

As approved by CRMP Governing Board on June 5, 2019

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

**Tuesday, March 5, 2019
1:00 p.m.**

Location: Governor's Office of Emergency Services (Cal OES)
3650 Schriever Avenue, MPR2
Mather, California

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

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

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director, CRMP
Annde Ewertsen, Managing Director, CRMP
Tom Hanzel, Chief Financial Officer
Benjamin Kirwin, Treasurer, CEA
Seth Merewitz, Counsel, CRMP
Anthony Tassone, Financial Lead, CEA
Tom Welsh, Secretary, CRMP
Jacqueline Ball
Mark Grissom
D'Anne Ousley

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 1:12 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the December 11, 2018, CRMP Governing Board Meeting.

MOTION: Mr. Dyce moved approval of the December 11, 2018, California Residential Mitigation Program Governing Board Meeting Minutes as presented. Mr. Ziemer seconded. Motion carried unanimously with one abstention.

3. CRMP Executive Director Janiele Maffei will present request to approve designation of Alex Pal, General Counsel, Cal OES, to act for Governing Board member Grace Koch, Chief Deputy Director, Cal OES, at meetings of the Governing Board beginning on March 5, 2019.

Janiele Maffei, CRMP Executive Director, recommended designation of Alex Pal, Chief General Counsel, Cal OES, to act for Governing Board member Grace Koch, Chief Deputy Director, Cal OES, at meetings of the Governing Board beginning March 5, 2019. This designation is effective indefinitely unless it is revoked by another letter to the CRMP Board members.

MOTION: Ms. Curry moved approval of the designated member. Mr. Dyce seconded. Motion carried unanimously.

Board members welcomed Mr. Pal as a member of the Board.

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

Ms. Maffei introduced new staff members Benjamin Kirwan, Treasurer, and Tom Welsh, Secretary. She stated 7,650 homes have been seismically retrofitted to date. She updated the Board on the CEA's mitigation projects:

CEA Brace + Bolt (CEA BB)

- Letters were sent out in February to CEA policyholders whose homes will be subject to rate increases greater than 15 percent due to the new Rate and Form Filing (RFF) to give them the opportunity to take advantage of a 25 percent discount on their premiums for retrofitting their homes prior to the July 1st rate increase.

CEA Research Program

- Research is ongoing for the Pacific Earthquake Engineering Research Institute (PEER) project.
 - Small-component testing is being done at the University of California, San Diego.
 - Full-scale testing is being done at the University of California, Berkeley.
 - A conference call with staff, modelers, and claims adjusters was held on February 20th to discuss how to determine the claim adjustment numbers and assumptions made for the reductions in damage. The hope is to provide a larger discount than is currently being made to portfolio policyholders.
 - This project will be completed in the early spring of next year.
- Research is ongoing for the update to the Consortium of Universities for Research in Earthquake Engineering (CUREE) General Guidelines for the Damage Assessment and Repair Document, and the supplementary engineering document.
 - This project will be completed in the early fall of this year.

FEMA P-1100 (ATC 110)

- The Federal Emergency Management Agency (FEMA) P-1100 has been published on the FEMA website and is available for download.
- The prescriptive plan sets and engineering methodology will be published soon and will be announced with a press release with FEMA.
- The FEMA P-1100 methodology will allow the CRMP to move into soft-story single-family houses with the Earthquake Soft-Story (ESS) pilot program.

- The ESS pilot program grant amount is still to be determined.

Legislative Efforts

- H.R. 5610, Representatives Thompson and Cook, Earthquake Mitigation Tax Incentive Act. This bill has been reintroduced in Washington.
- SB 254, Senator Hertzberg, Resilient Homes Initiative.
- The CEA is working closely with Senator Hertzberg on that effort.
- AB 548, Assembly Member Rodriguez, Earthquake Brace and Bolt Program. Staff will continue to work with Assembly Member Rodriguez's Office on the challenges and effectiveness of this bill.

Mr. Ziemer asked if the CRMP is in support of Senate Bill (SB) 254. Tom Welsh, Secretary, CRMP, stated the need for caution in representing what the CEA Governing Board will support. He stated the bill covers some things currently but not everything that may end up in the bill. Similar to Assembly Bill (AB) 548, the bills have just been introduced, they are in the formative states, and there will be amendments during the legislative process. Once the bill has gone further through the process, the CEA Governing Board will determine whether they will formally support it. Mr. Welsh stated staff is working with the legislative offices to help shape these legislative opportunities.

5. CEA Treasurer Ben Kirwan will review the CRMP financial statements as of December 31, 2018.

Ben Kirwan, CEA Treasurer, deferred to Anthony Tassone to present this agenda item.

Anthony Tassone, CEA Financial Lead, provided an overview, with a slide presentation, of the CRMP financial information as of December 31, 2018.

Ms. Curry asked if the higher retrofit completion trends are projected to continue. Annde Ewertsen, CRMP Managing Director, stated it depends. FEMA Phase 2 approval is pending. Historically, the longer it takes to accept individuals into the program, the lower the completion rate. Individuals have been waiting since October or November to be accepted into the program. She stated, generally, completion rates will continue to rise, which may require an additional-funding request.

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

Mr. Ziemer noted that the Agenda Item 6 materials were not included in the meeting packets sent to Board members. Board members agreed to continue with Ms. Ewertsen's slide presentation. Ms. Ewertsen provided an overview of the CEA and CRMP Earthquake Brace + Bolt Programs, FEMA-trained contractor data, cost, retrofit data, and withdrawal by region, types of retrofits, and the FEMA HMGP program.

Mr. Pal asked how the 1,000 spots for the 2019 EBB program are prioritized. Ms. Ewertsen stated they are randomly selected.

Mr. Dyce asked about the two Crawl Bots that were purchased to be used when accessibility to crawl space is difficult. Ms. Ewertsen stated one is in Northern California and the other is in Southern California. They were purchased for instances where it is inaccessible for the inspector to get under the house.

Mr. Dyce asked if staff has seen Crawl Bot inspections. Ms. Ewertsen stated staff has seen a couple of inspections. Photos of crawl spaces have started to come in to help inspectors see if they will require a Crawl Bot prior to going out.

Ms. Curry asked if there is a survey for homeowners who have withdrawn from the program to help learn why they withdrew. Ms. Ewertsen stated a survey is sent to individuals who withdraw but they have low interest in completing it.

7. CRMP Managing Director Annde Ewertsen will present a request to adopt the amended and restated CRMP Joint Exercise of Powers Agreement.

Ms. Ewertsen summarized the proposed changes to the Joint Exercise of Power Agreement, which were included in the meeting packet.

Mr. Dyce asked if multifamily dwellings are major apartment buildings. Ms. Maffei stated the idea is to start with smaller buildings such as five- to ten-unit multifamily Victorian homes. What was learned from many of the cities that have mandatory ordinances for multifamily soft-story is that a great many of the building owners who ask for extensions are in that small space.

Ms. Curry asked if the work is similar to single-family dwellings. Ms. Maffei stated it is not because the entire lowest level must be retrofitted. Many times, it is a full-height floor as opposed to a four-foot crawl space and the garage openings likely require that the foundation be redone. It is similar to Brace + Bolt at the back of the house but very different at the opening to the garage. It is important to note that the PDM proposal is to start in cities that have mandatory ordinances because a code standard for retrofits has already been adopted.

Mr. Pal asked if the implication for accepting funding from private sources has been considered. In terms of conflicts and PPC rules, there are things that govern what government entities can accept from private sources. Ms. Ewertsen stated staff is looking into setting up a foundation or legislation that might bring in other funding sources.

Mr. Welsh stated this should be seen as a permission, not a mandate, to accept funds so the propriety and unintended consequences could be assessed before it happens.

MOTION: Mr. Dyce moved adoption of Amendment No. 2 of the Joint Exercise of Powers Agreement. Ms. Curry seconded. Motion carried unanimously.

8. CRMP Managing Director Annde Ewertsen will present the CRMP Request for Qualifications and Proposal for Marketing and Public Relations Services for approval.

Ms. Ewertsen stated the three-year contract with the current marketing and public relations firm will expire in July. She presented the proposed Request for Qualifications and Proposals for the next three-year term, which has no substantive changes from the last three-year term.

MOTION: Ms. Curry moved approval of the CRMP Request for Qualifications and Proposal for Marketing and Public Relations Services. Mr. Pal seconded. Motion carried unanimously.

9. CRMP Managing Director Annde Ewertsen will present the CRMP Request for Qualifications and Proposal for Printing, Distribution, and Analysis Services for approval.

Ms. Ewertsen presented the proposed Request for Qualifications and Proposal for Printing, Distribution, and Market Analysis Services, which is independent of the marketing firm.

Mr. Dyce asked if the printer does outbound calls. Ms. Ewertsen stated the current printer, which is a subcontractor to the marketing contractor, does outbound calls to contractors to discuss distribution of materials and to homeowners to ensure that they receive those materials.

Ms. Curry asked if this contract includes website or social media content. Ms. Ewertsen stated the current subcontractor hosts a website for CRMP and distributes materials to contractors.

MOTION: Mr. Pal moved approval of the CRMP Request for Qualifications and Proposal for Printing, Distribution, and Analysis Services. Ms. Curry seconded. Motion carried unanimously.

10. 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.

11. Adjournment.

Mr. Ziemer adjourned the meeting at 2:18 p.m.