

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

**Tuesday, May 17, 2016  
1:00 p.m.**

Location: California Earthquake Authority  
801 K Street  
10<sup>th</sup> Floor  
Sacramento, California

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

Mitch Ziemer, Chair, Insurance Director, California Earthquake Authority (CEA)  
Christina Curry, Vice Chair, Deputy Director, California Office of Emergency Services (CalOES)  
Nancy Ward, Chief Deputy Director, CalOES

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director  
Bill Donovan, Counsel  
Sheri Aguirre, Managing Director  
Danny Marshall, Secretary  
Tim Richison, Treasurer  
Jacqueline Ball

Also Present:

No members of the public address the Board.

**1. Call to order and member roll call.**

Mr. Ziemer called the meeting to order at 1:00 p.m. A quorum was achieved.

**2. Consideration and approval of the minutes of the March 22, 2016, CRMP Governing Board Meeting.**

**MOTION:** Ms. Ward moved approval of the March 22, 2016, California Residential Mitigation Program Governing Board Meeting Minutes as presented. Ms. Curry seconded. Motion carried unanimously.

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

Ms. Maffei provided an overview, accompanied with a slide presentation, of the CEA's mitigation projects:

- The National Earthquake Conference. The topic of the conference was Resiliency. There were individuals from other states in attendance who were very interested in the CRMP program
- ATC 110. There is an all-day meeting tomorrow. The CEA is on track to develop the expanded prescriptive codes for affordable retrofits.
- Federal Emergency Management Agency (FEMA) P-50. Simplified seismic evaluation of single-family wood-framed dwellings utilized on the Napa Phase 2 Research Project. Evaluation is ongoing. Dr. Rabinovici and Meka Ofodire interviewed Napa homeowners. Research results are expected this summer.
- End-to-end Mitigation Website. The website contains information on how to mitigate a home and is available 24/7. The design team will begin work on the website soon.
- Earthquake Brace + Bolt (EBB). The program is on target for a late third-quarter start of the CEA EBB.

Mr. Ziemer asked about the numbers of interviews that were done in Napa. Ms. Maffei stated there were over 600 online participants.

Marianne Knoy stated 39 interviews and inspections were completed.

### **4. CRMP Treasurer Tim Richison will present a financial report.**

Mr. Richison provided an overview, accompanied by a slide presentation, of the CRMP financial information as of April 30, 2016. He stated he will ask the CEA Board in June to approve \$1 million from the CEA Mitigation Fund to the CRMP, since the CEA Board will not meet again until September of 2016.

Ms. Curry asked if the CRMP expenses come out of the FEMA grant. Mr. Richison stated the CRMP expenses are the CEA 25 percent matching contribution.

### **5. CRMP Managing Director Sheri Aguirre will present an update on the Earthquake Brace + Bolt (EBB) program and the Napa Earthquake Brace + Bolt (Napa EBB) program.**

Ms. Aguirre provided an overview, accompanied by a slide presentation, of the demographics, goals, and numbers to date of the 2015 and 2016 EBB programs. The 2016 numbers to date are consistent with 2015 numbers. She stated the Department of Insurance (DOI) will fund 1,000 of the 1,600 retrofits for 2016. The 1,300 homeowners who have been accepted into the program but have not moved on it yet have been sent an email today giving them another week until the program will be offered to one of the 1,200 homeowners on the wait list.

Ms. Aguirre stated one the challenges is getting more individuals on the contractor list. Also, homeowners tend to use the same contractors and they are not being spread across the list. That issue will be tackled in a variety of ways with the website and communication to homeowners asking them to please use other contractors on the list.

Ms. Ward asked if that issue is addressed in the homeowner kit. Ms. Aguirre stated it is not. There are another 600 contractors who have registered but not taken the FEMA training; they will be encouraged to do so.

Ms. Curry asked how long the extensions are. Ms. Aguirre stated homeowners have until May 15<sup>th</sup> and the extensions are for 30 days. To date, it has been a looser commitment about moving forward. The next time around, the contractor meeting and permit pulling will follow a more specific timeline.

Mr. Marshall asked if the homeowners forfeit funding when they drop out of the program or if those funds can be applied to a retrofit at a later date. Ms. Aguirre stated they forfeit funds if they have pulled a permit, but it depends on whether the building department will offer extensions on their permits.

Ms. Aguirre continued with her slide presentation and provided an overview of the Napa EBB and other CRMP activities and sources of funding, such as HUD funds. She stated, since the Napa homeowners were sent their homeowner kits on May 2<sup>nd</sup>, there have been no permits pulled to date.

Ms. Curry asked if there has been any discussion about renewing the DOI funding from last year's budget. Ms. Aguirre stated Assembly Member Nazarian's office has recently asked for an update on the CRMP program to assess possible future funding.

Mr. Marshall asked if staff has talked to the Southern California Association of Governments (SCAG). Mr. Donovan agreed it would be worthwhile to contact them since they have expanded their earthquake efforts.

Ms. Maffei stated the cost-benefit analysis has been completed for Humboldt County, which will be the first rural county the CRMP has approached. Humboldt County includes Tribal lands.

Ms. Ward stated the Tribal government owns the property on reservations, not individuals. She suggested a discussion on that issue because it may negate eligibility since the governmental entity owns the homes. However, there are many Tribal members who live off the reservations and own their own homes. Other programs, such as disaster programs, have needed to rework how things are done.

Mr. Marshall stated staff will look into that issue. He stated there is greater flexibility with CEA funding over state funding.

**6. Ms. Aguirre will request approval to contract with a marketing firm pursuant to the Request for Qualifications and Proposal for Marketing and Public Relations Services #08-09.**

Ms. Aguirre stated the CRMP marketing firm contract expired and staff put out a RFQ. She reviewed a memo in the meeting packet that explains the process to date. Three proposals were submitted in response to the RFQ.

**MOTION:** Ms. Ward moved approval of awarding the contract to Ogilvy Public Relations to provide marketing and public relations services for the CRMP program. The contract will have a three-year term. Ms. Curry seconded. Motion carried unanimously.

Mr. Donovan suggested amending the motion to include that the Board approves and authorizes the executive director to enter into the contract.

**MOTION:** Ms. Ward moved to withdraw the previous motion. Ms. Curry seconded. Motion carried unanimously.

Ms. Ward asked for an example of what changes could be made. Mr. Donovan stated he doubted that Ogilvy would have any changes, but adding that language gives the freedom to make modifications.

Ms. Ward stated the concern that the Board is approving the contract without input on potential changes made. She suggested adding “nonmaterial” to changes.

Mr. Ziemer suggested requesting a summary of any changes made at the next meeting.

**MOTION:** Ms. Ward moved approval of the award and authorized the executive director to enter into a contract with Ogilvy Public Relations in substantially the form attached to the RFQ, with such nonmaterial changes as are approved by her after consulting with CRMP counsel. Staff is to report any changes made at the next meeting. Ms. Curry seconded. Motion carried unanimously.

**7. Ms. Aguirre will present for approval a proposed License Agreement between CRMP and the CEA licensing elements of the CRMP programs and the CRMP intellectual-property rights to the CEA for the proposed CEA Brace + Bolt Program.**

Ms. Aguirre referenced the License Agreement provided in the meeting packet and stated the License Agreement allows the CRMP to run the Brace + Bolt Program. The CEA Brace + Bolt (CEA EBB) program would be a separate program; however, the CRMP would use the same assets. This contract enables the CRMP to use the name Brace + Bolt, the website and video technology, and other assets.

Mr. Donovan stated there are two important features of the License Agreement. First, it says it will be marketed as a separate CEA program, not a CRMP program. The other is in Section 3.6 Indemnity. Sometimes in construction projects, problems are not found out for many years. It is important to indemnify against any problems with the CEA program.

Mr. Donovan stated the CRMP received comments from the CalOES counsel, many of them minor in nature. One comment is that the project be terminable by the CRMP. Mr. Donovan suggested a notice period of 90 days. He suggested authorizing the executive director to sign the License Agreement with the changes recommended by Mr. Donovan. Mr. Donovan stated he will then seek counsel from Mr. Marshall and CalOES’s counsel if need be.

Ms. Ward asked how to minimize the confusion to the public now that there are three EBB programs.

Ms. Aguirre stated, to minimize confusion, the CEA EBB will be offered only to policyholders who are invited into the program. The policyholders will be informed about the other programs, but the CEA EBB will guarantee them a place. Napa EBB is separate and the public understands that, and Humboldt and Santa Barbara Counties will also be separate. The taxability issue is important for the distinction between FEMA and the CRMP funding. It is important that the call center is well-informed and understands the differences between the programs. The three programs have separate websites and phone numbers.

Mr. Donovan stated the importance of Article 3.1, the CEA’s Relationship with CRMP.

Ms. Maffei stated there may be an issue with building departments, but the programs have the same code language and requirements. Also, the contractors receive similar packets with similar rules.

Ms. Curry stated the confusion may arise when policyholders see information for multiple programs due to them sharing a ZIP code.

Ms. Aguirre stated this time around that problem will not arise due to the timing of the programs.

Ms. Curry suggested that the timing be orchestrated to help avoid confusion in future.

Ms. Maffei stated the staggering is also important for contractor workload.

**MOTION:** Ms. Curry moved approval to direct the executive director to sign the License Agreement with changes as recommended by CRMP counsel. Ms. Ward seconded. Motion carried unanimously.

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

Mr. Donovan stated he has been counsel for the CRMP since its inception five years ago. There are three items pending before his work will be completed for the CRMP and he moves on to other things: the two contracts discussed today and the FEMA application. He stated it has been a pleasure working for the Board during these start-up years.

Board Members thanked Mr. Donovan for his service, wished him well, and stated he has been a great counsel along the way.

Ms. Aguirre stated the next Board meetings are in July and September. She asked if Board Members would like to take a break for the summer and skip the July meeting. Board Members agreed to skip the July meeting.

Ms. Curry asked to move the September meeting to the first week in September. She suggested including ongoing legislative updates in the executive report as part of the CRMP agenda.

**9. Adjournment.**

Mr. Ziemer adjourned the meeting at 2:01 p.m.