

## CALIFORNIA CATASTROPHE RESPONSE COUNCIL MEETING MINUTES

August 12, 2024  
1:00 p.m.

**Location:** 400 Capitol Mall, Suite 670  
Sacramento, CA 95814

Members of Council in attendance:

Mark Ghilarducci, Chair, designee of Governor Gavin Newsom  
Khaim Morton, designee of State Treasurer Fiona Ma  
Bryan Cash, designee of Secretary of Natural Resources Wade Crowfoot  
Tracy Van Houten, appointee of the Speaker of the Assembly\*  
Kathleen Ritzman, appointee of the Senate Committee on Rules  
Paul Rosenstiel, Vice Chair, Public Member  
Rhoda Rossman, Public Member  
Catherine Barna, Public Member

\*Participated remotely.

Members of the CEA staff in attendance:

Tom Welsh, Chief Executive Officer  
Shawna Ackerman, Chief Risk and Actuarial Officer  
Tom Hanzel, Chief Financial Officer  
George Sittner, Chief Insurance and Claims Officer  
Suman Tatapudy, General Counsel  
Susan Johnson, Governance Liaison

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

Chair Mark Ghilarducci called the meeting of the California Catastrophe Response Council (CCRC or Council) to order at 1:15 p.m.

Ms. Johnson called the roll and announced that a quorum was present.

**2. Minutes: Review and approve the minutes of the February 29, 2024, meeting of the Council.**

Public Comment

- Michael Allen, Former California State Assembly Member (attended virtually).

**MOTION:** Mr. Morton moved to approve the February 29, 2024, minutes of the California Catastrophe Response Council. Mr. Cash seconded. The motion passed unanimously by roll call vote with Mr. Rosenstiel abstaining.

**3. Vice Chair: Chair Mark Ghilarducci will ask the Council to select a vice chair.**

Chair Ghilarducci stated the resignation of Council Member Rich Gordon vacated the Vice Chair position. He asked for volunteers to serve as Vice Chair of the CCRC.

Mr. Rosenstiel volunteered.

Upon unanimous consent of the Council, Chair Ghilarducci congratulated Vice Chair Rosenstiel on his new position.

**4. Executive Report: CEA Chief Executive Officer Tom Welsh and other executive staff, as indicated, will provide the Council with an executive report on the following key items:**

The following three items of the Executive Report are part of the process of keeping the Council apprised of what the CEA does in its role as Administrator of the California Wildfire Fund (CWF or Wildfire Fund).

**A. CEA Operations and Leadership – Tom Welsh, Chief Executive Officer**

Chief Executive Officer Tom Welsh provided an overview of the CEA leadership change and the current focus of the CEA's operations. He stated, as the Interim CEO from January to June of this year, he was asked by the CEA Governing Board to focus on operational stability, catastrophe event readiness, and financial strength. In his permanent role as CEO of the CEA since June, the Governing Board mandates have remained the same: strengthen operational excellence, ensure catastrophe event readiness, maintain financial strength, enhance sustainability, and continue robust administration of the Wildfire Fund.

Mr. Welsh stated, ultimately, these focus areas serve the interests of this Council and the Wildfire Fund and put the CEA in a position to remain a strong and prudent Administrator of the Fund for years to come.

Mr. Welsh stated the overall focus as Administrator of the Wildfire Fund is on staying diligent in carrying out its responsibilities that are mandated in statute, collaborating with the Council and key stakeholders, monitoring threats and proposed changes, and facilitating the Council's oversight and policy functions through accurate, timely reporting.

There were no questions from Council Members and no public comment.

**B. Enterprise Risk Management – Shawna Ackerman, Chief Risk and Actuarial Officer**

Chief Risk and Actuarial Officer Shawna Ackerman presented her report.

Risk Assessment Scorecard:

- The quarterly status for each priority risk was unchanged from the February 2024 report to the Council. As tracking indicates, a majority of the Wildfire Fund risk is mitigated with current controls that are in place.

Enterprise Risk Management (ERM) Committee:

- The ERM Committee sets strategies, identifies priority risks, and ensures that risks are being monitored appropriately.

#### Risk and Compliance Committee (RCC):

- The RCC oversees policies. The RCC completed its annual review for the period April 30, 2023, through May 1, 2024, and submitted it to the ERM Committee last month. The RCC's core mission is to enhance the culture of compliance within the CEA and thus reduce risk across the enterprise through such activities as:
  - Policy oversight to ensure that needed policies are in place and that they are read and adhered to.
  - Improving ERM awareness for all staff by assisting the Human Resources Department in training, the onboarding process, and internal communications.
  - Enhancing accountability by initiating an internal audit program and establishing a process for audit-finding follow-up.
  - Completion of the California Department of Insurance (CDI) full financial audit for ERM for the first quarter of 2024 with no findings.

#### Mitigation:

- Chief Insurance and Claims Officer George Sittner has been assigned to monitor mitigation.
- In February, the Office of Energy Infrastructure Safety (Energy Safety), which has oversight of the Wildfire Mitigation Plans (WMPs), released its final audit report of PG&E's and SCE's Substantial Vegetation Management (SVM) 2021 WMP updates. Energy Safety found that PG&E and SCE substantially complied with the audits.
- In March, Energy Safety issued its Annual Report on Compliance for SDG&E's 2021 WMP update. Energy Safety's evaluation found SDG&E undertook significant effort to reduce its wildfire risk and, in many instances, achieved its objectives and targets. On balance, SDG&E was largely successful in executing an actionable and adaptive plan for wildfire risk mitigation. There are, however, still areas for improvement and continued learning.
- In April, Energy Safety issued its Annual Report on Compliance (ARC) for SCE's 2021 WMP update. Energy Safety's evaluation found SCE undertook significant effort to reduce its wildfire risk and, in many instances, SCE achieved its objectives and targets.

#### Discussion

Chair Ghilarducci asked about the Committees and their various areas of focus and whether there are outlines on how they operate.

Ms. Ackerman stated the ERM Committee has a framework document that identifies the risk tolerances and controls. The RCC does an annual or biannual review of every policy issued, depending upon the nature of the policy, and does assessments on individual readers.

Vice Chair Rosenstiel asked about specific activities of the RCC that are related to wildfire as opposed to earthquake.

Ms. Ackerman stated the ERM committee does an annual deep dive to ensure that priority risk areas have been identified.

Chair Ghilarducci asked what the CEA is doing on the compliance piece with regards to what Energy Safety is doing to ensure that everyone is aligned and that mitigation strategies are consistent across the board.

Ms. Ackerman stated the CEA does not have a role in the mitigation per se, but, if it is not done correctly or appropriately, it could impact durability. It is more about awareness for the CEA and the Council to know that these efforts are ongoing and whether they are successful.

Chair Ghilarducci asked if the CEA or the Council would engage with Energy Safety about possible concerns.

Mr. Welsh stated they would. The CEA does not technically have jurisdiction over the execution of mitigation plans, but they are relevant to what the CEA does in administering claims or potentially requesting funding back for lack of prudence. He stated there is one piece that Energy Safety does that impacts the Wildfire Fund in a post-claim situation. The CWF pays eligible claims. There is a possibility that, if they did not act prudently, the utility company may have to refund money back to the CWF after the California Public Utilities Commission (CPUC) conducts its Catastrophic Wildfire Proceedings. The existence of a safety certification is one piece of the prudence evaluation, and Energy Safety issues the safety certifications to the utilities. That is another reason the CEA monitors Energy Safety.

Ms. Ritzman asked about the assessment of the durability of the Wildfire Fund and if the CEA has ever changed their calculations based on the reports.

Ms. Ackerman stated the CEA runs a Sensitivity Analysis based on the results of the reports and has assessed things where mitigation is good.

Vice Chair Rosenstiel asked if the analyses factor into the Administrator's evaluation of the appropriate CWF retention for the three utilities.

Ms. Ackerman stated the Retention Analysis was built off the Durability Analysis. These types of sensitivity tests are generally consistent and do have an impact.

#### Public Comment

There was no public comment.

#### **C. Claims Administration – George Sittner, Chief Insurance and Claims Officer**

Chief Insurance and Claims Officer George Sittner presented his report.

Wildfire Monitoring and Reporting 2020-24:

- Part of the CEA's responsibility as Administrator is to monitor wildfires that might expose the Wildfire Fund.
  - There were no fires in 2023 or 2024 to date that expose the Wildfire Fund.

- The CEA continues to monitor loss estimates for four key wildfires: the 2019 Kincadee Fire, the 2020 Zogg Fire, the 2021 Dixie Fire, and the 2022 Mosquito Fire.
  - Nothing has changed in the estimates in the last year in terms of exposure to the Wildfire Fund since the last Council meeting.

Implementation of Wildfire Fund Claims Administration Procedures (Dixie Fire):

- PG&E provided the CEA with written notice that claims will be settled in excess of \$750 million.
- Sedgwick Claims Management Services, Inc., (Sedgwick) the CEA's claims review services provider for the Wildfire Fund, has officially entered Phase 2 of the claims administration process, effective October 11, 2023.
- PG&E is sending redacted claims settlement data and documentation, on a claim-by-claim basis as required, using the provisional claims data template supplied by the Administrator, to include individual claims, public entity claims, timber claims, DW4CR claims, and subrogation claims data.
- PG&E, per its 2nd Quarter 2024 SEC 10-Q quarterly report filing, has reported an estimated \$1.6 billion in aggregate liability related to the Dixie Fire. This estimate does not include state and federal fire suppression costs.
- PG&E continues to provide Sedgwick detailed claim settlement data as it becomes available.
- PG&E reached the \$1 billion paid claims threshold amount in June of 2024.
- Sedgwick has requested, and PG&E is providing, detailed claims documentation for a random sample of claims, outliers, and larger claims for review.

Timeline of Wildfire Fund Claims Administration Procedures (Dixie Fire):

- The Dixie Fire occurred on 7/13/2021.
- The IOU reported possible involvement to the CPUC on 7/18/2021.
- Government Entity Determination on 1/4/2022.
- Covered Wildfire Claimant (PG&E).

Next steps in the process:

- Claims are filed against the IOU.
- Claims are settled by the IOU.
  - Insurance companies settle claims with policyholders, then the IOU negotiates and reimburses insurance companies.
  - IOUs are currently settling claims with timber companies, individuals, etc.
- The IOU is now ready to seek reimbursement of the claims filed against the Fund.

- The IOU submits threshold claims.
- The Administrator (through Sedgwick) is in the process of reviewing threshold claims for “reasonable business judgment.”
- The IOU submits eligible claims for reimbursement.
  - The Administrator (through Sedgwick) is in the process of reviewing the eligible claims for “reasonable business judgment.” This process will likely take a year or more to conclude.
- The IOU will file an application with the CPUC to commence a catastrophic wildfire proceeding to determine if the utility acted prudently.

IOU Fire Mitigation Planning:

- The California Public Utilities Code Section 8386 requires electric utilities to develop annual WMPs to prevent, combat, and respond to wildfires within their service territories. These plans document the initiatives utilities propose for reducing utility-caused catastrophic wildfire risk.
- Links to the IOUs’ over 1,000-page WMPs were included in the meeting materials. Themes in the WMPs include strengthening the grid, vegetation management, new technologies, and improved monitoring systems.

Discussion

Ms. Ritzman asked about estimates from past state and federal fire suppression costs.

Mr. Sittner stated fire suppression costs have been reported in the media at approximately \$600 million for both state and federal for the Dixie Fire.

Mr. Welsh stated the need to be careful about giving estimates on contingencies that the utility companies are not yet fully cognizant of and have not been put into their own Securities and Exchange Commission (SEC) filings.

Public Comment

There was no public comment.

**5. Plan of Operations (Annual Report): CEA General Counsel Suman Tatapudy will ask the Council to review and consider approval and adoption of the Administrator’s Fifth Annual Plan of Operations (Annual Report) to the Legislature and, if approved, authorize the Administrator to deliver the Fifth Annual Report to the Senate Committee on Energy, Utilities, and Communications and the Assembly Committee on Utilities and Energy.**

CEA General Counsel Suman Tatapudy provided an overview of the legislative mandate, timeline, and requirements for the Annual Report to the Legislature. The proposed Annual Report was sent to Council Members on June 17<sup>th</sup>. No edits were requested or made by Council Members.

Recommendation

- Review and consider approval of the Fifth Annual Report and, if approved, authorize the Administrator to present the Fifth Annual Report to the Senate Committee on Energy, Utilities, and Communications and the Assembly Committee on Utilities and Energy.

There was no Council Member discussion or public comment.

**MOTION:** Ms. Rossman motioned to approve the staff recommendation. Mr. Morton seconded. The motion carried unanimously by roll call vote.

**6. Durability Analysis: Mr. Welsh will lead a discussion related to the recent receipt of multiple requests that the Administrator undertake a modeling analysis of the Wildfire Fund’s durability if the Fund were ordered to make up to \$6 billion in distributions to the PG&E Fire Victims Trust.**

Mr. Welsh stated several local elected officials in areas deeply affected by the 2017 and 2018 wildfires have requested, on behalf of survivors, that the CEA conduct modeled durability analyses to determine how much shorter the life of the Wildfire Fund would be if the Fund were to make up to \$6 billion in distributions to the PG&E Fire Victims Trust. Assembly Bill (AB) 1054 prohibits the CEA, as Administrator, from using Wildfire Fund assets for any purpose unrelated to the administration and payment of eligible claims arising from utility-caused wildfires ignited on or after July 12, 2019.

Mr. Welsh stated, as sympathetic as it is to the devastating losses that individuals have suffered as a result of catastrophic wildfires, the CEA believes that incurring the significant expense and time required to model the impact on the Wildfire Fund of multi-billion-dollar distributions that would be illegal or unauthorized under current law would constitute an inappropriate use of Wildfire Fund assets.

Mr. Welsh stated the CEA brings policy matters before the Council. This agenda item gives the Council, members of the public, utility companies, and individuals who are beneficiaries of the PG&E Fire Victim’s Trust the opportunity to be aware of and to comment on this issue.

Discussion

Mr. Morton suggested hearing from the public first as those comments may answer questions that Council Members have.

Ms. Ritzman noted that a member of her family had a loss in the 2017 fire.

Public Comment

- Julie Kleider, Nurse Leader at Kaiser Permanente.
- Michael Yates, Director of Fairness for Fire Victims, and President of Teamsters Local 665.
- Tom Brower, Redwood Valley.
- Michael Allen, Former California State Assembly Member
- Ryan Williams, Political Organizer, Service Employees International Union (SEIU) Local 1021.

- Tina Reszler.
- Jeff Okrepkie, Insurance Agent and City Council Member, City of Santa Rosa.

### Discussion

Mr. Morton stated appreciation for members of the public who took the time and effort to share. He asked Mr. Welsh to review the analysis of the legislation.

Mr. Welsh stated legislation defines eligible claims from covered wildfires, meaning fires that started on or after July 12, 2019. The Wildfire Fund was specifically created to address only post-2019 fires. The other piece of the legislation that creates the biggest impediment for the Administrator is a provision that states the assets in the Wildfire Fund may only be used for authorized purposes and to pay eligible claims. It is clear from the statute that the Legislature's admonition to the CEA as the Administrator is to stay entirely focused on post-2019 wildfires.

Mr. Welsh stated there is a policy rationale for the focus on post-2019 wildfires. The CWF is a result of negotiation and participation by the utility companies, ratepayer advocate groups, and the insurance industry. Ratepayer advocate groups and utility company shareholders, who each put in 50 percent of the capital for the CWF, did so with an understanding and an expectation that this was a future-looking fund and would not be a form of remediation for pre-2019 fires.

Mr. Welsh stated the statute, in a number of different locations, specifically admonishes the CEA as the Administrator to adhere to appropriate utilization of Wildfire Fund assets.

Ms. Tatapudy added that the specific references are Public Utilities Code Sections 3281(e) and (f), which authorizes Wildfire Fund assets to be used to buy insurance or take other actions to maximize the claim-paying resources of the fund and pay costs, expenses, and other obligations of the Fund from Wildfire Fund assets. Those are the two main portions outlining what purposes the Administrator is allowed to use Wildfire Fund assets.

Mr. Welsh stated one of the key legal issues is the expenses need to be related to extending the durability of the fund to create additional time for the utility companies to complete all the mitigation work that they have underway. It is difficult to see a distribution on account of historical victims as anything short of shortening, not extending, the durability of the Fund. That is the crux of the matter. It does not take a durability analysis to see that the life of the Fund will be shortened if \$6 billion is used to enhance recoveries to the fire survivors of the PG&E Fire Victims Trust. That is at the root of why the CEA's hands are tied and it would not be appropriate.

Mr. Morton asked for more information about what it would take to do a durability test to include years 2017 to 2019, considering that Mr. Yates indicated that the Teamsters would be willing to contribute to pay for the study.

Mr. Welsh stated it takes a combination of two things: one is an out-of-pocket expense of approximately \$300,000 to secure the licenses from wildfire modeling companies so the models can be used for the purpose of assessing the durability impact of these distributions, and the other is staff time, most notably the Chief Risk and Actuarial



Officer and potentially a consultant. The CEA currently manages the CWF and the Earthquake Fund. It covers its own expenses.

Ms. Ackerman added that, because the CWF is fully described in statute, the financials are published online and are transparent. An outside consultant with access to a wildfire model could do the analysis on behalf of the individuals who requested it today, completely independently of the CEA.

Mr. Morton asked about the timeframe of a durability test because, if it will take legislative action, the legislative session is ending soon.

Mr. Welsh stated it would take eight weeks or longer, depending on the license negotiation process.

Vice Chair Rosenstiel thanked the members of the public for their comments. He noted that the Council is sympathetic to the problems individuals are facing. He stated he was working in the Governor's Office during the development of AB 1054. He provided additional detail on where the idea for AB 1054 came from and why it ended up being drafted the way that it was.

Vice Chair Rosenstiel stated the issue that AB 1054 addressed was the concept of inverse condemnation that had made it impossible for PG&E to deal with its liabilities without seeking bankruptcy protection. After PG&E declared bankruptcy, it became an immediate necessity that the Governor address the issue of PG&E's bankruptcy. The word that was coming from the financial community and in particular the three rating agencies was that the problem of inverse condemnation was something that could eventually affect the other two utility companies as well.

Vice Chair Rosenstiel stated his job was dealing with the rating agencies and the investment community as AB 1054 was being put together. He stated he spent many hours talking to rating agency officials, who said that inverse condemnation is inconsistent with investment-grade ratings. It was inconsistent because it had turned the utilities from utility companies into insurance companies. That was inconsistent because they were not capitalized as insurance companies. This needs to be kept in mind. The whole point was that AB 1054 effectively created the insurance company that the rating agencies said was needed because the utilities themselves were not insurance companies.

Vice Chair Rosenstiel stated, from that standpoint, it is not entirely accurate to say that there is money sitting there that is not being used. That money is capitalizing an insurance company, just like the CEA has other money that is sitting there that capitalizes its earthquake insurance side or any private insurance company has capitalization that is set aside. To suggest that because the money is sitting there, it can be used for something other than its insurance purpose is stretching things a little bit.

Vice Chair Rosenstiel stated the reason the Governor's Office and the Legislature were concerned about the utilities perhaps not being investment grade or being in bankruptcy was because the state of California wants the utilities to invest in hardening their systems. That has been the focus. That is what this Council continues to ask about.

Vice Chair Rosenstiel stated the concept was that this insurance scheme that was created would give the utility companies time to invest in the hardening. Utilities invest

by borrowing money. When they borrow money, the cost for them to borrow the money is a function of what their credit strength is. When the rating agencies and the institutional investors say that the utilities are weak and not good credit risks, then the cost to raise that money goes up and cost of that money gets passed on to ratepayers. It is not something that comes from the stockholders of these three companies, but it is passed on as a legitimate business expense to the individuals who pay for power from these utilities – the ratepayers of investor-owned utilities.

Vice Chair Rosenstiel stated it was important from a public policy standpoint for the utility companies' credit quality to stabilize and that the utilities invest in hardening. That is what AB 1054 did. It is true that there are billions of dollars sitting in the CWF. It is also true that this money is there for insurance purposes. While it would be possible to take that money out by changing the legislation, it would send a different message to the rating agencies about the state of California's commitment to address the problem that it sees exists because of inverse condemnation. The Legislature has chosen not to change inverse condemnation; the creation of the CWF was the alternative that the state pursued.

Vice Chair Rosenstiel stated it is premature to say that the problem has been solved by the creation of the CWF. The Fund has only been in existence for four full years; it is unknown whether there will be another large wildfire. The hardening of the three utilities has not been completed but is a work in progress. When the legislation was enacted, the Fund was expected to last for the 10 to 15 years necessary to do the hardening. To claim victory after a few years is premature. One indication of that is that, while PG&E has gotten out of bankruptcy, PG&E still does not have investment-grade ratings. PG&E's noninvestment-grade ratings cost of borrowing goes up because there are many investors who will not buy.

Vice Chair Rosenstiel stated the need to think about the message it would send for this Council to suggest that this is something to consider. The Council cannot prevent individuals asking the Legislature to change the legislation, but that would send a potential message to the capital markets that the state of California is not as serious about addressing the weaknesses created by the existence of the inverse condemnation approach when we are only four years out from when the CWF was first set up.

Chair Ghilarducci echoed the appreciation for the members of the public who spoke. He stated that, on the surface, it seems like it makes sense and is logical, but unfortunately many things are far more complex. He encouraged members of the community to stay in contact with their legislators to look for other potential changes and solutions to continue to try to address this. The Council takes what was shared seriously. Public comment is helpful to the work of the Council.

Mr. Welsh thanked everyone who took the time to share their comments at this meeting.

#### Additional Public Comment

- Chris Rogers, City Council Member, City of Santa Rosa.

**7. Administrator Evaluation: Council Member Khaim Morton will give an overview of the process used for the Council’s annual evaluation of the CEA’s performance as Administrator of the Wildfire Fund during 2023. Mr. Welsh will present the comments received from the Council on CEA’s performance.**

Mr. Welsh stated, at the last CCRC meeting, Mr. Morton volunteered to work with CEA staff to go through the annual review process so the Council could evaluate the CEA’s performance as Administrator of the Wildfire Fund during 2023. The survey responses were included in the meeting materials.

Mr. Morton stated he worked with CEA staff to review and refresh the survey questions used the previous year to help facilitate this year’s evaluation. Major changes included eliminating the Strategic Development category and consolidating that category’s evaluation criteria with the Leadership and Culture category, and further refining the criteria in the Council Relations and Claims Administration categories.

Mr. Morton stated the intentions for these changes were to more finely tune the categories and related criteria to better reflect the core responsibilities and activities of the CEA as the Wildfire Fund Administrator and to make the evaluation more user-friendly for Council Members. He reviewed the survey categories:

- The Leadership and Culture category focused on the organizational stability and effectiveness of the staff that supports the work of the Wildfire Fund.
- The Financial Leadership category focused principally on investment management and cost controls.
- The Council Relations category focused on how the CEA is doing in supporting the Council’s important oversight role.
- The Claims Administration category focused on the CEA’s preparedness to handle claims.
- The Enterprise Risk Management category focused on how the CEA is doing in identifying, managing, and mitigating enterprise risks that could adversely impact the Wildfire Fund.
- The Overall Performance category focused on holistically evaluating the CEA’s overall performance.

Mr. Morton thanked Council Members for sharing their thoughts on the CEA’s performance last year.

Mr. Welsh thanked Mr. Morton for working with staff on this evaluation. He stated staff was pleased with the outcome of the evaluation. He responded to Council Members’ comments on the survey materials, such as discussing the CEA’s commitment to diversity, equity, and inclusion, continued collaboration with the Department of Water Resources (DWR) on non-bypassable charges (NBCs), more robust Council discussions, and proactive collaboration on important developments. The overall scoring demonstrates a level of confidence in the CEA’s ability as Administrator. He ensured that the CEA will not become complacent but will continue year after year to

maintain that level of trust and confidence that the Council has in the CEA. He thanked the Council on behalf of the CEA team for their evaluation.

### Discussion

Ms. Rossman stated appreciation for Mr. Morton's leadership in this matter and for undertaking this task.

### Public Comment

There was no public comment.

## **8. Financial Report: CEA Chief Financial Officer Tom Hanzel will provide the Council with a financial report on the Wildfire Fund as of June 30, 2024.**

Chief Financial Officer Tom Hanzel reviewed financial highlights from the past quarter. He noted that the financial activity for the CWF is broadly delivering what was expected when the legislation was signed regarding how the inflows and outflows would work. The goals of the legislation and the continued growth of the financial strength every year continues to be achieved.

### 2024 Approved Budget vs 2024 Actual Activity:

- NBCs from ratepayers were approximately \$406 million for the first six months of 2024, which was approximately \$2 million greater than expected in the budget. Weekly transmissions continue to be submitted as expected.
- Investment Income (net of expenses) is approximately 8 percent greater than budgeted and about double the prior year at \$156 million. As new funds are received, they are being invested at a higher rate. Also, securities from the original funds received are maturing and they are being invested at higher rates. The investment return is expected to continue to increase for another year or two.
- Personnel Expenses were \$160k versus \$235k budgeted and \$186k the prior year. Approximately 20 CEA staff work with the CWF for an average of 1.3 full-time equivalents focused on the Fund.
- Under General and Administrative Expenses, other contracted and consulting services were approximately \$413,000, lower than the \$1.2 million budgeted but higher than prior year. This relates to the third-party consultant Sedgwick that is helping with claims administration. This expense will continue to increase this year and roll into next year as Sedgwick reviews the claims from the Dixie Fire.
- Year-over-year, the direct expenses for the CWF is approximately \$1 million lower than planned. The total deductions to fund assets for the first half of the year was \$1.1 million while the budgeted amount was \$2.1 million.
- Change in Unrealized Gain/(Loss) was a loss of \$73 million, driven by interest rates.

### Balance Sheets:

- Total Assets increased year-over-year by approximately \$1.57 billion, to approximately \$12 billion at the end of June. The increase was primarily driven by the receipt of NBCs from ratepayers of approximately \$900 million and approximately \$300,000 of IOU annual contributions that comes through every December, and investment income minus expenses.
- Loss and Loss Adjustment Expense Reserves were \$600 million for the Dixie Fire related to PG&E, based on their current public financials. More claims are forthcoming against the CWF related to fire suppression and maybe other losses.
- The Wildfire Fund's Total Net Position increased approximately \$971 million year-over-year.

### Contributions and NBCs Received – from Inception through June 30, 2024:

- Approximately \$325 million in NBC funds were received February through June of 2024 from the DWR, which collects the funds from the IOUs. A change from paper-based monthly payments to electronic weekly payments began in January of 2024.

### Investment Analysis:

- The CWF's total portfolio market value as of June 30, 2024 was \$11.87 billion, with an average duration of 3.56 years and average credit rating of "AA." There was no movement on the credit quality. The CWF is still focused on the preservation of principal and not adding additional credit risk.
- The duration continues to increase, as more funds were received and maturities were reinvested for a longer term. This will extend further as more maturities are reinvested at higher rates for longer periods of time.
- The Income Return Net of Fees has increased from 2.29 percent a year ago to 2.72 percent. This improvement continues to be seen every month.
- Yield to Maturity is basically flat year-over-year at 4.76 percent, but has been moving monthly, especially over the past number of weeks.

### Unrealized Losses:

The change in unrealized losses has been due to the benefit of a time of items maturing and getting closer to maturity but also seeing rates decreasing. The unrealized loss position has decreased from approximately \$961 million of unrealized losses a year ago to, as of yesterday, down to \$576 million. It is rolling off faster than anticipated. This amount will continually fluctuate with the underlying treasury rate. 2024 Requests for Qualifications (RFQs):

- CEA staff issued RFQs for investment managers for the CEA and the CWF to reduce the number of current investment managers, and for a financial advisor for the CEA and the CWF.
- 41 investment management firms and 1 financial advising firm responded. Based on evaluation of the proposals, the RFQ Selection Panel selected 14 investment

management firms with expertise and depth of experience and with robust systems for trading, compliance, reporting, and recovery. The 14 investment management firms and the 1 financial advising firm were approved at the June CEA Governing Board meeting and entered five-year contracts with the CEA.

### Discussion

Ms. Ritzman stated, in the discussion on Agenda Item 6, there was a discussion of \$300,000 to secure the proprietary licenses for the wildfire modeling. She asked where the license fees fit in the 2024 Approved Budget vs 2024 Actual Activity chart.

Mr. Welsh stated that was a comment about what it would cost to do a durability analysis. Currently, the CEA has a relationship with reinsurance brokers who are paid if reinsurance is purchased. If it is found that buying reinsurance will extend the durability of the CWF, then reinsurance brokers would be taken into consideration to buy reinsurance. The current modeling is essentially built into that relationship. They own the models and the CEA would collaborate with them on doing those durability analyses. If the CEA was to begin doing durability analyses untethered to that relationship, that is what would cause the additional fees.

Ms. Rossman stated she asked for additional detail at the last meeting about the charges that the DWR takes in administering the payments from the IOUs and transferring them to the CWF. Council Members were offered an opportunity to have an in-depth session with the DWR to look at what the charges amount to and other details.

Ms. Rossman stated she, Mr. Morton, and Ms. Van Houten went to the in-depth session with the DWR. Ms. Rossman shared what she learned. The main reason is that what was behind the \$5 million per year charges that the DWR has been taking for administrative and operating expenses has always been opaque. The more the DWR takes out, the less there is in the CWF.

Ms. Rossman stated the DWR charges the CWF \$3 million per year for labor, which equals 11 full-time equivalents (FTEs). As a comparison, the CEA charges \$400,000 per year, which equals 1 FTE. This seems disproportionate because the DWR plays a simple role of collecting revenue from the utilities, keeping track of it, and transferring it to the CWF. She stated the DWR went to great lengths to justify these charges, but, given her firsthand, professional experience in finance operation, it should not take anywhere near 11 FTEs to do that work.

Ms. Rossman recommended inviting the DWR to present at the November CCRC meeting and provide more detail on the labor cost allocation of 11 FTEs and how they can reduce the expenses that come out of the NBCs, and present a lower budget. She suggested that, if the DWR does not agree to greater transparency and prove that it takes that many people to provide the service, the Council should request an outside consulting firm to audit that labor allocation, make independent recommendations on the staffing requirements for these functions, and identify opportunities to gain efficiencies.

Ms. Van Houten spoke in support of Ms. Rossman's recommendations.

Mr. Morton agreed and asked that the DWR better explain their process as the funding flows through.

Mr. Welsh stated the DWR has agreed to present at the November CCRC meeting.

#### Public Comment

There was no public comment.

#### **9. San Diego Gas & Electric Presentation: San Diego Gas & Electric Senior Counsel Laura Fulton will provide an overview presentation on San Diego Gas & Electric's wildfire mitigation activities.**

Senior Counsel Laura Fulton, San Diego Gas & Electric (SDG&E), stated she supports the SDG&E Wildfire Mitigation Program and oversees the legal and regulatory aspects of the WMP and submissions, regulatory procedures of the CPUC and Energy Safety, and most of the company's compliance with safety certification requirements. She provided a slide presentation overview of SDG&E's WMP, including the approach to system hardening, situational awareness, vegetation management, and public safety power shut-offs (PSPS).

Ms. Fulton stated San Diego County continues to have the highest wildfire risk of any county in the United States. After the Witch Fire of 2007, SDG&E committed to a renewed focus on wildfire safety and continued operational enhancements and excellence, including a renewed safety culture and developing infrastructure improvements including a first-of-its-kind utility weather network, and infrastructure improvements designed to enhance wildfire safety.

#### Discussion

Mr. Morton thanked Ms. Fulton for her presentation and stated the Treasurer's Office would like the opportunity to follow up offline, particularly about SDG&E's use of technology and innovation, AI, and how it may be directing more of the opportunities for capital toward some of those areas or other companies to help mitigate risks currently being seen and in using AI and modeling scenarios to try to eliminate risks.

Ms. Fulton stated the meteorology team will be happy to follow up offline.

Mr. Cash stated appreciation for the work SDG&E is doing to mitigate fires in its service area. He stated 180 miles of undergrounding have been completed since 2020 with a goal of 125 this year, 150, and then up to 170 by 2027. He asked what SDG&E is doing to ramp up that quickly, since 60 and 80 miles were completed over the last two years.

Ms. Fulton stated SDG&E is in the middle of a general rate case where other things may be decided on that, but SDG&E has implemented a project management organization that has ramped up the undergrounding approach and created new efficiencies. SDG&E has also tried to find new efficiencies in permitting and planning to use models to scope work well in advance for permits and land rights and negotiating new routes that do not directly follow existing easements. These are some of the improvements and enhancements.

Ms. Fulton stated SDG&E has, through that scale, found new cost efficiencies to lower undergrounding costs more and more. SDG&E decided to use a shallower trench depth that has reduced costs, which has been helpful in making undergrounding as cost-efficient and cost-effective as possible.

Vice Chair Rosenstiel stated he visited the SDG&E facility several years ago and noted that the amount of work SDG&E was doing was almost overwhelming. He asked about hardening and undergrounding. It looks like, through 2032, the expectation is that, by the end of that time, SDG&E would have 65 percent of its miles undergrounded and 35 percent unhardened or hardened in a different way. He asked if the 65 percent is a constraint because of finances or the inability to do that work or that, based on analysis, no more than 65 percent is necessary to fully harden the system.

Ms. Fulton stated it is more a function of the understanding of risk and the overall risk reduction goal. SDG&E targeted an almost 99 percent wildfire risk reduction at the end of that period, but 83 percent of that is through hardening. Undergrounding is expensive; SDG&E aims to use it where it is most cost-efficient. When trying to achieve a balance between costs and reducing risk versus determining if the goal is to eliminate risks or to reduce it to a reasonable point, the understanding is that the 65 percent of undergrounding alone achieves that 83 percent risk reduction through hardening and also eliminates the vast majority of PSPS impacts. A good portion of the HFTD is already underground due to new build, not through the strategic hardening programs. Ultimately, it is not that SDG&E set a budget; it was that it understood and found a balance of risk reduction and cost.

#### Public Comment

There was no public comment.

#### **10. Public Comment: The Council will invite public comment on matters related to the Wildfire Fund that do not appear on this agenda and to make requests that matters be placed on a future Council meeting agenda.**

- Michael Allen, Former California State Assembly Member

#### **11. Adjournment.**

Chair Ghilarducci thanked everyone for participating and adjourned the meeting at 4:03 p.m.



CALIFORNIA EARTHQUAKE AUTHORITY  
WILDFIRE FUND ADMINISTRATOR

PUBLIC MEETING OF THE  
CALIFORNIA CATASTROPHE RESPONSE COUNCIL

PARTIAL TRANSCRIPT -  
PUBLIC COMMENT RECEIVED DURING THE MEETING

HOSTED BY THE CALIFORNIA EARTHQUAKE AUTHORITY  
400 CAPITOL MALL  
SUITE 670  
SACRAMENTO, CALIFORNIA

MONDAY, AUGUST 12, 2024  
1:00 P.M.

Recorded by: Ramona Cota

APPEARANCESCalifornia Catastrophe Response Council Members:

Mark Ghilarducci, Chair, designee of Governor Gavin Newsom

Khaim Morton, designee of State Treasurer Fiona Ma

Bryan Cash, designee of Secretary of Natural Resources Wade Crowfoot

Tracy Van Houten, appointee of the Speaker of the Assembly\*

Kathleen Ritzman, appointee of the Senate Committee on Rules

Paul Rosenstiel, Vice Chair, Public Member

Rhoda Rossman, Public Member

Catherine Barna, Public Member

\*Participated remotely

Members of the CEA staff in attendance:

Tom Welsh, Chief Executive Officer

Shawna Ackerman, Chief Risk and Actuarial Officer

Tom Hanzel, Chief Financial Officer

Catharine Shaw, Communications Coordinator

George Sittner, Chief Insurance and Claims Officer

Suman Tatapudy, General Counsel

Susan Johnson, Governance Liaison

APPEARANCESMembers of the Public Offering Comment

Michael Allen\*

Julie Kleider

Michael Yates, Director of Fairness for Fire Victims  
and President of Teamsters Local 665

Tom Brower

Ryan Williams, Political Organizer\*  
Service Employees International Union (SEIU) Local 1021

Tina Reszler\*

Jeff Okrepkie, City Council Member\*  
City of Santa Rosa

Chris Rogers, City Council Member\*  
City of Santa Rosa

\*Participated remotely

PROCEEDINGS

1:18 p.m.

1  
2  
3 **2. Minutes: Review and approve the minutes of the February**  
4 **29, 2024, meeting of the Council.**

5 MR. ALLEN: Yes. I'll keep my comments short.  
6 My name is Michael Allen.

7 (Mr. Allen muted himself.)

8 MS. SHAW: Michael, you have muted yourself  
9 again, could you please unmute. Thank you.

10 MR. ALLEN: Okay. I don't know how that  
11 happened. Anyway, I was trying to introduce myself. I  
12 represented the North Bay for the Assembly; I was the  
13 Assistant Majority Leader. I also work with many of the  
14 working families in this area that was devastated by the  
15 Tubbs Fire, the subsequent fires.

16 And so, I know you're going to be considering  
17 doing a durability analysis to see if we can help some  
18 folks here because a lot of people only got compensated 70  
19 cents on the dollar, so we have a lot of economic  
20 dislocation up here and it would be such a great help if  
21 this could be done. I understand that to be prudent you  
22 have to, you would have to do this kind of durability  
23 analysis. But I would plead with you to look at it to do  
24 what we can for these folks. And thank you.

25 CHAIR GHILARDUCCI: Okay, thanks, Michael.

1 (The meeting continued but was not transcribed.)

2 2:12 p.m.

3 **6. Durability Analysis: Mr. Welsh will lead a discussion**  
4 **related to the recent receipt of multiple requests that the**  
5 **Administrator undertake a modeling analysis of the Wildfire**  
6 **Fund's durability if the Fund were ordered to make up to \$6**  
7 **billion in distributions to the PG&E Fire Victims Trust.**

8 JULIE KLEIDER: Hello, everybody. I'm Julie  
9 Kleider and I'm here with my husband, Kevin. We are  
10 survivors of the Tubbs Fire in 2017. I'm really sorry for  
11 your family. We're lucky to be here. We had no warning so  
12 we ran from a burning house. Our children made it out, our  
13 animals, and us. During that time, you know, at that point  
14 we're in gridlocked traffic, right, because there was no  
15 warning. I'm freaking out, wondering if we're going to  
16 make it. And I'm also a Nurse Leader at Kaiser Permanente.  
17 We were starting to evacuate the hospital because the fire  
18 was surrounding the hospital. We did make it out, but I  
19 spent the next five days working the Command Center at the  
20 hospital, sleeping inside of a hospital that's surrounded  
21 by firemen trying to protect us from the fire. My husband  
22 was out there saving animals - cows, horses - everything to  
23 help our community.

24 I just wanted to put that into context because,  
25 you know, this wasn't a lightning strike, it wasn't arson.

1 PG&E was neglectful with, you know, how they provided  
2 service to us, and it was very traumatic.

3 We lived in a trailer for a couple of years. We  
4 have three dogs and - take a note. Nobody wants to rent to  
5 you if you have three dogs and so we lived in a trailer  
6 while rebuilding.

7 Right before the fire my husband brought home his  
8 250 crab pots because he's a commercial fisherman - diver -  
9 and it was going into crab season. We lost all of it in  
10 the fire; and insurance doesn't cover your business costs.

11 Unfortunately, our contractor, like everyone  
12 else, was trying to make money off of the situation, so he  
13 would show up for a day, we'd give him like \$100,000 to  
14 continue building. He would be gone for months because he  
15 had like 10 or 15 jobs going. My husband stopped working  
16 and with, you know, a few subcontractors he has been  
17 building our home. And I'm fortunate that I have that.  
18 And he is just now going back to work seven years later.  
19 We still don't have a backyard; we still don't have a  
20 fence. When our three-year-old grandson comes over, we  
21 play inside because, you know, it's dangerous otherwise.

22 Houses have not rebuilt in our neighborhood.  
23 Both neighbors on each side of us have left. One has  
24 traumatic, you know, PTSD from the fire. She moved to  
25 Arizona. And the other two gentlemen, one of the husbands

1 died. This was their dream home and so the husband didn't  
2 move back.

3           You know, we just, we see so much trauma in our  
4 community. We also had to - just to let everyone know -  
5 evacuate Kaiser Permanente again from the Kincaid Fire.  
6 And talk about trauma to a community. You're trying to  
7 find -- I'm an oncology nurse and I'm trying to find  
8 chemotherapy for your patients, life-saving measures, when  
9 hospitals are evacuating. We can't hire physicians. I've  
10 been trying to hire a gastroenterologist, a cardiologist,  
11 and an oncologist for three years. Nobody wants to move to  
12 Sonoma County because of these fires. You can still see  
13 the destruction.

14           So, we're here on behalf of our community, not  
15 just for ourselves. We've all lost our insurance coverage;  
16 we've all had to go to the FAIR Plan. It's double if not  
17 triple. Our car insurance is double. And people are just  
18 trying to survive.

19           So, on behalf of everybody, and I'm sorry I'm  
20 emotional, this is so much harder than I imagined. I'm  
21 grateful, again, that we have our lives, but we really are  
22 asking for that additional 30 percent. Seventy cents on  
23 the dollar is not, that is like a really big deal for so  
24 many people to rebuild their homes. We have homes in our  
25 neighborhood half built and they've stopped. And so I

1 just, I hear everybody and I urge you to consider it so  
2 people can have their lives back. Thank you.

3 CHAIR GHILARDUCCI: Thank you. Appreciate it.

4 MICHAEL YATES: Hi, my name is Michael Yates. I  
5 am the Director of Fairness for Fire Victims, and I am also  
6 the President of Teamsters Local 665.

7 Speaking on behalf of the durability analysis,  
8 when the Legislature passed AB 1054 it was unclear whether  
9 the IOU system would survive or if it would be overwhelmed  
10 by fires. They estimated that there would be so many  
11 claims with the CWF that it would be fully depleted in 10  
12 to 15 years. So, accordingly, they did not believe PG&E  
13 bankruptcy victims could be included.

14 Fortunately, AB 1054's carrot and stick approach  
15 has succeeded beyond anyone's wildest dreams. There still  
16 has not been any claims made on the Fund, so we are in a  
17 wonderful position to be able to include the fire victims  
18 who have suffered the most through PG&E's bankruptcy  
19 victims. In this Fund we want, we want to work with the  
20 Legislature to make sure that this is done in a way that  
21 does not increase the rates or negatively affect the IOUs'  
22 credit rating. This will, this will not just make the  
23 victims whole, it will have an incredible impact on the  
24 whole community.

25 I also am from Santa Rosa and we ran to help out



1 not just my members and all the union members, we helped  
2 out the entire community. We partnered with all the  
3 businesses, union or non-union, to work together to help  
4 the community through the fire. We ran a site out of my  
5 building for three months just taking care of fire victims.

6 I firmly believe in this. I was not directly  
7 impacted. Some of my family was a little. But this has  
8 devastated our community. And we are even willing with  
9 fire victims -- The Fairness for Fire Victims, we do not  
10 believe it is illegal to run the durability study, but we  
11 are willing to entertain paying for the durability study,  
12 if you do believe that. Thank you.

13 CHAIR GHILARDUCCI: Thank you very much. Sir.

14 TOM BROWER: Hi, my name is Tom Brower. I'm from  
15 Redwood Valley, California, and my kids and I are victims  
16 of the 2017 Redwood Complex Fire. I'm afraid I'll just  
17 repeat a lot of things that everybody has said so far, but  
18 our fire was a huge impact on the Redwood Valley community  
19 as well as the Potter Valley community.

20 To this day, I can tell you that most people have  
21 not even come close to fully recovering. We expect 70  
22 cents on the dollar but that's like 2017 dollars. You  
23 know, we got hit by the pandemic; then we got pretty  
24 runaway inflation. Everything costs more. The 70 cents I  
25 think is more like 50 cents or maybe 60 cents to the

1 dollar. So, that's why we're pleading for help.

2 And we see this big pot of money. And no fire  
3 victim wants to see it irresponsibly depleted, honestly. I  
4 don't. I'm a former firefighter myself. And, you know,  
5 the fund is really a good thing. But I would plead that  
6 you consider the possibility of doing a durability study  
7 and possibly a legislative fix to get around the statute  
8 and help us. That's really all I have to say.

9 CHAIR GHILARDUCCI: Thank you.

10 MR. BROWER: Thank you so much.

11 CHAIR GHILARDUCCI: Appreciate it, thank you.

12 Any other public comment from in-person comment?  
13 All right, seeing none maybe we could go for another  
14 online, please.

15 MS. JOHNSON: Mr. Chair, we have four members of  
16 the public waiting to speak online.

17 If any other members of the public wish to  
18 comment, please press \*9 on your phone or click the Raise  
19 Hand button on your Zoom app.

20 Michael Allen, you will be unmuted. Please go  
21 ahead.

22 MICHAEL ALLEN: Thank you. Well first of all, I  
23 just want to thank the Board because I found this meeting  
24 very educational and helpful to me to understand the  
25 situation.

1           The one thing I would suggest is that if the  
2 Administrator is feeling tethered by the existing statute,  
3 I know that basically both the Governor and the Legislature  
4 could be approached to provide for this situation. I know  
5 that the Senate President Mike McGuire is from our area.  
6 He was, he was out there with the firefighters during our  
7 last two fires a few years ago helping evacuate homes and  
8 he's very aware of the situation here.

9           So, to me, sometimes what happens is when you do  
10 legislation, you do it in anticipation of the facts that  
11 are known. And then when you look back in retrospect, you  
12 can see that you've left, unintentionally, communities left  
13 on their own where they really are dealing with  
14 construction costs that have doubled or tripled since the  
15 time of the fire and with shortfalls. And so to me, even  
16 if there is a feeling that the legislation has you tethered  
17 and you cannot do the durability study, I think by working  
18 with both the Governor and the Legislature the statute  
19 could be written to allow it to have that study done so  
20 that we could effectuate what the real purpose of what  
21 we're trying to do here is to bring help and relief to  
22 those people who've been damaged by the fires caused by the  
23 utility companies.

24           So, in closing, I just want to thank you because,  
25 really, I felt that today, I followed the meeting closely

1 and I found it very educational and I want to thank you for  
2 all your service, both staff and the Board Members. That  
3 concludes my public comments. Thank you.

4 CHAIR GHILARDUCCI: Thank you, sir.

5 MS. JOHNSON: Ryan Williams, you will be unmuted  
6 and able to speak.

7 RYAN WILLIAMS: Hello, my name is Ryan Williams.  
8 I am a resident in Sonoma County and a Political Organizer  
9 for SEIU 1021 in the North Bay. SEIU 1021 represents  
10 workers of the county of Sonoma and Napa and in the cities  
11 of Santa Rosa and Napa, amongst other jurisdictions.

12 Our members were on the front lines of the  
13 multiple fires between 2015 and '18 in the north, in  
14 Northern California, not only at work but at their homes.  
15 We had, we had multiple members lose their homes and they  
16 continued to work heroically to help victims and residents  
17 in the counties and cities.

18 Like other speakers who have already told their  
19 stories, it has been years of trauma, years of extra work,  
20 years of lost pay due to these fires that were caused by  
21 the negligence of one, one company in particular.

22 And our ask is that the Fund -- sorry. Our ask  
23 is that, you know, we look at the durability study. This  
24 fix will have zero impact on the state budget. It can be  
25 done in a way that will preserve the health of the

1 California Wildfire Fund for future needs. And as already  
2 mentioned earlier in the meeting, to this day the  
3 California Wildfire Fund remains fully funded and has not  
4 been accessed thus far. So, we hope that not only is the  
5 durability study done, but outreach is done, as former  
6 Assembly Member Michael Allen just said. That we do  
7 outreach to Members of the Assembly and Senate and to the  
8 Governor to complete any kind of legislative fixes that are  
9 needed. Thank you to the staff and to the Members of the  
10 Board for taking the time to adding this to the agenda and  
11 to listening to our proposed solution to the underfunded  
12 compensation to the victims of these fires. Thank you.

13 CHAIR GHILARDUCCI: Thank you. Appreciate it.

14 MS. JOHNSON: Mr. Chair, Tina Reszler is waiting  
15 to speak. Tina, please go ahead.

16 TINA RESZLER: Hi there. My name is Tina Reszler  
17 and I was a part of the Camp Fire in Paradise, California.  
18 And I just want to share that the majority of the towns  
19 that were affected by the Camp Fire in Butte County were  
20 low income, they were aged adults, and they were people  
21 with disabilities. You know, as it stands, there's no  
22 guarantee that we will even receive that 70 percent of our  
23 award. And when you factor in the tax problem that we're  
24 experiencing and all the high lawyer fees, you know, we're  
25 truly only seeing just a little over 50 percent of our

1 awards money in our pocket.

2           And just like what the other people had shared in  
3 public comment, you know, with the rising costs of  
4 everything and being taken advantage of from contractors.  
5 I personally was taken advantage of -- a contractor. You  
6 know, \$75,000 gone, you know, just like that, and it was  
7 part of my rebuild money moving forward to get me back into  
8 Paradise.

9           It's just been so extremely difficult since the  
10 Camp Fire. The years of trauma are very real. I  
11 definitely suffer still to this day the PTSD with this  
12 recent Park Fire that almost touched Paradise and Magalia.  
13 I didn't realize how much PTSD I actually do suffer. And I  
14 have a plan if something happens what, what I can do. But  
15 I want to share with you that as simple as that plan was,  
16 my brain froze and I wasn't able to grab my dog's leash to  
17 put it on my dog to try to evacuate. And it was so  
18 difficult for me just to move forward with that simple  
19 little task. But I had lost my dogs in, in the Camp Fire  
20 and so I don't know about that.

21           But I really appreciate the public comments and  
22 you allowing us to kind of share a little bit. I really,  
23 really hope and beg that you do the durability study to  
24 move this forward because it will greatly help so many of  
25 us just at least, at least be able to rebuild some of our

1 lives back. I mean, there is so much that has been taken  
2 away, but we can't just leave us hanging like this. We've  
3 been completely in the dark with the PG&E bankruptcy for  
4 the last few years of what's happening. And just the lack  
5 of transparency has really, you know, made people kind of  
6 go a little nuts about what's happening here. So, I'm  
7 just, I'm really asking you to please consider doing the  
8 durability study. At minimum, just do the study and help  
9 us to move forward. So, thank you for the public comment.

10 CHAIR GHILARDUCCI: Thank you very much.

11 MS. JOHNSON: Mr. Chair, our next speaker is Jeff  
12 Okrepkie.

13 Jeff, you may go ahead; and apologies if I  
14 mispronounced your name.

15 MR. OKREPKIE: You actually pronounced it  
16 correctly, so I appreciate that, thank you.

17 Chair, Vice Chair, Council Members and staff, I  
18 appreciate your time today. My name is Jeff Okrepkie. I  
19 am a licensed insurance agent for the last almost 20 years.  
20 I am a City Council Member for the city of Santa Rosa; and  
21 in 2017 I, with my pregnant wife and one and a half year  
22 old son, lost our house in the Tubbs Fire.

23 I think it's important to use the proper  
24 terminology here. We're not beneficiaries; technically,  
25 we're claimants on a bankruptcy. We are not receiving

1 funds from a lawsuit; therefore, it's taxable.

2            Luckily, the California Legislature moved quickly  
3 to eliminate taxes on these disbursements, but the federal  
4 government is having a hard time getting anything done so  
5 we are still subject to federal taxes.

6            When you look at what's going on, getting only  
7 about 66 percent, then you add federal taxes, you add  
8 lawyers' fees for most people, not all filed pro se, and  
9 then, on top of that, you add the fact that some of these  
10 lump disbursements move you into a higher tax bracket. Many  
11 people are getting less than 50 percent of what they were  
12 actually told they were going to be awarded by this Fire  
13 Victims Trust. I think it is important to recognize that.

14            Because of that, there has been a severe decline  
15 in the economy in Sonoma County as well as in Butte County  
16 because of these fires. This is really reflected in the  
17 population decline specifically in Santa Rosa and the 80  
18 percent population decline in Paradise. Only 20 percent of  
19 the people that lived in Paradise at the time of the fire  
20 have returned. A lot of that can be attributed to not  
21 having enough money to rebuild or enough money to carry on  
22 their lives here in California. We all know California is  
23 expensive, so a lot of people took their -- essentially  
24 took their money and ran because they weren't getting  
25 enough in return.



1           I think it is important to focus on the fact that  
2 we're not asking for any monetary distributions. Not one  
3 cent to be distributed. We're asking for an analysis to be  
4 done. An analysis that, as Mr. Yates said, could be offset  
5 in costs. And I understand, being in the policy making  
6 decision in a much smaller body, obviously, but there's  
7 times that happen where things can be presented that are  
8 difficult to decide, especially as yourselves not be  
9 elected policy makers, it puts you in a difficult position.  
10 But what you have the opportunity to hear is undertake an  
11 analysis that could be one of the consequential decisions  
12 that you could possibly make. I understand that there is  
13 the -- the terminology used is that this would be illegal  
14 and unauthorized under current law. If you do this  
15 analysis and the money is there, as a lot of us believe  
16 there would be, you would have a line of legislators to  
17 submit bills from all over California. This is a no-  
18 brainer.

19           Hopefully, you know, our representative, the  
20 State Senate President pro tem Mike McGuire would be the  
21 first in line, if not Jim Wood our Assembly Member. But  
22 this is something that you have the opportunity to change  
23 literal lives. I don't know if in your capacity you have  
24 the opportunity to do something like this at this level. I  
25 know you can do it with, with fires that are legitimately

1 smaller. You look at the Dixie Fire losses that you put up  
2 earlier. Both Camp and Tubbs Fires are ten times that  
3 size. So, you have the opportunity to do something that  
4 could make you, make you an individual that has benefited  
5 hundreds and thousands of people. So, this is something  
6 that I urge you to undertake and to work with the community  
7 partners and stakeholders in. Thank you.

8 CHAIR GHILARDUCCI: Great, Jeff, appreciate it.

9 MS. JOHNSON: If anyone else would like to  
10 participate in public comment please press \*9 on your phone  
11 or click the Raise Hand button on the Zoom app.

12 Mr. Chair, that is all for public comment on this  
13 item.

14 (The meeting continued but was not transcribed.)

15 **2:54 p.m.**

16 CHAIR GHILARDUCCI: Okay. With that then let's  
17 move on to Item 7.

18 MS. JOHNSON: Mr. Chair?

19 CHAIR GHILARDUCCI: Yes.

20 MS. JOHNSON: Apologies. We have, we did have.  
21 We have one additional request for comment.

22 CHAIR GHILARDUCCI: Okay. Well, let's take it.

23 MS. JOHNSON: Chris Rogers, you may go ahead and  
24 speak.

25 CHRIS ROGERS: First of all, I just want to thank

1 you for giving me an opportunity to speak. Sorry I'm a  
2 little bit late. My name is Chris Rogers. I'm a Council  
3 Member for the city of Santa Rosa. I just wanted to call  
4 and support this request. As you know, our community has  
5 been through devastating wildfires and anything that we can  
6 do, particularly without undermining the rest of our  
7 emergency preparedness. But anything that we can do to try  
8 to help make sure that people get home and get made back  
9 whole is a benefit to our community. So, I just wanted to  
10 support the durability analysis and hopefully we can find a  
11 path forward.

12 CHAIR GHILARDUCCI: Thank you, sir, appreciate  
13 it.

14 With that then, let's move on to Item 7.

15 (The meeting continued but was not transcribed.)

16 2:02 p.m.

17 **10. Public Comment: The Council will invite public comment**  
18 **on matters related to the Wildfire Fund that do not appear**  
19 **on this agenda and to make requests that matters be placed**  
20 **on a future Council meeting agenda.**

21 MS. JOHNSON: To participate in public comment  
22 please press \*9 on your phone or click the Raise Hand  
23 button on your Zoom app.

24 We do have a request for public comment. Sorry.  
25 Michael Allen, go ahead and speak.



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CERTIFICATE OF REPORTER

I, RAMONA COTA, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing meeting of the California Catastrophe Response Council and thereafter transcribed the recording.

I further certify that I am not counsel or attorney for any of the parties to said public meeting or in any way interested in the outcome of said matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October, 2024.



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RAMONA COTA, CERT\*\*478