

As approved by the CRMP Governing Board on Tuesday, February 25, 2020.

**CALIFORNIA EARTHQUAKE AUTHORITY
CALIFORNIA RESIDENTIAL MITIGATION PROGRAM
GOVERNING BOARD MEETING
MINUTES**

**Tuesday, December 3, 2019
1:00 p.m.**

Location: California Earthquake Authority
801 K Street
Suite 1000, 10th Floor
Sacramento, California

Members of the California Residential Mitigation Program (CRMP) Governing Board in attendance:

Mitch Ziemer, Chair, Insurance and Claim Director, California Earthquake Authority (CEA)
Dan Dyce, Consultant, CEA
Alex Pal, Chief Legal Counsel, Cal OES

Members of the CRMP Staff in attendance:

Annde Ewertsen, Managing Director, CRMP
Benjamin Kirwan, Treasurer, CRMP
Seth Merewitz, Counsel, CRMP
Tom Welsh, Secretary, CRMP
Jacqueline Ball, CRMP Program Analyst

Also Present:

No members of the public addressed the Board.

1. Call to order and member roll call.

Mr. Ziemer called the meeting to order at 1:04 p.m. A quorum was achieved.

Seth Merewitz, Counsel, CRMP, stated the approval of the 2020 Governing Board Meeting Calendar was inadvertently left off the agenda. He stated it takes a vote from the Board to add it to the agenda.

Mr. Ziemer asked for a motion to add the approval of the 2020 Governing Board Meeting Calendar to the agenda.

MOTION: Mr. Pal moved to add the approval of the 2020 Governing Board Meeting Calendar to the agenda. Mr. Dyce seconded. Motion carried unanimously.

2. Consideration and approval of the minutes of the September 10, 2019, CRMP Governing Board Meeting.

MOTION: Mr. Dyce moved approval of the September 10, 2019, California Residential Mitigation Program Governing Board Meeting Minutes as presented. Mr. Pal seconded. Motion carried unanimously.

3. CRMP Executive Director Janiele Maffei will present her executive report.

Annde Ewertsen, Managing Director, CRMP, stated Janiele Maffei, CRMP Executive Director, was unable to be in attendance. Ms. Ewertsen reviewed the presentation slides provided by Ms. Maffei to update the Board on the CEA's mitigation projects, which provided an overview of the FEMA P-1100 Project, formerly ATC 110; H.R. 2053 – the EQ Mitigation Incentive Tax Parity Act; new CRMP website; CRMP Call Center; and 2020 Earthquake Brace + Bolt Program registration.

Ms. Ewertsen stated the new CRMP website uses the same platform as the CEA, which makes changes quick, efficient, and much easier to navigate. She gave a demonstration of the new CRMP website.

Ms. Ewertsen provided the breakdown of ZIP Codes as requested by the Board at the last meeting. She stated the 2019 program included 255 ZIP Codes – 134 in Northern California and 121 in Southern California.

Questions and Discussion

Mr. Ziemer asked about the timeline for the adoption of the FEMA P-1100 into the California Existing Building Code. Ms. Ewertsen stated adoption into the Code will likely take a couple of years. The first step is to get the International Code Council's (ICC) approval to adopt the guidelines as industry standards.

Mr. Ziemer asked about states that have wildfire mitigation programs that have now been included in H.R. 2053. Tom Welsh, Secretary, CRMP, stated the states are Colorado, Oregon, and Washington. He added that the inclusion of programs from other states in H.R. 2053 has created momentum due to the bipartisan support.

Mr. Ziemer stated one of the grants is tied to lower-income homeowner retrofits. He asked if that is now part of the consideration in selecting ZIP Codes. Ms. Ewertsen stated it is not. The program still uses the same process; the current grants from FEMA do not include low-income retrofits. She noted that Assembly Bill (AB) 548 has a low-income requirement but is based on when state funds are appropriated. There currently are no state funds appropriated.

Mr. Pal asked how to determine what is low income. Ms. Ewertsen stated the bill states that 80 percent of the median income is considered low-income.

4. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of October 31, 2019.

Benjamin Kirwan, CEA Treasurer, provided an overview, with a slide presentation, of the CRMP financial information as of April 30, 2019.

Questions and Discussion

Mr. Ziemer stated two personnel have been hired to run the Call Center. He asked if the net result with those two individuals a positive or a negative versus the Call Center at this point. Ms. Ewertsen stated it is a positive to the CRMP because from a customer service experience, it is best that the CRMP has the ability to work with individuals as they call in.

Mr. Ziemer asked if another individual will be hired to handle the volume of calls received. Ms. Ewertsen stated that is correct. Staff is currently looking into resources.

Mr. Welsh asked when the new FEMA grant funding will be included in the financial statements. Mr. Kirwan stated as soon as applicants complete the program then CRMP will begin submitting to FEMA for reimbursement. He stated that is when the CRMP will begin accruing "revenue."

Ms. Ewertsen stated the submittals will begin to be sent to FEMA next week.

5. CRMP Treasurer Benjamin Kirwan will present the CRMP Proposed Budget, for approval.

Mr. Kirwan reviewed the 2020 Proposed Budget vs 2019 Adjusted Budget worksheet, which was included in the meeting packet.

MOTION: Mr. Pal moved approval of the 2020 CRMP Proposed Budget as presented. Mr. Dyce seconded. Motion carried unanimously.

6. CRMP Treasurer Benjamin Kirwan will present the results of the CRMP Independent Request for Proposal, for approval.

Mr. Kirwan reviewed the background, Request for Proposals (RFP), evaluation, and rating of the CRMP Independent Auditor approval process. He stated Plante & Moran, PLLC, received the highest scores of the five proposals received.

Staff Recommendation:

- Approve the selection of Plante & Moran, PLLC, to conduct the legally required independent annual audit of CRMP's GASB financial statements for each of the years 2019 through 2023.
- If the Board approves the staff recommendation, then the CRMP staff and legal counsel will proceed to negotiate a contract with the selected firm, including the single audit as required. Assuming the anticipated annual fees and costs are unchanged, except for the single audit in the amount not to exceed \$6,000, the Executive Director is authorized, with advice from legal counsel, to execute the contract. Once executed, staff will notify the Board or return for further direction.

MOTION: Mr. Dyce moved approval of the staff recommendation as presented. Mr. Pal seconded. Motion carried unanimously.

7. CRMP Managing Director Annde Ewertsen will present the CRMP Mitigation (Earthquake Brace + Bolt) update.

Ms. Ewertsen provided an overview, with a slide presentation, of the CEA and CRMP Earthquake Brace + Bolt Programs, EBB Program contractors, regional differences,

engineered and non-engineered retrofits, withdrawn applications, future funding opportunities, and AB 548 analysis and planning.

Questions and Discussion

Mr. Dyce asked about the 771 contractors who have been through the training but have yet to do a retrofit. Ms. Ewertsen stated a resource was added on the homeowner dashboard that will allow individuals to contact contractors on a random basis by email. She stated the hope that this will reach contractors that individuals are not likely to call such as contractors who do not have a review. Marketing materials are also offered to contractors.

Regarding AB 548, Mr. Pal asked if there is a mandate that the 10 percent of the funds be made available and, if there are insufficient low-income households, the funds can be reverted back to use for the regular grant. Ms. Ewertsen answered in the affirmative.

Mr. Ziemer asked if there is a time of year that the state is more likely to provide funds out of the state budget. Ms. Ewertsen stated more funds are likely at the state budget time. There has been nothing appropriated for 2020.

Mr. Welsh stated staff has not made a concerted effort to lobby and encourage future legislative appropriations but that is something they can begin working on.

Ms. Ewertsen stated the team is always looking for ways to reach out to vulnerable or low-income populations to see how their retrofits can be assisted.

[Note: Item 8 was added to the Agenda. Please see Agenda Item 1 for Board approval.]

8. Proposed Governing Board 2020 Meeting Dates, for Board approval.

Mr. Ziemer presented the proposed 2020 CRMP Governing Board meeting dates.

A member of the audience stated the National Earthquake Conference (NEC) is scheduled for March 4th to 6th in San Diego. Ms. Ewertsen stated Ms. Maffei has been asked to speak at the conference. The Board agreed to change the March 3rd CRMP meeting date to February 25, 2020.

MOTION: Mr. Pal moved approval of the proposed 2020 CRMP Governing Board meeting dates as amended. Mr. Dyce seconded. Motion carried unanimously.

9. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.

There were no questions or comments from the public.

10. Adjournment.

There being no further business, the meeting was adjourned at 2:04 p.m.