



**California Fire Safe Council**  
**BOARD OF DIRECTORS MEETING**  
**OPEN SESSION MINUTES**  
**January 27, 2020 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