

## CALIFORNIA CATASTROPHE RESPONSE COUNCIL MEETING MINUTES

November 14, 2024  
2:00 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\*  
Lisbeth Landsman-Smith, designee of Insurance Commissioner Ricardo Lara  
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 2:01 p.m.

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

**2. Minutes: Review and approve the minutes of the August 12, 2024, meeting of the Council.**

**MOTION:** Ms. Van Houten moved to approve the August 12, 2024, minutes of the California Catastrophe Response Council. Ms. Barna seconded. There was no public comment on the motion. The motion passed unanimously by roll call vote.

**3. Meeting Dates: CEA Chief Executive Officer Tom Welsh will present for discussion proposed 2025 Council meeting dates.**

Chief Executive Officer Tom Welsh reviewed the 2025 CCRC Meeting Schedule, which was included in the meeting materials.

#### Discussion

Council Members agreed to change the July 17<sup>th</sup> meeting date to July 24<sup>th</sup>. The 2025 meeting schedule will be February 13, 2025, July 24, 2025, and October 30, 2025.

#### **4. Executive Report: CEA Executive Staff will report on the following activities related to CEA's administration of the Wildfire Fund.**

Mr. Welsh stated the California Earthquake Authority's (CEA or Administrator) operations and its ability to continue functioning as the California Wildfire Fund (Wildfire Fund) Administrator remain strong and resilient. The CEA maintains a high degree of focus on efficiency and execution of its role as Administrator of the Wildfire Fund in strict compliance with the statutes that govern the Fund. The CEA approaches the work that the Council delegates to perform administrator functions with that same fiduciary rigor that it brings to its earthquake insurance business to ensure efficiency in its operations.

Mr. Welsh noted that the Wildfire Fund is finite. The capitalization of the Fund will end at some point when the last non-bypassable charges (NBCs) are collected in January 2036. Claims are expected to come in over that period of time. One of the activities the CEA has been engaged in as Administrator of the Fund is planning and preparation for the "end of life" phase of the Wildfire Fund when claims deplete the Fund. The CEA will be equitable and transparent during that process. The CEA anticipates and plans for different scenarios that can give rise to that "end of life" moment, such as one large wildfire that produces claims that outstrip the total claim-paying capacity, or a series of different fires by one or more utility companies. The CEA is working with an insolvency law firm to help with advance planning for that.

Mr. Welsh stated a plan is anticipated to be brought before the Council at the July meeting for discussion. The "end of life" derives from the receipt and administration of claims.

#### Discussion

Ms. Rossman asked if it is possible to plan for no fires, where the Fund stays large and then the collection of the non-bypassable charges ends.

Mr. Welsh stated, as a foundational matter, that the Administrator administers the fund in strict accordance with the statute that created it. He agreed with anticipating the possibility that the Legislature might look at the scenario Ms. Rossman described with no large events in 15 to 20 years, but it is not an issue that the CEA, as the Administrator, would push a policy agenda on because that is not its role.

Ms. Rossman agreed that that is a good point.

Mr. Welsh stated the Council can talk about it and the CEA will keep the Council apprised of the status of the Fund at Council meetings three times per year.

Ms. Rossman stated her understanding that, if the Fund grows and is not depleted, the Legislature and not the Council will determine the next course of action so there is no point in planning for it.

Mr. Welsh stated, when looking at the models and historic fires, a single fire in a heavily populated area with a lot of property could produce losses that could outstrip the total claim-paying capacity. While the CEA can be optimistic that there will only be incremental draws on the Fund that allow trying to achieve the legislative objective of having the Fund remain to lower the insurance costs of the utilities so that those expenses are not then passed onto ratepayers, it must always be prepared for the possibility that one or two cataclysmic events can quickly turn the tide.

Vice Chair Rosenstiel stated the Council has a responsibility to do what it can to manage the Wildfire Fund for the purposes for which it was established, which is as an insurance fund for the utilities. It is not in the Council's purview to decide that the funding should be used for something else because the law mandates what the funding should be used for and established the Council to carry that out. One of the things the Council can do in carrying that out is to hire an Administrator. The Council does not necessarily look to the Administrator for policy but the Council sets policy.

Mr. Welsh agreed and stated one of the actions the Council took in late 2019 or early 2020 was to establish written Articles of Governance that clearly reserve policy direction activities for the Council, leaving to the CEA as Administrator the day-to-day administration consistent with the statute.

**A. Claims Administration – George Sittner, Chief Insurance and Claims Officer, will update the Council on the status of administering PG&E's claim arising from the Dixie Fire.**

Chief Insurance and Claims Officer George Sittner presented his report.

Wildfire Monitoring and Reporting 2020-24:

Quarterly Claims Report

- 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 that expose the Wildfire Fund. Notice was received from Southern California Edison (SCE) that they were served a lawsuit with regards to the Mountain Fire in Ventura County. SCE found nothing wrong with their equipment and does not feel they have any responsibility for the fire. There was no interruption in the circuits near the source of the fire. SCE is obligated to investigate and report to the California Public Utilities Commission (CPUC). The damage that resulted from this fire is minor and would not meet the \$1B threshold for 2024.
  - SCE had another small event in the calendar year with no property damage and a minor firefighter injury. This should not expose the Wildfire Fund.
- 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 except the Dixie Fire. Pacific Gas and Electric Company (PG&E) announced in their third quarter financial statement that they have raised the reserve for the Dixie Fire from \$1.6 billion to \$1.875 billion. The reserve was increased due to PG&E's experience in claims settled to date plus a group of timber-related and California Department of Forestry and Fire Protection (CAL FIRE) suppression claims.

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

Claims Review Services Scope of Work and Timeline

- PG&E provided CEA with written notice that claims will be settled in excess of \$750 million. This notice is a requirement of the *Wildfire Fund Claims Administration Procedures*, and is intended to give the Administrator, and its claims review services provider advance notice that an IOU is likely to reach the \$1 billion threshold to make a claim on the Fund.
- Sedgwick Claims Management Services, Inc. (Sedgwick), the Administrator's claims review services provider for the Wildfire Fund, has officially entered Phase 2 of the claim 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.
- Sedgwick has requested, and PG&E is providing, detailed claims documentation for a random sample of claims, outliers, and larger claims for review.
- PG&E reached the \$1 billion paid claims threshold amount in June of 2024.
- Sedgwick notified the Administrator that, upon completion of the threshold claim review, a conclusion was reached that claims paid to reach the threshold amount of \$1 billion were settled using "reasonable business judgement," as defined in the *Claims Administration Procedures*.
- Sedgwick has also reviewed eligible claims paid in June of 2024, and has found those claims met the "reasonable business judgement" standard, and Administrator has reimbursed PG&E for eligible claims paid in June 2024 for \$39 million, and for eligible claims paid in July 2024 for \$34 million.
- PG&E, per its Third Quarter 2024 SEC 10-Q quarterly report filing, has reported an estimated \$1.875 billion in aggregate liability related to the Dixie Fire. This estimate does not include state and federal fire suppression costs.

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

Steps completed

- The Dixie Fire occurred on July 13, 2021.
- The investor-owned utility (IOU) reported possible involvement to the CPUC on July 18, 2021.

- Government Entity Determination on January 4, 2022.
- Covered Wildfire Claimant (PG&E).
- 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.

#### Next steps in the process

- The IOU is now ready to seek reimbursement of the claims filed against the Wildfire 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.

#### Future step

- The IOU will file an application with the CPUC to commence a catastrophic wildfire proceeding to determine if the utility acted prudently.

#### Discussion

Chair Ghilarducci stated, if a fire becomes a federal disaster and a responsible party is identified under the Claim Recovery Act, up to 75 percent of the claim can be reimbursed to the Federal Emergency Management Agency (FEMA). He asked if this is included in the Wildfire Fund claims administration procedures. It would change the total amount of the claim.

Mr. Sittner stated the CEA has asked PG&E about this. They have not received a claim from FEMA to date. These reserves do not include a FEMA reimbursement.

Mr. Welsh stated the legal standards and “reasonable business judgment” that apply to the claims is directly out of the statute. It is the statutory standard of review that is imposed upon the CEA and Sedgwick as the standard under which claims are reviewed.

#### **B. Enterprise Risk Management (ERM) – Shawna Ackerman, Chief Risk and Actuarial Officer, will report on CEA’s ERM program.**

Chief Risk and Actuarial Officer Shawna Ackerman presented her report.

Risk Identification and Prioritization:

### Risk Assessment Scorecard

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

#### ERM Program Update:

##### Enhancing Compliance and Ethics

- November 3<sup>rd</sup> through 9<sup>th</sup> is Corporate Compliance Week. To remind staff of the importance of compliance and ethics, the compliance team is having staff review various policies and training videos.

##### Reducing Risk – Insurance Renewals

- The CEA successfully renewed its insurance policies for the 2024-25 term. These policies are purchased to protect CEA business operations and reduce the financial impact to policyholder and Wildfire Fund capital should a loss event occur. Overall program premium decreased by 5.6 percent, with significant reductions in business owners' and workers' compensation premiums.

#### ERM Program Update:

##### Enhancing compliance and risk mitigation throughout the enterprise with SOC 2

- System and Organization (SOC) 2 is a security framework that specifies how organizations should protect stakeholder data from unauthorized access, security incidents, and other vulnerabilities.
  - It is a third-party audit of an organization's controls built on five trust service criteria: security, availability, processing integrity, confidentiality, and privacy.
- The CEA's information security team reviews SOC 2 reports from suppliers annually to assess and manage security risks associated with the partnership.
- Additionally, the CEA is pursuing its own SOC 2 certification so it can provide the same level of information and assurances for stakeholders that entrust the CEA with their sensitive data.
  - The SOC 2 certification is underway. The CEA completed the first phase on June 30, 2024, and is currently in the testing period (July 1 to December 31, 2024). Audit testing will take place in early 2025, and the CEA should have the report and certification prior to the end of the quarter.

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

### **C. Financial Report – Tom Hanzel, Chief Financial Officer, will provide the Council with a financial report on the Wildfire Fund as of September 30, 2024.**

Chief Financial Officer Tom Hanzel stated the Wildfire Fund continues to be strong and continues to operate as required by legislation. He reviewed financial highlights from the past quarter.

## Balance Sheets:

- Total assets have reached over \$12.6 billion, up approximately \$2.2 billion year-over-year, driven in part by the changes in net position from \$10.5 billion to \$12.1 billion year-over-year. That \$1.58 billion increase includes \$300 million of IOU funds over the last year, approximately \$870 million of net NBCs, just over \$300 million of net investment income, plus a reversal in the unrealized loss position for an increase of approximately \$705 million of unrealized loss deteriorating over time due to the decrease of rates, offsetting those increases is \$600 million reserve for the Dixie Fire, and miscellaneous expenses of approximately \$3 million.
- Another \$275 million will be reserved in November for the Dixie Fire to match the receivable PG&E has on their balance sheet.

## 2024 Approved Budget versus 2024 Actual Activity:

- Additions to Fund Assets included ratepayer monthly NBCs of approximately \$640 million for the first nine months of the year, down approximately \$20 million from the budgeted amount. This Line Item is an estimate using figures received from the California Department of Water Resources (DWR).
  - Because of the under-collection, the DWR issued a 60-day notice to the CPUC on October 7<sup>th</sup> to increase the megawatt-hour charge so that in 2025 that under-collection will become an over-collection.
  - The DWR is continually working to achieve the \$902.4 million collected every year on average.
- Investment Income (Net of Expenses) is up approximately \$16 million over the budgeted amount. The CEA continues to work on reinvesting in higher-yielding assets and extending duration. Improved returns are currently being experienced based on the higher treasury yields.
  - This has increased from approximately \$142 million in the prior year.
- The Wildfire Paid Claims for the Dixie Fire were approximately \$39 million in September. Additional claim payments for the remainder of the year include: \$34 million in October, \$79 million in November and approximately \$17 million in December.
- Personnel Expenses and General and Administrative Expenses were approximately \$1.95 million for the first nine months of the year. This amount was \$1.6 million the prior year and \$3.2 million expected for this year.
  - The primary change was the Other Contracted and Consulting Services Line Item, which was under budget due to estimating the need for Sedgwick claim services for the Dixie Fire.

## Wildfire Fund Administrator Expenses: Fiscal Year 2020-23 and Year-to-Date September 2024:

- This statement shows four key expenses: Internal Labor, Operating Expenses and Equipment, Financial Auditor, and Municipal Advisor.
  - Internal Labor is expected to remain at \$350,000 to \$400,000 a year.
  - Operating Expenses and Equipment includes other contracted and consulting expenses, bank fees, direct legal expenses, travel, and miscellaneous operating expenses. The vast majority of these expenses are for leveraging the experience of outside parties, such as Sedgwick, legal fees, and software for investments.
  - Municipal Advisor is being used as a third-party financial advisor to help think about financial aspects, projections, financial markets, investment managers, and risk-transfer possibilities.

#### Contributions and NBCs Received:

- The total NBCs received since the last Council meeting was \$234 million.

#### Investment Analysis:

- The Wildfire Fund's total portfolio market value for September of 2024 was \$12.6 billion, an increase from \$10.4 billion as of September 30, 2023. The portfolio has an average duration of 3.70 years and average credit ratings of "AA."
- The duration is almost flat year-over-year, but it went down to 3.37 years this summer, given changes in the yield curve. This is being built back up with a target to get over 4 years in the first half of 2025.
- The average credit rating continues to be "AA."
- The sector composition between the treasury portfolio and corporates continues to stable.
- Due to volatility in the treasury markets and yields, the unrealized loss position was \$1.1 billion at the end of September of 2023, \$428 million at the end of September of 2024, and is approximately \$715 million today. This volatility is driven by interest rate, not credit concerns. Time and the lowering of the yield curve will help unwind this as maturities are reinvested.

#### Discussion

Ms. Rossman referred to the 2024 Approved Budget versus 2024 Actual Activity statement and asked if the Other Contracted and Consulting Services Line Item for Sedgwick claims service will remain at the current annual budgeted amount.

Mr. Sittner stated it is expected that the annual amount will decrease. Now that claim-paying procedures have been put in place, it is just a matter of month-to-month review of smaller amounts of work.

Ms. Rossman asked how to project the profile of the claims.

Mr. Sittner stated it will vary month to month based on mediation, the quantity of claims, the amount allowed, and the availability of all parties.

Ms. Landsman-Smith stated the Department of Insurance commends Mr. Sittner and his team for the work they are doing to keep the third-party claim administration expenses down.

Vice Chair Rosenstiel asked about the expected amount to be budgeted for Sedgwick next year.

Mr. Hanzel stated the Other Contracted and Consulting Services Line Item for this year is expected to be over \$1 million.

Mr. Sittner agreed that the Line Item will be higher this year due to Sedgwick putting the necessary claim-paying procedures in place.

Vice Chair Rosenstiel asked about the amount anticipated for the full year expenses.

Mr. Hanzel stated the total operating expenses for 2024 are estimated at \$2.5 million. A detailed budget for 2025 will be presented at the February 2025 Council meeting.

Ms. Rossman referred to the Sector Composition bar chart on the last Investment Analysis slide and asked if the state prohibits more than one-third of corporates.

Mr. Hanzel stated Government Code Section 16430 is the statute the CEA must work within. He stated his belief that 16430 has no restrictions on the percentage of corporates. It is just for preservation of capital and liquidity. The view has been to have a core treasury portfolio layered with spread product through investment-grade corporates. The restriction is not to get into non-investment-grade product.

Ms. Rossman asked if the financial advisor is recommending one-third corporates.

Mr. Hanzel stated he and his team work with the financial advisor and have quarterly calls with various asset managers to discuss strategies.

Mr. Welsh stated supplementing the statutory obligation to invest within the confines of Government Code Section 16430, the Council adopted an investment policy in 2019 that may have more specific guidelines especially around rating.

**5. California Department of Water Resources Presentation: Jesse Cason, Jr., P.E., Manager, California Energy Bond Office, California Department of Water Resources (DWR), will provide an overview of DWR's expenses related to the management of the ratepayer non-bypassable charges collected on behalf of the California Wildfire Fund.**

Presentation

Jesse Cason, Jr., P.E., Manager, California Energy Bond Office, DWR, provided a slide presentation overview of the background of the DWR Charge Fund that supports the Wildfire Fund, key program functions, and 2025 budget versus 2024 and 2023. He stated Assembly Bill (AB) 1054 established the DWR Charge Fund and authorized the DWR to collect NBCs and to issue bonds to capitalize the Wildfire Fund.

Mr. Cason discussed program efficiencies to be achieved in the future, such as implementation of automated data transfer from the IOUs to the DWR, continuing to develop and reduce turnover of staff to ensure succession planning, and continuing to

improve procedural schedules with the CPUC to ensure smooth rulemaking proceedings.

### Discussion

Ms. Rossman stated one of the program efficiencies Mr. Cason reported as already achieved is that the DWR has substantially reduced the program's administrative and operating expenses from over \$10 million per year to under \$5 million per year. She asked for additional detail.

Mr. Cason stated, at the onset of the program, the DWR estimated that the budget would be over \$10 million for the DWR Charge Fund program. Upon further examination with the Council and the CEA, the DWR was able to reduce the budget to approximately \$5 million per year.

Ms. Rossman asked if the reduction was made within the first year.

Mr. Cason stated much of the projected \$10 million was due to the pro-rata share of the statewide administrative costs for the life of the program, including inflation. There was also uncertainty in the number of staffing hours it would take for the program at its inception. Once the DWR better understood the legislation and the program, the budget was reduced.

Chair Ghilarducci asked why the DWR expects the actual expenses to be under budget in 2025.

Mr. Cason stated the state's budget planning process projects expenses that may have an 18-month or more lead time, such as if the DWR was called upon to issue bonds or if there was a spike in work related to the regulatory proceeding with the Public Utilities Commission (PUC), which is also an unknown. Budget projections include those estimates.

Chair Ghilarducci stated his understanding that a portion of the budget is to cover bonds that may be issued.

Mr. Cason agreed that \$238,000 is included in the 2025 budget to cover bonds that may be issued. This is part of the reason that the DWR expects actual expenses to be under budget in 2025.

Ms. Rossman stated the Council does not have plans to issue debt in the near- or medium-terms. She questioned why that contingency is included in the DWR budget.

Mr. Cason stated the DWR budgets for it because of the state's budget planning process and the 18-month or more lead time. If bonds are not issued, the projected expenses will not be incurred. The Water Code requires the DWR to maintain the ability to issue bonds, if called upon.

Ms. Rossman asked what is required to assure the DWR's ability to issue revenue bonds.

Mr. Cason stated managing the quality of the revenue stream, working with the utilities and the PUC, administering rate agreements, and servicing orders. It is about ensuring that the utilities stay in compliance with the servicing orders and that the DWR is

following what has been agreed upon in the rate agreement with the PUC. This ensures that the DWR is protecting the ability to issue bonds and the credit rating.

Ms. Van Houten stated the DWR is on track to being well underbudget. She asked about a realistic number for the 2024 actual expenses.

Mr. Cason stated the 2024 actual expenses are projected to be less than the 2023 actual expenses.

Ms. Van Houten asked for verification that the 2025 actual expenses are expected to be close to the 2024 actual expenses.

Mr. Cason agreed.

Mr. Morton stated Mr. Cason talked about needing to maintain the timing and the ability to have the resources to issue bonds. He asked how well that timing matches up with the time it takes for a claim to be paid, as noted related to the Dixie Fire in Mr. Hanzel's financial report.

Mr. Cason stated, if the budget is set up so the DWR can issue revenue bonds, they could be issued in approximately 90 to 120 days.

Mr. Morton asked how well that matches up with the timeline for a claim to be paid.

Mr. Hanzel stated a rough estimate is three to five years. The Dixie Fire has taken three years after the event for the first claim to be paid. Another determining factor is the size of the event.

Vice Chair Rosenstiel asked if the DWR is overstaffed for what needs to be done now, given that the Council is not issuing bonds. When the DWR Charge Fund was set up and there was a Budget Change Proposal (BCP), it went to the Department of Finance, which showed 11 full-time equivalent (FTE) positions. The description of many of these positions included the issuance of bonds, investment of funds, or outstanding bonds. These things are not required now. They may be needed in the future but, as Mr. Hanzel noted, the DWR will have a three- to five-year advance notice of any activity, which is plenty of time to go through the budget process to be adequately staffed to issue and manage bonds.

Vice Chair Rosenstiel asked if the DWR is staffed differently now than what was anticipated by that BCP. It seems that the DWR currently has the same number of FTEs that were assumed when the DWR Charge Fund was set up.

Mr. Cason stated the DWR has some staff vacancies that will not be filled unless bonds are issued. The DWR has less staff than was planned at the onset of the program.

Vice Chair Rosenstiel asked, if the DWR was staffed as was anticipated at the outset of the program, rather than spending \$4 million, what the anticipated budget would be.

Mr. Cason stated personnel costs for 2024 are expected to be as low as approximately \$2.8 million. If the DWR was staffed as was planned at the outset, personnel costs would be an additional \$800,000 to \$900,000.

Vice Chair Rosenstiel stated his understanding that additional pro-rata statewide expenses would also be required.

Mr. Cason agreed that the pro-rata could increase but not a significant amount.

Vice Chair Rosenstiel stated it would be close to \$1 million more.

Mr. Cason agreed and stated it would be \$5 million rather than the current \$4 million.

Vice Chair Rosenstiel stated, in his experience as a long-time investment banker, three to five years is a lot of time to put in the necessary infrastructure. The DWR currently has an obligation to two parties – the Council and through the Council to the public – to demonstrate that the DWR is collecting all the money that needs to be collected. The DWR also has an obligation to the CPUC to report to them once a year whether the DWR collected too much or too little.

Vice Chair Rosenstiel stated the Council has not indicated how often the DWR should report to the Council but the DWR is currently sending money weekly. The need for more exactitude is not warranted at this point either by the Council or the CPUC, which only requires annual reporting. He stated he was unsure why there is a need to collect the data in a way that is much more exact than currently necessary. It seems to be overkill at this point since there are no bonds and the DWR will be alerted three to five years in advance should bonds be required in the future. He asked why such exactitude is required now in the way in which the DWR does its work.

Mr. Cason stated the utilities billing systems and working with the PUC on the regulatory proceedings are complex. The DWR also tracks how the utilities are remitting and ensures they are remitting as they are required by their classes of customers. The PUC counts on the DWR to provide this data and to provide oversight to the utilities. It is intensive. Moving to weekly payments to the Wildfire Fund increased the workload significantly. The necessary accounting, approvals for the payments, and working with the Controller in disbursing those funds increased the workload.

Vice Chair Rosenstiel stated it is difficult to know what all is being done. He asked about the number of FTEs.

Mr. Cason stated the DWR has 10 to 11 FTEs for the DWR Charge Fund.

Vice Chair Rosenstiel stated 10 FTEs works out to approximately 400 hours per week to process a few emails from the utilities. He noted that it is difficult to understand that there is that much work to be done. The Council is having a difficult time putting this together.

Mr. Cason stated he will take that as an action item to work with the Wildfire Fund Administrator on the three- to five-year lead time to see if there are processes that can be further improved to lower costs. He stated there are required processes the DWR does that are in the agreements. He stated he will work with the Administrator to look at the rate agreement and servicing orders to see if there is room for improvement.

Ms. Ritzman asked if department-wide costs are included in the Labor Line Item.

Mr. Cason stated they are.

Ms. Ritzman asked for additional detail.

Mr. Cason stated department-wide costs include a variety of expenses such as Human Resources, Division of Fiscal Services, Office of General Counsel, Line Management,

and General Management for the Department. It also includes various office facility costs.

Ms. Ritzman asked if this is a percentage that is determined each year and allocated across the Department.

Mr. Cason stated there are assessments that are calculated and assessed on each fund that the Department manages.

Ms. Barna stated the DWR charges for labor, etc. As a comparison of what the CEA presents to the Council, the CEA is providing claims administration, legal, risk management, and investment management. The professionals at the CEA track their time and allocate to the Wildfire Fund the time spent on behalf of the Fund. She asked if the 10 to 11 FTEs at the DWR are tasked only to the NBCs and the compliance or if they have other duties. She suggested that the DWR employees share and log their time for each fund like the CEA does.

Mr. Cason stated there are no dedicated staff to the DWR Charge Fund program. The staff that make up the 10 to 11 FTEs charge a portion of their time to this program. He stated, as an example, his office manages two programs.

Ms. Barna stated it may be helpful to see the detail as to what the Wildfire Fund is being charged in terms of personnel expenses.

Mr. Cason stated he will take that as an action item to break out the staff time.

#### Presentation, continued

Mr. Cason continued his slide presentation and discussed a securitization example and items requested at the last Council meeting: employee classifications, statewide costs, labor expense detail, and historical expenses of the DWR Charge Fund.

#### Discussion

Mr. Cash stated his understanding that the DWR staff only charge the time used to work on Wildfire Fund actions, similar to CEA staff.

Mr. Cason stated that is correct.

Ms. Rossman stated Mr. Cason has been careful to explain that the Council does not have authority over the DWR expenses it charges that are deducted from the NBCs. She asked who is responsible for approving the DWR budget.

Mr. Cason stated approval is through the state budget planning process that the DWR goes through each year through the Governor's Budget.

Ms. Rossman asked who specifically approves the DWR budget.

Chair Ghilarducci stated the Department of Finance, the Governor's fiscal manager, reviews the expenditures and recommends that the Legislature approve the DWR budget.

Ms. Rossman asked for more information about the individual who reviews the budget and approves it.

Mr. Cason stated a BCP was put in at the onset of the DWR Charge Fund program in 2020. The BCP was approved by the DOF.

Ms. Rossman asked who at the DOF annually reviews the DWR budget.

Chair Ghilarducci stated the responsible party is ultimately Director Joe Stephenshaw at the DOF.

Mr. Cason stated he does not personally interact with Director Stephenshaw. He stated his office works with the Division of Fiscal Services on the budget planning process to key the proposed budget into the system. The Division of Fiscal Services interacts with the DOF on the approval process.

Ms. Barna stated her understanding that staff keeps their hours and allocates a portion to this effort. She asked about their allocation percentage.

Mr. Cason stated each person has a different allocation percentage depending on their role and the service they are performing for the program.

Ms. Van Houten asked about the total number of staff who work on this program.

Mr. Cason stated the number of staff who charge time directly to the program is roughly under 20. Some may charge only a small percentage of their time to the program.

Ms. Van Houten stated, if the DWR has 10 FTEs, it is actually a large percentage of several individuals' time.

Mr. Cason agreed. He stated the FTEs that charge to this program is between 10 and 11 FTEs.

Ms. Barna stated it would be helpful to the Council to see more detail on that for better understanding.

Mr. Cason stated he will take that as an action item to verify the total number of staff who work on this program and the number of hours each staff member charges.

Vice Chair Rosenstiel stated the presentation slide notes that the historical expenses include a financial auditor, and the DWR website shows that there is an annual financial audit for the DWR Charge Fund. He questioned the need for an annual financial audit and asked who requires it.

Mr. Cason stated one factor is the rate agreement between the DWR and the PUC that requires the DWR to annually provide an audited financial statement. He stated this is one of the things that he suggested he and the Wildfire Fund Administrator could look at for possible adjustments, in conversation with the PUC and the DWR financial advisor. Also, if bonds were issued, having a history of the audited financial statements for the DWR Charge Fund would be helpful to the credit rating agencies.

Vice Chair Rosenstiel stated that makes sense; however, the three- to five-year advance notice is sufficient time to develop that history. He agreed with Mr. Cason about going back and seeing whether there are things that the DWR is currently doing that are not needed and can be cut because there are no bonds outstanding and the Council does not anticipate that bonds will be issued for a minimum of three years. Three years would be the minimum lead time. He asked the DWR to consider this with

staff and the DWR financial advisor Montague DeRose. Montague DeRose knows what is needed with respect to the DWR credit for the market.

Mr. Cason stated he will take that as an action item.

Ms. Rossman stated the Council has expressed the hope that there can be a reduction in this expense. She asked Mr. Cason if he has the ability to enact a significant reduction in expenses.

Mr. Cason stated it is something he would like to do and is working on. He stated he will take these action items back and work with the Wildfire Fund Administrator to search for ways to reduce activities and expenses.

Ms. Rossman suggested that the DWR hire an outside consultant to streamline processes and consider advances in technology since the program began to help reduce expenses.

Mr. Cason stated he will work with the Administrator on this suggestion; however, there are things that could be reviewed with the Administrator without an outside consultant.

Mr. Welsh stated the CEA will deploy the resources needed to help the lines of communication and to dig into the details that the Council requested action on.

Chair Ghilarducci stated he would rather that the DWR and Administrator sit with the teams to figure out where efficiencies can further be gained with the caveat that, should an audit be necessary beyond that or required to help them achieve the objectives that are set forth, they would have to go through a bidding process with a possible 6-month window before a consultant can even be hired and onboarded. It is more judicious to address this issue sooner and then along the way, if it is determined that they need additional outside help or the results of further review for efficiencies are not seen, the CEA can move forward with engaging an outside audit.

Ms. Van Houten stated it is difficult to get the insight required from the bullets on the presentation slide. She asked for more information on the planned future efficiencies in terms of understanding the timeline for implementing those efficiencies, especially removing some of those manual data-transfer processes and going to a more automated approach and what the expected savings are when those efficiencies are realized.

Mr. Cason stated he will take that as an action item.

Chair Ghilarducci applauded the DWR for bringing the cost down to where it is today. The Council made significant points today about the amount of effort being made when bonds have yet to be issued and about finding further efficiencies. Although the pro-rata share is complex across each department and agency, there are likely additional efficiencies that can be found to address the Council's concerns.

#### Public Comment

There was no public comment.

**6. 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.**

- Will Abrams
- Michael Aguirre
- Richard Lane
- Joule Charney
- Jessica Tunis
- Sidney Robinson
- Tina Reszler
- Jordon Cox
- Joule Charney, additional comment

**7. Adjournment.**

Chair Ghilarducci thanked everyone for their participation and adjourned the meeting at 4:08 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

THURSDAY, NOVEMBER 14, 2024  
2:00 P.M.

Recorded by: Rebecca Hudson

APPEARANCESCalifornia Catastrophe Response Council Members:

Mark Ghilarducci, Chair, designee of Governor Gavin Newsom

Khaim Morton, designee of State Treasurer Fiona Ma\*

Lisbeth Landsman-Smith, designee of Insurance Commissioner Ricardo Lara

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

APPEARANCESMembers of the Public Offering Comment

Will Abrams

Michael Aguirre\*

Richard Lane\*

Joule Charney\*

Jessica Tunis\*

Sidney Robinson\*

Tina Reszler\*

Jordon Cox\*

Joule Charney, additional comment\*

\*Participated remotely

PROCEEDINGS

3:31 p.m.

1  
2  
3 **6. Public Comment: The Council will invite public comment**  
4 **on matters related to the Wildfire Fund that do not appear**  
5 **on this agenda and to make requests that matters be placed**  
6 **on a future Council meeting agenda.**

7 MR. ABRAMS: Great. All set? Thank you.

8 Thank you, Council members and Chair. I  
9 appreciate hearing all of the great work that you're doing.  
10 There were a lot of thoughtful questions.

11 I'm here today as a wildfire survivor from the  
12 2017 Tubbs Fire. I know there was a lot of discussion in  
13 the last meeting about how and if the Council could assist  
14 the wildfire survivors from 2015 to 2018 who are still  
15 really languishing awaiting their payment. I know that  
16 folks are living in tents; folks are trying to feed their  
17 families waiting for these funds.

18 And there was a -- as I reviewed the minutes from  
19 the last meeting, there's a few points that I just wanted  
20 to clarify for the Council, the first of which is that this  
21 Fund and indeed this Council really owes a debt of  
22 gratitude to those victims.

23 We were all called upon to support Governor  
24 Newsom to support the Legislature to get this done for  
25 California, and it was absolutely communicated to those

1 victims as they lined up the door -- out the door to  
2 support this legislation, that this was to get them paid in  
3 full. That this was something that they needed to do. And  
4 victims voted on a plan because they had no choice.

5           This legislation as it was put forward was that  
6 victims needed to agree and sign off on this plan by  
7 June 30<sup>th</sup> or risk getting nothing, right? And so, I get --  
8 because of the advocacy that I've joined in the bankruptcy  
9 court at the CPUC and elsewhere, I get a lot of calls. A  
10 lot of folks were on the call - some had to drop off - who  
11 are really struggling.

12           And I know that there's a large effort to focus  
13 narrowly for the Council's work. And I'm really here to  
14 implore you all to expand your view and to really broaden  
15 your perspective about what you can do with these funds.  
16 Absolutely, the Council members could -- to put forward  
17 ideas for amendments to the legislation to better serve the  
18 citizens.

19           And again, these victims are the ones who got  
20 this done and they're the ones left out of the benefits of  
21 this fund. And it's just really unjust. And it's not due  
22 to anyone's fault. There's a lot of "sausage making" that  
23 went on with the legislation, and I was a part of those  
24 discussions. I met with the authors of the bill. I  
25 understand that there were some noble intents there.

1           Unfortunately, through those processes,  
2 Mr. Rosenstein (sic), some of your former colleagues got  
3 engaged as well. And, really, we have a great fund that is  
4 supporting utility investors. We have a great fund that is  
5 supporting utilities and their credit rating, but the  
6 victims really need to benefit from this -- activity of  
7 this Council.

8           There are ways to get this done. The victims of  
9 the San Bruno gas explosion in 2010 -- PG&E was -- had to  
10 provide bill credits for all those victims. And make no --  
11 make no -- I want to make sure it is clear - PG&E  
12 absolutely stated that it was their goal and that they put  
13 victims as their top priority and that we would be paid in  
14 full.

15           Right now, we hope to get 70 percent, less  
16 33 percent attorneys' fees, less earned income taxes, as if  
17 this was earned income. Try to rebuild your house on that.  
18 Try to put food on the table for your kids with that.  
19 These victims deserve our support.

20           I understand that there's going to be an  
21 emphasis, as I move around from bankruptcy court to the  
22 CPUC and elsewhere, to say this isn't really our  
23 responsibility. Go talk to the Fire Victim Trust. It's  
24 not our responsibility. Go talk to the CPUC - they're  
25 providing financial oversight. Go talk to the Council.

1 They are in charge of the Fund. They can get this done.

2           There are ways to have this done. Derivative  
3 cases were assigned to the trust to help provide additional  
4 proceeds for the trust to pay victims. PG&E could provide  
5 additional derivative cases to help fund this. There are  
6 sustainability bonds, which PG&E issues. We could have  
7 bonds set up for the specific purpose of making -- holding  
8 PG&E accountable to what they need to provide to victims.  
9 Of course, victims need this today, but, if there's ways to  
10 have this done over the next period of time so that those  
11 victims get paid, it's just the right thing to do.

12           And I know everybody's hearts are in the right  
13 place with this fund and how you're administering it, but I  
14 just want to make sure that we're not losing sight of the  
15 opportunity to help the victims who brought about this  
16 Council, who got this rolling.

17           I just want to put myself forward. I know that  
18 there are rules about how we can all circle up and have  
19 discussions outside these Council meetings, but I'll be  
20 here after the meeting, and I would really appreciate the  
21 opportunity to individually meet with each of you to  
22 provide you with a little context about what current  
23 wildfire survivors are doing and how we can help to serve  
24 them.

25           Because there are things we can do if we stretch

1 a little bit beyond the narrow focus of the Council and  
2 look at how we can engage those folks. So, I appreciate  
3 your time. Thank you.

4 CHAIR GHILARDUCCI: Thank you.

5 MR. WELSH: Can you quickly give us your name so  
6 that the minutes are accurate.

7 MR. ABRAMS: Yes. I apologize. My name is Will  
8 Abrams.

9 MR. WELSH: Thank you.

10 CHAIR GHILARDUCCI: Thanks, Will.

11 Anyone else here in person? Seeing none, can we  
12 go to online, please?

13 MS. JOHNSON: To participate in public comment or  
14 to request an item be placed on the agenda for a future  
15 meeting, please press \*9 on your phone or click the Raise  
16 Hand button and you will be unmuted.

17 Mr. Chair, we currently have three requests for  
18 public comment.

19 Michael Aguirre, you should be unmuted. Please go  
20 ahead.

21 MR. AGUIRRE: Thank you very much.

22 We have something in our United States  
23 Constitution called equal protection of the law. If those  
24 that were -- had their homes destroyed previously do not  
25 have access to the fund, but those who have destroyed homes

1 now do have access. So, just think about that. Is that  
2 equal protection of the laws?

3           Something else that I -- you know, it's already  
4 hard to take criticism, but I want to say something to you.  
5 You spent so much time on that which was not very  
6 significant, which is the amount of money being spent to  
7 provide public information, but you really spent no time on  
8 that which is much more significant -- much bigger numbers,  
9 which is the process by which PG&E is just coming in and  
10 picking up a check from the Council. No public open  
11 meeting, no record before anybody, hiring outside consults.  
12 That's a mess and we're going to have to do something about  
13 that. That is not a proper way to proceed.

14           You really need to have PG&E come in. Not get  
15 them on the phone, but have them come in and make the case.  
16 And they can do it in the aggregate - they don't have to do  
17 it case by case - but make a presentation to you. Have us,  
18 the public, listen in on what they're doing and then make  
19 it -- you know, you make a judgement call. But you're  
20 delegating everything up.

21           You know, I'll close by saying this. I assume  
22 that most of us are in the same progressive philosophy and  
23 association, but we're not doing the job. You know, this  
24 whole thing about propping up PG&E because PG&E was failing  
25 to maintain safety and we had the 1054 bailout by the

1 Governor, when so much money is poured into our democratic  
2 party. So much money is poured by PG&E into our party and  
3 we're losing contact. We're losing connection. We're  
4 losing credibility. We're losing the support of the  
5 public.

6 And I just ask you - I know you're people who  
7 have a lot of experience and you don't really listen to  
8 people that make public comment, but I just ask you -- you  
9 know, reflect on this. Equal protection of the law and  
10 don't waste time on the small stuff. Focus on the big-  
11 ticket items. That's what the auditors do. They call it  
12 materiality.

13 Thank you for your time.

14 CHAIR GHILARDUCCI: Thank you, Michael.

15 MS. JOHNSON: Mr. Chair, Richard Lane is  
16 requesting to speak.

17 Mr. Lane, please go ahead.

18 MR. LANE: Thank you very much. I'd like to  
19 thank all of you on the Council for your time and your  
20 commitment to what I interpret as fiscal conservatism.  
21 You seem really, really on top of the numbers and the  
22 detail.

23 I would like to refer to back to the financial  
24 report that was presented. I believe it was Item 4C. And  
25 on that budget -- or rather on that fiscal report, we see

1 that there was an improved position of \$1.5 billion from  
2 September '23 to September '24. What isn't in the packet  
3 was that same number, \$1.5 billion, reflects the increase  
4 in the net assets from September '22 through September '23.

5           So that's \$3 billion of improved fiscal position  
6 that wasn't funded. It was really just a matter of what  
7 securities we had and interest that was earned on the fund.  
8 So, when fire survivors like myself -- I'm a survivor of  
9 the Tubbs Fire and a claimant in the Fire Victim Trust  
10 where I'm getting 70 percent of my Fire Victim Trust  
11 claim -- when we are told that there isn't money available,  
12 that no one else is putting money into the Fire Victim  
13 Trust, and the -- this Council's hands are tied, the  
14 reality is we are earning money on the money that was put  
15 in. It's not going to come out of anybody's pocket.

16           So, at the meeting previous to today's meeting,  
17 Mr. Welsh said that, if \$6 billion is used to enhance  
18 recoveries to the fire survivors, it will shorten the life  
19 of the fund. And we don't need \$6 billion right now. Last  
20 year, we improved our fiscal position \$1.5 billion. This  
21 year, again, \$1.5 billion. Next year, possibly  
22 \$1.5 billion again.

23           And as Will Abrams pointed out earlier, we don't  
24 need to do this all at once. We don't need \$6 billion out  
25 of the fund right now. We need the fire victims knowing

1 that their future is secure instead of the condition that  
2 it's in now.

3 Thank you. I hope you'll take this under  
4 advisement and think about it because we know that we need  
5 to get together with the Legislature and come up with  
6 suitable plans. Over time, \$1.5 billion, \$1.5 billion, we  
7 will get to \$6 billion, but we need your help. So, thank  
8 you on behalf of all the fire victims.

9 CHAIR GHILARDUCCI: Thank you, sir.

10 MS. JOHNSON: Mr. Chair, Joule Charney is  
11 requesting to speak.

12 And please correct me if I have misstated your  
13 name, and please go ahead.

14 Catherine, can you please --

15 MS. CHARNEY: Can you -

16 MS. JOHNSON: Thank you.

17 MS. CHARNEY: Can you hear me?

18 CHAIR GHILARDUCCI: We can hear you.

19 MS. CHARNEY: Okay, thank you.

20 CHAIR GHILARDUCCI: Mm-hmm.

21 MS. CHARNEY: My name is Joule, J-O-U-L-E,  
22 Charney, C-H-A-R-N-E-Y. I am a Camp Fire survivor. So, we  
23 just passed the sixth-year anniversary of that. I'm sorry  
24 I came onto the Zoom call late. I am in Georgia, thanks to  
25 the Camp Fire driving me out of California. That's where I

1 ended up. I still own my property in California.

2 I'm willing to go back and lead as many victims  
3 of the fires that were lumped into the same bankruptcy as  
4 needed to the Capitol steps, if that's what it takes to get  
5 AB 1054 amended so that it is retroactive to include the  
6 2015, 2017, and 2018 Camp Fire.

7 There seems to be adequate funds. My  
8 understanding is -- I know I came late into the Zoom, but  
9 roughly \$12 billion in funding available in 1054's account.  
10 The \$6 billion has been mentioned and not necessarily  
11 needed all at once, but I really don't see any reason why  
12 we can't tap into \$12 billion, when the entire amount  
13 allotted to the actual victims not including insurance  
14 companies and hospitals and governmental agencies was  
15 \$13.5 billion.

16 As a Camp Fire victim, a person with a master's  
17 degree, a private investigator licensed in the state of  
18 California since 1983 who's been involved in many court  
19 cases, it just frankly alludes me that we are in the  
20 position of only receiving collectively 70 percent of  
21 agreed-upon settlements. And, despite the hard work of my  
22 attorney on this and the -- and the incredible amount of  
23 effort, I have gone to to pull items out of the rubble of  
24 my home -- what was my home in Paradise. Pull it out, get  
25 it to Georgia, photograph it, submit it to the Fire Victim

1 Trust, I really feel like I was completely screwed by the  
2 Fire Victim Trust in the 70 percent that I've received.

3           So, you take that minus insurance that all of us  
4 that had insurance paid for. We've paid our premiums. In  
5 my case, it was twenty-six and a half years on the house I  
6 was in at the time of the fire. That doesn't get taken  
7 into account. You take into account attorney's fees and  
8 potential federal income taxes; we aren't left with a whole  
9 lot to "rebuild our lives" with.

10           So, yes, I've landed in a beautiful place in  
11 Georgia, but I would really like to get back to my property  
12 that I still own in Paradise. And I would like to be able  
13 to also see people out of their tents, out of their cars,  
14 out of their SUVs, out of their motorhomes. I've been back  
15 many times. I've lived on my property in a motorhome that  
16 I lived in for the first three years after the fire. So, I  
17 personally have seen what is happening in Paradise. It's  
18 not just -- don't -- please don't think that, just because  
19 I bought a house in Georgia, I'm not well aware of what's  
20 going on back there.

21           So, financially speaking, this seems to be a  
22 pretty simple fix. I think it would take a couple of  
23 sentences to amend AB 1054 to make it retroactive to cover  
24 the bankruptcy that, frankly, in my opinion, is outrageous  
25 in its scope. I think there's approximately 25 fires

1 lumped into one bankruptcy and, as Mr. Abrams so eloquently  
2 stated, we basically were forced into a vote and given no  
3 other options. I certainly didn't vote in favor of it, but  
4 I have many close friends who were terrified that they  
5 would get absolutely nothing if they didn't because of the  
6 law firm of Watts Guerra spending quite a bit of money to  
7 convince us -- you know, create a lot of scare tactics in  
8 order to get people to vote in favor of it.

9           As a -- as just speaking for myself, I feel that  
10 the information and the way it has come out in little dribs  
11 and drabs over the past six years has made it very  
12 difficult to make intelligent financial decisions. On top  
13 of that, I had a beautiful 2,800-square-foot home with a  
14 \$715 mortgage on a 30-year fixed. I'll never be able -- I  
15 was one week shy of my 65<sup>th</sup> birthday when the Camp Fire  
16 burned down everything I had and destroyed my town.

17           I can't -- I don't really want to spend what  
18 years I have left in my life, and I turn 71 tomorrow,  
19 figuring out my best financial strategies to make up for  
20 what that fire did to me. But, in a couple of sentences, I  
21 do believe this legislation could be amended to make it  
22 retroactive to 2015 instead of starting in 2019. I really  
23 think you don't have to make as big a deal out of this as a  
24 lot of people want to make it.

25           And I want to make another comment about

1 consultants that was brought up earlier. Not to in any way  
2 diminish the need for oversight on costs, I just want to  
3 point out, every time there's been a consultant involved in  
4 anything, especially pertaining to the fires that have been  
5 happening in California, the consultants get a whole lot of  
6 money to produce what I consider to be rather weak advice.

7           So, I personally am not in favor of hiring a  
8 consultant. I think that was the Department of Water  
9 Resources part of your Zoom call that I came in on. So, I  
10 wasn't privy to the details as to why a consultant would be  
11 needed to deal with the costs, but, in general, I think  
12 hiring a consultant is kind of a -- has gotten to be too  
13 much of an automatic go-to, and I don't think it produces  
14 the results that are commensurate with the amount of money  
15 that the consultants tend to get paid.

16           So, I agree with the woman -- I believe it was a  
17 woman who stated that -- or no. I'm sorry, maybe it  
18 wasn't. Whoever stated that we might be able to go back  
19 and deal with different department heads and cut costs, I  
20 think that's probably a much better idea on the -- versus  
21 hiring a consultant.

22           But I just in general want to state with the  
23 shortfall of what I understand to be \$6 billion. A fund  
24 that's continually growing double that that's nearly  
25 already the amount that was only -- that was already

1 allocated to the fire victims, it's absolutely outrageous  
2 that we can't come up with the other 30 percent to  
3 compensate people who already were not adequately  
4 compensated in the first 70 percent. Not even close.

5           And I'm open to answering anyone's questions  
6 about my background or my points of view on this or what  
7 I'm literally willing to do. And I do mean I will go  
8 organize fire victims, if that's what it's going to take,  
9 and lead a march to downtown Sacramento. And I frankly  
10 feel that that's what it's going to take to get the  
11 attention that's needed. And, if I were a legislator in  
12 California and I voted against making AB 1054 retroactive,  
13 I would deserve to be run out of town tarred and feathered.

14           Fire victims did not deserve to lose everything  
15 including, in my case, a pet, neighbors, friends, our town,  
16 everything. Not just things. Not just our homes and our  
17 trees for which we weren't even compensated, which were  
18 part of a large forest. We had such a rotten deal in  
19 the -- from the get-go, and then to only get 70 percent of  
20 a rotten deal? Any legislator is committing political  
21 suicide if they vote against providing an additional  
22 30 percent. So, I think it basically comes down to take  
23 simple of a solution.

24           And, no, I'm not a legislator, never been in  
25 politics, don't ever want to be in politics, but I know how

1 to gather people and I know how to get news media attention  
2 and, unless I hear some better option, I'm willing to go  
3 back to California and be the one leading the charge to the  
4 Capitol steps.

5 I just want everybody involved in this to know  
6 that. I'd really rather not do that (laughter). I would  
7 really rather not have to do that, but, if there's a  
8 simpler way to get the same mission accomplished, I would  
9 love to hear it.

10 CHAIR GHILARDUCCI: Ms. Charney, we thank you so  
11 much for your comments. I appreciate you taking the time  
12 to share with us today.

13 MS. CHARNEY: Thank you. I hope you really took  
14 them to heart.

15 MS. JOHNSON: Mr. Chair, waiting to speak is  
16 Jessica Tunis.

17 Jessica, please unmute your microphone if you get  
18 a message to do so and please go ahead. Thank you.

19 MS. TUNIS: Yes, good afternoon. My name is  
20 Jessica Tunis and I am a resident of Rohnert Park. My  
21 mother perished in the Tubbs Fire in 2017 and I actually  
22 was recruited up from the ashes to go and lobby for this  
23 bill.

24 And, at the time, I really had mixed feelings  
25 about it, but, you know, I was told it was going to be for

1 the benefit of all victims, that we would be paid faster,  
2 it would require PG&E to exit bankruptcy by the middle of  
3 2020, and that that would be to everyone's benefit.

4           And, actually, I was understood -- I understood  
5 it that we would be paid by 2020. I realize now what a --  
6 how naïve I was and that -- that there would actually be a  
7 Fire Victim Trust and that there'd be -- of course, that  
8 would be a necessary step. But, at the time, I thought  
9 that we would all be paid by the middle of 2020 and that we  
10 would be paid in full. And that -- that's what I went to  
11 go and support. Also, that PG&E would require -- would be  
12 required to put millions of dollars into safety and that's  
13 why I went to support it.

14           I have a picture of myself and my friends with  
15 Governor Newsom and we were there to support this bill  
16 despite the fact that, you know, there were a lot of  
17 questionable things about it in terms of PG&E having, you  
18 know, these safety certificates, that they would be given  
19 the benefit of the doubt, et cetera.

20           The reason I'm just -- I'm here today is to say  
21 that I support all the efforts to use this fund to make us  
22 whole - the victims from the 2020 -- all the PG&E  
23 bankruptcy fires to make us whole. I support the effort.  
24 I will -- I'm -- whatever needs to be -- I'm willing to  
25 participate in whatever legislator writing that needs to be

1 done, but it is unjust what happened to us and, you know, I  
2 support the effort to make us whole. Thank you.

3 CHAIR GHILARDUCCI: Thanks, Ms. Tunis, and we're  
4 sorry for your loss. We appreciate your comments today.

5 MS. JOHNSON: Mr. Chair, we have a caller  
6 requesting to speak.

7 Please go ahead and state your name and you may  
8 need to unmute yourself.

9 Please go ahead.

10 MS. ROBINSON: Hi, my name is Sidney Robinson.  
11 My family and I are survivors of the Camp Fire that ignited  
12 November 8<sup>th</sup> in 2018 in Paradise, California. I want to  
13 thank the Council for allowing your time today.

14 We are asking for AB 1054 to be amended and to  
15 include us. This is our only chance at coming even close  
16 to 100 percent compensation for our losses from these  
17 fires. Over - over 70,000 fire victims whose lives were  
18 already shattered by PG&E dating back from the 2015 Butte  
19 Fire and continuing with the 2018 Camp Fire.

20 The PG&E settlement was significantly  
21 underfunded, and while the CPUC judge -- attorneys were  
22 aware of this shortfall, PG&E was still allowed to exit  
23 bankruptcy and move forward with the settlement knowing  
24 that there would be a shortfall in funds.

25 We were forced to agree to it or be tied to the

1 possibility of getting nothing. It is now 2024 and more  
2 than six years have passed; yet, we still haven't been made  
3 whole, a constant reminder and burning pain left by these  
4 fires.

5           Then the Fire Victim Trust Administrator who was  
6 appointed to disburse these funds was -- decided to keep  
7 the claims filing period open for more than two years pass  
8 the judge's initial deadline, and now our settlement has  
9 stretched all these years. The decision to do this  
10 significantly impacted claims processing and increased  
11 operating expenses, which has now exceeded \$600 million  
12 that has billed directly to the Fire Victim Trust Fund.

13           PG&E and their investors in 2023 announced  
14 profits of \$2.2 billion, a record year for them and a sure  
15 sign that they are moving in the right direction since  
16 emerging from bankruptcy in 2020. I believe that they can  
17 find a commonsense plan with the Governor, the legislator  
18 (sic), and make up for the shortfall in the CEA (sic)  
19 account to get the Fire Victim Trust Fund fully paid.

20           PG&E must be held accountable so they can fulfill  
21 their promise and duty to the claimants and victims from  
22 the devastating fires that they were stated from their -  
23 that they started from their negligence. Amendments to  
24 AB 1054 will allow for our fire victims to finally see the  
25 compensation they deserve, now more than six years later,

1 while we battle inflation, taxation, and high attorney  
2 fees.

3 Please do what's right and include us with  
4 AB 1054 and do it in a sensible time so we can see closure.  
5 We are fire victims too. Don't forget about us. We were  
6 the reason the bill was created and drawn in June of 2019.  
7 We deserve to see 100 percent of our promised settlements.  
8 Thank you.

9 CHAIR GHILARDUCCI: Thank you for your comments.

10 MS. JOHNSON: Mr. Chair, we have two more  
11 speakers.

12 Tina Reszler, please go ahead. You may need to  
13 unmute yourself.

14 MS. RESZLER: Hi, this is Tina Reszler and I'm a  
15 Camp Fire survivor from Paradise, California. Earlier in  
16 the meeting, there was a comment about keeping the  
17 integrity and adhering to the current law about AB 1054,  
18 but the reality is that, if PG&E had any integrity or  
19 obeyed their own policy, we wouldn't even be here today.  
20 But things can change.

21 Even though forced, things can change to the  
22 positive. The Durability Analysis can highlight all those  
23 positive changes, which are occurring throughout the state,  
24 and can open the door to allow the bankruptcy fires into  
25 the insurance fund. And, to be honest, it is simply just

1 the right thing to do.

2           When I walked out the door at 7 a.m. on  
3 November 8<sup>th</sup>, 2018, I made a drastic life-changing decision  
4 that haunts me every day, all based on viewing a massive  
5 fire cloud without having any information as to what was  
6 going on that morning.

7           I was one of only a couple of analysts that  
8 worked for Butte County that knew how to do a GIS Mapping  
9 of our IHSS clients, and I managed to map between 500 and  
10 800 clients in the Paradise area that morning, but ended up  
11 losing everything myself, including my pets. I deserve my  
12 full award.

13           There were aged adults who used walkers trying to  
14 walk away in the streets from fire all around them. They  
15 deserve their full awards.

16           People who lost their loved ones who burned to  
17 death in wheelchairs in their homes - people who couldn't  
18 get away and everybody in between, we all deserve our full  
19 awards.

20           The wildfire survivors and victims of all these  
21 preventable fires deserve their full awards regardless of  
22 when the fire occurred. True integrity would be to allow  
23 the PG&E bankruptcy fires into the insurance fund,  
24 especially if the utility companies are doing so great.

25           I just want to thank you for allowing public

1 comment and thank you for your time.

2 CHAIR GHILARDUCCI: Thank you for your comments.

3 MS. JOHNSON: Mr. Chair, our final speaker is  
4 Jordan.

5 Jordan, please state your full name for the  
6 record and unmute yourself, if needed. Please go ahead.

7 Jordan, we're working to get you unmuted. One  
8 moment, please.

9 MR. COX: Hi, my name is Jordan Cox. Can you  
10 hear me all right?

11 CHAIR GHILARDUCCI: We can hear you now. Thank  
12 you.

13 MR. COX: Yeah, I just wanted to see if the  
14 Council has any practical advice for us as far as getting  
15 AB 1054 amended or another possible bill. I just want to  
16 see if anyone has any thoughts on that.

17 MR. WELSH: The public comment period is really a  
18 one-way opportunity for the public to share some thoughts  
19 and, frankly, since we didn't agendaize providing feedback,  
20 that would be something, which would be a request for  
21 something like that to do added to a future agenda.

22 CHAIR GHILARDUCCI: But we'd be open to hear if  
23 you have any thoughts specific to this topic.

24 MR. COX: Yeah, I agree just with a lot of the  
25 other people that have been commenting. Just those that --

1 you know, from 2015 to 2018 that were, you know, part of  
2 these earlier fires and got things going. I just -- I  
3 think they should be, you know, compensated. Thank you for  
4 your time.

5 CHAIR GHILARDUCCI: Thank you very much for your  
6 comment.

7 MS. JOHNSON: If anyone else wishes to provide  
8 public comment, please press \*9 on your phone or click the  
9 Raise Hand button on the Zoom app.

10 Mr. Chair, Joule Charney is requesting to follow-  
11 up her earlier public comment.

12 Joule, please go ahead.

13 MS. CHARNEY: Mute, unmute. (Laughter.) Since  
14 this is a one-way public comment section of your public  
15 comment that those of us who have commented within the  
16 scope of this meeting and anyone else who is an integral  
17 part of the -- (laughter) the club nobody wants to join of  
18 being a fire victim or related to a fire victim of the 2015  
19 to 2018 PG&E-caused fires, I'm -- I would definitely like  
20 that to be agendized.

21 I also would like to put it out there that we  
22 need -- I would like to see us have a vehicle in which we  
23 can work with you on a closer level to not just be given  
24 information as to what you're doing, but there are those us  
25 that would really, I believe and I know this to be a fact

1 and I'm one of them - would really like to be instrumental  
2 in effecting whatever needs to happen to amend AB 1054 or  
3 whatever needs to happen other than amending 1054 to get  
4 the remaining 30 percent.

5           So, we need a means to do that. I'm sharing that  
6 information. I'm letting you know there are people willing  
7 to do this. I know how that - how wrong that also can go  
8 when you get too many cooks in the kitchen. I'm not  
9 suggesting that we do that, but there are people that have  
10 some expertise in getting things to happen and we're not  
11 being utilized. And, frankly, I don't think that anyone is  
12 more likely to be persuasive than a fire victim him or  
13 herself or is, in the case of the one person whose mother  
14 died, I believe it was in the Tubbs Fire, a relative of  
15 someone who died in one of these horrible, horrible fires.

16           We have the capability that non-victims -- that  
17 they lack to express ourselves and be persuasive. That's  
18 what it's going to take to get what we're asking for. And  
19 I'm offering myself. As I said before - I'll lead a  
20 charge, I'll do paperwork, I will make phone calls, I  
21 will -- I don't want to write letters (laughter). We're  
22 already writing letters trying to get the -- get us out of  
23 paying federal taxes, but I'm putting myself out there. I  
24 think there are a lot of other people that are qualified to  
25 be of assistance in this regard.



CERTIFICATE OF REPORTER

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I, REBECCA HUDSON, 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 in this matter, or in any way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of November, 2024.

  
REBECCA HUDSON