



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
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
April 23, 2026 - 10:00 a.m.**

Meeting Locations:

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

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

Join Zoom Meeting:

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

Meeting ID: 871 1175 1705

Passcode: 298155

Call-in: 1-669-900-9128

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

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

CONSENT AGENDA

- | | |
|--|----------------------|
| 3.1 Minutes of February 26, 2026 Meeting of the Board of Directors. | Chair |
| 3.2 Activity Report on Butte County Air Quality Management District Activities. | Kelly Towne |
| 3.3 Status Report on Calendar of Events. | Stephen Ertle |
| 3.4 Status Report on Communications. | Kelly Towne |
| 3.5 Financial Status Report for Fiscal Year 2025-26. | Stephen Ertle |
| 3.6 3rd Quarter Grant Revenue Report. | Aleah Ing |
| | Aleah Ing |

REGULAR AGENDA

ITEMS FOR ACTION

4. **Items removed from the Consent Agenda for Board consideration and actions.**
5. FY 2024-25 Fiscal Audit Report (Accept report).

6. GASB 68, CalPERS Pension Valuation Report, & CEPPT Trust Balance (Accept report).
7. GASB 75, ARC OPEB Valuation and Disclosure Reports (Accept report).
8. CAP Incentive Project (2024-2025 Final Approval).

Chair
Aleah Ing/Smith
& Newell
Aleah Ing
Aleah Ing
Jason Mandly

ITEMS FOR INFORMATION

9. Toxics Status Report (EICG/CTR/PCBTF/Acrolein).
10. PM2.5 Maintenance Plan Development Status Report.
11. Annual AQ Report.
12. **Other Business.**
13. **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.
14. **Adjourn to Closed Session.**
Preliminary Discussion of APCO Contract Renewal.
15. **Report from Closed Session.**

Patrick Lucey
Jason Mandly
Jason Mandly
Chair
Chair

Chair

Chair

ADJOURNMENT

16. **The next Board of Directors Meeting is scheduled for May 28, 2026, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.**

Questions, comments, and correspondence may be directed to:

Kelly Towne, Clerk of the Board
629 Entler Avenue, Suite 15
Chico, CA 95928

ktowne@bcaqmd.org or 530-332-9400 ext. 109





TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTL
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Draft Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of March 23, 2026

Members Present:

Bill Connelly	Supervisor, District 1
Peter Durfee	Supervisor, District 2
Tami Ritter	Supervisor, District 3
Doug Teeter	Supervisor, District 5
Bryce Goldstein	Councilmember, Chico
Zach Brown	Councilmember, Biggs
Bruce Johnson	Councilmember, Gridley
David Pittman	Mayor, Oroville (Alternate)

Members Absent:

Eric Smith	Vice Mayor, Oroville
Ron Lassonde	Councilmember, Paradise
Tod Kimmelshue	Supervisor, District 4

Staff Present:

Stephen Ertle	Air Pollution Control Officer (APCO)
Patrick Lucey	Assistant Air Pollution Control Officer (AAPCO)
Kelly Towne	Clerk of the Board
Jason Mandly	Senior Air Quality Planner
Samuel Nassie	Air Quality Compliance Specialist, II

Staff Remote:

Riley Peacock	Air Quality Engineer, II
---------------	--------------------------

Others Present:

Jeff Krisa	Brighton Energy
------------	-----------------

Others Remote:

Michelle Mittman	Chico State
------------------	-------------

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

1. Call to Order and Roll Call.

Chair Tami Ritter called the meeting to order at 10:29 a.m. at the BCAG Board Room, 326 Huss Drive, Suite 100, Chico, California.

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

Agenda Item 3.1

No additions or deletions.

3. Consent Agenda.

- 3.1 Minutes of February 26, 2026 Meeting of the Board of Directors.
- 3.2 Minutes of February 26, 2026 Special Meeting of the Board of Directors.
- 3.3 Activity Report on Butte County Air Quality Management District Activities.
- 3.4 Financial Status Report for Fiscal Year 2025-26.
- 3.5 Status Report on Calendar of Events.
- 3.6 Status Report on Communications.
- 3.7 AB197 Grant Participation (Approve Resolution 2026-07).

ACTION REQUESTED: Approve Consent Agenda Items.

Board comments: None.

Public comments: None.

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

AYES: Supervisor Ritter, Supervisor Durfee(motion), Supervisor Teeter(second), Supervisor Connelly, Councilmember Goldstein, Councilmember Brown, Vice Mayor Johnson and Mayor Pittman (Alternate, Oroville).

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Kimmelshue, Councilmember Lassonde, and Vice Mayor Smith.

ITEMS FOR ACTION

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

No items were removed from the Consent Agenda.

5. Authorize Fixed Asset Vehicle Purchase without Bid Process and Release of a Fixed Asset.

ACTION REQUESTED:

Authorize the APCO to purchase a fixed asset (replacement vehicle) without following the bid process for the maximum budgeted amount of \$30,000 to purchase a new district fleet vehicle for use by inspector staff. Authorize the release of a fixed asset (2012 Honda Civic).

The Fixed Asset Vehicle Purchase without Bid Process and Release of a Fixed Asset report was presented by Stephen Ertle, Air Pollution Control Officer.

Board comments: None.

Public comments: None.

A motion was made by Supervisor Durfee and seconded by Councilmember Goldstein to approve the fixed asset vehicle purchase without bid process and the release of a fixed asset (2012 Honda Civic).

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

6. CAP Incentives Policy & Procedures Update (Woodsmoke Program)

ACTION REQUESTED:

Approve new woodsmoke reduction project addendum to CAP Incentives Policies and Procedures through Resolution 2026-08.

The Community Air Protection (CAP) Incentives Policies & Procedures Update (Woodsmoke Program) report was presented by Jason Mandly, Senior Air Quality Planner.

Board comments: Discussion ensued.

Public comments: None.

A motion was made by Supervisor Teeter and seconded by Supervisor Connelly to approve the CAP Incentives Policy & Procedures Update (Woodsmoke Program).

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

7. Review and Approval of FY24-25 CAP Incentives Projects

ACTION REQUESTED:

Consider approval of Brighton Energy projects using FY 2025-2025 (G24) CAP Incentives.

The Review and Approval of FY24-25 CAP Incentives Projects report was presented by Jason Mandly, Senior Air Quality Planner and Jeff Krisa from Brighton Energy Spoke to the Board.

Board comments: Discussion ensued.

Public comments: None.

A motion was made by Supervisor Connelly and seconded by Vice Mayor Johnson to not approve the FY24-25 CAP Incentives Projects submitted by Brighton Energy. Staff were directed to bring back all other eligible projects for further review.

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

ITEMS FOR INFORMATION

8. Receive Summary Report on 2025-26 Check Before You Light Program.

ACTION REQUESTED:

None. This Item is provided for information and discussion.

The Summary Report on 2025-26 Check Before You Light Program was presented by Samual, Nassie, Air Quality Control Specialist II.

9. APCO Report.

The APCO Report provides information and prompts discussion.

10. Other Business.

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

Mayor Pittman of Oroville shared that a report was complete and available on the previous Oroville Cogeneration facility and the concern for contamination of the site. The site was determined to be free of Dioxins.

12. Adjourn to Closed Session. No closed session.

13. The meeting adjourned at 11:50 a.m. The next Board of Directors Meeting is scheduled for January 22, 2026, at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.

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

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on March 23, 2026.

ATTEST: _____
Kelly Towne, Clerk of the Governing Board

Attachment 1

AAPCO Notes

- **CAPCOA Enforcement Managers**
 - The April 2026 Enforcement Managers meeting will be held at the Oxford Suites in Chico. The District has hosted the April meeting for this committee for the last several years. More than 20 Enforcement Management Staff from all over the state will come to Chico for this meeting. I concluded my role as Secretary, Vice Chair, and Chair in 2024 but continue to assist the leadership team including with the planning of the Enforcement Symposium in Sacramento in October where more than 100 air district staff attended a 2 day event.

- **CAPCOA Engineering Managers**
 - District Engineer Riley Peacock is currently serving as Vice Chair of the Engineering Managers Committee. He will transition to Chair at the end of this year. Active involvement in these groups provides valuable training, connections for staff and helps to assure the District's voice is represented statewide.

- **2026 CARB Incentives Policy & Strategic Planning Session**
 - CARB hosted this training session at the new Katerina Hotel in Chico in early March. District Planner Jason Mandly was instrumental in the planning of this training and organized an afterhours facility tour of the Sierra Nevada Brewery. Two (2) District staff attended the training about upcoming grants and incentives for:
 - Community Air Protection (CAP)
 - Carl Moyer
 - On Road and Off Road Regulations

- **Burning**
 - **Prescribed - BCCG Tour 3/12**
 - The Butte County Collaborative Group (BCCG) held a tour of the CALFire Phoenix Vegetation Management Plan (VMP) on March 12th, 2026. Your Board approved District membership in the BCCG by MOU last year. The District values staff involvement in these activities to strengthen fire resiliency and leverage community involvement to create unexpected benefits. The Phoenix VMP is a prescribed burn project in the Phoenix Hill area east of Oroville. 2 District staff attended.

- **Butte County Environmental Crimes Task Force**
 - The next meeting is scheduled for April 16th at the District Attorney's Office in Oroville. The Task Force is led by Matt Carr, a Placer County Environmental Circuit Prosecutor, arranged by District Attorney Mike Ramsey. Several agencies that enforce environmental law attend the meetings. Some of those agencies are the sheriff's office, local police departments, Fish and wildlife, the waterboard, Department of Toxic Substances Control (DTSC), CalFire, State Parks, Environmental Health, the Ag Commissioner and CalEPA.

- **Stratti Cyber Security Grant**
 - The District is working on next year's budget and held our annual budget meeting with Stratti, our managed IT provider. Stratti applied for a Cyber Security Grant from CalOES on the District's behalf. The Grant would pay for up to 3 years of cyber security services provided by Stratti. The District hopes to have an answer on any award prior to the adoption of the 2026-2027 Fiscal Budget.

- **Virtual VEE – Alt152a**
 - Over the past couple of years, CARB has worked to enter an agreement with Compliance Assurance, a company that has brought the states Visual Emission Evaluation (VEE) testing certification to an app that works with Meta/Facebook's Virtual Reality Headset. Prior to the release and approval of this technology, District staff would have to drive to Sacramento or Redding to certify every 6 months. Staff can now test and certify at the District office without the need to travel. This has made the process of VEE certification much more efficient and has been well received by District staff. Input from staff is that they prefer the ability to complete the certification from the comfort of the office.

This page intentionally left blank



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **Activity Report**

ISSUE:

Summary of District activities for calendar years 2024, 2025 and 2026 as of March 31, 2026.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

None.

Attachment:

2026 Activity Report

Agenda Item 3.2

This page intentionally left blank

Activity (2026)	2024	2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ¹
Permits to Operate Issued/Renewed	841	830	52	66	52										170
Authority to Construct Permits Issued	26	41	3	1	1										5
Portable Equipment Registrations	33	32	2	6	5										13
Engine Registrations Issued/Renewed	246	0	0	230	0										230
Inspections Performed by Facility	362	403	74	30	31										135
Inspections Performed by Permits	489	557	100	36	71										207
Status Change Reports Received	72	102	6	5	1										12
Agricultural Burn Days ² *	329	361	25	28	31										84
Agricultural No-Burn Days ² *	6	4	6	0	0										6
Burn Permits Issued	733	716	38	48	79										165
Burn Notifications	4,310	4,813	386	340	628										1354
Rice Fields Reported Harvested	336	367	0	0	3										3
Complaints Received	97	100	3	4	2										9
Notices of Noncompliance Issued	60	62	6	1	2										9
Notices to Comply Issued	3	5	0	0	0										0
Public Outreach	1193	1964	47	52	63										162
Environmental Documents Reviewed	0	0	0	0	0										0
Public Records Requests	49	46	5	2	2										9
															0

¹ YTD = Year-to-date totals

² Burn Day Status reported below 3000' elevation

This page intentionally left blank



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: **Calendar of Events**

DATE	EVENT	LOCATION
April 28-29	CAPCOA Engineering Managers	Yolo/Solano AQMD
April 27-30	CAPCOA Prescribed Fire Training	Chico
April 29-30	CAPCOA Enforcement Managers	Chico
May 6	Butte County Fire Safe Council Meeting	Paradise
May 14	PEEPs Meeting	Colusa APCD
May 20	TAC Meeting	Yolo-Solano AQMD
May 25	Memorial Day – District Office Closed	Chico
May 26-29	CAPCOA Spring Conference	Riverside County
May 28	Butte County Air Quality Governing Board Meeting	Chico
June 4	Butte County Fire Safe Council Meeting	Paradise
June 5	Sacramento Valley BCC Meeting	Tehama APCD
June 10-11	CAPCOA Board/Leg Committee Meeting	CAPCOA (Sacramento)
June 17	TAC Meeting	District Office
June 19	Juneteenth – District Office Closed	Chico
June 25	Butte County Air Quality Governing Board Meeting	Chico
July 1	Butte County Fire Safe Council Meeting	Paradise
July 3	Independence Day Observed – District Office Closed	Chico
July 9	PEEPs Meeting	TBA
July 15	TAC Meeting	Colusa County AQMD
July 27-29	Engineering Managers	Monterey Bay ARD

Agenda Item 3.3

This page intentionally left blank



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Kelly Towne, Clerk of the Board

Re: **Status Report on Communications**

ISSUE:

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

ACTION REQUESTED:

None. For information only.

DISCUSSION:

Chair Ritter and APCO held Agenda Review Meeting Monday April 13, 2026.

Attachment:

None.

Agenda Item 3.4

This page intentionally left blank



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **Financial Status Report Fiscal Year 2025-2026**

ISSUE:

Financial Status Report.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

Two new columns have been added to the Budget vs Actual report. These columns are budget reporting requirements triggered by GASB 103 requirements, which are being incorporated in the monthly financial report for increased transparency and consistency across all budgetary reporting.

The attached financial report summarizes the District's revenue & expenses in the Budget vs Actual report during the period of July 1, 2025, through March 31, 2026 (Revenue is 74.6% of the fiscal year, Expenses 40.27%), and the Balance sheet for the period ending March 31, 2026. The District is on track with overall expenses at 40.27%, which is skewed due to timing of grant outlays.

Attachment:

- 1- Fiscal Year 25-26 March Budget Vs Actual.
- 2- Fiscal Year 25-26 Balance Sheet.

Agenda Item 3.5

This page intentionally left blank

Butte Co. Air Quality Management Dist.
Profit & Loss Budget vs. Actual
 July 2025 through March 2026 75% of Budget

Accrual Basis

	*New Column		*New Column		% of Current Budget to Actual	
	Actual - YTD	Budget Amounts		Variations (Positive/Negative)		
	Jul '25 - Feb '26	Original Budget	Final Budget	Original vs Final Budget Final Budget vs Actual		
Ordinary Income/Expense						
Income						
421 · License and Permits						
4213010 · Ag Burn Permits	64,031.69	95,000.00	95,000.00	0.00	-30,968.31	67.4%
4213013 · Ag Engine Registration Program	12,093.18	14,350.00	14,350.00	0.00	-2,256.82	84.27%
4213020 · Title V Permits	5,671.26	5,500.00	5,672.00	172.00	-0.74	99.99%
4213030 · Operating Permits	468,598.44	609,000.00	609,000.00	0.00	-140,401.56	76.95%
4213035 · Portable Engine Registration	38,215.81	45,500.00	45,500.00	0.00	-7,284.19	83.99%
4213038 · Asbestos Program	10,237.05	5,000.00	10,000.00	5,000.00	237.05	102.37%
4213040 · Auth to Construct	22,384.76	40,000.00	40,000.00	0.00	-17,615.24	55.96%
4213055 · Emission Reduction Fee	0.00	0.00	0.00	0.00	0.00	0.0%
4213060 · Misc. Other Permits	0.00	400.00	400.00	0.00	-400.00	0.0%
4713061 · Technical Evaluation	2,385.91	2,000.00	3,500.00	1,500.00	-1,114.09	68.17%
Total 421 · License and Permits	623,618.10	816,750.00	823,422.00	6,672.00	-199,803.90	75.74%
430 · Fines, Forfeitures & Penalties						
4300001 · Civil Settlements	75,055.00	40,000.00	88,000.00	48,000.00	-12,945.00	85.29%
Total 430 · Fines, Forfeitures & Penalties	75,055.00	40,000.00	88,000.00	48,000.00	-12,945.00	85.29%
441 · Interest Income	29,791.61	0.00	0.00	0.00	29,791.61	100.0%
451 · Intergovernmental						
45000 · Governmental Funds						
4500001 · State Subvention	73,399.90	65,300.00	73,400.00	8,100.00	-0.10	100.0%
4511001 · DMV Surcharge	538,830.29	740,000.00	733,500.00	-6,500.00	-194,669.71	73.46%
Total 45000 · Governmental Funds	612,230.19	805,300.00	806,900.00	-194,669.81	-194,669.81	75.87%
45105 · Direct Grant Funds						
4510500 · AB 2588 Hot Spots Fee	0.00	134.00	134.00	0.00	-134.00	0.0%
4510501 · 105 Pilot Project Grant Funding	0.00	0.00	0.00	0.00	0.00	0.0%
4510502 · AB 197 Funding	0.00	8,383.00	8,383.00	0.00	-8,383.00	0.0%
4510503 · AB 617 Funding	97,324.93	25,122.99	108,208.85	83,085.86	-10,883.92	89.94%
4510504 · Prescribed Fire Grant	43,911.75	45,640.36	45,640.36	0.00	-1,728.61	96.21%
4510505 · GHG Oil & Gas Funding	6,000.00	6,000.00	6,000.00	0.00	0.00	100.0%
4510506 · Monitoring Grant	21,159.77	38,760.93	38,760.93	0.00	-17,601.16	54.59%
Total 45105 · Direct Grant Funds	168,396.45	124,041.28	207,127.14	-38,730.69	-38,730.69	81.3%
45109 · Pass Through Grants						
4510904 · FARMER Funding	0.00	0.00	0.00	0.00	0.00	0.0%
4510906 · Carl Moyer Grant	212,500.00	212,500.00	212,500.00	0.00	0.00	100.0%
4510908 · CHIRP Grant	0.00	0.00	236,224.00	236,224.00	-236,224.00	0.0%
4510909 · Woodsmoke Grant	0.00	0.00	163,953.50	163,953.50	-163,953.50	0.0%
4510915 · Community Air Program (CAP)	770,866.65	0.00	770,866.65	770,866.65	0.00	100.0%
Total 45109 · Pass Through Grants	983,366.65	212,500.00	1,383,544.15	1,171,044.15	-400,177.50	71.08%
Total 451 · Intergovernmental	1,763,993.29	1,141,841.28	2,397,571.29	1,255,730.01	-633,578.00	73.57%
471 · Miscellaneous Revenue						
4712523 · Other Misc. Revenue						
4712523.2 Late Fees	858.44	325.00	950.00	625.00	-91.56	90.36%
4610105 · Return Check Fee	175.00		125.00	125.00	50.00	140.0%
4711900 · BCC & Other Reimbursements	12,817.71	17,198.31	17,198.31	0.00	-4,380.60	74.53%
4711910 · Copy & Other Reimbursement	2,240.58	500.00	1,850.00	1,350.00	390.58	121.11%
Total 4712523 · Other Misc. Revenue	16,091.73	18,023.31	20,123.31	2,100.00	-4,031.58	79.97%
4712550 · Implementation Funds						

Butte Co. Air Quality Management Dist.
Profit & Loss Budget vs. Actual
 July 2025 through March 2026 75% of Budget

Accrual Basis

	*New Column		*New Column		% of Current Budget to Actual	
	Actual - YTD Jul '25 - Feb '26	Budget Amounts		Variances (Positive/Negative)		
		Original Budget	Final Budget	Original vs Final Budget		Final Budget vs Actual
01 · FARMER Implementation	32,772.56	97,522.53	97,522.53	0.00	-64,749.97	33.61%
02 · Carl Moyer Implementation	39,387.95	44,773.61	44,773.61	0.00	-5,385.66	87.97%
05 · Community CAP Implementation	62,786.68	72,337.37	72,337.37	0.00	-9,550.69	86.8%
Total 4712550 · Implementation Funds	134,947.19	214,633.51	214,633.51	0.00	-79,686.32	62.87%
Total 471 · Miscellaneous Revenue	151,038.92	232,656.82	234,756.82	2,100.00	-83,717.90	64.34%
Total Income	2,643,496.92	2,231,248.10	3,543,750.11	1,312,502.01	-900,253.19	74.6%
Gross Profit	2,643,496.92	2,231,248.10	3,543,750.11	1,312,502.01	-900,253.19	74.6%
Expense						
511 · Payroll Expenses						
511001 · Salaries & Wages	757,011.58	1,170,154.96	1,172,618.98	2,464.02	-415,607.40	64.56%
512000 · Extra Help	0.00	16,000.00	16,000.00	0.00	-16,000.00	0.0%
514000 · Overtime	0.00	15,431.20	15,431.20	0.00	-15,431.20	0.0%
518 · Employee Benefits						
518008 · Health Care	144,618.32	191,305.01	211,683.39	20,378.38	-67,065.07	68.32%
518009 · Cafeteria	35,132.90	51,711.00	48,121.26	-3,589.74	-12,988.36	73.01%
518010 · Other Employee Benefits	20,307.38	32,545.30	32,545.30	0.00	-12,237.92	62.4%
518011 · Vehicle Allowance	5,580.00	7,440.00	7,440.00	0.00	-1,860.00	75.0%
518700 · Retirement Pension	126,383.33	181,380.72	181,682.47	301.75	-55,299.14	69.56%
518800 · Contrib to Pension Liability	180,497.00	186,533.00	186,533.00	0.00	-6,036.00	96.76%
518900 · Retiree's OPEB	39,001.98	66,007.08	66,007.08	0.00	-27,005.10	59.09%
Total 518 · Employee Benefits	551,520.91	716,922.11	734,012.50	17,090.39	-182,491.59	75.14%
Total 511 · Payroll Expenses	1,308,532.49	1,918,508.27	1,938,062.68	19,554.41	-629,530.19	67.52%
520 · Materials & Supplies						
521104 · Postage	2,000.00	3,450.00	3,450.00	0.00	-1,450.00	57.97%
522201 · Office Supplies	6,558.19	9,000.00	9,000.00	0.00	-2,441.81	72.87%
523001 · Telecommunications	17,912.43	19,000.00	21,400.00	2,400.00	-3,487.57	83.7%
524544 · Utilities - Elec/Gas/Wtr/Grbge	6,592.99	8,360.00	8,360.00	0.00	-1,767.01	78.86%
525545 · Auto Fuel Costs/ Road Expense	2,417.15	4,750.00	4,750.00	0.00	-2,332.85	50.89%
Total 520 · Materials & Supplies	35,480.76	44,560.00	46,960.00	2,400.00	-11,479.24	75.56%
530 · Servies & Other Operating						
531201 · Household Janitorial	8,775.00	11,700.00	11,700.00	0.00	-2,925.00	75.0%
532527 · Insurance -Liability & Vehicle	19,346.12	18,893.00	20,000.00	1,107.00	-653.88	96.73%
533533 · Memberships, Dues & Subscript..	9,646.47	13,900.00	13,900.00	0.00	-4,253.53	69.4%
534537 · Public & Legal Notices	118.75	2,500.00	2,500.00	0.00	-2,381.25	4.75%
535540 · Public Outreach	5,251.95	18,600.00	18,600.00	0.00	-13,348.05	28.24%
536101 · Training	4,880.06	19,660.00	19,660.00	0.00	-14,779.94	24.82%
537202 · Travel & Conference Expenses	11,273.08	38,345.00	38,345.00	0.00	-27,071.92	29.4%
Total 530 · Servies & Other Operating	59,291.43	123,598.00	124,705.00	1,107.00	-65,413.57	47.55%
540 · Rents Lease, Repair, NonCapital						
541538 · Property Rents & Leases	536.08	1,800.00	1,800.00	0.00	-1,263.92	29.78%
542539 · Equipment Rents & Leases	2,549.03	3,750.00	3,750.00	0.00	-1,200.97	67.97%
543103 · Office Furniture & Equip	0.00	1,600.00	1,600.00	0.00	-1,600.00	0.0%
543203 · Computer Equipment	757.83	11,900.00	11,900.00	0.00	-11,142.17	6.37%
543204 · Computer Software-Subscriptions	9,173.06	18,378.00	18,378.00	0.00	-9,204.94	49.91%
543541 · Air Monitoring Equipment & Main	61,631.21	41,760.93	91,760.93	50,000.00	-30,129.72	67.17%
544001 · Vehicles Maintenance	2,114.09	6,173.00	6,173.00	0.00	-4,058.91	34.25%
544042 · IT Maintenance	26,089.24	37,348.00	37,348.00	0.00	-11,258.76	69.85%
544103 · Building Maintenance	4,327.19	10,850.00	28,850.00	18,000.00	-24,522.81	15.0%
Total 540 · Rents Lease, Repair, NonCapital	107,177.73	133,559.93	201,559.93	68,000.00	-94,382.20	53.17%

Butte Co. Air Quality Management Dist.
Profit & Loss Budget vs. Actual
 July 2025 through March 2026 75% of Budget

Accrual Basis

	*New Column		*New Column		% of Current Budget to Actual	
	Actual - YTD	Budget Amounts		Variances (Positive/Negative)		
	Jul '25 - Feb '26	Original Budget	Final Budget	Original vs Final Budget Final Budget vs Actual		
550 · Professional/Consulting Service						
551137 · AB2588 Hot Spots Fee	134.00	134.00	134.00	0.00	0.00	100.0%
551536 · Professional Services	24,328.87	42,110.00	42,110.00	0.00	-17,781.13	57.78%
551547 · Legal Services	12,000.00	18,500.00	18,500.00	0.00	-6,500.00	64.87%
555580 · Contingencies	0.00	20,000.00	20,000.00	0.00	-20,000.00	0.0%
Total 550 · Professional/Consulting Service	36,462.87	80,744.00	80,744.00	0.00	-44,281.13	45.16%
560 · Grants						
560006 · Carl Moyer Grant	519,923.92	212,500.00	692,184.97	479,684.97	-172,261.05	75.11%
560007 · Community Air (CAP)	134,956.87	0.00	2,050,596.51	2,050,596.51	-1,915,639.64	6.58%
560008 · CHIRP Grant	0.00	0.00	236,224.00	236,224.00	-236,224.00	0.0%
560009 · WoodSmoke Grant	0.00	0.00	163,953.50	163,953.50	-163,953.50	0.0%
560020 · Special Clean Air Grants	20,553.53	0.00	33,142.51	33,142.51	-12,588.98	62.02%
560021 · FARMER	15,288.99	0.00	18,478.80	18,478.80	-3,189.81	82.74%
Total 560 · Grants	690,723.31	212,500.00	3,194,580.29	2,982,080.29	-2,503,856.98	21.62%
565 · Debt Service						
565087 · GASB 87 Lease Principal	46,577.00	56,327.00	56,327.00	0.00	-9,750.00	82.69%
565987 · GASB 87 Lease Interest & Other	413.00	1,058.00	1,058.00	0.00	-645.00	39.04%
Total 565 · Debt Service	46,990.00	57,385.00	57,385.00	0.00	-10,395.00	81.89%
570 · Capital Outlay						
573105 · Vehicles -Fixed Asset Inventory	0.00	0.00	30,000.00	30,000.00	-30,000.00	0.0%
Total 570 · Capital Outlay	0.00	0.00	30,000.00	30,000.00	-30,000.00	0.0%
Total Expense	2,284,658.59	2,570,855.20	5,673,996.90	3,103,141.70	-3,389,338.31	40.27%
Net Ordinary Income	358,838.33	-339,607.10	-2,130,246.79	-1,790,639.69	2,489,085.12	-16.85%
Net Income	358,838.33	-339,607.10	-2,130,246.79	-1,790,639.69	2,489,085.12	-16.85%

*Budget Amendments have been adopted on 10/23/2025 and 2/26/2026.

Changes to the attached profit and loss incorporate additional columns to better align with GASB 103 reporting.

This page intentionally left blank

Butte Co. Air Quality Management Dist.
Balance Sheet
As of March 31, 2026

	Mar 31, 2026
ASSETS	
Current Assets	
Checking/Savings	
1002 · Cash on Hand - Change Box	200.00
1003 · Bank of America - General-0648	465,187.85
1004 · Bank of America - Payroll-0649	48,400.33
1007 · B of A Reserve Acct - 1789	750,312.87
1010 · B of A - 0980 (Grant 1)	46,901.73
1011 · Tri Counties - Carl Moyer 2618	439,993.44
1012 · Tri Counties - FARMER - 6831	405,315.25
1013 · Tri Counties - CAP-6855	402,103.46
1017 · Tri Counties - AB 617-6818	136,655.59
1018 · State LAIF Acct	1,375,698.46
Total Checking/Savings	4,070,768.98
Accounts Receivable	
1200 · Accounts Receivable	954,684.43
Total Accounts Receivable	954,684.43
Other Current Assets	
1102 · Due From Other Governments	120,656.66
1500 · Undeposited Funds	5,460.37
Total Other Current Assets	126,117.03
Total Current Assets	5,151,570.44
TOTAL ASSETS	5,151,570.44
 LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	4,873.60
2001 · A/P - Grantees	711,376.06
Total Accounts Payable	716,249.66
Other Current Liabilities	
2100 · Accrual Payroll & Benefits	
210011 · PERS Survivor Benefits	-3.18
210013 · MED FLEX	-1,164.52
Total 2100 · Accrual Payroll & Benefits	-1,167.70
2107 · Unearned Revenue	
210904 · FARMER	252,031.19
210906 · Carl Moyer	18,385.17
210910 · Community (CAP)	444,991.51
210914 · AB 617	134,549.01

	Mar 31, 2026
210917 · Prescribed Fire Grant	54,289.72
210918 · Monitoring Grant	82,478.42
Total 2107 · Unearned Revenue	986,725.02
Total Other Current Liabilities	985,557.32
Total Current Liabilities	1,701,806.98
Total Liabilities	1,701,806.98
Equity	
3100 · Reserves	329,626.07
3200 · Restricted Fund	
3004 · Carl Moyer Program	178,933.96
3005 · Reserved FARMER Prgm	3,189.81
3012 · Community (CAP)	1,846,458.69
Total 3200 · Restricted Fund	2,028,582.46
3900 · Retained Earnings	732,709.60
Net Income	358,845.33
Total Equity	3,449,763.46
TOTAL LIABILITIES & EQUITY	5,151,570.44

TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise



STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer

Re: **FY 25-26 3rd Quarter Grant Revenue Report**

ISSUE:

Quarterly status of Grant Implementation Fund Earnings.

ACTION REQUESTED:

Accept and file report.

DISCUSSION:

Grant implementation funds are awarded and received by the District. These grant funds are budgeted based on projection of staff activity for each grant program over the fiscal year. Budgeted grant funds become earned grant revenue when staff activities to implement the grants are conducted. This report is a quarterly update of earned grant revenue earnings vs budgeted grant funds.

The attached report details all earned grant revenues between July 2025 and March 2026 (Quarter 1, 2 & 3). Due to the timing of implementation of each of the grants, the number of hours and costs related to the implementation will vary between quarters. The District is currently on track, recognizing 71.9% of budgeted (75% of fiscal year at time of reporting), with some grants at less than budgeted and some greater than budgeted.

Agenda Item 3.6

Fiscal Year to Date Grant Implementation Earnings Summary				
	Jul 25 - Mar 26	Budget	\$ Over Budget	% of Budget
AB 617 Implementation Funds	97,324.93	108,208.85	(10,883.92)	89.9%
Carl Moyer, RAP & Reserve Grant Funds	39,387.95	44,773.61	(5,385.66)	88.0%
Community CAP Grant Funds	62,786.68	72,337.37	(9,550.69)	86.8%
FARMER Grant Funds	32,772.56	97,522.53	(64,749.97)	33.6%
	232,272.12	322,842.36	(90,570.24)	71.9%
These are implementation grant funds that are recognized from unearned balances when expenses are summarized in quarterly reports as earned.				

Butte Co. Air Quality Management Dist.
Grant Status - Budget vs. Actual
 July 2025- March 2026 -75% of the Year

AB 617 Implementation Funds

	Jul 25 - Mar 26	Budget	\$ Over Budget	% of Budget
6/30/2026 Projected Balances				
Unearned - Deferred Inflows				
AB617 Implementation Funds				
6/30/2025 Unearned Balance	94,975.78	0.00	94,975.78	
Unearned added during FY 25-26	136,944.19	160,172.41	-23,228.22	85.5%
Implementation Funds Recognized during FY 25-26	97,324.93	108,208.85	-10,883.92	89.94%
6/30/2026 Projected Unearned Balance	134,595.04	51,963.56	82,631.48	
Budgeted Actual vs Budgeted Hours	208.50	85.00	123.50	245.29%

* Budget amendments by the Board September 25, 2025 with Resolution 2025-13.

Carl Moyer, RAP & Reserve Grant Funds

	Jul 25 - Mar 26	Budget	\$ Over Budget	% of Budget
6/30/2026 Projected Balances				
Unearned - Deferred Inflows				
Carl Moyer Implementation Funds				
6/30/2025 Unearned Balance	20,229.98	33,400.18	-13,170.20	
Unearned added during FY 25-26	0.00	30,000.00	-30,000.00	0.0%
Implementation Funds Recognized during FY 25-26	39,387.95	44,773.61	-5,385.66	87.97%
6/30/2026 Projected Unearned Balance	-19,157.97	18,626.57	-37,784.54	
Budgeted Actual vs Budgeted Hours	525.50	320.00	205.50	164.22%

Restricted (budget to expend all grant pass through funds)

6/30/2025 Restricted Balance	479,684.97	0.00	479,684.97	
Restricted added during FY 25-26	212,658.24	212,500.00	158.24	100.07%
Restricted expended during FY 25-26	519,923.92	692,184.97	-172,261.05	75.11%
Balance	172,419.29	-479,684.97	652,104.26	

Community CAP Grant Funds

	Jul 25 - Mar 26	Budget	\$ Over Budget	% of Budget
6/30/2026 Projected Balances				
Unearned - Deferred Inflows				
CAP Implementation Funds				
6/30/2025 Unearned Balance	371,742.90	228,042.26	143,700.64	
Unearned added during FY 25-26	136,035.29	0.00	136,035.29	100.0%
Implementation Funds Recognized during FY 25-26	62,786.68	72,337.37	-9,550.69	86.8%
6/30/2026 Projected Unearned Balance	444,991.51	155,704.89	289,286.62	
Budgeted Actual vs Budgeted Hours	515.50	508.00	7.50	101.48%

Restricted (budget to expend all grant pass through funds)

6/30/2025 Restricted Balance	1,981,415.56	1,981,415.56	0.00	
Restricted added during FY 25-26	770,866.65	770,866.65	0.00	100.0%
Restricted expended during FY 25-26	134,956.87	2,050,596.51	-1,915,639.64	6.58%
6/30/2026 Projected Balance	2,617,325.34	701,685.70	1,915,639.64	

FARMER Grant Funds

	Jul 25 - Mar 26	Budget	\$ Over Budget	% of Budget
6/30/2026 Projected Balances				
Unearned - Deferred Inflows				
FARMER Implementation Funds				
6/30/2025 Unearned Balance	284,803.75	299,062.86	-14,259.11	
Unearned added during FY 25-26	0.00	0.00	0.00	0.0%
Implementation Funds Recognized during FY 25-26	32,772.56	97,522.53	-64,749.97	33.61%
6/30/2026 Projected Unearned Balance	252,031.19	201,540.33	50,490.86	
Budgeted Actual vs Budgeted Hours	295.75	697.00	-401.25	42.43%
Restricted (budget to expend all grant pass through funds)				
6/30/2025 Restricted Balance	18,478.80	18,478.80	0.00	
Restricted added during FY 25-26	176.69	682.50	-505.81	25.89%
Restricted expended during FY 25-26	15,288.99	19,161.30	-3,872.31	79.79%
6/30/2026 Projected Balance	3,366.50	0.00	3,366.50	



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer/Smith & Newell

Re: **FY 2024-2025 Fiscal Audit Report**

ISSUE:

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

ACTION REQUESTED:

Smith and Newell Certified Public Accountants have completed the annual fiscal audit of the District's financial records. Smith and Newell will formally be presenting the audit before your Board at the April 23rd Board Meeting.

DISCUSSION:

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

Attachment:

Fiscal Audit for FY 2024-2025.

Agenda Item 6

This page intentionally left blank



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026
Board Consideration: April 2023, 2026

To: Butte County Air Quality Management District Board of Directors
From: Stephen Ertle, Air Pollution Control Officer
Staff Contact: Aleah Ing, Administrative Services Officer
Re: **GASB 68, CalPERS Pension Valuation Report, & CEPPT Trust Balance**

ISSUE:

Reports related to employee retirement liability.

ACTION REQUESTED:

Receive report and approve CalPERS Annual Valuation reports for CLASSIC and PEPRA ending 6/30/2024 and the CalPERS CEPPT Account Summary Report as of 6/30/2024.

DISCUSSION:

This year CalPERS combined the GASB 68 Pension reporting for the CLASSIC and PEPRA plans. The Annual Valuation Report for June 30, 2024, shows the District being 74.8% funded (1.6% increase from 2023) with an unfunded accrued liability (UAL) of \$2,247,428 for all employees.

The FY 24-25 employer cost rate for CLASSIC employees is 12.527% with a UAL lump sum payment of \$156,664 and will increase in FY 25-26 to 12.58% and \$186,533 UAL. The pension cost is estimated to increase \$41,214.35 from FY 24-25 to FY 25-26.

Agenda Item 6

Unfunded Liability Balance			Annual Payment Change				
	6/30/23 UAL	6/30/24 UAL	Increase		FY 24-25 payment	FY 25-26 payment	Increase
Classic	2,247,428.00	2,247,428.00	-	Classic	156,664.00		
PEPRA	31,042.00	31,042.00	-	PEPRA	781.00		
	2,278,470.00	2,247,148.00	(31,322.00)		157,445.00	186,533.00	29,088.00
				Employer Cost Change			
					<u>FY 24-25</u>	<u>Est. FY 25-26</u>	<u>Increase</u>
				Classic	12.52%	12.58%	0.06%
				Payroll El	64,944.97	71,979.85	7,034.88
				PEPRA	7.96%	7.95%	-0.01%
				Payroll El	34,047.53	39,139.00	5,091.47
					98,992.50	111,118.85	12,126.35
				Total increase in year one due to valuation changes			41,214.35

The UAL is projected to increase every year through FY 2031-32 when the UAL payment will reach \$248,000.

From PERS Report Page 13

Rate Plan Identifier	Covered Payroll June 30, 2024	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)				
		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Normal Cost Rates (Percentage of Payroll)							
3300	\$479,067	12.56%	12.6%	12.6%	12.6%	12.6%	12.6%
27241	381,711	7.93%	7.9%	7.9%	7.9%	7.9%	7.9%
	UAL Payment	\$208,902	\$217,000	\$241,000	\$243,000	\$243,000	\$248,000

As part of the Pension Policy adopted by the Board, the District established a California Employer's Pension Prefunding Trust (CEPPT) with Resolution 2023-06 on April 27, 2023 with PERS to generate returns and reduce the unfunded liability. As of June 30, 2025 the CEPPT Trust Balance is \$44,533.19 and as of December 31, 2025 the balance is \$46,620.56. Funds of \$6,036.00 are budgeted to be allocated to the CEPPT account during FY 25-26.

Attachment:

CalPERS Valuation Report ending June 30, 2024.

2025-06-30 CEPPT Trust \$44,533.19.

2026-12-31 CEPPT Trust \$46,620.56.



Market Value Summary:

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

Unit Value Summary:

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

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

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

Butte County Air Quality Management District

Entity #: SKHE-3225653892-501P



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

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

Client Contact:
CEPPT4U@CalPERS.ca.gov



Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	\$46,073.73	\$44,553.19
Contribution	0.00	0.00
Disbursement	0.00	0.00
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	573.93	2,121.33
Administrative Expenses	(17.80)	(35.43)
Investment Expense	(9.30)	(18.53)
Other	0.00	0.00
Ending Balance	\$46,620.56	\$46,620.56
FY End Contribution Accrual	0.00	0.00
FY End Disbursement Accrual	0.00	0.00
Grand Total	\$46,620.56	\$46,620.56

Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	3,835.040	3,835.040
Unit Purchases from Contributions	0.000	0.000
Unit Sales for Withdrawals	0.000	0.000
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	3,835.040	3,835.040
Period Beginning Unit Value	12.013932	11.617392
Period Ending Unit Value	12.156486	12.156486

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

Statement of Transaction Detail for the Quarter Ending 12/31/2025

Butte County Air Quality Management District

Entity #: SKHE-3225653892-501P



Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
------	-------------	--------	------------	-------	------------	-------

Client Contact:
CEPPT4U@CalPERS.ca.gov

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



**California Public Employees' Retirement System
Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2025

**All Rate Plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool (CalPERS ID: 3225653892)
Annual Valuation Report as of June 30, 2024**

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2024, actuarial valuation report for the plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2026-27.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

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

- Section 1 contains specific information for the following rate plan(s) including the development of the current and projected employer contributions.
 - 3300, Miscellaneous Plan
 - 27241, PEPRA Miscellaneous Plan
- Section 2 contains the Miscellaneous Risk Pool information as of June 30, 2024.

[Section 2](#) can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to “Forms & Publications” and select “View All”. In the search box, enter “Risk Pool” and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2024.

Required Contributions

The table below shows the minimum required employer contributions and member contribution rates for FY 2026-27 along with an estimate of the required employer UAL contribution for FY 2027-28. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Rate Plan	Employer Normal Cost Rate	Member Contribution Rate	Fiscal Year	Employer Amortization of Unfunded Accrued Liability	
2026-27	3300	12.56%	7.00%	2026-27	\$208,902	
	27241	7.93%	7.75%			
					<i>Projected (Estimated)</i>	
					2027-28	\$217,000

The actual investment return for FY 2024-25 was not known at the time this report was prepared. The projected UAL payment above assumes the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2024-25 differs from 6.8%, the actual UAL contribution requirement for FY 2027-28 will differ from that shown above. For additional information on future contribution requirements, please refer to [Projected Employer Contributions](#). This section also contains projected required contributions through FY 2031-32.

PEPRA Member Contribution Rate

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

Report Navigation Features

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

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

Internal Bookmarks

[Required Employer Contributions](#)
[Member Contribution Rates](#)
[Summary of Key Valuation Results](#)
[Funded Status – Funding Policy Basis](#)
[Projected Employer Contributions](#)

CalPERS Website Links

[Required Employer Contribution Search Tool](#)
[Public Agency PEPRAs Member Contribution Rates](#)
[Pension Outlook Overview](#)
[Interactive Summary of Public Agency Valuation Results](#)
[Public Agency Actuarial Valuation Reports](#)

Report Enhancements

Effective with the June 30, 2024, actuarial valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, have been combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Further descriptions of general changes are included in the [Highlights and Executive Summary](#) section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

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

Sincerely,



Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS



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



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

California Public Employees' Retirement System

Actuarial Valuation for the Rate Plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool as of June 30, 2024

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

Required Contributions for Fiscal Year

July 1, 2026 — June 30, 2027



Table of Contents

Section 1 – Employer Specific Information

Section 2 – Miscellaneous Risk Pool Actuarial Information

Section 1

California Public Employees' Retirement System

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

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

Table of Contents — Section 1

Actuarial Certification	1
Highlights and Executive Summary	2
Introduction	3
Purpose of Section 1	3
Summary of Key Valuation Results	4
Changes Since the Prior Year's Valuation	5
Subsequent Events	5
Liabilities and Contributions	6
Determination of Required Contributions	7
Required Employer Contributions	8
Member Contribution Rates	9
Breakdown of Entry Age Accrued Liability	10
Allocation of Plan's Share of Pool's Experience	10
Development of the Plan's Share of Pool's Assets	10
Funded Status – Funding Policy Basis	11
Additional Employer Contributions	12
Projected Employer Contributions	13
Schedule of Amortization Bases	14
Amortization Schedule and Alternatives	16
Employer Contribution History	18
Funding History	18
Risk Analysis	19
Future Investment Return Scenarios	20
Discount Rate Sensitivity	21
Mortality Rate Sensitivity	22
Maturity Measures	22
Maturity Measures History	23
Funded Status – Termination Basis	24
Funded Status – Low-Default-Risk Basis	25
Supplementary Information	26
Normal Cost by Benefit Group	27
Summary of Valuation Data	28
Status of PEPRA Transition	29
Surcharge for Class 1 Benefits	29
Plan's Major Benefit Options	30

Rate Plans belonging to the Miscellaneous Risk Pool

Actuarial Certification

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

Actuarial Methods and Assumptions

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



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



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

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the rate plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Butte County Air Quality Management District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.



Shelly Chu, ASA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

- **Introduction** **3**
- **Purpose of Section 1** **3**
- **Summary of Key Valuation Results** **4**
- **Changes Since the Prior Year's Valuation** **5**
- **Subsequent Events** **5**

Introduction

This report presents the results of the June 30, 2024, actuarial valuation of the rate plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2026-27.

Purpose of Section 1

This Section 1 report for the rate plans of the Butte County Air Quality Management District in the Miscellaneous Risk Pool of CalPERS was prepared by the Actuarial Office using data as of June 30, 2024. This report contains actuarial information for the following rate plan(s).

- 3300, Miscellaneous Plan
- 27241, PEPRAs Miscellaneous Plan

The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of these rate plans as of June 30, 2024;
- Determine the minimum required employer contributions for these rate plans for FY July 1, 2026, through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2026, through June 30, 2027, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2024, to the CalPERS Board of Administration (board) and other interested parties.

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

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

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

Assessment and Disclosure of Risk

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

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- The funded status on a termination basis.
- A low-default-risk obligation measure (LDRM) of benefit costs accrued as of the valuation date.

Summary of Key Valuation Results

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

Required Employer Contributions — page 8

	Fiscal Year 2025-26	Fiscal Year 2026-27
Employer Normal Cost Rates		
Rate Plan 3300	12.58%	12.56%
Rate Plan 27241	7.96%	7.93%
Unfunded Accrued Liability (UAL) Contribution Amount	\$186,533	\$208,902
Paid either as		
Option 1) 12 Monthly Payments of	\$15,544.41	\$17,408.50
Option 2) Annual Prepayment in July	\$180,497	\$202,142

Member Contribution Rates — page 9

	Fiscal Year 2025-26	Fiscal Year 2026-27
Rate Plan 3300	7.00%	7.00%
Rate Plan 27241	7.75%	7.75%

Projected Employer Contributions — page 13

Fiscal Year	Normal Cost (% of payroll)		Annual UAL Payment
	Rate Plan 3300	Rate Plan 27241	
2027-28	12.6%	7.9%	\$217,000
2028-29	12.6%	7.9%	\$241,000
2029-30	12.6%	7.9%	\$243,000
2030-31	12.6%	7.9%	\$243,000
2031-32	12.6%	7.9%	\$248,000

Funded Status — Funding Policy Basis — page 11

	June 30, 2023	June 30, 2024
Entry Age Accrued Liability (AL)	\$8,501,864	\$8,921,569
Market Value of Assets (MVA)	6,223,394	6,674,421
Unfunded Accrued Liability (UAL) [AL – MVA]	\$2,278,470	\$2,247,148
Funded Ratio [MVA ÷ AL]	73.2%	74.8%

Summary of Valuation Data — Page 28

	June 30, 2023	June 30, 2024
Active Member Count	11	11
Annual Covered Payroll	\$831,373	\$860,778
Transferred Member Count	2	2
Separated Member Count	5	5
Retired Members and Beneficiaries Count	13	14

Changes Since the Prior Year's Valuation

Benefits

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

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

Board Policy

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the [Future Investment Return Scenarios](#) exhibit in this report, which includes returns high enough to trigger a board discussion, does not reflect any change in the discount rate.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2024, actuarial valuation.

Report Enhancements

Effective with the June 30, 2024, Actuarial Valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, will be combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2024, as well as statutory changes, regulatory changes and board actions through January 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

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

Liabilities and Contributions

- **Determination of Required Contributions** 7
- **Required Employer Contributions** 8
- **Member Contribution Rates** 9
- **Breakdown of Entry Age Accrued Liability** 10
- **Allocation of Plan's Share of Pool's Experience** 10
- **Development of the Plan's Share of Pool's Assets** 10
- **Funded Status – Funding Policy Basis** 11
- **Additional Employer Contributions** 12
- **Projected Employer Contributions** 13
- **Schedule of Amortization Bases** 14
- **Amortization Schedule and Alternatives** 16
- **Employer Contribution History** 18
- **Funding History** 18

Determination of Required Contributions

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

Contribution Components

Two components comprise required contributions:

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

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

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

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

Required Employer Contributions

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

Required Employer Contributions	Fiscal Year 2026-27
Employer Normal Cost Rate	
Classic Rate Plan 3300	12.56%
PEPRA Rate Plan 27241	7.93%
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[†]	\$208,902
Paid either as	
1) Monthly Payment	\$17,408.50
Or	
2) Annual Prepayment Option[‡]	\$202,142
<p>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly(1) or prepaid annually(2) in dollars).</p> <p>[†]The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2025.</p> <p>[‡]Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</p>	

Development of Normal Cost as a Percentage of Payroll

	Fiscal Year 2025-26	Fiscal Year 2026-27
Classic Rate Plan 3300		
Base Total Normal Cost for Formula	18.87%	18.85%
Surcharge for Class 1 Benefits ¹	0.64%	0.64%
Plan's Total Normal Cost	19.51%	19.49%
Offset Due to Employee Contributions ²	(6.93%)	(6.93%)
Employer Normal Cost for Rate Plan 3300	12.58%	12.56%
PEPRA Rate Plan 27241		
Base Total Normal Cost for Formula	15.71%	15.68%
Surcharge for Class 1 Benefits ¹	0.00%	0.00%
Plan's Total Normal Cost	15.71%	15.68%
Offset Due to Employee Contributions ²	(7.75%)	(7.75%)
Employer Normal Cost for Rate Plan 27241	7.96%	7.93%

¹ See [Surcharge for Class 1 Benefits](#) in the supplementary information section of this report.

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

Member Contribution Rates

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

Classic Members

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

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

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

PEPRA Members

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

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2026, based on 50% of the total normal cost rate as of the June 30, 2024, valuation.

<u>Rate Plan Identifier</u>	<u>Benefit Group Name</u>	<u>Basis for Current Rate</u>		<u>Rates Effective July 1, 2026</u>			
		<u>Total Normal Cost</u>	<u>Member Rate</u>	<u>Total Normal Cost</u>	<u>Change in Normal Cost</u>	<u>Adj. Needed</u>	<u>Member Rate</u>
27241	PEPRA Miscellaneous Plan	15.43%	7.75%	15.68%	0.25%	No	7.75%

Breakdown of Entry Age Accrued Liability

Active Members	\$2,585,937
Transferred Members	75,962
Separated Members	161,395
Members and Beneficiaries Receiving Payments	<u>6,098,275</u>
Total	\$8,921,569

Allocation of Plan's Share of Pool's Experience

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

1. Plan's Accrued Liability	\$8,921,569
2. Projected UAL Balance at 6/30/2024	2,302,643
3. Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4. Adjusted UAL Balance at 6/30/2024 for Asset Share	2,302,643
5. Pool's Accrued Liability ¹	24,701,567,178
6. Sum of Pool's Individual Plan UAL Balances at 6/30/2024 ¹	5,686,499,631
7. Pool's 2023-24 Investment (Gain)/Loss ¹	(476,088,386)
8. Pool's 2023-24 Non-Investment (Gain)/Loss ¹	305,188,638
9. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (4)] \div [(5) - (6)] \times (7)$	(165,721)
10. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (5) \times (8)$	110,226
11. Plan's New (Gain)/Loss as of 6/30/2024: $(9) + (10)$	(55,495)
12. Increase in Pool's Accrued Liability due to Change in Assumptions ¹	0
13. Plan's Share of Pool's Change in Assumptions: $(1) \div (5) \times (12)$	0
14. Increase in Pool's Accrued Liability due to Funding Risk Mitigation ¹	0
15. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (5) \times (14)$	0
16. Offset due to Funding Risk Mitigation	0
17. Plan's Investment (Gain)/Loss: $(9) - (16)$	(165,721)

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

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

18. Plan's UAL: $(2) + (3) + (11) + (13) + (15)$	\$2,247,148
19. Plan's Share of Pool's Market Value of Assets (MVA): $(1) - (18)$	\$6,674,421

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

Funded Status – Funding Policy Basis

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

	June 30, 2023	June 30, 2024
1. Present Value of Benefits	\$9,887,746	\$10,338,031
2. Entry Age Accrued Liability	8,501,864	8,921,569
3. Market Value of Assets (MVA)	6,223,394	6,674,421
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$2,278,470	\$2,247,148
5. Funded Ratio [(3) ÷ (2)]	73.2%	74.8%

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

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

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	\$10,091,125	\$8,921,569	\$7,949,260
2. Market Value of Assets (MVA)	6,674,421	6,674,421	6,674,421
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	\$3,416,704	\$2,247,148	\$1,274,839
4. Funded Ratio [(2) ÷ (1)]	66.1%	74.8%	84.0%

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

Additional Employer Contributions

The CalPERS amortization policy provides a systematic methodology for paying down a plan’s unfunded accrued liability (UAL) over a reasonable period of years. The projected schedule of required payments for this plan under the amortization policy is provided in [Amortization Schedule and Alternatives](#). Certain aspects of the policy such as 1) layered amortization bases (positive and negative) with different remaining payoff periods, and 2) the phase-in of required payments toward investment gains and losses, can result in volatility in year-to-year projected UAL payments. Provided below is information on how an Additional Discretionary Payment (ADP), together with your required UAL payment of \$208,902 for FY 2026-27, may better accomplish your agency’s specific objectives with regard to either smoothing out projected future payments or achieving a greater reduction in UAL than would otherwise occur when making only the minimum required payment. Such additional payments are allowed at any time and can also result in significant long-term savings.

Fiscal Year 2026-27 Employer Contribution Versus Agency Funding Objectives

The interest-to-payment ratio for the FY 2026-27 minimum required UAL payment is 68%, which means the required payment of \$208,902 includes \$142,385 of interest cost and results in a \$66,517 reduction in the UAL, as can be seen in [Amortization Schedule and Alternatives](#) (see columns labelled Current Amortization Schedule). If the interest-to-payment ratio is close to 100%, and the reduction in the UAL is small, it may indicate that required contributions will be increasing in the coming years, which would be shown in [Projected Employer Contributions](#). Another measure that can be used to evaluate how well the FY 2026-27 required UAL payment meets the agency’s specific funding objectives is the number of years required to pay off the existing UAL if the annual payment were held constant in future years. With an annual payment of \$208,902 it would take 17.9 years to pay off the current UAL. A result that is longer than the agency’s target funding period suggests that the option of supplementing the minimum payment with an ADP should be weighed against the agency’s budget constraints.

Provided below are select ADP options for consideration. Making such an ADP during FY 2026-27 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see [Amortization Schedule and Alternatives](#). Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2026-27 Employer Contributions — Illustrative Scenarios

If the Annual UAL Payment Each Year Were...	The Current UAL Would be Paid Off in...	This Would Require an ADP ¹ in FY 2026-27 of...	Plus the Estimated Normal Cost of...	Estimated Total Contribution
\$208,902	17.9 years	\$0	\$96,180	\$305,082
230,432	15 years	21,530	96,180	326,612
299,835	10 years	90,933	96,180	396,015
515,623	5 years	306,721	96,180	611,803

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

The calculations above are based on the projected UAL as of June 30, 2026, as determined in the June 30, 2024, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan through April 30, 2025.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	\$0	2022-23	\$0
2020-21	0	2023-24	0
2021-22	0	2024-25	0

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2024-25 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

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

Rate Plan Identifier	Covered Payroll June 30, 2024	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)				
		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Normal Cost Rates (Percentage of Payroll)							
3300	\$479,067	12.56%	12.6%	12.6%	12.6%	12.6%	12.6%
27241	381,711	7.93%	7.9%	7.9%	7.9%	7.9%	7.9%
UAL Payment		\$208,902	\$217,000	\$241,000	\$243,000	\$243,000	\$248,000

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

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

Schedule of Amortization Bases

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

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2024.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2026-27.

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

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2024-25 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2025, if necessary, and the expected payment for FY 2025-26 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	524,723	39,428	519,658	40,532	513,107	41,667
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	(5,239)	(394)	(5,188)	(405)	(5,122)	(416)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	11	300,197	29,703	289,914	30,534	278,073	31,389
Assumption Change	6/30/14	100%	Up/Dn	2.80%	10	220,518	26,983	207,628	27,738	193,081	28,515
Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	(419,544)	(30,451)	(416,604)	(31,304)	(412,582)	(32,181)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	463	34	459	34	455	35
Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	280,814	19,735	279,514	20,288	277,555	20,856
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	(22,703)	(1,596)	(22,597)	(1,640)	(22,439)	(1,686)
Assumption Change	6/30/16	100%	Up/Dn	2.80%	12	101,487	10,716	97,314	11,016	92,547	11,324
Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	368,139	25,105	367,228	25,808	365,528	26,531
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	(44,726)	(3,050)	(44,615)	(3,135)	(44,409)	(3,223)
Assumption Change	6/30/17	100%	Up/Dn	2.80%	13	126,168	12,512	121,817	12,862	116,808	13,222
Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(200,912)	(13,321)	(200,808)	(13,694)	(200,311)	(14,078)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(10,093)	(669)	(10,088)	(688)	(10,063)	(707)
Assumption Change	6/30/18	100%	Up/Dn	2.80%	14	217,003	20,331	210,748	20,900	203,480	21,485
Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	(66,141)	(4,271)	(66,225)	(4,391)	(66,190)	(4,514)
Method Change	6/30/18	100%	Up/Dn	2.80%	14	59,394	5,564	57,683	5,720	55,694	5,881
Non-Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	31,774	2,052	31,814	2,109	31,798	2,168
Investment (Gain)/Loss	6/30/19	100%	Up Only	0.00%	15	31,394	2,502	30,943	3,128	29,815	3,128
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	15	27,262	2,665	26,362	2,665	25,400	2,665

Schedule of Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Investment (Gain)/Loss	6/30/20	100%	Up Only	0.00%	16	153,802	9,248	154,703	12,330	152,480	15,413
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	16	23,830	2,259	23,116	2,259	22,353	2,259
Assumption Change	6/30/21	No Ramp		0.00%	17	30,817	2,842	29,976	2,842	29,077	2,842
Net Investment (Gain)	6/30/21	80%	Up Only	0.00%	17	(785,980)	(32,309)	(806,037)	(48,464)	(810,763)	(64,619)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	17	(34,202)	(3,154)	(33,268)	(3,154)	(32,271)	(3,154)
Investment (Gain)/Loss	6/30/22	60%	Up Only	0.00%	18	1,056,619	22,712	1,104,998	45,423	1,133,196	68,135
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	18	130,772	11,760	127,511	11,760	124,028	11,759
Partial Fresh Start	6/30/22	60%	Up Only	0.00%	18	23,682	509	24,766	1,018	25,398	1,527
Investment (Gain)/Loss	6/30/23	40%	Up Only	0.00%	19	43,287	0	46,231	993	48,349	1,987
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	19	140,038	0	149,561	13,449	145,832	13,449
Investment (Gain)/Loss	6/30/24	20%	Up Only	0.00%	20	(165,721)	0	(176,990)	0	(189,025)	(4,063)
Non-Investment (Gain)/Loss	6/30/24	No Ramp		0.00%	20	110,226	0	117,721	0	125,726	11,306
Total						2,247,148	157,445	2,237,245	186,533	2,196,605	208,902

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

Amortization Schedule and Alternatives

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

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

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

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

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

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

Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternative Schedules			
	Balance	Payment	15 Year Amortization		10 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2026	2,196,605	208,902	2,196,605	230,432	2,196,605	299,835
6/30/2027	2,130,088	216,994	2,107,836	230,432	2,036,112	299,835
6/30/2028	2,050,681	241,357	2,013,031	230,432	1,864,706	299,835
6/30/2029	1,940,700	242,619	1,911,779	230,432	1,681,644	299,835
6/30/2030	1,821,933	243,004	1,803,642	230,432	1,486,134	299,835
6/30/2031	1,694,695	247,576	1,688,152	230,432	1,277,329	299,835
6/30/2032	1,554,079	245,546	1,564,808	230,432	1,054,326	299,836
6/30/2033	1,406,003	243,276	1,433,077	230,432	816,157	299,835
6/30/2034	1,250,200	237,918	1,292,388	230,431	561,794	299,836
6/30/2035	1,089,340	228,745	1,142,134	230,432	290,133	299,835
6/30/2036	927,019	211,713	981,661	230,431		
6/30/2037	771,261	158,814	810,277	230,432		
6/30/2038	659,583	146,573	627,238	230,431		
6/30/2039	552,960	136,819	431,753	230,431		
6/30/2040	449,166	130,364	222,975	230,431		
6/30/2041	344,985	113,509				
6/30/2042	251,140	94,114				
6/30/2043	170,957	167,220				
6/30/2044	9,770	10,097				
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		3,525,160		3,456,475		2,998,352
Interest Paid		1,328,555		1,259,870		801,747
Estimated Savings				68,685		526,808

Employer Contribution History

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

Valuation Date	Contribution Year	Employer Normal Cost Rate		Unfunded Liability Payment
		Rate Plan 3300	Rate Plan 27241	
06/30/2015	2017-18	8.921%	N/A	\$80,268
06/30/2016	2018-19	9.409%	6.842%	97,609
06/30/2017	2019-20	10.221%	6.985%	82,092
06/30/2018	2020-21	11.031%	7.732%	95,484
06/30/2019	2021-22	10.88%	7.59%	115,454
06/30/2020	2022-23	10.87%	7.47%	135,390
06/30/2021	2023-24	12.47%	7.68%	126,534
06/30/2022	2024-25	12.52%	7.87%	157,445
06/30/2023	2025-26	12.58%	7.96%	186,533
06/30/2024	2026-27	12.56%	7.93%	208,902

Funding History

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

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2015	\$4,860,828	\$3,885,491	\$975,337	79.9%	\$724,544
06/30/2016	5,250,386	3,936,477	1,313,909	75.0%	813,150
06/30/2017	5,732,313	4,455,777	1,276,536	77.7%	814,237
06/30/2018	6,397,411	4,913,646	1,483,765	76.8%	772,516
06/30/2019	6,784,395	5,233,373	1,551,022	77.1%	696,105
06/30/2020	7,116,244	5,385,890	1,730,354	75.7%	644,791
06/30/2021	7,744,455	6,681,115	1,063,340	86.3%	645,403
06/30/2022	8,157,799	6,063,939	2,093,860	74.3%	774,912
06/30/2023	8,501,864	6,223,394	2,278,470	73.2%	831,373
06/30/2024	8,921,569	6,674,421	2,247,148	74.8%	860,778

Risk Analysis

- **Future Investment Return Scenarios** 20
- **Discount Rate Sensitivity** 21
- **Mortality Rate Sensitivity** 22
- **Maturity Measures** 22
- **Maturity Measures History** 23
- **Funded Status – Termination Basis** 24
- **Funded Status – Low-Default-Risk Basis** 25

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer UAL contributions. The CalPERS [Funding Risk Mitigation Policy](#) stipulates that when the investment return exceeds the discount rate by at least 2% the board will consider adjustments to the discount rate. The projections below use a discount rate of 6.8% for all scenarios even though an annual return of 10.8% is high enough to trigger a board discussion on the discount rate. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

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

The first table shows projected UAL contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2044.

Assumed Annual Return FY 2024-25 through FY 2043-44	Projected Employer UAL Contributions				
	2027-28	2028-29	2029-30	2030-31	2031-32
3.0% (5th percentile)	\$223,000	\$260,000	\$281,000	\$307,000	\$344,000
10.8% (95th percentile)	\$210,000	\$221,000	\$201,000	\$170,000	\$0

Required UAL contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2024-25 on the FY 2027-28 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2027-28.

Assumed Annual Return for Fiscal Year 2024-25	Required Employer UAL Contributions	Projected Employer UAL Contributions
	2026-27	2027-28
(17.2%) (2 standard deviation loss)	\$208,902	\$256,000
(5.2%) (1 standard deviation loss)	\$208,902	\$237,000

- Without investment gains (returns higher than 6.8%) in FY 2025-26 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2024-25.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2027-28 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2024, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

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

As of June 30, 2024	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost			
Rate Plan 3300	24.53%	19.49%	15.66%
Rate Plan 27241	19.63%	15.68%	12.68%
b) Accrued Liability	\$10,091,125	\$8,921,569	\$7,949,260
c) Market Value of Assets	\$6,674,421	\$6,674,421	\$6,674,421
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$3,416,704	\$2,247,148	\$1,274,839
e) Funded Ratio	66.1%	74.8%	84.0%

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

As of June 30, 2024	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost			
Rate Plan 3300	20.43%	19.49%	17.79%
Rate Plan 27241	16.54%	15.68%	14.26%
b) Accrued Liability	\$9,205,642	\$8,921,569	\$8,355,175
c) Market Value of Assets	\$6,674,421	\$6,674,421	\$6,674,421
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$2,531,221	\$2,247,148	\$1,680,754
e) Funded Ratio	72.5%	74.8%	79.9%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2024, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2024	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost			
Rate Plan 3300	19.82%	19.49%	19.18%
Rate Plan 27241	15.95%	15.68%	15.43%
b) Accrued Liability	\$9,094,067	\$8,921,569	\$8,762,437
c) Market Value of Assets	\$6,674,421	\$6,674,421	\$6,674,421
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$2,419,646	\$2,247,148	\$2,088,016
e) Funded Ratio	73.4%	74.8%	76.2%

Maturity Measures

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

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

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2023	June 30, 2024
1. Retiree Accrued Liability	\$5,886,242	\$6,098,275
2. Total Accrued Liability	\$8,501,864	\$8,921,569
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	69%	68%

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

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

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2023, was 0.78 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2023	June 30, 2024
1. Number of Actives	11	11
2. Number of Retirees	13	14
3. Support Ratio [(1) ÷ (2)]	0.85	0.79

Maturity Measures (continued)

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

Asset Volatility Ratio

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

Liability Volatility Ratio

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

Contribution Volatility	June 30, 2023	June 30, 2024
1. Market Value of Assets	\$6,223,394	\$6,674,421
2. Payroll	\$831,373	\$860,778
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	7.5	7.8
4. Accrued Liability	\$8,501,864	\$8,921,569
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	10.2	10.4

Maturity Measures History

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

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimated range for the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2024. The accrued liability on a termination basis (termination liability) is calculated differently from the plan’s ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

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

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

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

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

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability ¹	\$12,888,342	\$9,790,408
2. Market Value of Assets (MVA)	6,674,421	6,674,421
3. Unfunded Termination Liability [(1) – (2)]	\$6,213,921	\$3,115,987
4. Funded Ratio [(2) ÷ (1)]	51.8%	68.2%

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

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

Funded Status – Low-Default-Risk Basis

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

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

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index¹ discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	June 30, 2024
Discount Rate	5.35%
1. Accrued Liability – Low-Default-Risk Basis (LDROM)	
a) Active Members	\$3,330,739
b) Transferred Members	110,648
c) Separated Members	197,256
d) Members and Beneficiaries Receiving Payments	7,056,604
e) Total	\$10,695,247
2. Market Value of Assets (MVA)	6,674,421
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	\$4,020,826
4. Unfunded Accrued Liability – Funding Policy Basis	2,247,148
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	\$1,773,678

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

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

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

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

Supplementary Information

- **Normal Cost by Benefit Group** 27
- **Summary of Valuation Data** 28
- **Status of PEPRA Transition** 29
- **Surcharge for Class 1 Benefits** 29
- **Plan's Major Benefit Options** 30

Normal Cost by Benefit Group

The table below displays the Total Normal Cost broken out by benefit group as of the valuation date, June 30, 2024. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits contracted. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as: changes in economic and demographic assumptions, changes in plan benefits or applicable law.

Rate Plan Identifier	Benefit Group Name	Total Normal Cost as of June 30, 2024	Offset due to Employee Contributions as of June 30, 2024	Employer Normal Cost as of June 30, 2024	Number of Actives	Payroll on 6/30/2024
3300	Miscellaneous Plan	19.49%	6.93%	12.56%	5	\$479,067
27241	PEPRA Miscellaneous Plan	<u>15.68%</u>	<u>7.75%</u>	<u>7.93%</u>	<u>6</u>	<u>381,711</u>
	<i>Hypothetical Plan Totals¹</i>	<i>17.80%</i>	<i>7.29%</i>	<i>10.51%</i>	11	\$860,778

¹ The hypothetical employer normal cost and contribution rates for the total plan are provided for illustrative purposes only and are based on the payroll as of the valuation date. This snapshot of the cost of providing benefits can be compared from one valuation date to the next as members retire from older tiers and are replaced by members in new tiers. The employer normal cost rate for contribution purposes varies by rate plan and applies to the covered payroll of members in each respective rate plan.

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

Summary of Valuation Data

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

	June 30, 2023	June 30, 2024
Active Members		
Counts	11	11
Average Attained Age	N/A	44.4
Average Entry Age to Rate Plan	N/A	34.9
Average Years of Credited Service	N/A	9.5
Average Annual Covered Pay	\$75,579	\$78,253
Annual Covered Payroll	\$831,373	\$860,778
Present Value of Future Payroll	\$8,104,023	\$8,418,103
Transferred Members		
Counts	2	2
Separated Members		
Counts	5	5
Retired Members and Beneficiaries*		
Counts	13	14
Average Annual Benefits	\$33,159	\$32,411
Total Annual Benefits	\$431,068	\$453,757

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

* Values include community property settlements.

Status of PEPRA Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2024.

	Classic	PEPRA	PEPRA as a Percent of Total
Active Members			
Count	5	6	54.5%
Average Attained Age	47.2	42.0	
Average Entry Age	31.0	38.2	
Average Years of Credited Service	16.2	3.9	
Average Annual Covered Payroll	\$95,813	\$63,619	
Annual Covered Payroll	\$479,067	\$381,711	44.3%
Present Value of Future Payroll	\$4,335,074	\$4,083,029	48.5%
Transferred Members			
Count	1	1	50.0%
Separated Members			
Count	3	2	40.0%
Retired Members and Beneficiaries Receiving Payments			
Count	14	0	0.0%
Average Annual Benefit	\$32,411	\$0	
Total Annual Benefits	\$453,757	\$0	0.0%
Accrued Liabilities			
Active Members	\$2,236,897	\$349,040	13.5%
Transferred Members	59,317	16,645	21.9%
Separated Members	136,823	24,572	15.2%
Retired Members and Beneficiaries	<u>6,098,275</u>	<u>0</u>	<u>0.0%</u>
Total	\$8,531,312	\$390,257	4.4%

Surcharge for Class 1 Benefits

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

Class 1 benefit provisions	Rate Plan 3300	Rate Plan 27241
One Year Final Compensation (FAC 1)	0.64%	N/A
Surcharge for Class 1 Benefits	0.64%	0.00%

Plan's Major Benefit Options

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

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

Plan's Major Benefit Options (Continued)

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

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

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

[Section 2](#) may be found on the CalPERS website (www.calpers.ca.gov) in the Forms & Publications section



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026
Board Consideration: April 2023, 2026

To: Butte County Air Quality Management District Board of Directors
From: Stephen Ertle, Air Pollution Control Officer
Staff Contact: Aleah Ing, Administrative Services Officer
Re: **GASB 75, ARC OPEB Valuation and Disclosure Reports**

ISSUE:

GASB 75, Other Post Employment Benefit (OPEB) June 30, 2025, Valuation and June 30, 2026, Disclosure Reports, and the CalPERS CERBT Account Summary.

ACTION REQUESTED:

Accept and file the OPEB June 30, 2025, Valuation and June 30, 2026, Disclosure Reports and the CalPERS CERBT Account Summary Report for 12/31/2025.

DISCUSSION:

The District contracts with Actuarial Retirement Consulting to prepare the biannual valuation reports and the annual disclosure reports required by GABS 75. The valuation is for June 30, 2025, and the 2026 disclosure report is for the measurement period ending June 30, 2025.

The total OPEB Liability is \$507,602, with a trust balance of \$292,459 resulting in a net unfunded OPEB Liability as of June 30, 2025, of \$215,143, Net position of 57.62%. The total OPEB Liability increased by \$14,109 from the period ending June 30, 2023.

The attached account summary is an update from CalPERS on the District's OPEB prefunding as of June 30, 2025, with assets totaling \$292,358.88 that increased to \$310,919.78 as of December 31, 2025.

During FY 25-26 the district has budgeted contributing \$66,007.08 toward the CERBT account.

Agenda Item 7

CalPERS released their Schedule of Changes in Fiduciary Net Position by Employer as of June 30, 2025. The District's position improved to \$292,459 with details listed on page 12 of this report. The full report can be accessed from the CalPERS Website. <https://www.calpers.ca.gov/employers/policies-and-procedures/circular-letters/200-009-25>

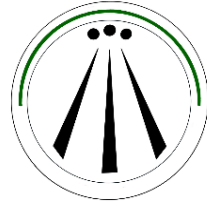
Attachment:

Actuarial Retirement Consulting June 30, 2025, GASB 75 Bi-annual Valuation Report.

Actuarial Retirement Consulting June 30, 2026, GASB Disclosure Report.

CERBT Stmt as of December 31, 2025.

CalPERS GASB 75 schedule of changes in fiduciary net position 2025 report, page 12.



Actuarial Retirement Consulting

March 18, 2026

Aleah Ing
Administrative Services Officer
Butte County Air Quality Management District
629 Entler Avenue
Suite 15
Chico, CA 95928

Re: July 1, 2025 GASB 75 Valuation for the Butte County Air Quality Management District

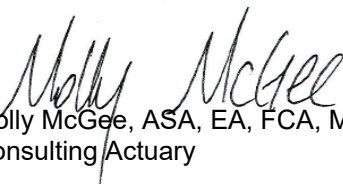
This report sets forth the results of our GASB 75 actuarial valuation of the Butte County Air Quality Management District (District)'s other postemployment benefits (OPEB) plan as of July 1, 2025. Governmental Accounting Standards Board (GASB) Statement No. 75 requires an actuarial valuation of OPEB liabilities at least once every two years. This report may be compared with the valuation performed by Actuarial Retirement Consulting as of July 1, 2023, to see how the liabilities have changed since the last valuation.

Under GASB 75, actuarial valuations may be rolled forward, up to a reporting date of 30 months and 1 day following the valuation date, to produce note disclosures and required supplementary information for each fiscal year end. Separate GASB 75 disclosure reports will be provided annually.

The results set forth in this report are based on census, benefit provisions, employee agreements, premiums, contributions, and trust documents, if applicable, provided by the District. Certain assumptions were made regarding rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. A complete list of the actuarial assumptions used in this valuation, as well as a glossary of terms, can be found at the end of the report.

We appreciate the opportunity to work on this report with the District. We are available to answer any questions the District or its auditors may have regarding this report.

Sincerely,


Molly McGee, ASA, EA, FCA, MAAA
Consulting Actuary


Andy Yost, MBA, QKC, QPA
Managing Director

Table of Contents

Executive Summary. 1

Changes Since the Prior Valuation. 2

Results. 3

Actuarially Determined Contribution. 5

Projected Benefits. 6

Fiscal Year End Disclosure Report Tie In. 7

Actuarial Certification. 8

Plan Provisions. 9

Census Data. 10

Assumptions. 11

Glossary. 13

**Butte County Air Quality Management District
GASB 75 Actuarial Valuation
as of July 1, 2025**

Executive Summary

This report presents the results of the District's July 1, 2025 actuarial valuation of the OPEB plan. Actuarial valuations determine, as of a valuation date, certain actuarial measurements that assess an employer's financial liability and annual costs.

Results of an actuarial valuation reflect plan census, benefit provisions, premium rates, decrement assumptions, discount rate, and assets, if applicable, as of the valuation date. Future valuation results may differ significantly to the extent that actual plan experience differs from the expected plan experience detailed in this report. Future results are also dependent on any change to the discount rate and actual experience of plan assets, if applicable.

The District's prior actuarial valuation was dated July 1, 2023 and the total OPEB liability at 5.50% was \$493,493. The District's current July 1, 2025 valuation has a discount rate of 6.10% and a total OPEB liability of \$507,602.

This valuation includes benefits for 6 retirees and 11 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

The District's net OPEB liability as of July 1, 2025 is:

Discount rate	6.10%
Total OPEB liability	\$507,602
Plan fiduciary net position	\$292,459
Net OPEB liability	\$215,143

Plan fiduciary net position as a percentage of the total OPEB liability 57.62 %

The total OPEB liability includes both explicit and implicit subsidies. The explicit subsidy includes any employer paid benefits for retirees. Explicit subsidies can include, but are not limited to, payments towards medical, dental and vision coverage. The implicit subsidy values the difference between the expected retiree claims and the actual premium charged for retiree coverage.

The District's total OPEB liability in this valuation reflects the value of an explicit subsidy liability equal to \$336,627 and an implicit subsidy liability equal to \$170,975.

The results of this actuarial valuation are intended to be used for the District's June 30, 2026 and June 30, 2027 disclosure reports. The next actuarial valuation is scheduled to be completed as of July 1, 2027. An updated actuarial valuation may need to be completed at an earlier date if the District experiences any significant changes to plan census, benefit provisions, or funding strategy. We are available to discuss any changes to determine the significance and, if needed, any adjustments to future reporting dates.



**Butte County Air Quality Management District
 GASB 75 Actuarial Valuation
 as of July 1, 2025**

Changes Since the Prior Valuation

The District's most recent prior valuation was completed as of July 1, 2023 and the total OPEB liability, at 5.50%, was \$493,493. The District's July 1, 2025 total OPEB liability, at 6.10%, is \$507,602.

Several factors can cause the total OPEB liability to change over time. Liabilities often increase as employees accrue more service and get closer to receiving benefits. Liabilities can decrease as benefits are paid out. Other factors include changes in the plan census (including actual versus expected termination, retirement, and mortality), changes in healthcare costs, and changes (updates) to the actuarial assumptions and methodology for the current valuation.

The changes from July 1, 2023 to July 1, 2025 are as follows:

Total OPEB Liability as of July 1, 2023	<u>\$493,493</u>
Changes due to plan experience	
Passage of time	(53,660)
Change in census - terminations, retirements, and mortality experience different than expected	99,604
Change in premium rates - healthcare premiums different than expected	(4,605)
Changes due to assumptions or other inputs	
Change in discount rate - 5.50% to 6.10%	<u>(27,230)</u>
Total OPEB Liability as of July 1, 2025	<u><u>\$507,602</u></u>



Results

Discount Rate

GASB 75 requires a discount rate that reflects the long-term expected rate of return on OPEB plan investments (if any) and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

To determine the discount rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments are compared in each future period.

At July 1, 2025, the District has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used is 6.10%, equal to the long-term expected rate of return.

Liability Measurements

The present value of projected benefit payments for the District’s current and future retirees is \$670,055 as of July 1, 2025. If the District were to place this amount in a fund earning interest at the rate of 6.10% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits to the current closed group of employees covered by benefit terms.

When the present value of projected benefit payments is allocated into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the total OPEB liability is \$507,602 as of July 1, 2025. This represents the present value of all benefits accrued through the valuation date if each employee’s liability is expensed from hire date until retirement date as a level percentage of pay.

The service cost is the portion of the present value of all benefits expected to be paid that are attributed to the current valuation year.

These liability measurements could be visually represented as follows:

Present value of projected benefit payments		
Total OPEB liability	Service Cost	Future service costs



**Butte County Air Quality Management District
 GASB 75 Actuarial Valuation
 as of July 1, 2025**

Results (cont.)

Valuation Results

Valuation date	July 1, 2025
Discount rate	6.10%
Employees covered by benefit terms	
Actives	11
Retirees	6
Total	<u>17</u>
Present value of projected benefit payments	
Actives	\$454,767
Retirees	215,288
Total	<u>\$670,055</u>
Total OPEB liability (actuarial accrued liability)	
Actives	\$292,314
Retirees	215,288
Total	<u>\$507,602</u>
OPEB plan fiduciary net position	<u>\$292,459</u>
Net OPEB liability (unfunded actuarial accrued liability)	<u>\$215,143</u>
Service Cost (beginning of year)	\$17,609

Sensitivity of the net OPEB liability

The change in net OPEB liability, if the District used a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (5.10%)	Discount Rate (6.10%)	1% Increase (7.10%)
Net OPEB liability (asset)	<u>\$261,844</u>	<u>\$215,143</u>	<u>\$174,416</u>

The change in net OPEB liability, if the District used healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.50% current, 3.00% ultimate, 3.00% Medicare)	Trend Rate (5.50% current, 4.00% ultimate, 4.00% Medicare)	1% Increase (6.50% current, 5.00% ultimate, 5.00% Medicare)
Net OPEB liability (asset)	<u>\$167,155</u>	<u>\$215,143</u>	<u>\$271,922</u>



Actuarially Determined Contribution

An actuarially determined contribution is a potential payment to the plan determined using a contribution allocation procedure. It is not a required contribution, but a measurement commonly used to prefund OPEB benefits. The components of the actuarially determined contribution are an amortization of the net OPEB liability, using a 30-year amortization as a level percentage of pay, the service cost at the beginning of the year, and the interest amount to the end of the year.

Discount Rate	<u>6.10%</u>
Actuarially Determined Contribution (2025-26)	
Amortization of Net OPEB Liability	\$11,254
Service Cost (beginning of year)	17,609
Interest	<u>1,761</u>
Total	<u>\$30,624</u>
Actuarially Determined Contribution (2026-27)	
Amortization of Net OPEB Liability	11,569
Service Cost (beginning of year)	18,102
Interest	<u>1,810</u>
Total	<u>\$31,481</u>



**Butte County Air Quality Management District
 GASB 75 Actuarial Valuation
 as of July 1, 2025**

Projected Benefits

The following projection of future benefit payments shows expected explicit subsidy and implicit subsidy amounts separately.

An implicit subsidy is valued when claims costs for retirees are expected to be higher than the premium charged, due to a pooled environment. If an employer provides retired employees with the option to participate in the same health insurance pool as active employees, the premiums paid for coverage of active employees are higher than what the premiums would be if the active employees were rated separately.

Year Beginning	Explicit Subsidy (pay-as-you-go)	Implicit Subsidy	Total
2025	\$11,520	\$41,769	\$53,289
2026	11,577	19,044	30,621
2027	13,897	868	14,765
2028	20,043	3,708	23,751
2029	26,377	7,936	34,313
2030	33,850	11,470	45,320
2031	44,427	19,000	63,427
2032	43,096	22,010	65,106
2033	33,685	17,385	51,070
2034	26,528	19,327	45,855
2035	23,454	13,756	37,210
2036	30,573	10,281	40,854
2037	36,794	19,134	55,928
2038	33,393	20,538	53,931
2039	28,952	23,709	52,661
2040	23,686	24,674	48,360
2041	24,219	1,473	25,692
2042	36,395	6,348	42,743
2043	43,511	11,842	55,353
2044	38,739	14,877	53,616
2045	33,073	18,940	52,013
2046	27,521	26,463	53,984
2047	23,817	18,835	42,652
2048	24,264	27,780	52,044
2049	23,863	33,628	57,491
2050	23,078	37,365	60,443
2051	22,094	19,612	41,706
2052	21,331	0	21,331
2053	20,716	0	20,716
2054	20,038	0	20,038
2055	19,315	0	19,315
2060	20,344	45,090	65,434
2065	16,102	0	16,102
2070	13,251	0	13,251
2075	10,514	0	10,514
2080	7,909	0	7,909



**Butte County Air Quality Management District
 GASB 75 Actuarial Valuation
 as of July 1, 2025**

Fiscal Year End Disclosure Report Tie In

The schedule of changes in the net OPEB liability shown below is consistent with the District's June 30, 2026 disclosure report. The District uses a lookback measurement period. For the reporting fiscal year ending June 30, 2026, the measurement period is for fiscal year ending June 30, 2025.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2024	<u>\$474,725</u>	<u>\$227,350</u>	<u>\$247,375</u>
Changes for the year:			
Service cost	19,083		19,083
Interest	25,016		25,016
Changes of benefit terms	0		0
Difference between expected and actual experience	94,999		94,999
Changes in assumptions or other inputs	(27,230)		(27,230)
Contributions – employer		118,429	(118,429)
Net investment income		25,743	(25,743)
Benefit payments	(78,991)	(78,991)	0
Administrative expenses		(72)	72
Net changes	<u>32,877</u>	<u>65,109</u>	<u>(32,232)</u>
Balances at June 30, 2025	<u><u>\$507,602</u></u>	<u><u>\$292,459</u></u>	<u><u>\$215,143</u></u>



Actuarial Certification

The results presented in this report are based on our actuarial valuation of the OPEB plan of the Butte County Air Quality Management District (District) as of July 1, 2025. The valuation was performed in accordance with generally accepted actuarial principles and practices. The actuarial assumptions and methodologies used in these calculations are believed to be reasonable under the requirements set forth in GASB 75 and the Actuarial Standards of Practice (ASOP).

Supporting documentation provided by the District was relied upon without audit. This information includes, but is not limited to, census data, premiums, OPEB plan provisions, contributions, payroll, and any applicable asset statements. The data was reviewed in accordance with ASOP 23. The valuation results, and subsequent disclosure information, depend on the integrity of the provided information.

The results in this report were calculated with the assistance of ProVal actuarial valuation software. The model was developed in 1994 and is maintained by Winklevoss Technologies (WinTech). Through ProVal, WinTech provides valuation and projection software for both pension and other postemployment benefit plans. We utilize ProVal in accordance with its intended purpose and have not identified any material inconsistencies in the ProVal assumptions or outputs that would affect this valuation.

The undersigned actuary is a member of the American Academy of Actuaries and meets the qualification standards to render the actuarial opinion contained in this report.

Certified by:


Molly McGee, ASA, EA, FCA, MAAA
Consulting Actuary



Plan Provisions

Plan Description

The District sponsors a defined benefit OPEB plan that provides healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

Benefits Provided

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

Employees hired before October 1, 2018 are eligible to receive an additional benefit. Eligible employees retire with at least 10 years of service and obtain age 55 or 62, depending on their CalPERS pension eligibility. The additional benefit is equal to one year of District-paid health premiums (medical, dental, and vision). Employees who have an unused sick leave balance at retirement can receive, in addition to the one year, one month of premium for every 8 hours of unused sick leave. As an alternative option, retirees can receive an additional one month of premium for every 20 hours of unused sick leave for themselves and their spouse or domestic partner.

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

For the purposes of this valuation, it is assumed the employees hired before October 1, 2018 have a year's worth of unused sick leave at retirement and therefore receive paid health premiums for a total of 2 years.

The following select monthly premium rates were effective January 1, 2026:

<u>Coverage</u>	<u>Blue Shield Access+</u>	<u>PERS Platinum</u>	<u>PERS Gold</u>	<u>Delta Dental</u>	<u>VSP</u>
Single	\$1,301.95	\$1,670.14	\$1,120.58	\$45.27	\$13.75
2 Party	2,603.90	3,340.28	2,241.16	92.30	20.68
Family	3,385.07	4,342.36	2,913.51		



**Butte County Air Quality Management District
 GASB 75 Actuarial Valuation
 as of July 1, 2025**

Census Data

The following table shows the age distribution of retirees included in the valuation:

Age	Total
Under 55	0
55-59	0
60-64	3
65-69	1
70-74	1
75-79	0
80-84	0
85+	1
All Ages	6

Average Age: 69.3

The following table shows the age and service distribution of active employees included in the valuation:

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
<25	0	0	0	0	0	0	0	0	0
25-29	1	1	0	0	0	0	0	0	2
30-34	0	0	0	0	0	0	0	0	0
35-39	2	0	0	0	0	0	0	0	2
40-44	0	0	1	0	0	0	0	0	1
45-49	0	1	0	0	1	0	0	0	2
50-54	0	0	0	0	1	0	0	0	1
55-59	1	1	0	1	0	0	0	0	3
60-64	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0
All Ages	4	3	1	1	2	0	0	0	11

Average Age: 45.4
 Average Service: 10.5



**Butte County Air Quality Management District
 GASB 75 Actuarial Valuation
 as of July 1, 2025**

Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date:	July 1, 2025
Actuarial Cost Method:	Entry Age, Level Percent of Pay
Discount Rate:	6.10%
Salary Increases:	2.80%
Inflation Rate:	2.30%
Withdrawal:	CalPERS Public Agency Miscellaneous (2021 CalPERS Experience Study) Sample Rates:

Service	Male Entry Age			Female Entry Age		
	20	30	40	20	30	40
0	18.5%	16.3%	14.9%	19.4%	18.2%	17.3%
5	4.6	3.6	2.6	5.5	4.6	3.5
10	1.1	0.8	0.5	1.3	1.1	0.7
15	0.0	0.0	0.0	0.0	0.0	0.0

Pre-retirement Mortality: CalPERS Public Agency Miscellaneous and Schools Pre-Retirement Mortality, with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)

Post-retirement Mortality: CalPERS Public Agency Post-Retirement Mortality with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)

Retirement:	Age	Rate
	59	25%
	60	50%
	61	50%
	62	75%
	63	100%

Medical Claim Cost: Annual Per Retiree or Spouse

Age	Medical	Dental and Vision
50	\$14,328	\$723
55	17,664	723
60	21,600	723
64	25,752	723
65	5,940	723
70	5,724	723
75	6,132	723



**Butte County Air Quality Management District
 GASB 75 Actuarial Valuation
 as of July 1, 2025**

Assumptions (cont.)

Medical Trend:

Sample Rates:

<u>Year</u>	<u>Pre-Medicare</u>	<u>Medicare</u>	<u>Dental and Vision</u>
2023 – 2034	5.50%	4.00%	4.00%
2035 – 2074	4.50%	4.00%	4.00%
2075 +	4.00%	4.00%	4.00%

Increase in CalPERS minimum: 3.00%

Percent Electing Coverage: 100% for those eligible for the supplemental benefit
 50% for those eligible for the PEMHCA minimum benefit

Spouse Coverage: Future retirees: 40%
 Current retirees: Actual dependent data used.
 Female spouses are assumed to be three years younger than male spouses.



Glossary

The following definitions are a selection of terms used throughout the report. A more extensive list of terms can be found in the glossary section of Statement No. 75 of the Governmental Accounting Standards Board. The definitions are intended to provide clarity in relation to how they are used in GASB 75. They are organized in the order they appear in this report.

Other postemployment benefits (OPEB)

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

Actuarial present value of projected benefit payments

Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

Total OPEB liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

Service costs

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

Actuarially determined contribution

A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Projected benefit payments

All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan to current active and inactive employees as a result of their past service and their expected future service.

Explicit Subsidy (pay-as-you-go)

The explicit subsidy includes any employer benefits paid subsequent to the termination of employment. Explicit subsidies can include, but are not limited to, payments towards medical, dental and vision coverage.

Implicit Subsidy

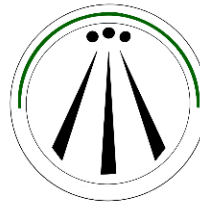
The implicit subsidy values the difference between the expected retiree claims and the actual premium charged for retiree coverage.

Healthcare cost trend rates

The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.



This page intentionally left blank



Actuarial Retirement Consulting

March 18, 2026

Aleah Ing
Administrative Services Officer
Butte County Air Quality Management District
629 Entler Avenue
Suite 15
Chico, CA 95928

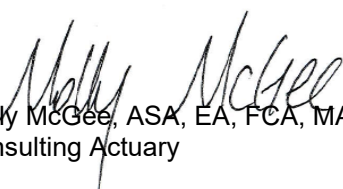
Re: June 30, 2026 GASB 75 Disclosure for the Butte County Air Quality Management District

This report provides the note disclosures and required supplementary information for the Butte County Air Quality Management District (District)'s other postemployment benefits (OPEB) plan for the reporting period ending June 30, 2026.

Governmental Accounting Standards Board (GASB) Statement No. 75 allows for a roll forward of results from the prior actuarial valuation date to a reporting date no more than 30 months and 1 day following. If significant changes occur between the valuation date and the measurement date, consideration should be given to whether a new actuarial valuation is needed. The District provided changes since the July 1, 2025 (June 30, 2025) actuarial valuation and it was determined that a new actuarial valuation was not needed for this measurement period. The results set forth in this report are established from the District's July 1, 2025 (June 30, 2025) valuation and are based on the same census, benefit provisions, and assumptions. The District provided contributions, payroll, and any applicable asset information for the measurement period ending June 30, 2025.

We appreciate the opportunity to work on this report with the District and are available to answer any questions the District or its auditors may have regarding this report.

Sincerely,


Molly McGee, ASA, EA, FCA, MAAA
Consulting Actuary


Andy Yost, MBA, QKC, QPA
Managing Director

General Information about the OPEB Plan

Plan Description

The District sponsors a defined benefit OPEB plan that provides healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

Benefits Provided

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

Employees hired before October 1, 2018 are eligible to receive an additional benefit. Eligible employees retire with at least 10 years of service and obtain age 55 or 62, depending on their CalPERS pension eligibility. The additional benefit is equal to one year of District-paid health premiums (medical, dental, and vision). Employees who have an unused sick leave balance at retirement can receive, in addition to the one year, one month of premium for every 8 hours of unused sick leave. As an alternative option, retirees can receive an additional one month of premium for every 20 hours of unused sick leave for themselves and their spouse or domestic partner.

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

For the purposes of this valuation, it is assumed the employees hired before October 1, 2018 have a year's worth of unused sick leave at retirement and therefore receive paid health premiums for a total of 2 years.

Employees Covered by Benefit Terms

Retirees or beneficiaries receiving benefit payments as of July 1, 2025	6
Active eligible employees as of July 1, 2025	11

Contributions

The District has an irrevocable OPEB trust with California Employers' Retiree Benefit Trust (CERBT). For the fiscal year ending June 30, 2025, the District made a contribution of \$39,438 to the CERBT trust.

**Butte County Air Quality Management District
GASB 75 Note Disclosures and Required Supplementary Information
for the Reporting Year Ended June 30, 2026**

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2025 (June 30, 2025). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

The total OPEB liability in the July 1, 2025 (June 30, 2025) actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.30 percent
Salary increases	2.80 percent
Discount rate	5.50 percent
Investment rate of return	6.10 percent, net of OPEB plan investment expense
Healthcare cost trend rate	5.50 percent for 2025 through 2034; 4.50 percent for 2035 through 2074; and 4.00 percent for 2075 and later years

Mortality rates were based on the most recent experience study for CalPERS members.

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of the most recent applicable experience study and a review of plan experience during the period July 1, 2023 to June 30, 2025.

Discount Rate

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

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

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

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

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

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Discount Rate (cont.)

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Rate of Return</u>
Global ex-U.S. Equity	34%	5.2%
U.S. Fixed	41%	2.4%
TIPS	5%	1.9%
Real Estate	17%	4.7%
Commodities	3%	1.4%

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2024	\$474,725	\$227,350	\$247,375
Changes for the year:			
Service cost	19,083		19,083
Interest	25,016		25,016
Changes of benefit terms	0		0
Difference between expected and actual experience	94,999		94,999
Changes in assumptions or other inputs	(27,230)		(27,230)
Contributions – employer		118,429	(118,429)
Net investment income		25,743	(25,743)
Benefit payments	(78,991)	(78,991)	0
Administrative expenses		(72)	72
Net changes	32,877	65,109	(32,232)
Balances at June 30, 2025	\$507,602	\$292,459	\$215,143

Sensitivity of the net OPEB liability to changes in the discount rate

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

	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB liability (asset)	\$261,844	\$215,143	\$174,416

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease (4.50% current, 3.00% ultimate, 3.00% Medicare)	Trend Rate (5.50% current, 4.00% ultimate, 4.00% Medicare)	1% Increase (6.50% current, 5.00% ultimate, 5.00% Medicare)
Net OPEB liability (asset)	\$167,155	\$215,143	\$271,922

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

OPEB Plan Experience

Reporting period July 1, 2025 to June 30, 2026
 Measurement period July 1, 2024 to June 30, 2025

Benefit Payments and Contributions

	<u>Benefit Payments</u>
Benefits paid from the trust	0
Benefits paid outside of trust	59,096
Implicit benefits paid	19,895
Total benefit payments	<u>\$78,991</u>
	<u>Contributions</u>
Contributions to the trust - employer	39,438
Contributions - benefits paid outside of trust	59,096
Contributions – implicit benefits paid	19,895
Total contributions	<u>\$118,429</u>

Investment Rate of Return

The District’s policy regarding the allocation of the plan’s invested assets is established and may be amended by District management. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the District has selected is CERBT Strategy 2, which has a dual goal to seek moderate growth of income and principal. The asset allocation ranges for this objective are listed below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Range</u>	<u>Benchmark</u>
Global Equity	34%	±5%	MSCI All Country World Index IMI (net)
Fixed Income	41%	±5%	Bloomberg Barclays Long Liability Index
Treasury Inflation Securities (TIPS)	5%	±3%	Bloomberg Barclays Barclays US TIPS Index
Real Estate Investment Trusts	17%	±5%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	±3%	S&P GSCI Total Return Index
Cash	0%	±2%	91 Day Treasury Bill

For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 10.44 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

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

Annual OPEB Expense

The annual OPEB expense is the sum of the change in Net OPEB Liability, the change in deferred outflows, and the change in deferred inflows, reduced by the employer contributions.

Net OPEB liability at beginning of measurement period (a)	\$247,375
Net OPEB liability at end of measurement period (b)	\$215,143
Change in net OPEB liability (b)-(a)	(32,232)
Change in deferred outflows	(39,549)
Change in deferred inflows	28,163
Employer contributions	118,429
Net OPEB expense from June 30, 2024 to June 30, 2025	<u><u>\$74,811</u></u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the reporting year ending June 30, 2026, the District recognized deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	158,357	0
Changes in assumptions or other inputs	18,419	26,204
Differences between projected and actual return investments	7,603	12,262
Total	<u><u>\$184,379</u></u>	<u><u>\$38,466</u></u>

The District has a lookback measurement date. For the reporting year ending June 30, 2026, the District uses a measurement year ending June 30, 2025. The deferred resources listed above do not include any District contributions made after the measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Reporting Fiscal Year Ending June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2027	46,199	(8,447)	37,752
2028	39,184	(6,378)	32,806
2029	25,856	(6,374)	19,482
2030	20,495	(5,512)	14,983
2031	20,495	(3,095)	17,400
2032	12,723	(3,095)	9,628
2033	10,796	(3,095)	7,701
2034	8,631	(2,470)	6,161
2035	0	0	0
2036	0	0	0
2037	0	0	0

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Schedule of Deferred Outflows of Resources

Year	Source	Initial Amount	Initial Amortization Period (Years)	Annual Recognition	Current Balance
2019	Difference between expected and actual experience	0	0.0	0	0
2019	Changes in assumptions or other inputs	5,043	6.2	813	0
2019	Net difference between projected and actual earnings on OPEB plan investments	315	5.0	63	0
2020	Difference between expected and actual experience	60,854	7.1	8,571	857
2020	Changes in assumptions or other inputs	12,083	7.1	1,702	169
2020	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2021	Difference between expected and actual experience	0	0.0	0	0
2021	Changes in assumptions or other inputs	0	0.0	0	0
2021	Net difference between projected and actual earnings on OPEB plan investments	217	5.0	43	0
2022	Difference between expected and actual experience	117,979	7.3	16,162	37,169
2022	Changes in assumptions or other inputs	12,556	7.3	1,720	3,956
2022	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2023	Difference between expected and actual experience	0	0.0	0	0
2023	Changes in assumptions or other inputs	0	0.0	0	0
2023	Net difference between projected and actual earnings on OPEB plan investments	29,938	5.0	5,988	5,986
2024	Difference between expected and actual experience	56,975	8.2	6,949	36,128
2024	Changes in assumptions or other inputs	22,544	8.2	2,750	14,294
2024	Net difference between projected and actual earnings on OPEB plan investments	4,047	5.0	810	1,617
2025	Difference between expected and actual experience	0	0.0	0	0
2025	Changes in assumptions or other inputs	0	0.0	0	0
2025	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2026	Difference between expected and actual experience	94,999	8.8	10,796	84,203
2026	Changes in assumptions or other inputs	0	0.0	0	0
2026	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
				Total	\$184,379

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Schedule of Deferred Inflows of Resources

Year	Source	Initial Amount	Initial Amortization Period (Years)	Annual Recognition	Current Balance
2019	Difference between expected and actual experience	0	0.0	0	0
2019	Changes in assumptions or other inputs	0	0.0	0	0
2019	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2020	Difference between expected and actual experience	0	0.0	0	0
2020	Changes in assumptions or other inputs	0	0.0	0	0
2020	Net difference between projected and actual earnings on OPEB plan investments	146	5.0	29	0
2021	Difference between expected and actual experience	0	0.0	0	0
2021	Changes in assumptions or other inputs	22,727	6.6	3,443	2,069
2021	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2022	Difference between expected and actual experience	0	0.0	0	0
2022	Changes in assumptions or other inputs	0	0.0	0	0
2022	Net difference between projected and actual earnings on OPEB plan investments	6,715	5.0	1,343	0
2023	Difference between expected and actual experience	0	0.0	0	0
2023	Changes in assumptions or other inputs	0	0.0	0	0
2023	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2024	Difference between expected and actual experience	0	0.0	0	0
2024	Changes in assumptions or other inputs	0	0.0	0	0
2024	Net difference between projected and actual earnings on OPEB plan investments	0	0.0	0	0
2025	Difference between expected and actual experience	0	0.0	0	0
2025	Changes in assumptions or other inputs	0	0.0	0	0
2025	Net difference between projected and actual earnings on OPEB plan investments	4,311	5.0	863	2,585
2026	Difference between expected and actual experience	0	0.0	0	0
2026	Changes in assumptions or other inputs	27,230	8.8	3,095	24,135
2026	Net difference between projected and actual earnings on OPEB plan investments	12,097	5.0	2,420	9,677
				Total	\$38,466

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Schedules of Required Supplementary Information

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Measurement period ending Reporting fiscal year ending	2025 2026	2024 2025	2023 2024	2022 2023	2021 2022
Discount rate	6.10%	5.50%	5.50%	6.25%	6.25%
Total OPEB liability					
Service cost	19,083	21,076	18,713	16,296	15,799
Interest	25,016	26,501	26,458	27,955	21,374
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	94,999	0	56,975	0	117,979
Change of assumptions	(27,230)	0	22,544	0	12,556
Benefit payments	(78,991)	(66,345)	(70,557)	(70,691)	(88,192)
Net change in total OPEB liability	32,877	(18,768)	54,133	(26,440)	79,516
Total OPEB liability – beginning	474,725	493,493	439,360	465,800	386,284
Total OPEB liability – ending (a)	\$507,602	\$474,725	\$493,493	\$439,360	\$465,800
Plan fiduciary net position					
Contributions - employer	118,429	99,533	90,352	90,485	188,192
Net investment income	25,743	15,126	6,175	(19,724)	10,708
Benefit payments	(78,991)	(66,345)	(70,557)	(70,691)	(88,192)
Administrative expense	(72)	(60)	(45)	(39)	(19)
Net change in plan fiduciary net position	65,109	48,254	25,925	31	110,689
Plan fiduciary net position - beginning	227,350	179,096	153,171	153,140	42,451
Plan fiduciary net position – ending (b)	\$292,459	\$227,350	\$179,096	\$153,171	\$153,140
District's net OPEB liability – ending (a) – (b)	\$215,143	\$247,375	\$314,397	\$286,189	\$312,660
Plan fiduciary net position as a percentage of the total OPEB liability	57.62%	47.89%	36.29%	34.86%	32.88%
Covered-employee payroll	\$951,355	\$862,149	\$835,703	\$737,760	\$658,133
District's net OPEB liability as a percentage of covered-employee payroll	22.61%	28.69%	37.62%	38.79%	47.51%

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Schedule of Changes in the District's Net OPEB Liability and Related Ratios (cont.)

Measurement period ending Reporting fiscal year ending	2020 2021	2019 2020	2018 2019	2017 2018
Discount rate	5.96%	5.33%	5.40%	5.56%
Total OPEB liability				
Service cost	20,135	18,620	13,753	13,352
Interest	21,819	17,916	16,696	15,779
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	0	60,854	0	0
Change of assumptions	(22,727)	12,083	5,043	0
Benefit payments	(43,770)	(23,285)	(21,989)	(3,511)
Net change in total OPEB liability	(24,543)	86,188	13,503	26,620
Total OPEB liability – beginning	410,827	324,639	311,136	285,516
Total OPEB liability – ending (a)	\$386,284	\$410,827	\$324,639	\$311,136
Plan fiduciary net position				
Contributions - employer	63,770	23,285	32,561	11,811
Net investment income	1,709	1,362	542	0
Benefit payments	(43,770)	(23,285)	(21,989)	(3,511)
Administrative expense	(15)	(4)	(15)	0
Net change in plan fiduciary net position	21,694	1,358	11,099	8,300
Plan fiduciary net position - beginning	20,757	19,399	8,300	0
Plan fiduciary net position – ending (b)	\$42,451	\$20,757	\$19,399	\$8,300
District's net OPEB liability – ending (a) – (b)	\$343,833	\$390,070	\$305,240	\$302,836
Plan fiduciary net position as a percentage of the total OPEB liability	10.99%	5.05%	5.98%	2.67%
Covered-employee payroll	\$746,422	\$790,181	\$746,937	\$813,249
District's net OPEB liability as a percentage of covered-employee payroll	46.06%	49.36%	40.87%	37.24%

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Schedule of District Contributions

Measurement period ending Reporting fiscal year ending	2025 2026	2024 2025	2023 2024	2022 2023	2021 2022
Actuarially determined contribution	\$30,624	\$39,438	\$38,364	\$35,630	\$34,592
Contributions in relation to the actuarially determined contribution	118,429	99,533	90,352	90,485	188,192
Contribution deficiency (excess)	<u>\$(87,805)</u>	<u>\$(60,095)</u>	<u>\$(51,988)</u>	<u>\$(54,855)</u>	<u>\$(153,600)</u>
Covered-employee payroll	\$951,355	\$862,149	\$835,703	\$737,760	\$658,133
Contributions as a percentage of covered-employee payroll	12.45%	11.54%	10.81%	12.26%	28.59%

Measurement period ending Reporting fiscal year ending	2020 2021	2019 2020	2018 2019	2017 2018
Actuarially determined contribution	39,018	37,881	29,190	27,564
Contributions in relation to the actuarially determined contribution	63,770	23,285	32,561	11,811
Contribution deficiency (excess)	<u>\$(24,752)</u>	<u>\$14,596</u>	<u>\$(3,371)</u>	<u>\$15,753</u>
Covered-employee payroll	\$746,422	\$790,181	\$746,937	\$813,249
Contributions as a percentage of covered-employee payroll	8.54%	2.95%	4.36%	1.45%

**Butte County Air Quality Management District
 GASB 75 Note Disclosures and Required Supplementary Information
 for the Reporting Year Ended June 30, 2026**

Schedule of District Contributions (cont.)

Notes to Schedule

Valuation date	July 1, 2025 (June 30, 2025)
Reporting period	July 1, 2025 to June 30, 2026
Measurement period	July 1, 2024 to June 30, 2025
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.30 percent
Healthcare cost trend rates	5.50 percent for 2025 through 2034; 4.50 percent for 2035 through 2074; and 4.00 percent for 2075 and later years
Salary increases	2.80 percent
Investment rate of return	6.10 percent, net of OPEB plan investment expense
Retirement age	25.00 percent at age 59; 50.00 percent at age 60 through 61; 75.00 percent at age 62; and 100.00 percent at age 63
Mortality	CalPERS Public Agency Miscellaneous Mortality, with fully generational mortality improvement using 80% of MP-2020

**Butte County Air Quality Management District
GASB 75 Note Disclosures and Required Supplementary Information
for the Reporting Year Ended June 30, 2026**

Actuarial Certification

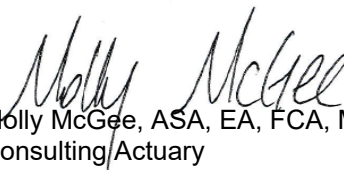
The results presented in this disclosure are based on the District's July 1, 2025 (June 30, 2025) valuation. The valuation was performed in accordance with generally accepted actuarial principles and practices. The actuarial assumptions and methodologies used in these calculations are believed to be reasonable under the requirements set forth in GASB 75 and the Actuarial Standards of Practice (ASOP).

Supporting documentation provided by the District was relied upon without audit. This information includes, but is not limited to, census data, premiums, OPEB plan provisions, contributions, payroll, and any applicable asset statements. The data was reviewed in accordance with ASOP 23. The valuation results, and subsequent disclosure information, depend on the integrity of the provided information.

The results in this report were calculated with the assistance of ProVal actuarial valuation software. The model was developed in 1994 and is maintained by Winklevoss Technologies (WinTech). Through ProVal, WinTech provides valuation and projection software for both pension and other postemployment benefit plans. We utilize ProVal in accordance with its intended purpose and have not identified any material inconsistencies in the ProVal assumptions or outputs that would affect this valuation.

The undersigned actuary is a member of the American Academy of Actuaries and meets the qualification standards to render the actuarial opinion contained in this report.

Certified by:


Molly McGee, ASA, EA, FCA, MAAA
Consulting Actuary

**California Public Employees' Retirement System
California Employers' Retiree Benefit Trust
Schedule of Changes in Fiduciary Net Position by Employer
As of and for the Year Ended June 30, 2024**

Employer Name	Belmont-San Carlos Fire Department	Big Bear Area Regional Wastewater Agency	Big Bear City Airport District	Big Bear City Community Services District	Bonita-Sunnyside Fire Protection District	Border Coast Regional Airport Authority	Brooktrails Township Community Services District
Additions							
Contributions:							
Employer contributions - direct	\$ -	\$ 56,877	\$ -	\$ 114,029	\$ -	\$ -	\$ -
Net investment and other income/expenses	217,368	298,692	23,624	474,693	127,757	21,047	4,897
Total Additions	217,368	355,569	23,624	588,722	127,757	21,047	4,897
Deductions							
OPEB reimbursements - direct	82,900	-	-	-	-	-	-
Administrative expenses	647	887	70	1,410	646	83	15
Employer withdrawal	-	-	-	-	-	-	-
Total Deductions	83,547	887	70	1,410	646	83	15
Net Increase (Decrease)	133,821	354,682	23,554	587,312	127,111	20,964	4,882
Net Position Restricted for OPEB Benefits							
Beginning of year	1,978,097	2,721,483	214,761	4,320,444	2,024,420	256,168	44,701
End of year	\$ 2,111,918	\$ 3,076,165	\$ 238,315	\$ 4,907,756	\$ 2,151,531	\$ 277,132	\$ 49,583

**California Public Employees' Retirement System
California Employers' Retiree Benefit Trust
Supplementary Schedule the Contributions and Reimbursements Outside the Trust
As of and for the Year Ended June 30, 2024
(unaudited)**

Employer Name	Belmont-San Carlos Fire Department	Big Bear Area Regional Wastewater Agency	Big Bear City Airport District	Big Bear City Community Services District	Bonita-Sunnyside Fire Protection District	Border Coast Regional Airport Authority	Brooktrails Township Community Services District
Employer contributions outside of trust	\$ 176,959	\$ 223,629	\$ 83,776	\$ 709,271	\$ 146,533	\$ -	\$ 19,168
OPEB reimbursements outside of trust	176,959	223,629	83,776	709,271	146,533	-	19,168

(Continued)

This page intentionally left blank



Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	\$306,632.69	\$292,358.88
Contribution	0.00	0.00
Disbursement	0.00	0.00
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	4,341.84	18,668.33
Administrative Expenses	(21.17)	(41.56)
Investment Expense	(33.58)	(65.87)
Other	0.00	0.00
Ending Balance	\$310,919.78	\$310,919.78
FY End Contrib per GASB 74 Para 22	0.00	0.00
FY End Disbursement Accrual	0.00	0.00
Grand Total	\$310,919.78	\$310,919.78

Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	12,478.779	12,478.779
Unit Purchases from Contributions	0.000	0.000
Unit Sales for Withdrawals	0.000	0.000
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	12,478.779	12,478.779
Period Beginning Unit Value	24.572336	23.428483
Period Ending Unit Value	24.915894	24.915894

Please note the Grand Total is your actual fund account balance at the end of the period, including all contributions per GASB 74 paragraph 22 and accrued disbursements. Please review your statement promptly. All information contained in your statement will be considered true and accurate unless you contact us within 30 days of receipt of this statement. If you have questions about the validity of this information, please contact CERBT4U@calpers.ca.gov.

Statement of Transaction Detail for the Quarter Ending 12/31/2025

Butte County Air Quality Management District

Entity #: SKB7-3225653892-001



Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
------	-------------	--------	------------	-------	------------	-------

Client Contact:
CERBT4U@CalPERS.ca.gov

If you have any questions or comments regarding the new statement format please contact CERBT4U@CalPERS.ca.gov



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

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) Incentive Project (2024-2025 Final Approval)

ISSUE:

District staff are submitting two options for Board approval to fund eligible projects with 2024-2025 & 2025-2026 CAP Incentives Funds.

ACTION REQUESTED:

Approve projects under Option 1 or Option 2.

DISCUSSION:

The District Governing Board approved and declined projects earlier this year that propose to use FY2024-25 CAP Incentive Funds. The Board requested that staff return to finalize a tentative allocation for the remaining eligible projects. Based on Governing Board feedback in March, Brighton Energy resubmitted their application with an updated scope of work. CARD staff informed the District that they would be appreciative of any funding amount to support the project, and the modular nature of Thermalito UESD's application allows the school district to move forward with as many classrooms as funding allows.

Below are two options for Board consideration:

Option 1 funds the updated application from Brighton Energy and splits the remaining funds to the next two eligible projects that rank equally based on the District's policies and procedures. Additional FY2025-26 funds, pending approval of the upcoming grant agreement, would increase the project total to a meaningful amount.

Agenda Item 8

Option 2 declines the updated application from Brighton Energy and splits available funds to the next two eligible projects that rank equally based on the District's policies and procedures. Additional FY2025-26 funds, pending approval of the upcoming grant agreement, would increase the project total to a meaningful amount.

Option 1							
Organization	Project Type	Community Designation	Zero-Emission Technology?	Sensitive Receptor?	Cost Effectiveness (\$/ton)	Tentative FY2024-25 Award	Tentative FY2025-26 Award*
Thermalito Unified Elementary School District	Air Filtration Phase II (Nelson Middle School)	LIC	N	Y	N/A	\$27,843.50	Up to \$158,500.00 Project Maximum: \$186,343.50 in funding
Chico Area Recreation & Park District	Paving (unpaved lot at Degarmo Park)	LIC	N	Y	N/A	\$27,843.50	Up to \$158,500.00 Project Maximum: \$186,343.50 in funding
Brighton Energy & Participating Housing Authorities	Battery Charging Infrastructure	LIC	Y	Y	N/A	\$44,870.80	

*FY2025-26 funding pending approval of FY2025-26 Grant Agreement.

Option 2							
Organization	Project Type	Community Designation	Zero-Emission Technology?	Sensitive Receptor?	Cost Effectiveness (\$/ton)	Tentative FY2024-25 Award	Tentative FY2025-26 Award*
Thermalito Unified Elementary School District	Air Filtration Phase II (Nelson Middle School)	LIC	N	Y	N/A	\$50,278.90	Up to \$158,500.00 Project Maximum: \$208,778.90 in funding
Chico Area Recreation & Park District	Paving (unpaved lot at Degarmo Park)	LIC	N	Y	N/A	\$50,278.90	Up to \$158,500.00 Project Maximum: \$208,778.90 in funding

*FY2025-26 funding pending approval of FY2025-26 Grant Agreement.

Attachments:

Application Narrative: Thermalito Union Elementary School District.

Application Narrative: Chico Area Recreation & Park District.

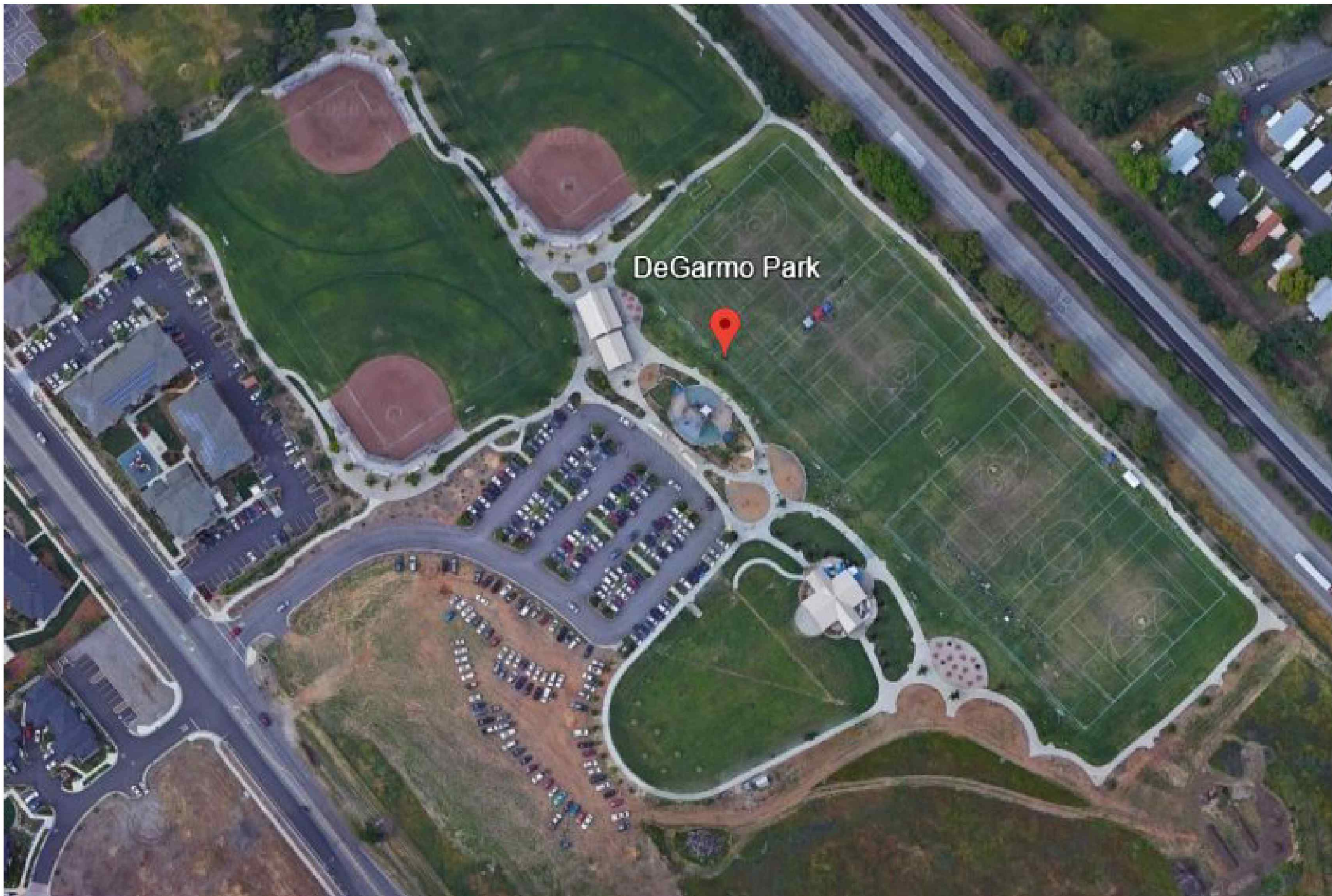
Updated Application Narrative: Brighton Energy.

CAP Incentives General Application – Project Information

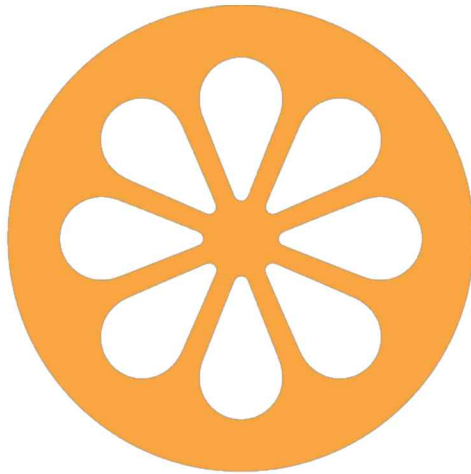
- **Name of project:** DeGarmo Park Entrance Drive and Parking Lot Project
- **Location & Proposed size:**
 - **Location:** DeGarmo Park, 3428 Esplanade, Chico, Ca, 95973
 - **Size:** ~ 52,000 ft²
- **List of nearby sensitive populations/receptors to benefit from project:**
 - Shasta Elementary School students
 - Children participating in recreational sports leagues
 - Children recreating within the park
 - Senior citizens recreating within the park
- **Project outline including:**
 - **Existing conditions** – The current condition of the project site is unpaved dirt.
 - **Existing vehicle usage** – This site sees high amounts of vehicle usage as the area serves as an overflow parking lot (see attached photo). Due to the significant volume of recreational sports programming at DeGarmo Park, the school next door, and the residential areas nearby, this park experiences significant traffic.
 - **Existing dust control measures** – None.
 - **Proposed improvements** – The proposed improvement is to pave the existing dirt lot that is used heavily year-round as an additional parking area for park visitors and other community members. The goal of this improvement is to significantly reduce the amount of dust generated while the lot is being used. There are numerous additional benefits associated with the completion of this project as well. The unpaved lot lacks visual indicators to designate where users should drive or park; paving and painting the lot will result in substantial safety improvements. Additionally, paving the lot will allow the creation of ADA-compliant parking spaces. Currently, it is not possible to add accessible parking within the overflow lot as there is no way to ensure the parking space sizes, access aisles, and lot surface meet the requirements defined by the ADA. By paving this lot and creating additional parking spaces the overall issue of congestion during times of high use will be severely reduced. The combination of these additional benefits, along with the significant dust reduction, will result in a safe and practical parking area for all visitors.
 - **Proposed uses** - The proposed use of this site is to serve as additional parking for individuals visiting DeGarmo Park. This will allow for the distribution of parking impacts which will result in less congestion overall as well as offer more parking access during times of high use. The proposed project will meet a growing need at the location due to frequent

community events that are free to the public and attract hundreds of visitors. DeGarmo Park hosts softball games and tournaments, soccer leagues, Movies in the Park, the K9 Classic, and other significant community events. The site's parking lot is also frequently utilized when Shasta Elementary hosts events such as their annual jog-a-thon as well as by visitors to the new Beyond Golf location. Completing this project will ensure that this site can continue to meet the needs of our growing community and the events that serve them.

- **Proposed timeline if awarded** – 2027-2028
- **Estimated project costs/quotes:** ~\$1,400,000. Estimate based on a 2024 quote (See attached).
- **Grant funding requested for project:** \$770,866 (partial funding for the project will help ensure its comprehensive completion)



This page intentionally left blank



THERMALITO

UNION ELEMENTARY SCHOOL DISTRICT

AIR QUALITY IMPROVEMENT GRANT PROPOSAL

2026 Clean Air Program Incentives

Nelson Avenue HVAC & Air Filtration Project

Presented By:

Andrew Koster

Director of MOT & Construction

Thermalito Union Elementary School District

1123 Sierra Avenue
Oroville, California

Date: January 22, 2026

Project Scope

Project location: 2255 6th street, Oroville, CA 95965
Number of classrooms and student spaces: 19
Average students per class room: 27 Students
Square Footage of Each Room: 960-2,000 sq ft.
Number of Units: 21

Thermalito Union Elementary School District is requesting CAP Incentive Funding to replace all HVAC units below to provide MERV 14 filtration in 19 student spaces. Existing HVAC systems are not designed to provide filtration ratings above MERV 10, limiting their ability to protect students and staff during poor outdoor air quality events. This project includes replacement of 21 outdated HVAC package units with 21 new package units that can accept MERV 14 filters to improve the air quality in the classrooms to AQI levels below 50. This will create a safe and healthy learning environment for students when outdoor air quality exceeds “Level 1” (Good) conditions. Approving this project will leverage the grant funding because Thermalito will complete all installs in-house with its maintenance crew, led by our veteran licensed HVAC Technician.

Air Quality Activity Recommendations for Butte County Schools					
<p>PROTECT STUDENT HEALTH DURING POOR AIR QUALITY Air quality is an important consideration for schools in terms of student activities. Butte County Air Quality Management District (BCAQMD) and Butte County Public Health (BCPH) can assist schools with understanding local air quality concerns and actions they can take to protect student health. To find out more, contact BCAQMD or BCPH.</p>					
The following school activity recommendations are based on consultation with health researchers and several important principles drawn from recent studies.					
Activity	Air Quality Level				
	LEVEL 1 GOOD AQI: 0-50	LEVEL 2 MODERATE AQI: 51-100	LEVEL 3 UNHEALTHY FOR *SENSITIVE GROUPS AQI: 101-150	LEVEL 4 UNHEALTHY AQI: 151-200	LEVEL 5 VERY UNHEALTHY AQI: 201-300 <i>School districts may consider closures.</i>
Recess (15min)	No restrictions	No restrictions, but allow students with asthma or other respiratory conditions to stay indoors.	Keep students with asthma/other respiratory conditions, and heart disease indoors. Make indoor space available for all students.	No outdoor activity. Keep students indoors and activity Levels light	No outdoor activity. Keep students indoors and activity Levels light
P.E. (1hr)	No restrictions	Monitor students with asthma or other respiratory conditions. Limit their vigorous activities & increase rest periods.	Limit P.E. to light outdoor activities. Keep students with asthma/other respiratory conditions, and heart disease indoors & keep activity levels light.	No outdoor activity. Keep students indoors and activity Levels light	No outdoor activity. Keep students indoors and activity Levels light

(FIGURE “B”) Currently, sending students indoors will not protect them from poor air quality.

EXISTING HVAC SYSTEM INFORMATION

HVAC system assessment: Existing equipment will not accommodate filters above MERV 10.
Annual Usage: Average 2040 hours runtime a year per unit.

Manufacturer and Model:

ROOM	BRAND	MODEL
21	AMER. STD.	YCC048F3H0BB
22	AMER. STD.	YCC048F3H0BB
25	AMER. STD.	YCC048F3H0BC
26	AMER. STD.	YCC048F3H0BB
28	BRYANT	580CPV048074ADAA
29	ICP	RGS048HLCA0AAAA---
30	BARD	POSSIBLE 48WH4, -5
31	BARD	POSSIBLE 48WH4, -5
32	BARD	POSSIBLE 48WH4, -5
33	BARD	POSSIBLE 48WH4, -5
34	BARD	POSSIBLE 48WH4, -5
35	BARD	SH611-A10VP4XXX
36	MARVAIR	AVPA060HPA100NU
37	BARD	POSSIBLE 45WH1
38	BRYANT	602BNX048000AC--
10B_1	AMER. STD.	YCC060F3M0BC
10B_2	AMER. STD.	YCC060F3M0BC
39_1	BRYANT	601ANX036000AAAF
39_2	BRYANT	602BNX048000A?--
BOYS LCKR	AMER. STD.	YCC024F1L0BC
GIRLS LCKR	AMER. STD.	YCC024F1L0BC

Model Year:

Rooms: 21, 22, 25, 26, 28, 29, Locker and 10B: Estimate >30 years old

Rooms 30-37: Estimate >29 years old

Rooms 38-39: 27 Years Old

Service schedule:

All units on a **Bi-annual** service schedule.

Historical unscheduled downtime: (Duration and cause)

One week out of the year on average due to age of equipment and parts getting harder to find. Changes in refrigerant regulations and composition further impact serviceability and increase downtime.

Existing warranty:

All units out of warranty.

EXISTING AIR FILTER INFORMATION

Manufacturer and Model:

Glassfloss MERV 10
20x30x1
18x20x2
12x24x1
12x20x1

Pollutant Removal Efficiency in Microns:

1.0-3.0 less than or equal to 20%
3.0-10.0 less than or equal to 70%

Filter life: Six Months (2 Filters annually)

Size of Filters:

Varies by HVAC Model Number

Filter material:

Synthetic Fibers

HVAC SYSTEM UPGRADES REQUIRED FOR NEW MERV-14 FILTERS

Replace all 21 HVAC units with new units that can accept MERV 14 filters.

OBJECTIVE

To improve air quality in classrooms to achieve AQI levels below 50.

NEW FILTER INFORMATION

Manufacturer & Model:

KOCH Micromax:
20x20x2
16x16x2
16x20x2
24x24x2
14x25x2

MERV Rating:

All: MERV 14

Pollutant Removal Efficiency in Microns:

0.3-1.0: ~75–84 % removal efficiency
1.0-3.0: ≥ 90 % removal efficiency

These filtration improvements significantly reduce fine particulate matter (PM2.5), smoke, and airborne contaminants commonly present during wildfire events.

Estimated Filter Life:

3 Months

ESTIMATED PROJECT COSTS

Cost of Equipment and District installation: \$199,678.32

Five (5) Year supply of MERV 14 Air Filters: \$40,709.93

Roofing Project - HVAC Curbs: \$12,140

Total Estimated cost: \$252,528.25

Thermalito Union Elementary School District requests **\$252,528.25** to complete this project.

In addition, the Nelson Avenue campus is directly adjacent to ball fields and surrounding areas that undergo annual prescribed burns, which typically occur during the school year in May. These planned burn events can significantly elevate particulate levels both outdoors and indoors; this project will not only mitigate air quality impacts on the day of the burn, but will also help reduce lingering indoor particulate levels for weeks following the event, providing sustained protection for students and staff.

A completed bid submittal package is attached to this proposal and we are grateful for the opportunity to support our students and community.

This page intentionally left blank



April 14, 2026

Jason Mandley
Butte County Air Quality Management District
629 Entler Avenue, Suite 15
Chico, CA 95928

Dear Jason –

In late January 2026, Brighton Energy and Chico State University College of Engineering, Computer Science, and Construction Management (ECC) petitioned the BCAQMD for financial support for our CEC funded Chico Area Multi-Family Charging Initiative (CAMCI) by submitting eleven (11) applications for individual project funding. This request was submitted to the Board with Staff support as part of the February meeting consent agenda and was tabled to the March meeting for further discussion. After considerable discussion, all eleven applications were summarily rejected with a single Board motion.

Before the 2026 funding is fully allocated, we would like to formally request that the Board considers each of the applications individually. We believe that if a sub-set were approved, it could achieve:

1. A greatly reduced financial commitment more in line with the mixed enthusiasm expressed by the Board during the March meeting.
2. Demonstrated support for the local investment, job creation, and workforce development aspects of the Project.
3. Demonstrated support for Chico State's efforts to retain Statewide leadership in applied education.
4. Access to local micro-data supporting or disproving the Project thesis ("infrastructure availability accelerates EV adoption in the target population"), allowing the Board to make more objective decisions on funding future initiatives.

After closely reviewing the Board commentary during the March meeting we are submitting a (approve/reject) recommendation meant to address specific concerns as follows. We would be open to any further reduction or restoration of projects as the Board sees fit.

1. Remove projects of stated Board concern including those that create perceived neighborhood over-saturation, are too close to existing City charging stations or are viewed as least likely for utilization based on tenant demographics.
2. Limit funding to any single housing authority.

We believe a 60% reduction in requested funding amount and more thoughtful selection of supported projects would help retain the BCAQMD's involvement in a valuable local project while reflecting the Board's healthy skepticism on the project impact. We appreciate your continued support and efforts to position this request in front of the Board. Should you have any further questions or need additional information, please don't hesitate to contact me directly.

Sincerely,

Jeffrey Krisa, Principal
Brighton Energy Inc.
(916) 804 2762
jeff@brightonenergy.net

Site Address	Housing Authority	Priority Area (Select all that apply)	Units Served	Level 2 Ports per Site	Level 2 kW Output per Site	Approx CEC Funds for Site	BCAQMD funds requested for Site
--------------	-------------------	--	--------------	------------------------	----------------------------	---------------------------	---------------------------------

AFFORDABLE

Builder's Village 3022 Hwy 32, Chico, CA	Chico Housing Action Team (CHAT)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	<input type="checkbox"/> LIC X AH	61	10	76.8 kW	\$92,000.00	\$9,200.00
Creskide Place Apartments 1250 Notre Dame Blvd, Chico, CA	Community Housing Improvement Program (CHIP)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	101	14	107.52 kW	\$128,800.00	\$12,880.00
East of Eaton 1577 East Lassen Ave, Chico, CA	Community Housing Improvement Program (CHIP)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	76	10	76.8 kW	\$92,000.00	\$9,200.00
Turning Point Commons. 25 Via La Paz, Chico, CA	Community Housing Improvement Program (CHIP)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	66	10	76.8 kW	\$92,000.00	\$9,200.00
Campbell Commons 600 Flume Street, Chico, CA	Community Housing Improvement Program (CHIP)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	57	9	69.12 kW	\$90,000.00	\$9,000.00
Murphy Commons 1290 Notre Dame Blvd, Chico, CA	Community Housing Improvement Program (CHIP)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	86	9	69.12 kW	\$90,000.00	\$9,000.00
Paradise Community Village 1001 Village Parkway, Paradise, CA	Community Housing Improvement Program (CHIP)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	36	10	76.8 kW	\$92,000.00	\$9,200.00
Chico Commons 2071 Amanda Way, Chico CA	Housing Authority of the County of Butte (HACB)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	72	10	76.8 kW	\$124,860.00	\$12,486.00
Walker Commons 678 Buttonwillow Lane, Chico, CA	Housing Authority of the County of Butte (HACB)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	X LIC X AH	56	6	46.08 kW	\$74,772.00	\$7,477.20
Harvest Park 75 Harvest Park Court, Chico, CA	Housing Authority of the County of Butte (HACB)	<input type="checkbox"/> DAC <input type="checkbox"/> Tribal	<input type="checkbox"/> LIC X AH	90	9	69.12 kW	\$112,158.00	\$11,215.80

TRIBAL

Mechoopda Apts Rancheria Drive 621/745 Rancheria Drive, Chico, CA	Mechoopda Indian Tribe of Chico Rancheria.	<input type="checkbox"/> DAC X Tribal	X LIC <input type="checkbox"/> AH	8	2	15.36 kW	\$24,924.00	\$2,492.40
Mechoopda Apts Coral Circle 20 Coral Circle, Chico, CA	Mechoopda Indian Tribe of Chico Rancheria.	<input type="checkbox"/> DAC X Tribal	X LIC <input type="checkbox"/> AH	4	2	15.36 kW	\$24,924.00	\$2,492.40



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Patrick Lucey, Assistant Air Pollution Control Officer/Riley Peacock, Air Quality Engineer II

Re: **Toxics Status Report (EICG/CTR/Acrolein/PCBTF)**

ISSUE:

Updates on the Emission Inventory Criteria and Guidelines (EICG), Criteria and Toxics Reporting Regulation (CTR), PCBTF, and Acrolein.

ACTION REQUESTED:

None requested. For information and discussion only.

DISCUSSION:

The California Air Resources Board (CARB) has significantly expanded emissions reporting requirements through updates to the EICG and CTR. These changes have increased the number of regulated facilities, reportable pollutants, and the level of detail required by the District to report to the state. Emerging compounds such as Parachlorobenzotriflouride (PCBTF) and more recently, acrolein, have also been drawing statewide attention.

Recent EICG updates have introduced more than 900 new toxic substances and many facilities are now subject to ongoing emission reporting requirements. The updates have transitioned the program from a periodic risk screening program to a more data-intensive, continuously updated inventory which has increased work for facilities and workload for staff.

CTR established statewide annual reporting requirements of criteria pollutants and toxic air contaminants. The regulation requires Districts to expand emission inventories to several hundred toxics and requirements for reporting on facility-specific details. This regulation applies to nearly all the District's permitted facilities. CTR has a phase in period which began last year for the District and will continue through 2029 as facilities are phased in by sector. Phase 1, which the District completed last year, required CTR reporting on over 200 District permits.

Agenda Item 9

Total District workload on emission inventory tracking and reporting before updates to the EICG and CTR were approximately 100 hours annually which included updating the annual Emission Inventory report to CARB and the AB 2588 Air Toxics “Hot Spots” Report. In 2025, District staff time totaled approximately 450 hours for completing these tasks. The AB 197 grant which is used to offset District cost allowed for an 80%+ of cost recovery has not increased. Now, the District sees less than 20% cost recovery for completing annual reporting.

There have been rising concerns for new toxics such as PCBTF and acrolein. PCBTF has been on CARB and the District’s radar for several years, prompting the District to apply more stringent evaluation criteria to any new or modified facilities with the potential to emit PCBTF. CARB has declined to implement a regulation or an ATCM for this compound which causes the District to enforce this toxic without state guidance.

Acrolein is a new compound of concern after CARB found several Districts with facilities reporting high emissions. The compound is emitted through combustion processes which means engines and boilers are the equipment of concern. After reviewing emission inventories for acrolein, the District has not found any facilities requiring immediate action. There may be difficulties evaluating for acrolein in the future as CARB has not released accurate emission factors.

CAPCOA has been working with CARB to develop an Air Toxics Roadmap Workgroup that will result in a document to define goals on toxics evaluation, permitting, reporting, and streamline processes for identifying and taking statewide action on new toxics. Districts participating have made it clear that risk and emission factors are critical to any regulatory changes these compounds trigger.

Attachment:

None.



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

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: **Second PM2.5 Maintenance Plan Development Status Report**

ISSUE:

Staff are developing the second PM2.5 maintenance plan with assistance from the California Air Resources Board (CARB) and US EPA Region 9.

ACTION REQUESTED:

Receive report.

DISCUSSION:

In December 2009 most of Butte County was designated by the US EPA as nonattainment for the 2006 24-hour Fine Particulate (PM2.5) National Ambient Air Quality Standard (NAAQS). The planning area started meeting the NAAQS by the 2013 deadline due to improving air quality conditions. To be reclassified as an attainment area, the Clean Air Act requires attainment and maintenance of the standard for 20 years, demonstrated in two consecutive 10-year maintenance periods. The District developed a redesignation request and maintenance plan in 2017 which CARB submitted to US EPA for approval. US EPA took final action effective August 10, 2018 approving the redesignation request and the first 10-year PM2.5 maintenance plan.

The Clean Air Act requires the second maintenance plan be submitted 8 years after redesignation to attainment. Staff are working with CARB and US EPA Region 9 to assemble the second maintenance plan which will include an updated emissions inventory, a demonstration on how the planning area will remain in attainment, and contingency measures in the event of exceedances of the NAAQS.

The anticipated schedule is as follows:

Agenda Item 10

May 25, 2026: Public notice.

June 25, 2026: Governing Board considers adoption.

July 2026: CARB considers adoption.

August 10, 2026: Deadline for submittal to US EPA.

Attachment:

None.



TAMI RITTER, CHAIR
Supervisor, District #3

TOD KIMMELSHUE, VICE CHAIR
Supervisor, District #4

BILL CONNELLY
Supervisor, District #1

PETER DURFEE
Supervisor, District #2

DOUG TEETER
Supervisor, District #5

ZACH BROWN
Councilmember, Biggs

BRYCE GOLDSTEIN
Councilmember, Chico

BRUCE JOHNSON
Vice Mayor, Gridley

ERIC SMITH
Vice Mayor, Oroville

RON LASSONDE
Councilmember, Paradise

STEPHEN ERTLE
Air Pollution Control Officer

PATRICK LUCEY
Assistant Air Pollution Control Officer

Date of Release: April 16, 2026

Board Consideration: April 23, 2026

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Jason Mandly, Senior Air Quality Planner

Re: **Annual Air Quality Report**

ISSUE:

District staff to provide the Annual Air Quality Summary for 2025.

ACTION REQUESTED:

Receive report and approve.

DISCUSSION:

The attached Air Quality Summary for 2025 provides an overview of last year's ambient air quality.

Attachment:

Annual Air Quality Summary for 2025.

Agenda Item 11

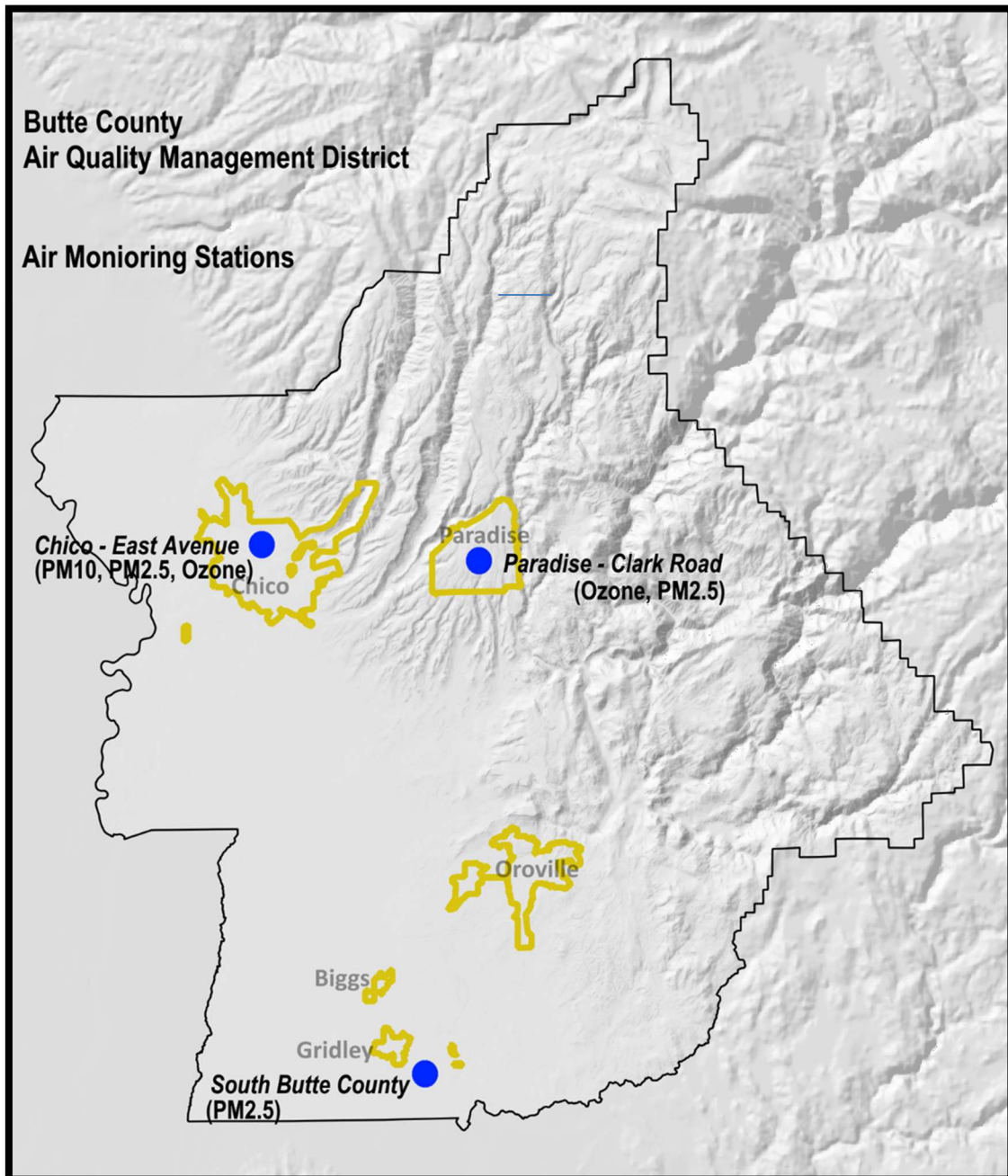
This page intentionally left blank

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT

Air Quality Summary for 2025

The following is a summary of Butte County's air quality for 2025. This document gives the reader an overview of the two (2) criteria pollutants of greatest concern - ozone (O₃) and particulate matter (PM_{2.5} and PM₁₀). The data was obtained from the official air monitoring sites located within Butte County. PM_{2.5} is monitored in Chico, South Butte County southeast of Gridley, and Paradise. Ozone is monitored in Chico and Paradise. PM₁₀ is only monitored in Chico. Official air monitoring in Butte County is conducted by the California Air Resource Board (CARB).

The **Ambient Air Quality Standards** establish the concentration at which a pollutant is known to cause adverse health effects to sensitive groups within the population, such as children and the



elderly. Both the California and federal governments have adopted health-based standards for the *criteria pollutants*, which for this report include Ozone and PM_{2.5}. In general, the air quality standards are expressed as a measure of the amount of pollutant per unit of air. For example, the ozone standards are expressed as parts per million (ppm) and the particulate matter standards are expressed as micrograms of particulate matter per cubic meter of air (ug/m3).

Ozone

Ozone is a colorless gas with a pungent odor. It is the chief component of urban smog. The name “smog” was created from the words smoke and fog. Ozone is not directly emitted as a pollutant but is formed in the atmosphere when reactive organic gases (ROG) and nitrogen oxides (NO_x) precursor emissions react in the presence of sunlight. Meteorology and terrain play major roles in ozone formation. Generally, low wind speeds or stagnant air coupled with warm temperatures and cloudless skies provide for the optimum conditions. As a result, summer is generally the peak ozone season. Because of the reaction time involved, peak ozone concentrations often occur far downwind of the precursor emissions. Therefore, ozone is a regional pollutant that often impacts a widespread area. The largest contribution of ozone-forming pollution that is transported to Butte County comes from vehicle emissions in urban areas to the south. Wildfires can also create emissions that increase ozone concentrations. Ozone concentrations tends to peak where the subsidence inversion above the Sacramento Valley meets the foothills of the Sierra Nevada mountains. This is the reason ozone concentrations at the Paradise monitoring station are historically higher than the Chico monitoring station.

Ozone impacts lung function by irritating and damaging the respiratory system. In addition, ozone causes damage to vegetation, buildings, rubber, and some plastics. Recognizing the health impacts of daylong exposure, the United States Environmental Protection Agency (U.S. EPA) promulgated an 8-hour ozone standard in 1997 as a successor to the 1-hour standard, which was established in 1979. EPA revised the 8-hour federal standard in 2008 and again in 2015. CARB approved an 8-hour ozone state standard on April 28, 2005, which became effective in early 2006. Table 1 shows the State and National Ozone Standards effective in 2025.

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

Butte County was officially designated marginal nonattainment for the 2015 federal ozone standard in 2018 by the U. S. EPA. U.S. EPA took final action in October 2022 to determine that Butte County met the 2015 federal ozone standard by the required attainment deadline. CARB designated Butte County as nonattainment-transitional for the California Ambient Air Quality Standard for ozone in January 2024.

Table 2 shows the ozone air quality summary for 2025 and Figures 1 & 2 (attached) graphically show the maximum 8-hour measurements for each day in Chico and Paradise. CARB installed a new ozone monitor in Paradise on Clark Road in 2023 to replace the ozone monitor located at the Paradise Airport. Based on preliminary data, monitors in Chico and Paradise did not exceed the

2015 federal 8-hour ozone standard in 2025. This is the fourth year in a row that monitors in Butte County did not exceed federal 8-hour ozone standards.

TABLE 2 BUTTE COUNTY OZONE AIR QUALITY DATA SUMMARY 2025 <i>(data is still preliminary as of April 2026)</i>		
	Chico – East Ave	Paradise – Clark Ave
Max. 1-Hour Ozone Measurement Date	0.071ppm 7/12/2025	0.074 ppm 7/12/2025
Days Above State Std. (0.09ppm)	0	0
Max. 8-Hour Ozone Measurement	0.063ppm (tie) 7/12/2025 9/27/2025	0.067 ppm 7/12/2025
4th Highest 8-Hour Ozone Measurement (used for calculating Design Value)	0.056 ppm	0.063 ppm
Days Above State Std. (0.07ppm) – rounding differs from Fed. Std.)	0	0
Days Above 2015 Fed. Std. (0.07ppm)	0	0

Particulate Matter (PM_{2.5})
--

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

Particulate matter can be directly emitted into the air (primary PM) or, similar to ozone, it can be formed in the atmosphere (secondary PM) from the reaction of gaseous precursors such as NO_x, sulfur oxides (SO_x), ROG, and ammonia. On an annual average basis, directly emitted PM_{2.5} emissions contribute approximately 70 percent of the ambient PM_{2.5} in the Sacramento Valley Air Basin.

The fine particles pose an increased health risk because they can deposit deep in the lung and contain substances that are particularly harmful to human health; therefore, this report will look at PM_{2.5} data and trends. Table 3 shows the State and National PM_{2.5} standards effective in 2025. In early 2024, US EPA updated the annual PM_{2.5} standard from 12 µg/m³ to 9 µg/m³ which is being re-evaluated with the current administration.

TABLE 3 AMBIENT AIR QUALITY STANDARDS – PM_{2.5}	
State PM_{2.5} Standards: 12 µg/m ³ annual arithmetic mean not to be exceeded.	National PM_{2.5} Standards: 35 µg/m ³ for 24 hours, not to be exceeded, based on the 98 th percentile concentration averaged over three years and 9 µg/m ³ annual arithmetic mean averaged over 3 years.

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

Table 4 shows the Chico, Paradise, and South Butte County PM_{2.5} monitoring summary for 2025. The Chico air monitoring station includes a continuous PM_{2.5} monitor known as a Beta Attenuation Monitor (BAM). This monitor has been approved as a federal equivalency method (FEM) monitor and therefore can be used for determining attainment with the federal PM_{2.5} standards. Paradise and South Butte County monitor PM_{2.5} using a non-FEM BAM. This data is useful for public reporting and understanding diurnal and episodic behavior of fine particles, background monitoring, and transport assessment. The Paradise-Theater monitoring location was closed by CARB in July 2023 and moved to the new Paradise-Clark Road location to be co-located with the ozone monitor.

TABLE 4 BUTTE COUNTY PM_{2.5} AIR QUALITY DATA 2025 (data is still preliminary as of April 2026)			
	Chico (FEM)	Paradise (Non-FEM)	South Butte Co. (Non-FEM)
Max 24-Hour PM_{2.5} Measurement Date	33.3 µg/m ³ 1/30/2025	23.7 µg/m ³ 7/11/2025	23.2 µg/m ³ 1/30/2025
98th Percentile 24-Hour PM_{2.5} Value (used for calculating Design Value)	20.8 ug/m ³	n/a	n/a
Days Above Fed. Std. (35 ug/m³)	0	0	0
Annual Average	7.69 ug/m ³	n/a	n/a

Figures 3, 4, and 5 (attached) charts the 2025 PM_{2.5} 24-hour average data for Chico, Paradise, and South Butte County, respectively. There were no exceedances of the 24-hour or Annual PM_{2.5} standards at any monitoring location in 2025. Portions of Butte County experienced short-term smoke impacts from the Green Fire in Shasta County July 10 – July 12, 2025.

Particulate Matter (PM₁₀)

Particulate Matter (PM₁₀) refers to particles with an aerodynamic diameter of ten (10) microns or smaller. This measurement of particulate matter captures PM_{2.5} discussed above as well as coarser particulates that may still pose risks to human health at elevated concentrations. PM₁₀ includes larger particulates like dust from disturbed soil, rock crushing, traffic on dirt roads, or high wind events. Table 5 shows the State and National PM₁₀ standards.

TABLE 5

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

The Chico monitoring location has the only permanent PM₁₀ monitor in Butte County. Table 6 shows the Chico PM₁₀ monitoring summary for 2025. The Chico air monitoring station includes a continuous PM₁₀ BAM that has been approved as a federal equivalency method (FEM) monitor and therefore can be used for determining attainment with the federal PM₁₀ standards.

TABLE 6 BUTTE COUNTY PM₁₀ AIR QUALITY DATA 2025 (data is still preliminary as of April 2026)	
	Chico (FEM)
Max 24-Hour PM₁₀ Measurement Date	57 µg/m ³ 1/25/2025
Days Above Fed. Std. (150 µg/m³)	0
Days Above State Std. (50 µg/m³)	1
Annual Average	17.87 µg/m³

Figure 1 - 2025 Air Quality Summary: Daily Max 8-Hour Ozone Concentrations – Chico, CA (East Avenue)

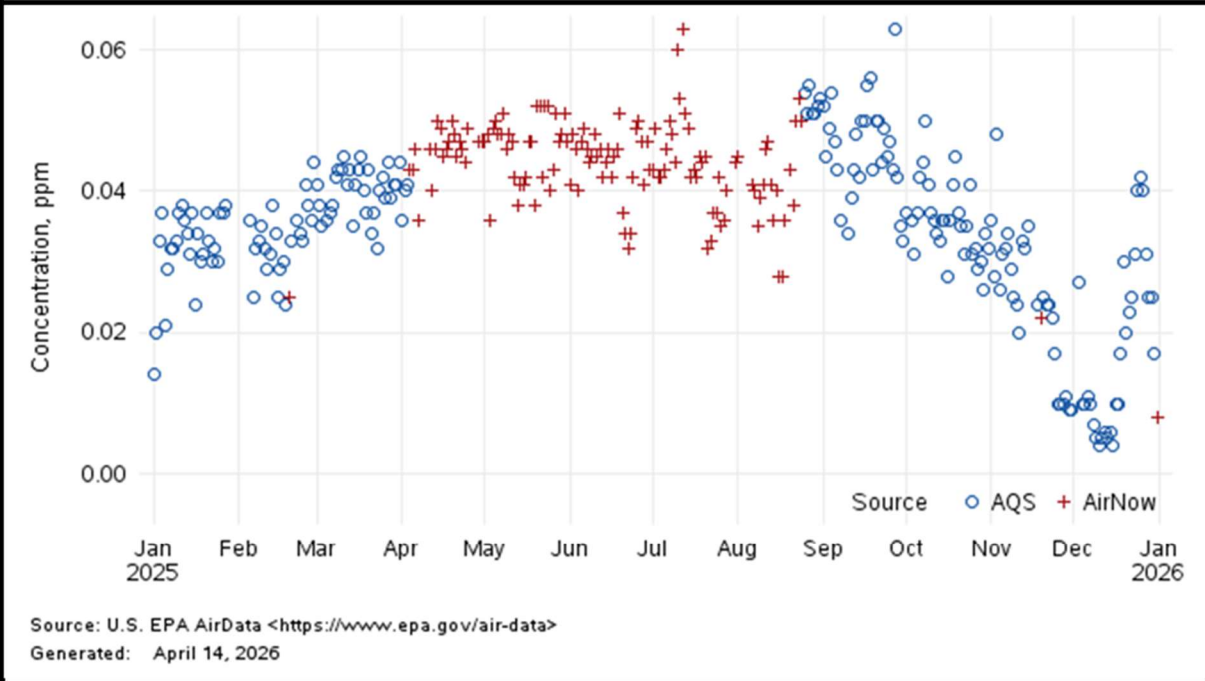


Figure 2 - 2025 Air Quality Summary: Daily Max 8-Hour Ozone Concentrations – Paradise, CA (Clark Road)

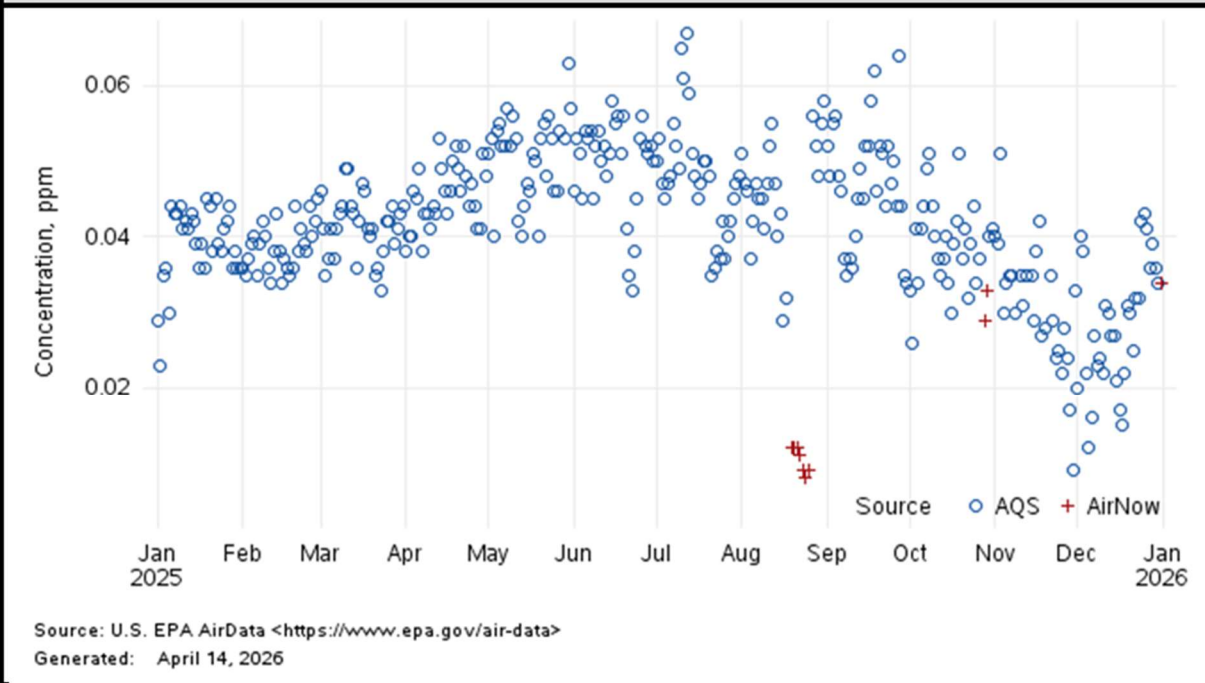


Figure 3 - 2025 Air Quality Summary: 24-hour Average PM2.5 Measurements – Chico, CA (East Avenue)

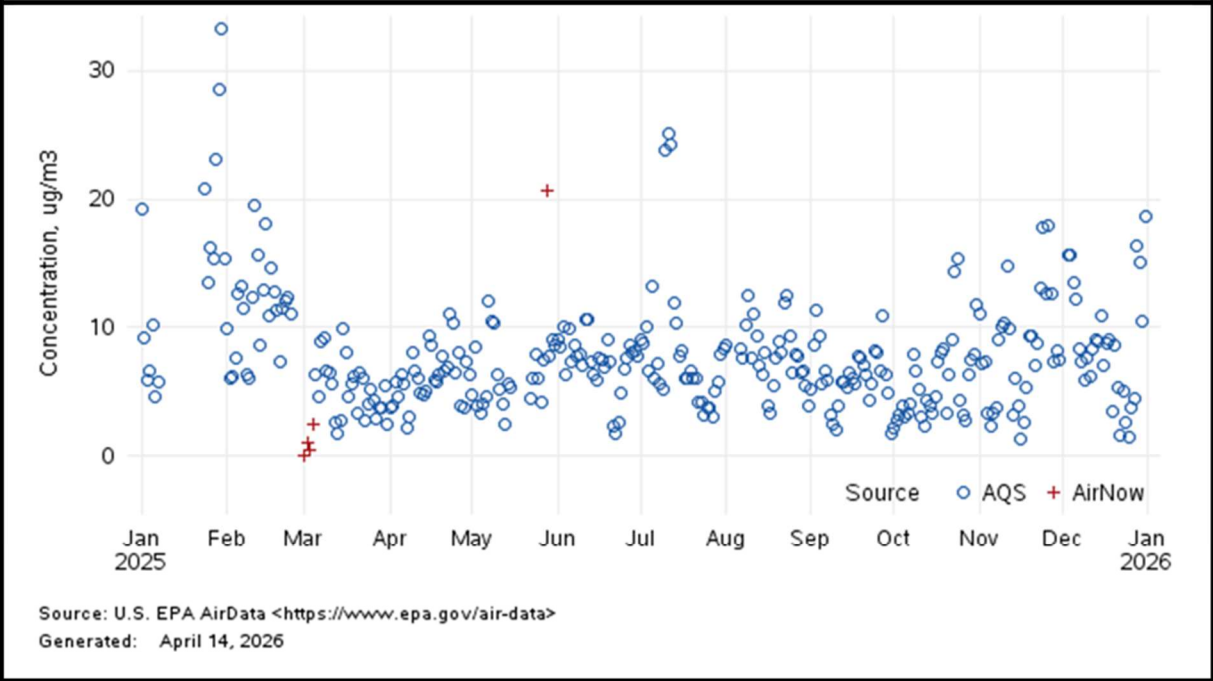


Figure 4 - 2025 Air Quality Summary: 24-hour Average PM2.5 Measurements – Paradise, CA (Clark Road)

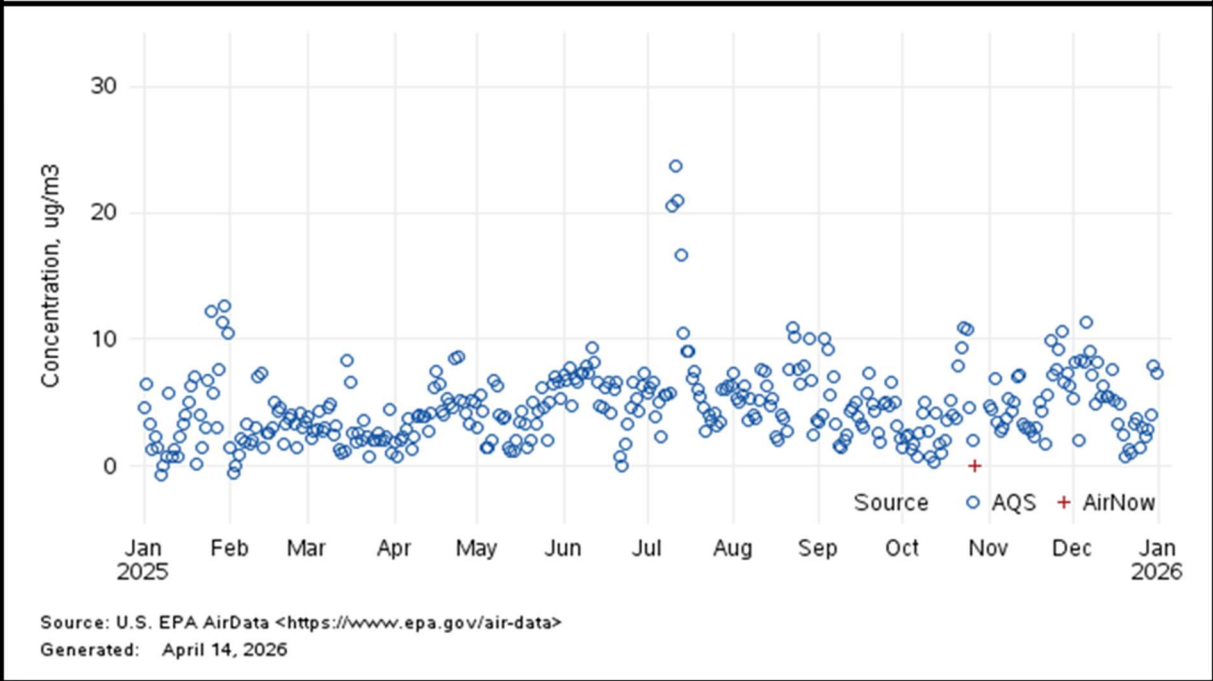


Figure 5 - 2025 Air Quality Summary: 24-hour Average PM2.5 Measurements – South Butte County (Cowee Avenue)

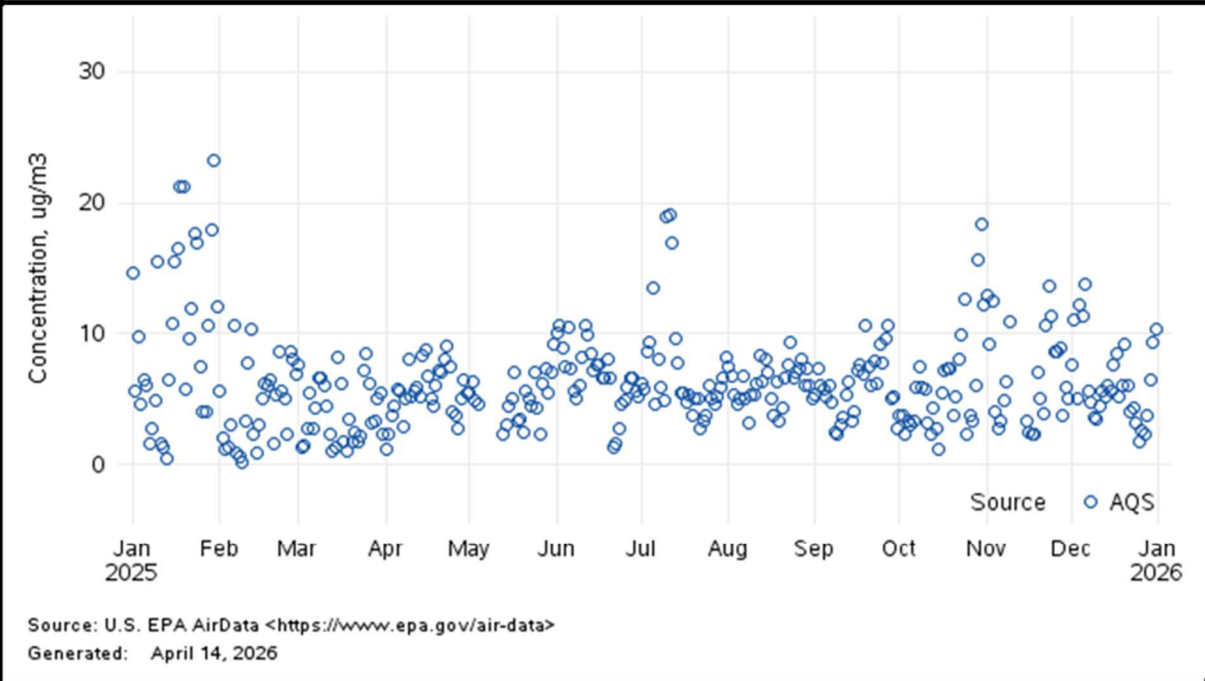
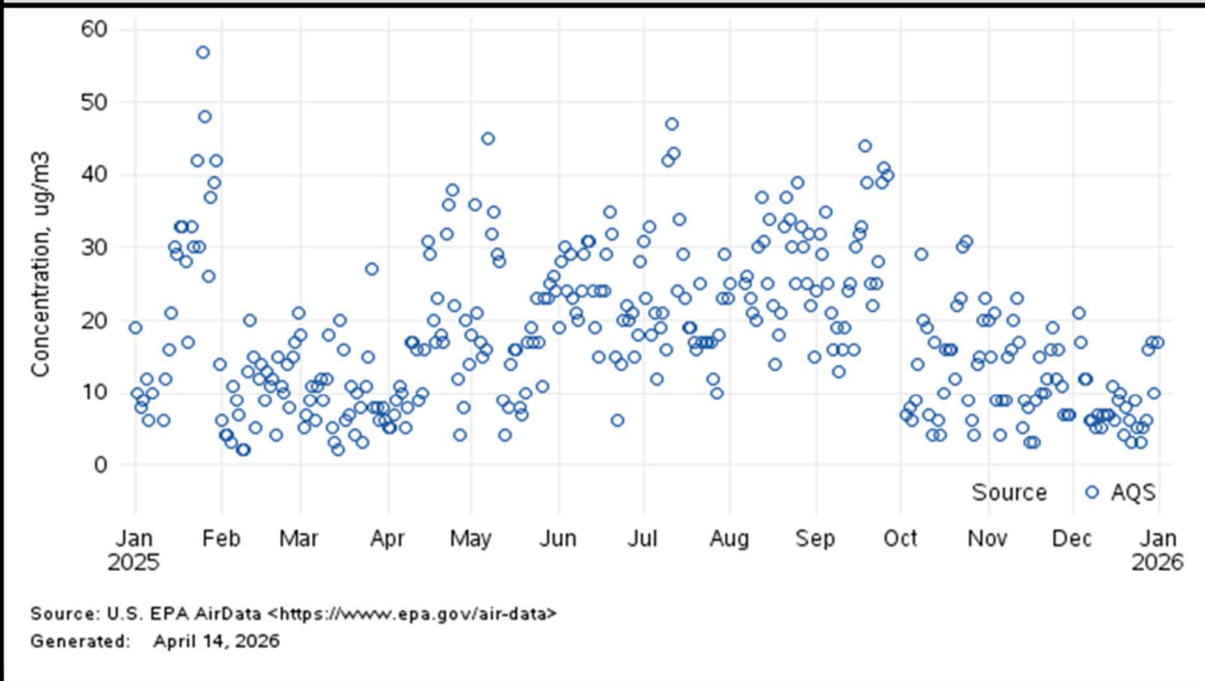


Figure 6 - 2025 Air Quality Summary: 24-hour Average PM10 Measurements – Chico, CA (East Avenue)



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

BCAQMD ACRONYM REFERENCE

Updated May 2024

-Board of Director's Meeting -

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

This page intentionally left blank