



California Fire Safe Council
BOARD OF DIRECTORS MEETING
OPEN SESSION MINUTES
January 27, 2021 9:45am – 4:30pm

Those Present: Bob Roper, Kate Dargan, David Horne, Pat Frost, Pat Kidder, Ed Mertens, Laura Blaul, Troy Whitman, Steve Hawks

On Phone: David Shew, Bob Raymer, Frank Stewart

Staff: Larry Davis, Amber Gardner, Dan Lang, Bethany, Elizabeth Lamar

1. Bob Roper opened the meeting at 9:45am and moved into Closed Session

1:10pm: Motion by Ed Mertens to adjourn Closed Session and move to Open Session, second by Pat Kidder, unanimous approval

No reportable action from Closed Session

2. Consent Calendar

A. Vision Statement (see document in packet)

Motion to approve Vision Statement by David Horne, Second by Laura Blaul, unanimous approval

Guest: Piper Cole, Napa Communities Firewise Foundation, joined meeting at this point

B. May Leg Day/Awards – David Shew

- **Need to fill in names on org chart – review and be ready by February meeting**
 - Kate will be Leg Branch and schedule with legislative offices
- **Need local FSC invitee list – all**
- **Need award nominees – Pat asked about categories for award**
 - Kate suggested: **Others?**
 - ✓ business leadership (corp recognition, 1-2)
 - ✓ newest FSCs formed
 - ✓ Firewise Communities
 - ✓ academic edge – research work
 - ✓ MAD Award (made a diff – projects completed with community impact)
 - ✓ Mitigeddon – big, hairy ongoing or completed project
 - ✓ community collaboration – most engagement around project
 - ✓ legislative
 - ✓ fire service advocacy
- **Need award suggestions – all**
 - Ideas:
 - ✓ Plaques

- ✓ meetings with VIPs
 - ✓ ride-alongs
 - ✓ cash donation awards from sponsors
 - Last Friday's FPO meeting included an announcement for a July 23 ICC WUI Day at Capitol – **David Shew will determine if potential "code war" issue and report back**
- C. 90-Day Executive Action Plan – Bob Roper
- Includes enabling officers to clean up issues without being slowed by approval process
 - memo of action to Board for transparency/full disclosure
 - Pat Frost asked that pending recruitments be added to plan

Motion by Kate Dargan to approve and authorize Executive Committee to complete Plan, with recruitment addition, second by Troy Whitman, unanimous approval

- D. Executive Director Report – Larry Davies
- Larry expressed regret at recommending budget approval at December meeting, before budget complete. Our contractor has left and we still don't have a final budget.
 - Larry urged the Board to stay in closer contact with staff – polarization and healing needs to be addressed; communication is paramount
 - Staff is hard-working, courageous and committed
 - Larry has one more meeting!
- E. Fiscal Report – David Horne
- Budget Update – work in progress due to uncertainty with IDC rate impact and pending and potential grants
 - **Will have a revised budget each meeting in future**
 - IDC Rate
 - Request to USFS to eliminate \$25k cap was approved for 2020 and may be approved for 2019 (emails, no formal letter) – **David will follow-up**
 - Outstanding Grant Balances
 - Three pending
 - I. Edison 2019 Grant – 8 subawards made with \$37k pending (July 10 deadline)
 - **Staff will review list for any remaining approvable projects**
 - Some capacity building work done
 - Troy stated risk of not spending – Exec Bonus money and hard to give back; If we do, no future funding
 - Elizabeth said no problem spending pending funds on outreach
 - **Need plan to spend money and get approved by Edison – Troy will facilitate**
 - II. RFFC Grant – advance request on funding is in process as we have acceptable IDC
 - **Previously authorized by Board and just need to get work done**
 - Larry voiced pending reservations regarding impact on budget
 - III. Cal Volunteer Grant
 - Larry met with staff, including Conservation Crop Dir and Deputy Dir, to negotiate terms that would allow us to accept

- They will accept whatever IDC we have with USFS
 - Regarding advance funding, CA Conservation Corp will complete field work and invoice us so we can submit to CA Volunteers for reimbursement; Univision will do the same for outreach work.
 - **Two contracts will be required, as well as budget modification**
- IV. Kate made a statement on all pending grants
- We have a route through obstacles but time is an issue and doesn't accommodate administrative actions
 - No final budget is a risk
 - Pat added that we impact the grantor's success and ability to get and give further funding
- Outstanding Grant Balances
 - Larry explained issue to USFS staff – we have been using the funds leftover after grants were closed
 - **Working to quantify exact amount**
 - **They will work with us on a payment plan**
 - LESSON – if USFS closes grant, it's not necessarily closed

2:10 pm: Motion by David Horne to move into Closed Session, second by Pat Kidder, unanimous approval

1. Board Officer Selection/Ratification
 - a. Jay contacted all Board members
 - b. Secretary and Treasurer
 - c. Vice Chair - Jerry, Ed, Pat Kidder, Pat Frost, Laura
 - i. Pat Kidder
 - d. Chair – Kate and Bob Roper but only if do job together (odd/even months)
 - i. Co-chair, per bylaws, is synonymous with Chair
 - ii. Waiving compensation (but remains in by-laws)

Motion by Troy Whitman to adopt interpretation that Co-Chair be synonymous with Chair in by-laws; second by Pat Frost, unanimous approval

Motion by Pat Frost to approve slate of officers; second by Ed; unanimous approval

2. NV FSC Bankruptcy
 - CA FSC named as a party
 - DOJ requested we sign document

Move to approve by Pat Frost, second by Pat Kidder, unanimous approval
3. Personnel Committee ED Contract
 - Attorney will draw up contract
 - Bob will talk with Patty tonight and Kate and Bob will negotiate contract within approved salary/benefit range
 - Contract by Monday

Tracy Katelman contract and compensation issue remains pending

2:40pm: Motion by Pat Frost to close Closed Session and return to Open Session, second by Pat Kidder, unanimous approval.

Next meeting Feb 12 in Sacramento - **need agenda items by Friday 2/31/20**

2:45pm Motion to adjourn by Ed Mertens, second by Pat Frost, unanimous approval

Presentation: Rex Frazier and Serine Taylor, Personal Insurance Federation of CA

1. Market Facts

- Rural ratepayers complaining of high costs
- Statewide agencies find it tough to write in both areas with rate controls
- National Assoc of Insurance Commissioners
 - HO3 Policy Data – fire component + other losses/liabilities
 - CA is a low-cost State, despite high rates in rural areas (10% lower in urban areas)
 - Average is \$1000/yr (\$200 below national average; 45% lower than CO)
 - Average in FL \$2,000 due to hurricanes
- Can't control price of service and 2017 and 2018 were anomalies in loss + Santa Rosa (unmapped/un-modeled loss)
- **PROBLEM:** Can't get to rate adequacy in urban areas, pressure to lower in rural, and suffering huge losses
- Difficult to get approval from DOI to increase rate
- How match price with risk in pool?
- DOI attempting to force issue
- **TREND:** 1991 – 2005/6 industry underwater; gains until 2016 and 2017; by 2018, all gains wiped it all out and went under → net is **-\$10B in last 28 years**, worst insurance market in Nation
- CA insurance up 10% in last 10 years; Rest of nation up 49% in 10 years
- <1% of market impacted (unlike 80% impacted due to quakes)
- DOI requires averaging losses over last 20 years
 - Suppression in good years
 - Overpricing in bad years
- Prop 103 exempts DOI from following Leg without 2/3 vote

2. Currently

- ✓ Fight fringe WUI leg
- ✓ Let non-admitted market (outside CA) handle – no price controls (International – e.g., Loyds)
- ✓ FAIR Plan – most expensive (catastrophic risk pool) – “non-voluntary association of insurers”

3. Solutions

- ✓ Allow admitted market to insure all CA homeowners without price suppression
- ✓ Accountability measures: Homeowners must do parcel level mitigation with inspection/verification and solve at community level
 - FD inspections not enough
- ✓ SB 739 (AB?)
- ✓ GO anticipates 8 years until current mitigation efforts make a difference
- ✓ Modernize models

- Change CA model that allows smoothing through good and bad times (mitigation based CEA and FAIR plan use)
 - ✓ Industry bind selves to say “yes” with mitigation measures + price adequacy models
4. Our role
- ✓ Review and determine level of support for leg proposal
 - Insurance companies all must write in high risk as well as urban
 - ✓ Identify mitigation and metrics for results at parcel and community level – must be strong