

As approved by the CRMP Governing Board at its meeting on Tuesday, November 15, 2016.

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

**Tuesday, September 6, 2016
1:00 p.m.**

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

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

Mitch Ziemer, Chair, Insurance Director, California Earthquake Authority
Christina Curry, Vice Chair, Deputy Director, California Governor's Office of Emergency Services
Nancy Ward, Chief Deputy Director, California Governor's Office of Emergency Services

Members of the CRMP Staff in attendance:

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

Also Present:

Bill Rosenberger, CPA, Partner, JLK Rosenberger Certified Public Accountants

1. Call to order and member roll call.

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

2. Consideration and approval of the minutes of the July 14, 2016, CRMP Governing Board Meeting.

Sheri Aguirre, the CRMP Managing Director, stated the second sentence in the first paragraph under Item 4 should read "Santa Barbara and Humboldt Counties" instead of "Eureka and Humboldt."

MOTION: Ms. Curry moved approval of the July 14, 2016, California Residential Mitigation Program Governing Board Meeting Minutes as corrected. Ms. Ward seconded. Motion carried unanimously.

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

Janiele Maffei, the CRMP Executive Director, presented her report:

- ATC 110 – the development of methodologies to retrofit different types of houses. The project will create additional plan sets to be used by homeowners and contractors without an engineer or by an engineer when the house is unusual or requires careful, individual thought. This three-year project is on track; the first plan sets are expected to be produced soon.
- Federal Emergency Management Agency (FEMA) P-50 – the document that the CRMP helped develop to provide a simplified seismic assessment for single-family dwellings. An online tool is being created that makes the FEMA document easily-accessible to home inspectors, engineers, and contractors. This online tool will be made available on the End-to-End website, which will be up and running by the end of 2016.
- Research
 - The South Napa Earthquake Research program is complete. The research report will soon be available.
 - The Mitigation Discount Research program will begin soon with the contractor, Pacific Earthquake Engineering Research Institute, housed at UC Berkeley. The goal is to quantify the reduction in damage for retrofitted homes to inform the mitigation discount at CEA and to provide information on the End-to-End website about why it's important to retrofit.
- Legislation
 - HR 5610 – Earthquake Mitigation Tax Incentive Act of 2016. This legislation was referred to the House Committee on Ways and Means on June 28th. Staff is gaining support from other states.

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 July 31, 2016. He noted that the bottom-line, total budget across the board did not change and is on target.

5. Mr. Richison and a representative of JLK Rosenberger, LLP, will present the report of the annual audit of CRMP's financial statements for the year ended December 31, 2015.

Bill Rosenberger, CPA, Partner, JLK Rosenberger Certified Public Accountants, provided an overview, accompanied by a slide presentation, of the audit scope and timing, auditor's report, areas of emphasis, and communication with corporate governance of the 2015 Audit Results. He stated the audit has been completed, was a clean audit, and is under budget.

6. CRMP Managing Director Sheri Aguirre will present an update on the Earthquake Brace + Bolt program and the Napa Brace + Bolt programs.

Ms. Aguirre provided an overview, accompanied by a slide presentation, of the goals and numbers to-date of the 2016 Earthquake Brace + Bolt and the Napa Brace + Bolt programs, the 2017 EBB program, and participant feedback. Ms. Aguirre stated the 2016 registrants currently on the waitlist will soon be invited to participate in the program. The Napa program is proceeding at a slower pace due to added restrictions and staff is being careful not to go over the

100-retrofit goal. The 2017 program does not include Eureka and Santa Barbara. Marketing has begun in those cities while waiting for FEMA grant consideration.

Ms. Maffei stated the dropout rate remains consistent in the EBB program.

Ms. Curry asked about the cause of the requests for extension. Ms. Aguirre stated the main cause is finding multiple qualified contractors who can give estimates. This is a larger problem in Northern California because there are contractors in Southern California who do retrofit work full-time and have more crews to meet the need. Northern California retrofits tend to cost more due to more complicated housing and higher labor costs. Southern California retrofits more often are bolt-only fixes, which also lowers the cost.

Mr. Ziemer asked if participate testimonies will be used. Ms. Aguirre stated participant testimonials will be posted on the website to help promote the program. She stated staff is currently planning the launch for the 2017 program. Participants are being asked if they would be willing to be a spokesperson for the program for publications or in other media and, if they speak multiple languages, if they would be willing to provide their testimony in other languages.

7. Ms. Aguirre will present an update on the CEA Brace + Bolt program.

Ms. Aguirre provided an overview, accompanied by a slide presentation, of the CEA Brace + Bolt Pilot program that will launch in October of 2016.

Ms. Ward asked about homeowners who have already completed a retrofit. Ms. Aguirre stated the homeowners will qualify for the 20 percent discount but not the reimbursement.

Mr. Ziemer asked what the next step will be for the pilot program. Ms. Aguirre stated the CEA Chief Actuary will be consulted to run the numbers. If the pilot is determined to be successful and approved by the CEA Board, it will then be expanded to include more ZIP codes. There is room for growth.

Mr. Richison referenced a study currently underway that will determine what the right retrofit is. If the research proves that there is a greater benefit from the retrofit than initially thought, the number of ZIP codes the CEA can include will be affected.

Mr. Marshall stated the pilot program is directed toward CEA policyholders and has a separate funding source. The CEA will either be required to fund the pilot from its own capital or balance it against other expenditures that the CEA has for risk transfer.

8. 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.

9. Adjournment.

Ms. Curry asked if there is anything holding up the licensing agreement that Bill Donovan, past CRMP Counsel, was working on. Mr. Marshall stated the agreement has yet to be worked out.

There being no further business, the meeting was adjourned at 1:56 p.m.