices of Noncompliance Issued	104	79	7	4	6	5	13								35
Notices to Comply Issued	23	5	0	1	1	0	1								3
Public Outreach	499	651	65	53	57	48	316								539
Environmental Documents Reviewed	5	1	0	0	0	0	0								0
Public Records Requests	64	31	9	4	3	5	3								24

¹ YTD = Year-to-date totals

² Burn Day Status reported below 3000' elevation

* Leap Year

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Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **Financial Status Report Fiscal Year 2023-2024**

ISSUE:

Financial Status Report.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

The attached financial report summarizes the District's finances during the period of July 1, 2023 through May 31, 2024 and the Balance sheet for the period ending May 31, 2024.

Budget Amendments for FY 2023-24 are not included in the attached report and are being proposed as part of the FY 2024-25 Budget Adoption.

Attachment:

1-Fiscal Year 23-24 May Balance Sheet.

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

Agenda Item 3.3

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

	May 31, 2024
ASSETS	
Current Assets	
Checking/Savings	
1002 · Cash on Hand - Change Box	200.00
1003 · Bank of America - General-0648	578,617.47
1004 · Bank of America - Payroll-0649	4,538.09
1007 · B of A Reserve Acct - 1789	329,685.34
1010 · B of A - 0980 (Grant 1)	346,309.69
1011 · Tri Counties - Carl Moyer 2618	592,746.30
1012 · Tri Counties - FARMER - 6831	1,488,412.31
1013 · Tri Counties - CAP-6855	986,030.01
1017 · Tri Counties - AB 617-6818	174,933.13
1018 · State LAIF Acct	1,259,257.91
Total Checking/Savings	5,760,730.25
Accounts Receivable	
1200 · Accounts Receivable	380,172.42
Total Accounts Receivable	380,172.42
Other Current Assets	
1102 · Due From Other Governments	130,321.23
1500 · Undeposited Funds	4,054.77
Total Other Current Assets	134,376.00
Total Current Assets	6,275,278.67
Other Assets	
1300 · Prepaid Costs	17,251.38
Total Other Assets	17,251.38
TOTAL ASSETS	6,292,530.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	34,420.00
2001 · A/P - Grantees	1,429,318.70
Total Accounts Payable	1,463,738.70
Other Current Liabilities	
2100 · Accrual Payroll & Benefits	
210004 · HI 125	1,004.11
210011 · PERS Survivor Benefits	-6.37
210013 · MED FLEX	2,344.53
Total 2100 · Accrual Payroll & Benefits	3,342.27
2107 · Unearned Revenue	
210904 · FARMER	389,429.60

	May 31, 2024
210906 · Carl Moyer	100,890.13
210910 · Community (CAP)	343,772.01
210912 · WoodSmoke	15,034.55
210914 · AB 617	198,189.63
210917 · Prescribed Fire Grant	77,712.40
Total 2107 · Unearned Revenue	1,125,028.32
2109 · Unavailable Revenue	283,533.96
Total Other Current Liabilities	1,411,904.55
Total Current Liabilities	2,875,643.25
Total Liabilities	2,875,643.25
Equity	
3100 · Reserves	329,626.07
3200 · Restricted Fund	
3003 · Reserved for Encumbrances	8,300.00
3004 · Carl Moyer Program	497,208.57
3005 · Reserved FARMER Prgm	651,252.41
3009 · Woodsmoke Grant	286,361.00
3012 · Community (CAP)	1,213,918.51
Total 3200 · Restricted Fund	2,657,040.49
3900 · Retained Earnings	479,948.41
Net Income	-49,728.17
Total Equity	3,416,886.80
TOTAL LIABILITIES & EQUITY	6,292,530.05

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

Accrual Basis

	Jul '23 - May 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
421 · License and Permits				
4213010 · Ag Burn Permits	91,473.75	100,000.00	-8,526.25	91.47%
4213013 · Ag Engine Registration Program	14,446.79	14,450.00	-3.21	99.98%
4213020 · Title V Permits	4,681.55	4,682.00	-0.45	99.99%
4213030 · Operating Permits	473,287.98	477,000.00	-3,712.02	99.22%
4213035 · Portable Engine Registration	41,291.34	48,000.00	-6,708.66	86.02%
4213038 · Asbestos Program	4,679.58	5,000.00	-320.42	93.59%
4213040 · Auth to Construct	29,019.93	29,000.00	19.93	100.07%
4213060 · Misc. Other Permits	0.00	600.00	-600.00	0.0%
Total 421 · License and Permits	658,880.92	678,732.00	-19,851.08	97.08%
430 · Fines, Forfeitures & Penalties				
4300001 · Civil Settlements	44,388.84	45,000.00	-611.16	98.64%
Total 430 · Fines, Forfeitures & Penalties	44,388.84	45,000.00	-611.16	98.64%
441 · Interest Income				
4410000 · Interest Income	34,231.70	2,000.00	32,231.70	1,711.59%
451 · Intergovernmental				
45000 · Governmental Funds				
4500001 · State Subvention	73,386.16	73,386.00	0.16	100.0%
4511001 · DMV Surcharge	668,736.35	740,000.00	-71,263.65	90.37%
Total 45000 · Governmental Funds	742,122.51	813,386.00	-71,263.49	91.24%
45105 · Direct Grant Funds				
4510500 · AB 2588 Hot Spots Fee	134.00	134.00	0.00	100.0%
4510501 · 105 Pilot Project Grant Funding	0.00	61,012.00	-61,012.00	0.0%
4510502 · AB 197 Funding	8,583.00	8,583.00	0.00	100.0%
4510503 · AB 617 Funding	13,904.93	212,071.75	-198,166.82	6.56%
4510504 · Prescribed Fire Grant	14,071.33	96,753.73	-82,682.40	14.54%
4510505 · GHG Oil & Gas Funding	6,000.00	6,000.00	0.00	100.0%
Total 45105 · Direct Grant Funds	42,693.26	384,554.48	-341,861.22	11.1%
45109 · Pass Through Grants				
4510904 · FARMER Funding	1,224,474.50	1,224,474.50	0.00	100.0%
4510906 · Carl Moyer Grant	470,483.00	175,000.00	295,483.00	268.85%
4510909 · Woodsmoke Grant	463,270.00	463,270.00	0.00	100.0%
4510915 · Community Air Program (CAP)	0.00	967,559.27	-967,559.27	0.0%
Total 45109 · Pass Through Grants	2,158,227.50	2,830,303.77	-672,076.27	76.25%
Total 451 · Intergovernmental	2,943,043.27	4,028,244.25	-1,085,200.98	73.06%
471 · Miscellaneous Revenue				
4712523 · Other Misc. Revenue	32,492.49	28,495.00	3,997.49	114.03%
4712550 · Implementation Funds	238,207.68	1,186,681.27	-948,473.59	20.07%
Total 471 · Miscellaneous Revenue	270,700.17	1,215,176.27	-944,476.10	22.28%
Total Income	3,951,244.90	5,969,152.52	-2,017,907.62	66.19%
Gross Profit	3,951,244.90	5,969,152.52	-2,017,907.62	66.19%
Expense				
511 · Payroll Expenses				
511001 · Salaries & Wages	792,712.34	975,994.80	-183,282.46	81.22%
512000 · Extra Help	14,017.59	16,000.00	-1,982.41	87.61%
514000 · Overtime	0.00	4,000.00	-4,000.00	0.0%
518 · Employee Benefits				
518008 · Health Care	159,291.99	220,262.52	-60,970.53	72.32%
518009 · Cafeteria	35,148.21	28,597.32	6,550.89	122.91%
518010 · Other Employee Benefits	20,987.94	27,716.43	-6,728.49	75.72%
518700 · Retirement Pension	132,731.03	160,237.53	-27,506.50	82.83%
518800 · Contrib to Pension Liability	155,627.85	155,627.85	0.00	100.0%
518900 · Retiree's OPEB	49,115.55	54,136.20	-5,020.65	90.73%
518901 · Contrib to OPEB Liability	35,630.00	35,630.00	0.00	100.0%
Total 518 · Employee Benefits	588,532.57	682,207.85	-93,675.28	86.27%
Total 511 · Payroll Expenses	1,395,262.50	1,678,202.65	-282,940.15	83.14%
520 · Materials & Supplies				
521104 · Postage	3,220.00	3,722.42	-502.42	86.5%
522201 · Office Supplies	6,860.62	9,435.00	-2,574.38	72.72%

	Jul '23 - May 24	Budget	\$ Over Budget	% of Budget
523001 · Telecommunications	11,913.05	16,480.00	-4,566.95	72.29%
524544 · Utilities - Elec/Gas/Wtr/Grbge	6,985.52	9,341.60	-2,356.08	74.78%
525545 · Auto Fuel Costs/ Road Expense	4,066.36	6,695.00	-2,628.64	60.74%
Total 520 · Materials & Supplies	33,045.55	45,674.02	-12,628.47	72.35%
530 · Servies & Other Operating				
531201 · Household Janitorial	4,750.00	5,871.00	-1,121.00	80.91%
532527 · Insurance -Liability & Vehicle	14,735.77	17,410.09	-2,674.32	84.64%
533533 · Memberships, Dues & Subscript..	3,078.08	6,500.33	-3,422.25	47.35%
534537 · Public & Legal Notices	2,052.45	4,017.00	-1,964.55	51.09%
535540 · Public Outreach	12,719.70	17,149.50	-4,429.80	74.17%
536101 · Training	4,909.90	14,707.00	-9,797.10	33.39%
537202 · Travel & Conference Expenses	14,521.39	33,950.00	-19,428.61	42.77%
Total 530 · Servies & Other Operating	56,767.29	99,604.92	-42,837.63	56.99%
540 · Rents Lease, Repair, NonCapital				
541538 · Property Rents & Leases	1,224.25	650.00	574.25	188.35%
542539 · Equipment Rents & Leases	732.24	762.20	-29.96	96.07%
543103 · Office Furniture & Equip	0.00	16,789.00	-16,789.00	0.0%
543203 · Computer Equipment	4,129.17	12,875.00	-8,745.83	32.07%
543204 · Computer Software-Subscriptions	17,959.26	20,599.75	-2,640.49	87.18%
543541 · Air Monitoring Equipment & Main	822.36	5,907.05	-5,084.69	13.92%
544001 · Vehicles Maintenance	2,934.73	5,495.05	-2,560.32	53.41%
544042 · IT Maintenance	24,562.02	32,117.00	-7,554.98	76.48%
544103 · Building Maintenance	720.73	15,225.25	-14,504.52	4.73%
Total 540 · Rents Lease, Repair, NonCapital	53,084.76	110,420.30	-57,335.54	48.08%
550 · Professional/Consulting Service				
551137 · AB2588 Hot Spots Fee	134.00	134.00	0.00	100.0%
551536 · Professional Services	33,123.85	94,883.60	-61,759.75	34.91%
551547 · Legal Services	15,500.00	19,055.00	-3,555.00	81.34%
555580 · Contingencies	0.00	20,000.00	-20,000.00	0.0%
Total 550 · Professional/Consulting Service	48,757.85	134,072.60	-85,314.75	36.37%
560 · Grants				
560006 · Carl Moyer Grant	398,839.68	600,565.25	-201,725.57	66.41%
560007 · Community Air (CAP)	595,420.45	2,776,898.24	-2,181,477.79	21.44%
560009 · WoodSmoke Grant	176,909.00	463,270.00	-286,361.00	38.19%
560020 · Special Clean Air Grants	0.00	35,000.00	-35,000.00	0.0%
560021 · FARMER	1,191,735.99	1,842,454.41	-650,718.42	64.68%
Total 560 · Grants	2,362,905.12	5,718,187.90	-3,355,282.78	41.32%
565 · Debt Service				
565087 · GASB 87 Lease Principal	48,601.53	53,035.00	-4,433.47	91.64%
565987 · GASB 87 Lease Interest & Other	2,548.47	2,521.00	27.47	101.09%
Total 565 · Debt Service	51,150.00	55,556.00	-4,406.00	92.07%
Total Expense	4,000,973.07	7,841,718.39	-3,840,745.32	51.02%
Net Ordinary Income	-49,728.17	-1,872,565.87	1,822,837.70	2.66%
Net Income	-49,728.17	-1,872,565.87	1,822,837.70	2.66%

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



TAMI RITTER, CHAIR
Supervisor, District #3

ADDISON WINSLOW, VICE CHAIR
Councilmember, Chico

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ANGEL CALDERON
Councilmember, Gridley

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Councilmember, Paradise

STEPHEN ERTL
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **Calendar of Events**

DATE	EVENT	LOCATION
July 3	Fire Safe Council Meeting	Paradise
July 4	District Office Close in honor of Independence Day	Chico
July 9	Vapor Recovery	Virtual
July 11	The Professionals - QEEPS	Chico
July 17	Technical Advisory Committee (TAC)	Red Bluff
July 23-24	Enforcement Managers	Santa Barbara
July 25	Butte County AQMD Board Meeting	Chico
July 29-30	Engineering Managers	Virtual
August 2	Sacramento Valley BCC Meeting	Chico
August 7	Fire Safe Council Meeting	Paradise
August 21	Technical Advisory Committee (TAC)	Willows
August 22	Butte County AQMD Board Meeting	Chico
September 2	District Office Close in honor of Labor Day	Paradise
September 4	Fire Safe Council Meeting	Paradise
September 12	The Professionals - QEEPS	Willows
September 18	Technical Advisory Committee (TAC)	Colusa
September 26	Butte County AQMD Board Meeting	Chico
October 2	Fire Safe Council Meeting	Paradise
October 4	Sacramento Valley BCC Meeting	Colusa
October 8	Vapor Recovery	Virtual
October 24	Butte County AQMD Board Meeting	Chico

Agenda Item 3.4

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Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Kelly Towne, Board Clerk

Re: **Status Report on Communications**

ISSUE:

Status Report on Communications with Board Members in May.

ACTION REQUESTED:

None. For information only.

DISCUSSION:

No communications outside of regularly scheduled Board meeting.

Attachment:

None.

Agenda Item 3.5

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Supervisor, District #3

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Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **Public Hearing for Adoption of Proposed Fiscal Year 2024-2025 Budget**

ISSUE:

The Board is asked to consider adoption of the Fiscal Year 2024-2025 Budget and related actions.

ACTION REQUESTED:

1. Following a Public Hearing on the Fiscal Year 2024-2025 Budget, accept comments and,
2. Amend the Fiscal Year 2023-2024 Budget to the Final Projected Budget and,
3. Add additional Revenue account to separate Technical Evaluation Fees from Misc Income,
4. Adopt implementing Resolution 2024-06 Adopting the Final Fiscal Year 2024-2025 Budget and,
5. Adopt implementing Resolution 2024-07 Authorizing Contracted Legal Services.

DISCUSSION:

Before your board is the final hearing for the purpose of adopting the Districts proposed Fiscal 2024-25 Budget and amendments to the FY 2023-24 Budget. Staff are proposing a budget of \$2,317,174.65. The proposed budget includes \$126,272 in grant funds and an operating budget of \$2,100,102.65 and Debt Service of \$55,800. No changes in permanent staffing levels are proposed. Staff proposes a 3.8% CPI fee increase in the hourly rate pursuant to Rule 509 section 2, amending the hourly rate to \$105.60. This hourly rate change would increase fees which have an hourly rate factored into the fee schedule. As part of the adoption, an additional Revenue account is being defined to separate Technical Evaluation Fees from the Misc Revenue line item.

Health & Safety Code, Sections 40130 and 40131 requires that prior to adoption of the District's annual budget; the District is to hold a public hearing for the purpose of reviewing its budget proposal and providing the public with opportunity to

Agenda Item 5

comment. Today's hearing is the final hearing, where the District Governing Board formally considers adopting the annual budget.

In addition to your Board's Public Hearings on May 23rd and June 27th, 2024, the District sent notices to Permit Holders, published notice in the local newspaper and website. No public comments have been received. The Air Pollution Control Officer and Administrative Services Officer met with the Board's Budget and Finance Committee and received input for the proposed budget.

The attached budget incorporates some changes to the Final Projected FY 2023-24 Budget Amendments based on the most current projections for year end. The amendments presented will result in an increase in the year-end projected fund balance of \$42,000. Timing of \$295,483 of Carl Moyer grant funds received is resulting in an increase in pass through grant revenue and expenses for both FY 2023-24.

AB 617, CAP, Carl Moyer, and FARMER implementation grant funds are received and held in the unearned revenue until expenses are recognized.

The FY 2024-2025 final comparative budget analysis and implementing resolutions are attached for reference.

Attachments:

Final Proposed Amendments to FY 2023-24 Budget.

Fiscal Year 2024-25 Comparative Budget Analysis.

Resolution 2024-06 Adoption of the Fiscal Year 2024-2025 Budget.

Resolution 2024-07 Contracted Legal Service.

Butte County Air Quality Management District
Final Comparative Budget Analysis

		FY 2023-2024			As of 6/13/24	
		FY 2023-24	FY 2023-24	Yr End Projected	FY 2023-24	
		<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Amendments</u>	<u>Final Projected</u>	
					<u>YTD Actuals</u>	
REVENUE						
<u>Licenses & Permits</u>						
4213010	Ag Burn Permits	100,000.00	100,000.00	(5,000.00)	95,000.00	94,146.11
4213013	Ag Engine Registration Program	11,350.00	14,450.00		14,450.00	14,446.79
4213020	Title V Permits	4,500.00	4,682.00		4,682.00	4,681.55
4213030	Operating Permits	477,000.00	477,000.00	42,000.00	519,000.00	518,673.79
4213035	Portable Engine Registration	48,000.00	48,000.00	(5,000.00)	43,000.00	41,291.34
4213038	Asbestos Program	5,000.00	5,000.00	1,000.00	6,000.00	6,205.53
4213040	Auth to Construct	29,000.00	29,000.00	4,000.00	33,000.00	32,702.21
4213055	Emission Reduction Fee	-	-		-	-
4213060	Misc. Other Permits	600.00	600.00	(600.00)	-	-
*move from Misc F 4213061 Technical Evaluation Fees - new acct #		5,000.00	9,500.00	5,600.00	15,100.00	\$ 15,206.02
421 - Licenses & Permits		680,450.00	688,232.00	42,000.00	730,232.00	727,353.34
<u>Fines, Forfeitures & Penalties</u>						
4300001	Civil Settlements	30,000.00	45,000.00		45,000.00	44,868.84
430 - Fines, Forfeitures & Penalties		30,000.00	45,000.00	0.00	45,000.00	44,868.84
<u>Interest</u>						
Interest		2,000.00	2,000.00		2,000.00	34,216.95
441 - Interest (Use of Money & Property)		2,000.00	2,000.00	-	2,000.00	34,216.95
<u>Intergovernmental</u>						
4510001	State Subvention	65,300.00	73,386.00		73,386.00	73,386.16
4511001	DMV Surcharge	740,000.00	740,000.00	(1,500.00)	738,500.00	733,657.87
4510500	AB2588 Hot Spots Fee	134.00	134.00		134.00	134.00
4510501	105 Grant Funding	61,012.00	61,012.00		61,012.00	-
4510502	AB 197 Funding	8,583.00	8,583.00		8,583.00	8,583.00
4510503	AB 617 Implementation Funding	94,627.54	212,071.75		212,071.75	26,147.15
4510504	Prescribed Burn Reporting & Monitoring	-	96,753.73		96,753.73	14,071.33
4510505	GHG Oil & Gas Funding	6,000.00	6,000.00		6,000.00	6,000.00
<i>Direct Intergovernmental Funds</i>		975,656.54	1,197,940.48	(1,500.00)	1,196,440.48	861,979.51
4510904	FARMER	612,237.50	1,224,474.50		1,224,474.50	1,224,474.50
4510906	Carl Moyer	375,257.66	175,000.00	295,483.00	470,483.00	470,483.00
4510909	WoodSmoke	205,000.00	463,270.00		463,270.00	463,270.00
4510915	Community Air Protection (CAP)	992,368.82	967,559.27		967,559.27	-
<i>Pass Through Grant Portion of Intergovernmental</i>		2,184,863.98	2,830,303.77	295,483.00	3,125,786.77	2,158,227.50
451 - Intergovernmental		3,160,520.52	4,028,244.25	293,983.00	4,322,227.25	3,020,207.01
<u>Misc Revenue</u>						
BCC Secretarial Duties Contract		15,870.00	15,870.00		15,870.00	\$ 17,359.65
Reimbursements (Copy & Other)		1,125.00	1,125.00		1,125.00	\$ 1,194
Fees (Finance Charges, Return Check)		2,000.00	2,000.00		2,000.00	\$ 215.49
4712523	4712523 Misc Revenue	18,995.00	18,995.00	-	18,995.00	18,769.33
<u>Implementation Revenue</u>						
4712550	4712550 Implementation Administrative Funds	998,682.39	1,186,681.27	-	1,186,681.27	238,207.68
471 - Other Revenues (Miscellaneous)		1,017,677.39	1,205,676.27	-	1,205,676.27	256,977.01
TOTAL REVENUE		4,890,647.91	5,969,152.52	335,983.00	6,305,135.52	4,083,623.15

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2023-2024

As of 6/13/24

	FY 2023-24 <u>Adopted Budget</u>	FY 2023-24 <u>Amended Budget</u>	Yr End Projected <u>Amendments</u>	FY 2023-24 <u>Final Projected</u>	FY 2023-24 <u>YTD Actuals</u>
OPERATING EXPENSES					
Wages, Benefits & PR Expenditures					
<u>Salaries, Wages & PR Taxes</u>					
511000	975,994.80	975,994.80	(78,494.80)	897,500.00	828,241.88
512000	16,000.00	16,000.00	(2,000.00)	14,000.00	14,017.59
514000	4,000.00	4,000.00	(4,000.00)	-	-
511 Salaries, Wages, PR Taxes	995,994.80	995,994.80	(84,494.80)	911,500.00	842,259.47
<u>Benefits</u>					
518008	220,262.52	220,262.52	(60,262.52)	160,000.00	159,232.97
518009	28,597.32	28,597.32	11,902.68	40,500.00	39,020.32
518010	27,716.43	27,716.43	(5,216.43)	22,500.00	20,987.94
*New Acct 518011			7,440.00	7,440.00	7,440.00
518700	160,237.53	160,237.53	(5,237.53)	155,000.00	135,101.04
518800	155,627.85	155,627.85		155,627.85	155,627.85
518900	54,136.20	54,136.20	1,363.80	55,500.00	51,708.03
518901	35,630.00	35,630.00		35,630.00	35,630.00
518 Benefits	682,207.85	682,207.85	(50,010.00)	632,197.85	604,748.15
Operating Expenditures					
<u>Materials & Supplies</u>					
521104	3,722.42	3,722.42		3,722.42	3,220.00
522201	9,785.00	9,435.00		9,435.00	6,860.62
523001	16,480.00	16,480.00	(2,000.00)	14,480.00	12,223.05
524544	9,341.60	9,341.60	(1,500.00)	7,841.60	7,015.52
525545	6,695.00	6,695.00		6,695.00	4,066.36
520 Materials & Supplies	46,024.02	45,674.02	(3,500.00)	42,174.02	33,385.55
<u>Services & Other Operating</u>					
531201	5,871.00	5,871.00	(171.00)	5,700.00	4,750.00
532527	17,410.09	17,410.09	(2,000.00)	15,410.09	14,735.77
533533	6,500.33	6,500.33		6,500.33	5,654.39
534537	4,017.00	4,017.00	(1,500.00)	2,517.00	2,052.45
535540	17,149.50	17,149.50		17,149.50	12,719.70
536101	14,707.00	14,707.00	(1,000.00)	13,707.00	4,909.90
537202	33,950.00	33,950.00	(9,040.00)	24,910.00	6,001.39
530 Services & Other Operating	99,604.92	99,604.92	(13,711.00)	85,893.92	50,823.60
<u>Rents & Leases</u>					
541538	300.00	650.00	800.00	1,450.00	1,224.25
542539	762.20	762.20		762.20	732.24
<u>Noncapitalized Improvements & Equipment</u>					
543103	16,789.00	16,789.00	(15,000.00)	1,789.00	-
543203	12,875.00	12,875.00	(4,000.00)	8,875.00	4,129.17
543204	20,599.75	20,599.75		20,599.75	18,959.26
543541	5,907.05	5,907.05	(1,200.00)	4,707.05	822.36
<u>Repairs & Maintenance</u>					
544001	5,495.05	5,495.05		5,495.05	2,934.73
544042	32,117.00	32,117.00		32,117.00	24,562.02
544103	15,225.25	15,225.25	(11,244.00)	3,981.25	720.73
540 Rents, Leases, Repairs & Noncapitalized Improvements	110,070.30	110,420.30	(30,644.00)	79,776.30	54,084.76
<u>Professional/Consulting Services</u>					
551137	134.00	134.00		134.00	134.00
551536	94,883.60	94,883.60	(55,000.00)	39,883.60	33,123.85
551547	19,055.00	19,055.00		19,055.00	15,500.00
<u>Grant Indirect Costs (line allocates portion of District general operating to grant funds, 4-5% of grant wages)</u>					
555580	20,000.00	20,000.00	(20,000.00)	-	-
550 Professional/Consulting Services	134,072.60	134,072.60	(75,000.00)	59,072.60	48,757.85
Total Operating Expenditures*	2,067,974.49	2,067,974.49	(257,359.80)	1,810,614.69	1,634,059.38

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2023-2024

As of 6/13/24

NON-OPERATING

		<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Amendments</u>	<u>Final Projected</u>	<u>YTD Actuals</u>
Grants						
560006	Carl Moyer	375,257.66	600,565.25	295,483.00	896,048.25	398,839.68
560007	Community Air CAP (CAP)	992,368.82	2,776,898.24		2,776,898.24	595,750.45
560009	WoodSmoke	205,000.00	463,270.00		463,270.00	181,909.00
560020	Special Clean Air Grants	35,000.00	35,000.00		35,000.00	-
560021	FARMER	612,237.50	1,842,454.41		1,842,454.41	1,191,735.99
560	Total Grants	2,219,863.98	5,718,187.90	295,483.00	6,013,670.90	2,368,235.12

DEBT

		<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Amendments</u>	<u>Final Projected</u>	<u>YTD Actuals</u>
Debt Service						
565087	Principal	53,035.00	53,035.00	(0.11)	53,034.89	53,034.89
565987	Interest & Other Charges	2,521.00	2,521.00	244.11	2,765.11	2,765.11
565	Total Debt Service	55,556.00	55,556.00	244.00	55,800.00	55,800.00

CAPITAL

		<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Amendments</u>	<u>Final Projected</u>	<u>YTD Actuals</u>
Capital						
571105	Buildings & Improvements	-	-		-	-
572563	Equipment (Computer Equipment & Office Furniture >\$	-	-		-	-
573105	Vehicles (Fixed asset Inventory; Listed in Depreciation S	-	-		-	-
570	Total Capital Outlay	-	-	-	-	-

TOTAL Budget (\$ listed in Resolution)	4,343,394.47	7,841,718.39	38,367.20	7,880,085.59	4,058,094.50
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Excess of Revenues over(under) Expenditures, incl Debt Service	547,253.44	(1,872,565.87)		(1,574,950.07)	25,528.65
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UNEARNED & FUND BALANCE (Assigned Reserves, Restricted & Unassigned)

	FY 2023-24	FY 2023-24	Yr End Projected	FY 2023-24	FY 2023-24
	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Amendments</u>	<u>Final Projected</u>	<u>YTD Actuals</u>
Unearned					
AB617	40,064.60	157,508.81	1,017.30	158,526.11	185,962.16
Prescribed		87,598.03		87,598.03	77,712.40
WoodSmoke		25,758.00	(11,495.49)	14,262.51	15,034.55
CAP	322,417.38	461,268.45	34,791.66	496,060.11	343,772.00
Carl Moyer	112,114.85	77,429.83	(13,657.26)	63,772.57	100,890.13
FARMER	342,596.19	398,064.89	10,478.19	408,543.08	389,429.60
Unearned Revenue	817,193.02	1,207,628.01	21,134.40	1,228,762.41	1,112,800.84
Restrictions (Fund Balance)					
Assigned	Estimated reserve based on calculated from above (o	344,662.42	344,662.42	344,662.42	272,343.23
Assigned	Reserve Fund (see Resolution/Policy)	329,626.07	329,626.07	329,626.07	320,255.00
	CAP			-	1,213,918.51
	WoodSmoke			-	286,361.00
	Carl Moyer			-	497,208.57
	FARMER			-	651,252.41
Restricted (Uncontracted passthrough grant funds)				-	2,648,740.49
Unassigned					523,148.13
TOTAL FUND	329,626.07	329,626.07	-	329,626.07	3,492,143.62
Unearned	817,193.02	1,207,628.01		1,228,762.41	523,148.13
Unassigned after grant unearned liability	(0.01)	56,795.02	276,481.40	333,276.42	(589,652.71)

	Strt Fund Bal 6/30	Projected Bal 6/30/2023	Audited Bal 6/30/2023	
	FY 2023-24	FY 2023-24	FY 2023-24	
	<u>Adopted Budget</u>	<u>Amended Budget</u> <u>as of 9/30/2022</u>	<u>Final Projected</u>	
Restricted	-	2,861,184.12	2,861,184.12	2,861,184.12
Assigned	329,626.07	329,626.07	329,626.07	329,626.07
Unassigned Audit Balance	269,939.57	275,804.78	275,804.78	275,804.78
Total Fund Balance	599,565.64	3,466,614.97	3,466,614.97	3,466,614.97
Total Revenue	4,890,647.91	5,969,152.52	335,983.00	6,305,135.52
Total Expenditures	4,343,394.47	7,841,718.39	38,367.20	7,880,085.59
Unearned (in total revenue above)	817,193.02	1,207,628.01		1,228,762.41
Total Assigned & Restricted	329,626.07	329,626.07		329,626.07
Total unassigned Fund Balance	(0.01)	56,795.02		333,276.42
Total Fund Balance	329,626.06	386,421.09		662,902.49

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Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

	General Fund	Grant Funds					WoodSmoke	FY 2024-25	
		AB617	Prescribed	FARMER	CARL, RAP, Reserve	CAP		Proposed Budget	
REVENUE									
<u>Licenses & Permits</u>									
4213010	Ag Burn Permits	90,000.00						90,000.00	
4213013	Ag Engine Registration Program	350.00						350.00	
4213020	Title V Permits	4,500.00						4,500.00	
4213030	Operating Permits	490,266.00						490,266.00	
4213035	Portable Engine Registration	45,659.00						45,659.00	
4213038	Asbestos Program	43,092.00						43,092.00	
4213040	Auth to Construct	29,000.00						29,000.00	
4213055	Emission Reduction Fee	-						-	
4213060	Misc. Other Permits	600.00						600.00	
*move from Misc F 4213061 Technical Evaluation Fees - new acct #		5,000.00						5,000.00	
421 - Licenses & Permits		708,467.00	-	-	-	-	-	708,467.00	
<u>Fines, Forfeitures & Penalties</u>									
4300001	Civil Settlements	45,000.00						45,000.00	
430 - Fines, Forfeitures & Penalties		45,000.00	-	-	-	-	-	45,000.00	
<u>Interest</u>									
(grant interest is for restricted grant portion, implementation interest is unearned recognized implementation revenue line)									
Interest		1,500.00	20.00	-	682.50	284.38	29,805.13	3,500.00	35,792.00
441 - Interest (Use of Money & Property)		1,500.00	20.00	-	682.50	284.38	29,805.13	3,500.00	35,792.00
<u>Intergovernmental</u>									
4510001	State Subvention	65,300.00						65,300.00	
4511001	DMV Surcharge	735,500.00						735,500.00	
4510500	AB2588 Hot Spots Fee	134.00						134.00	
4510501	105 Grant Funding	61,012.00						61,012.00	
4510502	AB 197 Funding	8,583.00						8,583.00	
4510503	AB 617 Implementation Funding		158,526.11					158,526.11	
4510504	Prescribed Burn Reporting & Monitoring			87,598.03				87,598.03	
4510505	GHG Oil & Gas Funding	6,000.00						6,000.00	
Direct Intergovernmental Funds		876,529.00	158,526.11	87,598.03	-	-	-	1,122,653.14	
4510904	FARMER				-			-	
4510906	Carl Moyer					-		-	
4510909	WoodSmoke						-	-	
4510915	Community Air Protection (CAP)						-	-	
Pass Through Grant Portion of Intergovernmental		-	-	-	-	-	-	-	
451 - Intergovernmental		876,529.00	158,526.11	87,598.03	-	-	-	1,122,653.14	
<u>Misc Revenue</u>									
	BCC Secretarial Duties Contract	15,870.00						15,870.00	
	Reimbursements (Copy & Other)	500.00						500.00	
	Fees (Finance Charges, Return Check)	325.00						325.00	
4712523	4712523 Misc Revenue	16,695.00	-		-	-	-	16,695.00	
<u>Implementation Revenue</u>									
4712550	4712550 Implementation Administrative Funds	-	-	-	408,640.58	63,813.20	500,317.99	14,762.51	987,534.27
471 - Other Revenues (Miscellaneous)		16,695.00	-	-	408,640.58	63,813.20	500,317.99	14,762.51	1,004,229.27
TOTAL REVENUE		1,648,191.00	158,546.11	87,598.03	409,323.08	64,097.57	530,123.11	18,262.51	2,916,141.41

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

		General Fund	AB617	Prescribed Burn	FARMER	CARL, RAP, Reserve	CAP	WoodSmoke	FY 2024-25 Proposed Budget
OPERATING EXPENSES									
<u>Wages, Benefits & PR Expenditures</u>									
			Wages - Est 40 hr	Est 90 @hrly	Estimate use 697 h	Estimate use 320 h	Estimate use 508 h	Wages Est 110 hrs	
	<u>Salaries, Wages & PR Taxes</u>								
511000	Wages & PR Taxes	832,246.95	4,191.28	9,430.37	73,032.98	33,530.21	53,229.21	11,526.01	1,017,187.00
512000	Extra Help	16,000.00							16,000.00
514000	Overtime	4,000.00							4,000.00
511	Salaries, Wages, PR Taxes	852,246.95	4,191.28	9,430.37	73,032.98	33,530.21	53,229.21	11,526.01	1,037,187.00
	<u>Benefits</u>								
518008	Health Care	156,500.00							156,500.00
518009	Cafeteria	49,000.00							49,000.00
518010	Other Employee Benefits	36,500.00							36,500.00
<i>*New Acct 518011</i>	<i>Vehicle Allowance (moving this benefit from travel budg</i>	<i>7,440.00</i>							<i>7,440.00</i>
518700	Retirement (Pension) - includes Classic, Pepra & Deferr	164,600.00							164,600.00
518800	Contrib to Pension Liability (bal as of 6/30/22 \$2,093,86	157,500.00							157,500.00
518900	Retiree's OPEB	56,900.00							56,900.00
518901	Contrib to OPEB Liability (net bal as of 6/30/23 \$314,39	39,438.00							39,438.00
518	Benefits	625,217.95	966.80	2,175.30	16,846.49	7,734.40	12,278.36	2,658.70	667,878.00
<u>Operating Expenditures</u>									
	<u>Materials & Supplies</u>								
521104	Postage	3,850.00							3,850.00
522201	Office Supplies	9,498.50						1.50	9,500.00
523001	Telecommunications	17,890.00	1,200.00						19,090.00
524544	Utilities – Electric/Gas, Water, Trash	9,577.00							9,577.00
525545	Auto Fuel Costs/Road Expense	6,900.00							6,900.00
520	Materials & Supplies	47,715.50	1,200.00	-	-	-	-	1.50	48,917.00
	<u>Services & Other Operating</u>								
531201	Household Janitorial	6,050.00							6,050.00
532527	Insurance (Liability & Vehicle)	15,550.00							15,550.00
533533	Memberships, Dues and Subscriptions	7,500.00							7,500.00
534537	Public & Legal Notices	3,740.00							3,740.00
535540	Public Outreach	7,500.00	11,500.00						19,000.00
536101	Training	13,950.00							13,950.00
537202	Travel & Conference expenses	27,410.00							27,410.00
530	Services & Other Operating	81,700.00	11,500.00	-	-	-	-	-	93,200.00
	<u>Rents & Leases</u>								
541538	Property Rents & Leases	1,160.00	-				300.00		1,460.00
542539	Equipment Rents & Leases	785.00							785.00
	<u>Noncapitalized Improvements & Equipment</u>								
543103	Office Furniture & Equipment (copier, chairs, conf table	17,862.00							17,862.00
543203	Computer Equipment	15,055.00							15,055.00
543204	Computer Software & Subscriptions	21,219.65							21,219.65
543541	Air Monitoring Equipment & Maintenance	2,700.00	3,800.00						6,500.00

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

<u>Repairs & Maintenance</u>								
544001	Vehicle Maintenance	5,850.00						5,850.00
544042	IT Maintenance (computer equipment)	33,085.00						33,085.00
544103	Building Maintenance (annual expenditures)	15,395.00						15,395.00
540	Rents, Leases, Repairs & Noncapitalized Improvements	113,111.65	3,800.00	-	-	-	300.00	117,211.65
<u>Professional/Consulting Services</u>								
551137	AB2588 Hot Spots Fee	134.00						134.00
551536	Professional Services	96,500.00						96,500.00
551547	Legal Services	19,075.00						19,075.00
	Grant Indirect Costs (line allocates portion of District ge	(8,033.63)	-	-	3,651.65	1,676.51	2,129.17	576.30
555580	Contingencies	20,000.00						20,000.00
550	Professional/Consulting Services	127,675.37	-	-	3,651.65	1,676.51	2,129.17	135,709.00
Total Operating Expenditures*		1,847,667.42	21,658.08	11,605.67	93,531.12	42,941.12	67,936.73	14,762.51
								2,100,102.65

NON-OPERATING

<u>Grants</u>		<u>AB617</u>	<u>Prescribed</u>	<u>FARMER</u>	<u>CARL, RAP, Reserve</u>	<u>CAP</u>	<u>WoodSmoke</u>	
560006	Carl Moyer				284.38			284.38
560007	Community Air CAP (CAP)					29,805.13		29,805.13
560009	WoodSmoke						3,500.00	3,500.00
560020	Special Clean Air Grants	1,000.00	90,000.00	1,000.00				92,000.00
560021	FARMER			682.50				682.50
560	Total Grants	1,000.00	90,000.00	1,000.00	682.50	29,805.13	3,500.00	126,272.00

DEBT

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

CAPITAL

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

TOTAL Budget (\$ listed in Resolution)	1,939,467.42	111,658.08	12,605.67	94,213.62	43,225.49	97,741.86	18,262.51	2,317,174.65
Excess of Revenues over(under) Expenditures, incl Debt Service	(291,276.42)	46,888.03	74,992.36	315,109.46	20,872.08	432,381.25	0.00	598,966.76

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

	As of 6/30/2025					As of 6/30/2025			
<u>Unearned</u>	<u>General Fund</u>	<u>AB617</u>	<u>Prescribed</u>	<u>FARMER</u>	<u>CARL, RAP, Reserve</u>	<u>CAP</u>	<u>WoodSmoke</u>	<u>Proposed Budget</u>	
	AB617	46,888.03						46,888.03	

Butte County Air Quality Management District
Final Comparative Budget Analysis

FY 2024-2025

	Prescribed		74,992.36					74,992.36	
	WoodSmoke						0.00	0.00	
	CAP					432,381.25		432,381.25	
	Carl Moyer				20,872.08			20,872.08	
	FARMER			315,109.46				315,109.46	
Unearned Revenue		-	46,888.03	74,992.36	315,109.46	20,872.08	432,381.25	0.00	890,243.18
Restrictions (Fund Balance)									
	Estimated reserve based on calculated from above (c		317,244.57						359,317.11
Assigned	Reserve Fund (see Resolution/Policy)		329,626.07						329,626.07
	CAP								
	WoodSmoke								
	Carl Moyer								
	FARMER								
Restricted (Uncontracted passthrough grant funds)		-	-	-	-	-	-	-	-
Unassigned		42,000.00	46,888.03	74,992.36	315,109.46	20,872.08	432,381.25	0.00	932,243.18
TOTAL FUND		371,626.07	46,888.03	74,992.36	315,109.46	20,872.08	432,381.25	0.00	1,261,869.25
Unearned		-	46,888.03	74,992.36	315,109.46	20,872.08	432,381.25	0.00	890,243.18
Unassigned after grant unearned liability		42,000.00	-	-	-	-	-	-	42,000.00

	Est Fund Bal 6/30/23							Est Fund Bal 6/30/23
	General Fund	AB617	Prescribed	FARMER	CARL, RAP, Reserve	CAP	WoodSmoke	FY 2024-25
								Proposed Budget
Restricted	-							-
Assigned	329,626.07							329,626.07
Unassigned Audit Balance	333,276.42							333,276.42
Total Fund Balance	662,902.49	-	-	-	-	-	-	662,902.49
Total Revenue	1,648,191.00	158,546.11	87,598.03	409,323.08	64,097.57	530,123.11	18,262.51	2,916,141.41
Total Expenditures	1,939,467.42	111,658.08	12,605.67	94,213.62	43,225.49	97,741.86	18,262.51	2,317,174.65
Unearned (in total revenue above)	-	46,888.03	74,992.36	315,109.46	20,872.08	432,381.25	0.00	890,243.18
Total Assigned & Restricted	329,626.07	-	-	-	-	-	-	329,626.07
Total unassigned Fund Balance	42,000.00	-	-	-	-	-	-	42,000.00
Total Fund Balance	371,626.07	-	-	-	-	-	-	371,626.07



TAMI RITTER, CHAIR
Supervisor, District #3

ADDISON WINSLOW, VICE CHAIR
Councilmember, Chico

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ANGEL CALDERON
Councilmember, Gridley

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer (APCO)

Staff Contact: Stephen Ertle, APCO/Aleah Ing Administrative Services Officer (ASO)

Re: **Permit to Operate Program Cost Recovery Analysis & Request for Fee Increase Direction**

ISSUE:

District Permit to Operate program cost recovery deficit.

ACTION REQUESTED:

Review cost recovery deficit and provide direction for fee rule amendments.

DISCUSSION:

The Butte County Air Quality Management District (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.

Current Challenge: The existing fees charged for the Permit to Operate program recover about 56% of the actual costs incurred by the District (Attachment 1). A similar shortfall has persisted for the last 20 years. Previously, this deficit has been supplemented through one-time revenues or other program sources. Increasing liabilities over the last decade are beginning to threaten the District's ability to manage these liabilities and provide the oversight requirements moving forward. This significant deficit poses several challenges:

1. **Financial Strain:** The disparity between the program's operational costs and the revenue generated from fees results in a financial strain on the District's budget. This strain limits our ability to allocate adequate resources to other vital programs and initiatives aimed at improving air quality (e.g., matching grants funds).
2. **Sustainability Concerns:** Sustaining the Permit to Operate program at its current fee structure is financially unsustainable. The continuous use of one-time revenues to subsidize the program detracts from other essential services and creates long-term fiscal imbalances.

Agenda Item 6

3. **Compliance and Enforcement:** Adequate funding is crucial to maintain local control, fair compliance, monitoring and enforcement activities. Underfunding the program can compromise our ability to ensure that all facilities adhere to air quality standards, potentially leading to increased pollution and health risks for the community. Districts who fail to meet the requirements are also subject to State intervention.
4. **Increased Financial Pressure:** Without additional revenue, the District will face increased financial pressure to meet its annual required contributions to the California Public Employees' Retirement System (CalPERS). This pressure may necessitate reallocating funds from other critical operational areas, thereby impacting the quality and efficiency of our programs, including the Permit to Operate program.
5. **Growth of Unfunded Actuarial Liability (UAL):** Failure to increase revenues will likely result in an inability to make additional contributions towards the Unfunded Actuarial Liability (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.
6. **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.
7. **Compromised Financial Health:** Sustained underfunding of our pension obligations can compromise the District's overall financial health. This situation can negatively impact our credit worthiness, as seen last year when the District was unable to refinance its UAL liability.
8. **Impacts Current and Future Employees:** Tight budgets limit resources and put strain on current staff. This reduces our ability to attract and retain future employees when there is difficulty maintaining an attractive wages & benefits program.

Rationale for Fee Increase: Increasing the Permit to Operate program fees is a necessary measure to align the fee structure with the District's Fiscal Policy to achieve up to 90% of the costs of administering the program. The proposed fee adjustment is designed to achieve the following objectives:

1. **Cost Recovery:** By aligning fees more closely with the costs of service provision, the District can ensure that the Permit to Operate program is financially self-sustaining. The proposed adjustments will help get closer to 90% cost recovery, in line with the District's policy to maintain cost recovery as allowed by state law.
2. **Enhanced Program Quality:** Adequate funding will enable the District to maintain the quality of services provided through the Permit to Operate program. This includes maintaining processing times, inspections, compliance checks, and support and guidance for permit holders.
3. **Equitable Distribution of Costs:** The fee increase ensures that the costs of regulatory compliance are borne by those who directly benefit from the Permit to Operate program. This approach promotes fairness, accountability, and maintains a level playing field for business.
4. **Future Preparedness:** Adjusting fees to meet current operational costs allows the District to maintain a more resilient and responsive program. This financial stability will better equip the District to address emerging air quality challenges and regulatory changes in the future.

Conclusion: The proposed options to increase Permit to Operate program fees provide a strategic and necessary step to ensure the continued effectiveness and sustainability of the program. By achieving closer alignment with 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 changes.

Options:

1. Add cost recovery fee of 3X (X is hourly rate) to each permit beginning 2025 that will continue each year thereafter.
2. Add cost recovery fee of 1X (X is hourly rate) to each permit, each of the next three years beginning 2025 (3x total per year from 2027 thereafter).
3. Add variable cost recovery fee based on existing permit renewal fee hourly factor beginning in 2025 and thereafter:

Permit Renewal Hourly Factor	Cost Recovery X
0-4	2
5-9	4
10-19	6
20 or above	10

4. Add a phased in variable cost recovery fee based on existing permit renewal fee hourly factor beginning in 2025 and continuing at the 2027 rate thereafter:

Permit Renewal Hourly Factor	Cost Recovery X in 2025	Cost Recovery X in 2026	Cost Recovery X in 2027
0-4	1.5	2	2
5-9	2.5	3.5	4
10-19	3.5	5	6
20 or above	5.5	8	10

5. Increase existing permit renewal fee for each permit by 15% in each of the three years (or longer) moving forward.
6. Other direction as provided by the Board.

Attachment:

1. Cost Analysis Report (2022/2023).
2. Fee Increase Proposal Options.
3. UAL Payment Schedule.

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Butte County Air Quality Management District
FY 2022-23 Program Cost Recovery Analysis Report

updated -11/20/2023

*Overhead Hourly Rate is Cost Subtotal of Administrative& Planning/ category hours for distribution
 **Administrative hours includes leave time
 *** some grants only allow 4-5% of implementation to be allocated toward indirect costs

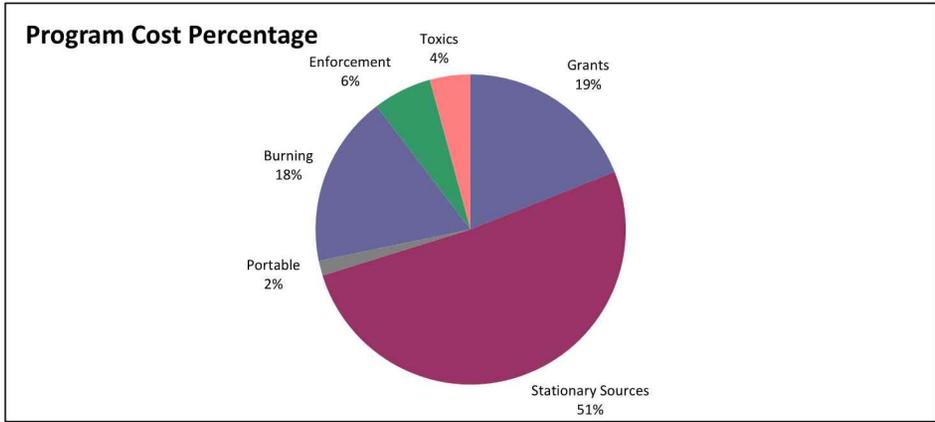
Fund Classes	Hours	Wage Expense	\$24.17 Benefits	Expenses	Direct Subtotal	\$87.56 Overhead	Total Cost	Revenue	Difference	Cost Recovery
Grants	Grants 1,929.75	\$ 88,254.43	\$ 46,641.54	\$ 17,059.90		\$ 168,970.63	\$ 320,926.50	\$ 317,558.53	\$ (3,367.97)	99% *
Stationary Sources	Stationary Sources 5,951.25	\$ 198,554.04	\$ 143,840.12	\$ 5,673.36		\$ 521,096.75	\$ 869,164.27	\$ 424,007.43	\$ (445,156.84)	49%
Portable	Portable 175.00	\$ 5,891.92	\$ 4,229.70	\$ 1,163.86		\$ 15,323.16	\$ 26,608.64	\$ 43,677.25	\$ 17,068.61	164% **
Burning	Burning 1,992.00	\$ 69,836.40	\$ 48,146.11	\$ 10,746.69		\$ 174,421.29	\$ 303,150.49	\$ 129,539.12	\$ (173,611.37)	43%
Enforcement	Enforcement 703.50	\$ 24,180.54	\$ 17,003.41	\$ 648.25		\$ 61,599.09	\$ 103,431.28	\$ 52,337.29	\$ (51,093.99)	51%
Toxics	Toxics 207.00	\$ 7,022.93	\$ 5,003.13	\$ 42,046.72		\$ 18,125.10	\$ 72,197.89	\$ 56,560.45	\$ (15,637.44)	78% ***
Asbestos	Asbestos 241.00	\$ 10,479.01	\$ 5,824.91	\$ 414.95		\$ 21,102.17	\$ 37,821.04	\$ -	\$ (37,821.04)	0%
					\$ 752,661.92				\$ -	0%
Planning	Planning 461.00	\$ 18,766.67	\$ 11,142.25	\$ -						
Administrative	Administrative 11,748.75	\$ 444,608.22	\$ 283,964.14	\$ 222,156.91		\$ 980,638.19				
	23,409.25									
		\$ 867,594.16	\$ 565,795.31	\$ 299,910.64			\$ 1,733,300.11			
					\$ 308,210.64			\$ 1,023,680.07	\$ (709,620.04)	

The items below are in the expenses column
 Vacation Payout, Perform, special pay, & MOU
 Prior Year Journal Adjustments
 Extra Help
 Employer Taxes (distributed above)
 0 hrs
 Calculated Wages \$ 867,594.16

Notes:
 * Grants appear to be greater cost recovery but it is actually due to historical indirect admin recognized & adjusted
 **Portable is on 2 year cycle (income for next year cost too); includes state portable income
 ***Toxics includes AB617 Implementation grant funds which is skewing the percentage
 ****GDF Revenue increase were effective June 2023; only 1 month recognized in report

QB amts	Expenses \$ 299,910.64	Benefits \$ 565,795.31	Total Cost \$ 1,733,300.11	\$ 1,733,300.11	105 Grant \$ 61,012.00
			Difference between calc and QB Wage Expense \$ -		Administrative \$ 5,187.37
			pass through \$ 1,555,151.51	Pass through(Carl Moyer, Wood, FARMER & CAP) \$ 3,284,068.33	Subvention \$ 65,301.09
			QB P&L Expenditures \$ 3,288,451.62		DMV \$ 731,845.97
					QB P&L Revenue \$ 5,171,094.83

The indirect % of total Cost 56.576%
 Benefits 65.214%
 \$ 1,433,389.47 total wages & benefi 39% ben %



The district expects similar recovery percentages in the current fiscal year.

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Permit to Operate Program Cost Recovery Options Analysis

2022-2023 Program Cost Recovery Summary	
Total Program Cost	\$ 869,164.27
Program Revenue	\$ 490,000.00
Program Deficit	\$ 379,164.27
Cost Recovery	56%

Fiscal Policy Cost Recovery of 90%	
\$	782,247.84

Proposal	Increased Cost per Permit (Except Variable)			Additional Revenue Generated			Cost Recovery %*			Notes
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	
1. Cost Recovery Fee of 3X for all sources in first year	\$ 314.35	\$ 9.43	\$ 18.86	\$ 219,727.64	\$ 226,319.47	\$ 239,503.13	82%	82%	84%	
2. Cost Recovery Fee of 1X for all sources in each of three years	\$ 104.78	\$ 107.93	\$ 111.16	\$ 73,242.55	\$ 150,879.65	\$ 233,109.06	65%	74%	83%	
3. Variable Cost Recovery Fee in first year	Variable	Variable	Variable	\$ 178,089.56	\$ 190,308.17	\$ 202,893.35	77%	78%	80%	Hourly 0-4: 2X Hourly 5-9: 4X Hourly 10-19: 6X Hourly >19: 10X
4. Variable Cost Recovery Fee phase in over three years	Variable	Variable	Variable	\$ 131,723.56	\$ 178,845.41	\$ 196,906.72	72%	77%	79%	
5. 15% Increase in Renewal and Toxic Fee in each of three+ years	\$15.72 to \$392.93	\$30.65 to \$766.22	\$48.20 to \$1,204.93	\$ 42,286.97	\$ 50,431.51	\$ 58,820.39	61%	62%	63%	

Total Annual Revenue	Year 1	Year 2	Year 3	Cost of No Increase	Impact to UAL Liability**	Lost Revenue
Proposal 1	\$ 709,727.64	\$ 716,319.47	\$ 729,503.13	\$ 685,550.25		\$ 205,665.08
Proposal 2	\$ 563,242.55	\$ 640,879.65	\$ 723,109.06	\$ 457,231.26		\$ 137,169.38
Proposal 3	\$ 668,089.56	\$ 680,308.17	\$ 692,893.35	\$ 571,291.08		\$ 171,387.32
Proposal 4	\$ 621,723.56	\$ 668,845.41	\$ 686,906.72	\$ 507,475.70		\$ 152,242.71
Proposal 5	\$ 532,286.97	\$ 540,431.51	\$ 548,820.39	\$ 151,538.88		\$ 45,461.66

	Hourly Rate	15% Increase from 23-24	increase	1X	25X
2023-2024	\$ 101.73	\$ 101.73	\$ -	\$ 101.73	NA
2024-2025	\$ 104.78	\$ 120.50	\$ 15.72	\$ 15.72	\$ 392.93
2025-2026	\$ 107.93	\$ 138.57	\$ 30.65	\$ 30.65	\$ 766.22
2026-2027	\$ 111.16	\$ 159.36	\$ 48.20	\$ 48.20	\$ 1,204.93

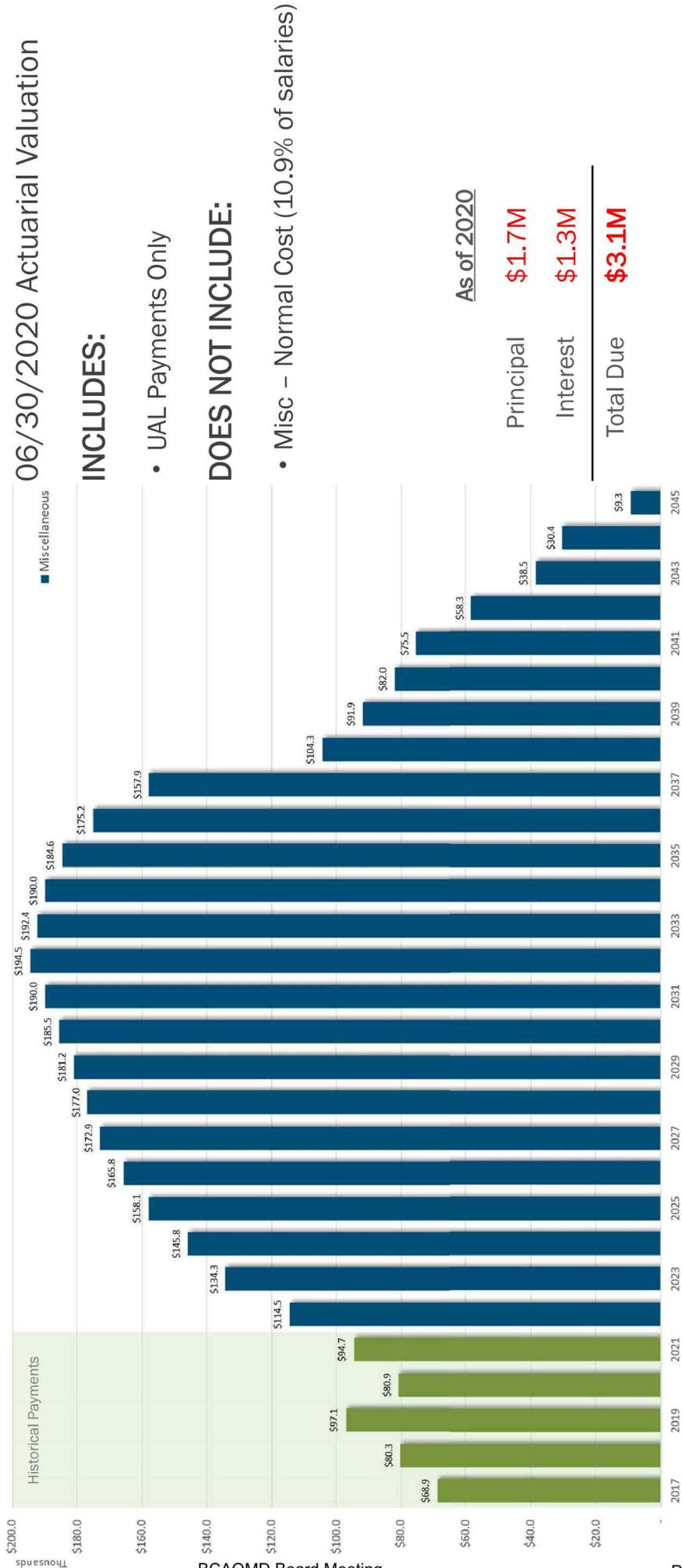
* Assumes No Change in Program Cost

**30% of Revenue Increases for Paying Down UAL

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Where Things Currently Stand

Current UAL Amortization Schedule



06/30/2020 Actuarial Valuation

INCLUDES:

- UAL Payments Only

DOES NOT INCLUDE:

- Misc – Normal Cost (10.9% of salaries)

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TAMI RITTER, CHAIR
Supervisor, District #3

ADDISON WINSLOW, VICE CHAIR
Councilmember, Chico

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ANGEL CALDERON
Councilmember, Gridley

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Councilmember, Paradise

STEPHEN ERTL
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Jason Mandly, Senior Air Quality Planner

Re: **Community Air Protection (CAP) Policies and Procedures Update**

ISSUE:

Staff are proposing amendments to the Community Air Protection (CAP) Incentives Policies and Procedures Manuals.

ACTION REQUESTED:

Approve Resolution 2024-08 approving updates to the District's CAP Incentives Policies and Procedure Manual.

DISCUSSION:

The District maintains a policies and procedure manual for the CAP Incentives Program. This manual and associated documents outline how the District implements the CAP Incentives Program locally according to governing State guidelines and grant agreements with the California Air Resources Board (CARB). The policies and procedure manual also provides direction on District funding priorities for upcoming grant solicitations.

CARB updated the [State CAP Incentives Guidelines in April 2024](#). This update included the addition of new project categories that are possible to fund with CAP Incentives. District staff propose adding the following new or updated project categories to the District's CAP Incentives Program:

- Expanding air filtration projects to other sensitive receptors such as daycares, preschools, and nursing homes;
- Replacing older emergency diesel generators with Tier 4 diesel or cleaner technology – such as zero-emission generators;
- Paving, sidewalk improvement, and bike infrastructure projects on unpaved areas near sensitive receptors.

The following project categories are also included in the updated 2024 CAP Incentives Guidelines however District staff recommend revisiting these categories at a future time based on the geographical limitations of funding goals and staff time needed to implement:

- Urban greening projects;
- Agricultural projects such as low-dust nut harvesters and alternatives to open burning;

Agenda Item 7

- Replacing dial-a-ride transit vehicles with zero-emission vehicles.

The attached amended policies and procedure manual for CAP Incentives shows the proposed updates in underline-strikeout format. Other minor administrative updates are also being proposed. If these amendments are approved, the District plans to open an application period for CAP Incentives in July 2024. Projects proposed for award will be brought to your Board for approval at a later date.

Attachment:

Proposed BCAQMD CAP Incentives Policies and Procedures.

Resolution 2024-08: Approve Amendments to CAP Incentives Policies and Procedures Manual.

Butte County Air Quality Management District

Community Air Protection Incentives

Policies and Procedures Manual

**~~Approved~~ Proposed for Amendment on ~~December 8, 2022~~ June 27, 2024 by the
Butte County Air Quality Management District Governing Board**

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Incorporated Documents:

Carl Moyer Program Policies and Procedures Manual

<https://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/>

Woodsmoke Reduction Program Project Plan (~~pending approval~~)& [CARB Approval](#)

<https://bcaqmd.org/cap/>

Guidance Documents:

~~[Community Air Protection Incentives Guidelines](#)~~

~~[Carl Moyer Program 2017 Program Guidelines](#)~~

~~[Community Air Protection Funds Supplement to the Carl Moyer Program 2017 Guidelines](#)~~

~~[Community Air Protection Incentives 2019 Guidelines](#)~~

Community Air Protection Grant Agreements with CARB

[Woodsmoke Reduction Program Guidelines](#)

I. Introduction

Assembly Bill (AB) 617 (Chapter 136, Statutes of 2017) directed the California Air Resources Board (CARB), in conjunction with local air districts to establish the Community Air Protection (CAP) Program. AB 617 provides a community focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in the communities most impacted by air pollution. AB 617 calls for CARB and the air districts to actively engage with members of heavily impacted communities, follow their guidance, and address local sources of concern. AB 617 includes a variety of strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for both mobile and stationary sources. To support the AB 617 effort, the California Legislature has appropriated incentive funding to support early actions to address localized air pollution in the most impacted communities.

CARB developed the CAP Incentives 2019 Guidelines which contain guiding principles, program administration requirements, and eligibility criteria for new incentives to address the new project categories identified in SB 856. ~~These CAP Guidelines build upon 2018's CAP Funds Supplement to the Carl Moyer Program (CMP) 2017 Guidelines. The CAP Incentives Guidelines were updated in 2024 to include additional project categories.~~ The Butte County Air Quality Management District (District) will use ~~these two~~this guiding documents, as well as CARB's Carl Moyer Program Guidelines, the District's Carl Moyer Program Policies and Procedures Manual, and the District's Woodsmoke Reduction Program Project Plan (~~pending approval~~) to guide the District's policies and procedures for CAP Incentives projects.

II. Program Timeline (target date unless required by grant agreement)

Date	Goal
February - May	Conduct Community Outreach
April - July <u>March</u>	Solicit for Proposals
April - May - August	Board Approval of Selected Projects
By May 1 <u>After Board Approval</u>	Submit Grant Disbursement Request to CARB
By June 30	50% of previous year's current year project funds under contract. <u>100% of funds from two years ago</u> 100% of previous year's projects under contract. 100% of project funds from two <u>three</u> years ago liquidated (refer to individual grant agreements with CARB).

III. Eligible Project Categories

A. Carl Moyer Program Eligible Projects

The ~~Community Air Protection Funds Supplement to the CMP 2017 Guidelines~~ Appendix A of the State CAP Incentives 2024 Guidelines provides the requirements and funding levels for funding Carl Moyer Program eligible projects using CAP Incentives. If selected, these projects will be administered using the District’s Carl Moyer Program Policies and Procedures Manual. Table 1 shows the maximum funding amounts for Carl Moyer Program eligible projects under the Community Air Protection Program.

Table 1: Maximum Percentage of Eligible Cost and District Funding Caps for Projects funded with CAP Incentives.

Category	Project Type		Community Air Protection	
			District Funding Cap	Maximum Eligible Grant
On-Road	Zero-Emission Replacements or Conversions	School Buses	None	100%
		Transit Buses	None	95%/90%/60%*
		HHD Vehicles	None	95%/90%/60%*
		MHD Vehicles	None	95%/90%/60%*
		LHD Vehicles	None	95%/90%/60%*
	Conventional Diesel or Alternative Fuel Replacements	School Buses	None	\$165,000
		Transit Buses	None	\$25,000
		HHD Vehicles	None	\$60,000
		MHD Vehicles	None	\$40,000
		LHD Vehicles	None	\$30,000
	Emergency Vehicles	None	80%	
Off-Road	Repower (conventional or zero-emission)		None	95%
	Mobile Equipment Replacement (conventional or zero-emission)		None	90%
	Portable Equipment Replacement (conventional or zero-emission)		None	90%
Infrastructure	Any Infrastructure Project		None	60%
	Projects with solar/wind power systems		None	75%
	Any Infrastructure Project Located at a Sensitive Receptor		None	100%
	Publicly Accessible Projects		None	70%
	Publicly accessible projects with solar/wind power systems		None	85%
	Public School Bus Battery Charging and Alternative Fueling		None	100%

*Except for emergency vehicles, no more than 95 percent of vehicle cost for fleets with three or fewer vehicles, no more than 90 percent for fleets with more than three and ten or fewer vehicles, and no more than 60 percent of vehicle cost for fleets with greater than ten vehicles.

1. Heavy Duty Engine Replacement

BCAQMD Community Air Protection Incentives Policies and Procedures

The following engine replacement projects are eligible for CAP Incentives administered by the District provided that state and local requirements are met:

- Diesel or CNG on-road heavy-duty vehicle replacement;
- Diesel or spark ignited heavy-duty (>25 horsepower) off-road equipment replacement.

2. Zero Emission Infrastructure

The following infrastructure projects are eligible for CAP Incentives administered by the District:

- Battery charging infrastructure associated with an equipment replacement project;
- New battery charging station.

3. Lawn and Garden Equipment

When CAP Incentives Funds are allocated towards ~~non-school~~ Lawn and Garden Equipment replacement projects, the District will implement the local Lawn and Garden Equipment Program per Appendix K of the District's Carl Moyer Program Policies and Procedures Manual and Chapter 9 of the State Carl Moyer Program Guidelines.

B. Reducing Air Pollution Exposure in Schools for Sensitive Populations

~~These~~ This project ~~categories~~ category ~~are~~ is designed to decrease exposure and address a range of outdoor and indoor air emissions sources that may potentially affect the health of ~~school children~~ individuals extra sensitive to air pollutants. ~~The District may fund a project or projects at schools in disadvantaged communities or low-income communities.~~ These project subcategories will be administered by this Policies and Procedures Manual with guidance from Chapter 5 of the Community Air Protection Incentives 2019-2024 Guidelines.

1. Air Filtrations Systems

Air filtration reduces the concentration of particulate contaminants from indoor air and is an important component of a school's building's Heating Ventilation and Air Conditioning (HVAC) system. Reducing airborne particles (such as PM2.5) is important because particulate matter negatively impacts human health, especially for sensitive populations such as children, the elderly, and individuals with respiratory conditions. Older HVAC systems and basic air filtration used in some schools buildings only remove a small fraction of particles in the air that are smaller than 0.3 microns (µm). More efficient HVAC air filters and standalone air cleaners are important for creating healthier air in-school classrooms indoors.

Public schools, daycare centers, preschools, community centers, libraries, senior living facilities, nursing homes, and other facilities that serve the elderly and immunocompromised are eligible to apply for this category during open solicitation periods. With direction and approval from the District’s Governing Board, the District may also reserve funds to develop a sub-program to serve private residents and multi-unit dwellings. Table 2 shows the maximum funding amounts for this project type.

Table 2: Funding Amounts for Air Filtration Systems

Type of Equipment	Funding Amount
Air Filters (MERV 14+ or the best available applicable filter as determined by a current HVAC assessment.)	Up to 100%
Standalone <u>& Portable</u> Systems (MERV 14+)	Up to 90 <u>100</u> %

2. Composite Wood Products at Public Schools

This project type pays a portion of the cost to replace damaged or aging school furniture with new furniture that contains composite wood made with no-added formaldehyde (NAF) glue or ultra-low emitting formaldehyde (ULEF) glue, thus decreasing the potential for formaldehyde emissions in classrooms. Table 3 shows the maximum funding levels for this project type.

Table 3: Funding Levels for Ultra-Low/ No-Added Formaldehyde Composite Wood Products Used in Schools

Type of Equipment Funded ⁴	NAF Funding Percentage	ULEF Funding Percentage
Tables/Desks/Countertops	<u>Up to</u> 100 %	<u>Up to</u> 90 %
Chairs	<u>Up to</u> 100 %	<u>Up to</u> 90 %
Cabinets	<u>Up to</u> 100 %	<u>Up to</u> 90 %

~~3. Zero-Emission Lawn and Garden~~

~~The use of internal combustion lawn and garden equipment to maintain schoolyards and sporting fields exposes children and equipment operators to elevated levels of air toxics and criteria air pollutants. This project type provides incentives to schools in disadvantaged communities or low-income communities and contractors servicing those public schools to purchase zero-emission L&GE less than 19 kilowatts (or 25 horsepower) such as lawn mowers, chainsaws, leaf blowers, trimmers, etc. Table 4 shows the maximum funding amount for this project type.~~

~~**Table 4: Eligible Zero-Emission Lawn and Garden Equipment Types and Funding Amounts**~~

Equipment Type	Equipment Funding Amount	Funding Amount for Additional Batteries and/or Charger
Chainsaws/Pole saws, Edgers, Trimmers, Blowers/Vacuums	70 percent of purchase price up to \$400	70 percent of purchase price up to \$400
Walk-Behind Mowers	70 percent of purchase price up to \$750	70 percent of purchase price up to \$750
Ride-On or Standing Ride Mowers	70 percent of purchase price up to \$15,000	Not Eligible

C. Woodsmoke Reduction Program Projects

Projects eligible under the most recently approved State Woodsmoke Reduction Program Guidelines ~~will be~~ eligible for CAP Incentive funding ~~pending based on~~ approval of the District’s Woodsmoke Reduction Program Project Plan by CARB. ~~Deviations from the most recently approved State Woodsmoke Reduction Program Guidelines will require resubmission of a project plan to CARB for approval. per Chapter 6 of the CAP Incentives 2019 Guidelines.~~

CAP Incentives funding for woodsmoke reduction projects will be allocated with District Governing Board approval. Projects will be implemented using the established Woodsmoke Reduction Program workplan.

D. Emergency Stationary Diesel Generator Replacement Projects

This project category funds the replacement of uncontrolled, Tier 1, and Tier 2 diesel-fueled emergency generators with cleaner technology beyond what is currently required. Replacement generators can be Final Tier 4 or cleaner, or zero-emission. If the existing generator is replaced with a cleaner internal combustion engine, an Authority to Construct Permit shall be applied for and issued before work can begin. This project category will be implemented according to Chapter 11 in the State CAP Incentives 2024 Guidelines.

Table 4: Funding Levels for Emergency Stationary Diesel Generator Replacement Projects

<u>Type of Equipment Funded</u>	<u>Funding Percentage</u>
<u>New internal combustion emergency generator (Final Tier 4 or cleaner)</u>	<u>Up to 85 %</u>
<u>New zero emission emergency generator</u>	<u>Up to 95 %</u>

E. Paving, Sidewalk, and Bike Path Projects

This project category aims to reduce dust from paved and unpaved roads in the community through road paving improvements, as well as to reduce motor vehicle emissions by improving walkability and bicycle infrastructure for the community through sidewalk and bicycle infrastructure improvement and construction. Paving of unpaved roads reduces PM emissions from fugitive windblown and activity-related dust in the region. Increasing the utilization of active transportation as opposed to driving an automobile also provides potential emissions benefits.

Eligible projects include providing road paving, sidewalk improvements and/or bicycle infrastructure to well-traveled unpaved roads, parking lots, and other unpaved areas located near sensitive receptors including, but not limited to, homes, schools, and senior centers. This project category will be implemented according to Chapter 12 in the State CAP Incentives 2024 Guidelines.

Table 4: Funding Levels for Paving, Sidewalk, and Bike Path Projects

<u>Type of Equipment Funded</u>	<u>Funding Percentage</u>
<u>Eligible costs towards paving, sidewalk improvement, and bike infrastructure activities near sensitive receptors.</u>	<u>Up to 100 %</u>

D.F. Other Stationary Source and Community-Identified Projects

Chapter 6-7 of the CAP Incentives 2019-2024 Guidelines gives Air Districts the flexibility to fund stationary projects that address air pollution after documenting community support for specific projects and submitting project plans to CARB for approval. Air Districts can also adapt existing approved project plans for use within their communities. A list of approved project plans is located at <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-incentives/stationary-source-and-community-identified>.

IV. Project Selection

The District will use the Guiding Principles included in the CAP Incentives 2019-2024 Guidelines to help select projects that meet the goals of the Community Air Protection Program and AB 617. These Guiding Principles include:

- Reducing emissions in disadvantaged and low-income communities, with a goal of 70% of funds benefitting disadvantaged communities and 80% of funds

benefitting low-income communities. ~~FY19-20 & FY21-22 funds have a goal of 75% of funds benefitting disadvantaged communities and 90% of funds benefitting low-income communities; Different funding goals may be included in each grant agreement with CARB.~~

- Considering toxic air contaminant, criteria air pollutant, and greenhouse gas reduction benefits;
- Engaging communities and providing support;
- Providing emission reductions in excess of laws or regulations;
- Prioritizing zero-emission technology and infrastructure;
- Considering special projects that protect sensitive receptors;
- Ensuring transparency in project selection and reporting;
- Considering both cost-effectiveness and relative exposure reduction in funding decisions.

A. Community Engagement

The District will provide direct outreach to groups of potential applicants in disadvantaged and low-income communities to increase awareness of funding opportunities. The District may also conduct outreach in or near disadvantaged communities to seek input on important community needs from local residents and community-based organizations. Community outreach information will be documented for inclusion in disbursement requests and semi-annual reports. Priorities identified by community members and organizations will be documented and provided to the District's Governing Board. A community priority with the highest level of support will be considered a primary community need for the purposes project ranking. All other community priorities will be considered secondary community needs for the purposes of project ranking.

A map of Disadvantaged Communities (SB 535 (De León, Chapter 830, Statutes of 2012)) and Low income Communities (AB 1550 (Gomez, Chapter 369, Statutes of 2016)) is available at <https://webmaps.arb.ca.gov/PriorityPopulations/>

B. Project Solicitation

The District will open a one-month solicitation period in the spring or summer to accept project proposals. The District will make the required documents and guidelines available to the public on the District website as well as at the District office. Proposals will be reviewed, and the applicant will be notified within 30 working days of receipt of the completeness of the proposal. Proposals will be tracked in the CARL database as well as in an excel spreadsheet.

Outreach for project solicitation will include press releases to local media and outreach to the potential applicants and community groups involved in the community engagement process.

C. Project Ranking

The District will prioritize eligible projects based on the following criteria (from highest priority to lowest priority):

1. Projects in disadvantaged communities addressing a primary community need as determined based on community engagement.
2. Projects in disadvantaged communities addressing a secondary community need as determined based on community engagement.
3. Projects in low income communities addressing a primary community need as determined based on community engagement.
4. Projects in low income communities addressing a secondary community need as determined based on community engagement.
5. Other eligible projects in disadvantaged communities progressing zero-emission technologies and benefitting sensitive receptors.
6. Other eligible projects in disadvantaged communities progressing zero-emission technology.
7. Other eligible projects in disadvantaged communities benefitting sensitive receptors.
8. Other eligible projects in disadvantaged communities.
9. Other eligible projects in low income communities progressing zero-emission technologies and benefitting sensitive receptors.
10. Other eligible projects in low income communities progressing zero-emission technology.
11. Other eligible projects in low income communities benefitting sensitive receptors.
12. Other eligible projects in low income communities.
13. Projects located outside of disadvantaged communities and low income communities that may benefit these communities.
14. Eligible projects located outside of disadvantaged communities and low income communities.

CMP eligible projects ~~& school lawn and garden projects~~ within each priority level will be ranked based on cost-effectiveness. School composite wood, ~~and~~ air filtration, ~~and paving~~ projects will be ranked based on the number of students size of the sensitive population to benefit from the project. Within each priority level, diesel to zero-emission equipment replacement projects will be prioritized over diesel to diesel or alternative fuel replacement projects.

D. Governing Board Approval of Projects

The District will post a proposed list of projects on the District's website at least one week prior to the regular meeting of the District's Governing Board where projects will be proposed for approval. All applicants will be notified of the time, date, and location of the regular meeting of the District Governing Board.

E. Award Notification

The District will mail all applicants a list of the approved projects. A list of approved projects and awardees will also be posted on the District's CAP webpage (<https://bcaqmd.org/cap>).

F. Unallocated Funds

If CAP Incentive funds from the current fiscal year or older remain unallocated after the project selection process, the APCO may approve identified eligible projects on a case-by-case basis using the criteria in IV.C (Project Ranking) as guidance.

V. Project Management

A. Pre-Inspections

After selecting a potential project, the District will complete a pre-inspection prior to contract execution. Pre-inspections for CMP eligible projects and emergency diesel generators will follow the District's CMP Policies and Procedures Manual.

The pre-inspection for school air filtration projects will include photos of the current in-use air filtration system, in-use filters, and the space to benefit from the project. The pre-inspection for composite wood product projects will include photos of existing furniture/furnishing to be replaced with manufacturer information, if on equipment. The pre-inspection ~~for school lawn and garden equipment will include photos of the internal combustion equipment to be replaced.~~ for paving, sidewalk, and bike infrastructure projects will include photos of the unpaved area to be improved.

All pre-inspections will include other relevant information including, but not limited to, name of inspector, date of inspection, name of equipment owner, and location and area of operation of the equipment.

B. Contract Development

Once pre-inspections are completed and the equipment is verified as being eligible for funding (if needed, through a compliance check with CARB), the District will develop a grant contract. Grant contracts for CMP eligible projects will be developed in accordance with the District's CMP Policies and Procedures Manual.

Contracts for ~~school projects~~ projects reducing exposure to air pollutants for sensitive populations will include the general requirements included in Chapter 5 of the CAP Incentives ~~2019-2024~~ Guidelines, party names and dates, contact information for both parties, requirements regarding co-funding, contract term, project completion date, funding amount, project specifications including information on existing and new equipment, compliance statements, maintenance requirements, reporting requirements, recordkeeping requirements,

provisions to allow audits and inspections, and repercussions for nonperformance.

The applicant has sixty (60) calendar days after receiving the contract to review, sign, and return the contract with all requested supporting documentation. If a contract and associated supporting documentation is not returned within sixty (60) calendar days, funds may be allocated to another project. Written requests for an extension may be approved on a case by case basis by the APCO.

An applicant may not order or make a down payment on a new engine, piece of equipment, or vehicle prior to contract execution. Dealers ordering engines, equipment, or vehicles prior to air district approval of grant application awards assume all financial risk and are in no way ensured program funds.

Woodsmoke Reduction Program projects will use a voucher system per the District's Woodsmoke Reduction Program Plan. Lawn and garden equipment replacement projects will also use a voucher system per the District's CMP Policies and Procedures. ~~(pending approval).~~

C. Post Inspections

The District will gather and document post-inspection information on all projects funded with CAP incentives prior to payment to the grantee. Post-inspections for CMP eligible projects and emergency backup generators will follow the District's CMP Policies and Procedures Manual.

The post-inspection for air filtration projects ~~at schools~~ will verify the following information, as applicable: Air filter and/or system manufacturer, model, MERV rating, pollutant removal efficiency (percentage), usage life, size, and filter materials. The post-inspection for composite wood product projects will include photos of new furniture/furnishing and the NAF/ULEF labels. The post-inspection for ~~school lawn and garden projects will include photos of the new zero-emission equipment and destroyed combustion equipment.~~ paving, sidewalk, and bicycle infrastructure projects will include photos of the completed work. All post-inspections will verify that new equipment is consistent with the grant contract.

D. Project Completion

The District will make payment for a project or equipment only after the post-inspection finds the project or equipment in place and operational, and the air district receives an invoice itemized in sufficient detail to ensure that only completed and eligible project costs are reimbursed, and other sources and amounts of funding for the project are reviewed to ensure the sum of all project funds does not exceed the total project cost. For multi-stage projects, partial payments may be approved on a case-by case basis and is described in the

contract. The District will maintain a clear record of progress payment in the project file and in the administration fiscal database.

If any portion of the equipment purchase requires financing, the Program Participant shall provide the financing terms to the District before the District issues payment. A minimum of the full Contract amount shall be used to pay down any financing within 30 days of receiving payment from the District. Proof of payment is due to the District within 45 days of receiving payment from the District. The amount financed may not exceed the incremental cost of the project.

An applicant that is not a public entity must provide at least 15 percent of a project's Moyer eligible cost from non-public sources. The applicant cost share cannot be covered through in-kind contributions. Furthermore, this provision is adjusted for projects funded with CAP Incentives where the Maximum Percentage of Eligible Cost exceeds 85 percent. For example, a project with a Maximum Percentage of Eligible Cost of 90 percent would have a 10 percent Applicant Cost Share requirement.

Completed Woodsmoke Reduction Program and Lawn and Garden projects will result in payment to Participating Retailers / Merchants. ~~per the District's Woodsmoke Reduction Program Plan (pending approval).~~

E. Air District Audit of Projects

The District will conduct audits of projects funded with CAP incentives. On an annual basis these audits will include five percent of active projects or 20 active projects (whichever is less). These conducted audits are to include any projects with unsatisfactory annual reporting.

F. Nonperforming Projects

The District will work with nonperforming project grantees to ensure CAP Incentives project requirements are met and emissions reductions are achieved. Air districts may consider unforeseen circumstances beyond the grantee's control in determining repercussions for nonperformance.

If the District is not successful in gaining grantee compliance with the usage and program requirements specified in a contract, the District will make all reasonable efforts to recapture CAP incentives from the grantee, in consultation with CARB. Recaptured funds will be reassigned to projects that achieve the shortfall in emissions reductions or usage. The District's efforts to recapture funds may be guided by circumstances such as suspected or actual fraud or misuse of funds, the amount of CAP incentives involved, or the ability of the grantee to repay the funds.

VI. Project Records

The following items will be maintained in the project file(s) until three years after the contract term:

1. Applications and/or project proposals including receipt date;
2. Project ranking and selection criteria as applicable;
3. Correspondence;
4. Pre & post inspection forms;
5. Project invoices;
6. Annual reports;
7. Any usage waivers.

Administrative records, including project implementation costs, invoices, contracts, and personnel and payroll records will be retained for a minimum of five (5) years following the funds liquidation deadline for the grant.

Applications for unfunded projects must generally be kept a minimum of two (2) years following the solicitation period, or two years from receipt if there is not a specified solicitation period.

VII. Reporting

A. Annual Grantee Reporting

The District will request annual reports commencing no later than 18 months after project post-inspection and continuing annually thereafter throughout the project implementation phase of the contract. The District will include the dates the grantee annual report is due. CMP eligible projects will use existing reporting templates included in the CMP Policies and Procedures Manual.

School air filtration projects will report the estimated hours of use and average number of people in the room during use. Reporting will also include a statement of any performance and maintenance issues. School composite wood product projects will report the approximate average class size as well as the number of hours the room is in use.

The District will review the annual report for completeness, accuracy, and reported usage, and will maintain in the project file a copy of the report that is initialed and dated by the reviewing staff. If an annual report is incomplete, inaccurate or not received from the grantee on schedule, the air district will make a reasonable attempt to obtain a complete and accurate report from the grantee. If the air district is unable to obtain the report, the air district will identify the project for audit. Grantees that have not submitted complete required reports will not be granted funds for new CAP incentives projects until all reports are satisfactorily submitted.

Woodsmoke Reduction Program projects will not be subject to annual reporting unless required by the State Woodsmoke Reduction Program Guidelines. Lawn and Garden projects will not be subject to annual reporting unless required by the State CMP Guidelines.

B. District Reporting

Twice a year the District will report to CARB. The District will submit a Yearly Report in the fall and a Mid-Cycle Report in the spring. CARB will provide instructions for both reports. The District will complete, certify, and submit these reports by the dates specified in Table 5 below.

Table 5: Community Air Protection Incentives Reporting Dates

Date	Action
May 31	Mid-Cycle Report (Projects Nov 1 - April 30) due to CARB
June 30	CARB submits data to CCIRTS
November 29	Yearly Report (Projects May 1 – October 31) due to CARB
December 31	CARB submits data to CCIRTS

The District will also report project information in the CARL database, either via CARL forms or batch import, sufficient to populate the required data fields and to calculate covered emissions reductions and cost effectiveness for source categories where required. The District will ensure that information in CARL is complete, correct, and supported by documentation.

Reporting for CAP incentives projects may be updated to reflect program changes and California Climate Investments reporting requirements. In the event of a conflict, the California Climate Investments reporting requirements will take precedence. No later than six months after the District fiscal year end, the air district will append to its Yearly Report financial statements displaying revenues and expenditures related to projects funded by CAP incentives, in formats consistent with GAAP.

VIII. Fiscal Administration

CAP incentives must be accounted for as separate funds or have separate project IDs within the air district’s general ledger following Generally Accepted Accounting Principles (GAAP). An air district receiving a total allocation of one percent or more of all fiscal year CAP incentives must use a Special Revenue Fund for CAP incentives accounting. Other air districts may use a Trust Fund. CAP Incentives grants are voluntary non-exchange transactions to the air district. As such the District should recognize revenues in the fiscal period when all eligibility requirements have been met and the resources are available. For reference see Governmental Accounting Standards Board (GASB) Statements 33 and 34.

A. Advanced Payment

The District will place advance payment funds in an interest-bearing account and track interest accrued on the advance payment. Interest earned on the advance payment will only be used for eligible grant-related expenses or will be returned to CARB.

The District will report to CARB the value of any unused balance of the advance payment and interest earned. The District will remit to CARB any unused portion of the advance payment and interest earned within 90 days following the end date of the grant.

The District will complete and submit to CARB for review and approval, an Air District Advance Payment Request Form, along with each grant disbursement that is requesting advance payment.

B. Project Implementation Costs

Allowable expenditures for administrative and implementation costs associated with the grant are divided into direct project costs and indirect project costs. Air districts must keep records of project implementation costs that include all necessary staff and tasks to implement the project. If appropriate, this includes activities such as outreach and education, research, data management, and reporting.

Direct project costs are the direct project labor and expenses associated with the project, and include, but are not limited to, the following: Personnel costs and fringe benefits, travel expenses, external consultant and third-party contract fees for direct support, Printing, records retention, and mailing associated with staff working on the project.

Indirect project costs are administrative costs not tied directly or solely to the project such as distributed administration and general administrative services; non-project related contracts or subscriptions; rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the project; or any other costs that are not directly and fully incurred to support the grant. Indirect project costs may not exceed 4 percent of the total grant amount.

C. Financial Statements

Financial statements containing, at a minimum, the following account balances and transaction classes, as applicable, will be prepared at least annually:

1. Cash and Cash Equivalents (cash, investment pools, petty cash);
2. CAP Incentives Revenue Receivable (grant funding from CARB);

3. Recapture Revenue Receivable (recapture funds receivable from grant participants for unmet contractual obligations);
4. Accounts Payable (vendor invoices pending for CAP incentives projects);
5. Fund Balance (restricted for Projects and Administrative costs);
6. Revenue Subsidiary Ledgers;
7. CAP Incentives Project Revenue;
8. Administration and Operating Revenue;
9. Recapture Revenue;
10. Interest Revenue;
11. Project Expenditures (from CAP incentives grants, recapture, salvage, interest);
12. Administration and Operating Expenditures including indirect costs;
13. CAP incentives air district money returned to CARB for reallocation;
14. Transfers In/Out.

D. Interest Revenue

The District will maintain accounting records that tracks the grant's interest earned on CAP incentives separately from other incentive fund programs. The calculation of interest earned will be based on a daily balance or some reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program; and will be consistent with how it is calculated for the District's other fiscal programs. Interest earned will only be used for eligible grant-related expenses as specified in applicable guidelines, including administration up to the portion provided for in the grant agreement, or be remitted to CARB.

Earned interest must be fully expended or returned to CARB if it is not used by the end of the grant performance period. The District will report in the Yearly Report interest earned on all CAP incentives during the previous fiscal year. Documentation of the interest earned must be retained for a minimum of three years following its generation and liquidation.

IX. Coordination with CARB

CARB has assigned a staff liaison for each district. The present liaison assigned to the District is:

CARB CARLHELPAB617 Incentives Team:
carlhelp@arb.ca.gov / ab617incentives@arb.ca.gov

Start the email subject line with these words, "Liaison Question for Butte County AQMD."

District staff currently responsible for implementing the CAP Incentives program include: the APCO, the Administrative Services Officer, the Air Quality Planner, and the

Accounting Technician. District staff will document any correspondence with CARB staff regarding CARB interpretations, clarification, guidance or possible deviations from the CAP Incentives ~~2019-2024~~ Guidelines. All documentation will be kept in the CAP Incentives project files and should be retained for at least three (3) additional years after the last year of the District's participation of this program.

X. CARB Oversight

A. The District will comply with all oversight responsibilities identified in the CAP Incentives ~~2019-2024~~ Guidelines, any future Program Advisories and Mail-Outs, and Grant Agreements.

B. CARB or its designee reserves the right to audit at any time during the duration of this grant the District's costs of performing the grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The District will cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.

C. CARB or its designee may recoup funds which were received based upon misinformation or fraud, or for which a District, manufacturer or project participant is in significant or continual non-compliance with the terms of this grant or State law.

XI. APCO Approval

As authorized by the Governing Board, this version of the Butte County Air Quality Management District's Policies and Procedures Manual for Community Air Protection Incentives is approved by:

Stephen Ertle,
Air Pollution Control Officer

Date

**RESOLUTION 2024-08
BEFORE THE BOARD OF DIRECTORS OF
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA
APPROVE AMENDMENTS TO COMMUNITY AIR PROTECTION (CAP) INCENTIVES
POLICIES AND PROCEDURES MANUAL**

Resolution 2024-08)
Approve Amendments to Community Air Protection)
Incentives Policies and Procedures Manual.....)

WHEREAS, CAP Incentives are administered by air districts with direction from the State CAP Incentives Guidelines and grant agreements with the California Air Resources Board (CARB);

AND WHEREAS, CARB updated the State CAP Incentives Guidelines in 2024 to make administrative updates, incorporate the latest legislation, align the CAP Incentives Guidelines with the newly adopted Community Air Protection Blueprint 2.0 Final Draft, and to add new project categories;

AND WHEREAS, the District maintains a Board-approved CAP Incentives Policies and Procedures Manual and Carl Moyer Program Policies and Procedures Manual;

AND WHEREAS, the proposed CAP Incentives Policies and Procedures Manual outlines the District's local implementation of the CAP Incentives Guidelines, including roles and responsibilities within the air district and local application of program requirements;

THEREFORE, BE IT RESOLVED, that the Board hereby approves proposed amendments to the District's CAP Incentives Policies and Procedures Manual attached herein;

BE IT FURTHER RESOLVED, that the Butte County Air Quality Management District Board hereby authorizes the Air Pollution Control Officer, subject to review by District Counsel, to make such minor modifications in the program information as may be necessary from time to time to ensure the smooth and efficient operation of the CAP Incentives Program and to comply with State requirements.

On Motion of _____, Seconded by _____, the foregoing resolution is hereby PASSED AND ADOPTED by the Air Quality Management District Board of Directors on this 27 day of June, 2024 by the following:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

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

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on June 27, 2024.

ATTEST: _____
Kelly Towne, Clerk of the Governing Board



TAMI RITTER, CHAIR
Supervisor, District #3

ADDISON WINSLOW, VICE CHAIR
Councilmember, Chico

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

TOD KIMMELSHUE
Supervisor, District #4

DOUG TEETER
Supervisor, District #5

CHUCK NUCHOLS
Vice Mayor, Biggs

ANGEL CALDERON
Councilmember, Gridley

ERIC SMITH
Vice Mayor, Oroville

ROSE TRYON
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: June 20, 2024

Board Consideration: June 27, 2024

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **APCO Report**

ISSUE:

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

ACTION REQUESTED:

None. This item is provided for information and discussion.

Attachment:

None.

Agenda Item 8

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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

Updated May 2024

-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
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

BCAQMD ACRONYM REFERENCE

Updated May 2024

-Board of Director's Meeting -

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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