



**FAIRA BOARD & EXECUTIVE
BOARD MEETING
September 13, 2021**



FAIRA Key Contacts

<u>Contact Name</u>	<u>Office #</u>	<u>Alternate / Cell #</u>	<u>E-Mail</u>
Susan Blankenburg (FAIRA)	415-536-4005	415-517-8028	susan_blankenburg@faira.org
Alex Banks (FAIRA)	415-536-5005	415-536-4004	alex_banks@faira.org
Jim Smith (FAIRA)	714-230-6928		Jim_Smith1@ajg.com
Mike Sims (Bonita Sunnyside FPD)	619-479-2346	619-540-8303	msims@bonitafd.org
Ken Musso (South Placer FPD)			kmusso@comcast.net
Reno DiTullio Jr (Aromas FPD)	831-333-4600		Reno.DiTullioJr@fire.ca.gov
Criss Brainard (San Miguel FPD)	619-670-0500	619-279-4471	cbrainard@sanmiguelfire.org
Scott Draper (Mason Valley FPD)	775-463-2261	775-750-4398	sdraper@masonvalleyfire.org
Mark A. Johnson (Fresno County FPD)	559-493-4355	559-281-4300	mark.a.johnson@fire.ca.gov
Don Butz (Lakeside FPD)	619-390-2350		dbutz@lakesidefire.com
Brian Boggeln (Alpine FPD)	619-445-2635	619-203-0050	bboggeln@alpinefire.org
Richard Pearce (Tiburon FPD)	415-435-7208	415-328-1323	rpearce@tiburonfire.org
Sean Bailey (Northstar CSD)		530-414-8857	sbailey@northstarcsd.org
Mark Pomi (Kentfield FPD)	415-453-7464	707-695-4749	mpomi@kentfieldfire.org
Rhonda Haynes (Orange County FA)	714-573-6833	714-309-5975	rhondahaynes@ocfa.org
Howard Wood (Vacaville FPD)	707-447-2252	707-480-7017	howard.wood@vfpd.net
Dale Bacigalupi (FAIRA Counsel)	559-431-5600	559-246-8639	dbacigalupi@lozanosmith.com
John Paget (FAIRA Accountant)	760-518-7186	760-518-7186	cpa4flight@aol.com
Joe Mastro (Mastro & Associates)	559-261-4300	559-917-5632	joemcpa@sbcglobal.net
Jack Joyce (Bay Actuarial Consultants)	925-377-5269	902-286-0685	jjoyce@bayactuarial.com
Sam Black (Charles Schwab & Co)	415-945-6464	415-994-7941	sam.black@schwab.com
Don Jesberg (KCM Investments)	415-461-7788		djesberg@kcmadvisors.com

FAIRA MEETING CALENDAR 2021

MEETING DATES	TIME	MEETING	LOCATION
Monday, September 13, 2021 AS CALLED ON BY THE BOARD PRESIDENT	1:00 p.m.	Board and Executive Meeting	San Miguel Consolidated Fire Protection District 2350 Via Orange Way Spring Valley, CA 91978
Monday, December 13, 2021 AS CALLED ON BY THE BOARD PRESIDENT	10:30 a.m.	Board and Executive Meeting	TBD
Monday, March 14, 2022	10:30 a.m.	Board and Executive Meeting	TBD
Monday, June 13, 2022	10:30 a.m.	Annual Board and Executive Meeting	TBD

*All dates and meeting venues are subject to change as directed by the President of the Board

President

Criss Brainard
San Miguel Consolidated FPD
Spring Valley, CA

Director

Chief Scott Draper
Mason Valley FPD
Yerington, NV

Director

Chief Richard Pearce
Tiburon FPD
Tiburon, CA

Vice President

Chief Don Butz
Lakeside FPD
Lakeside, CA

Director

Chief Mike Sims
Bonita-Sunnyside FPD
San Diego, CA

Director

Chief Howard Wood
Vacaville FPD
Vacaville, CA

Treasurer

Chief Mark Pomi
Kentfield, FPD
Kentfield, CA

Director

Chief Sean Bailey
Northstar CSD
Truckee, CA

Director

Chief Reno DiTullio Jr.
Aromas Tri-County FPD
Monterey, CA

Secretary

Chief Mark A. Johnson
Fresno FPD
Sanger, CA

Director

Chief Brian Boggeln
Alpine FPD
Alpine, CA

Elected Executive Board Member

Rhonda Haynes
Orange County Fire Authority
Irvine, CA

Director

Ken Musso
South Placer FPD
Granite Bay, CA



1 Call to Order and Determination of a Quorum

Call to Order and Determination of a Quorum

2 Confirmation of Agenda

NOTICE AGENDA OF THE FIRE AGENCIES MEETING OF THE BOARD

September 13, 2021 at 1:00 p.m.

To be posted by all Districts in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.

The Fire Agencies Insurance Risk Authority ("FAIRA" or the "Authority") will hold the Board and the Executive Board Meeting on Monday, September 13, 2021 at 1:00 p.m. in the offices of San Miguel Consolidated FPD, 2850 Via Orange Way, Spring Valley, CA 91978.

WebEx Attendance (Optional)

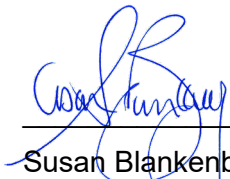
Meeting Number: 996 444 765

Audio Connection: 630-285-5999

AGENDA

1	<i>Call to Order and Determination of a Quorum</i>	5
2	<i>Confirmation of Agenda</i>	6
	Consideration and Possible Action	8
3	<i>Public Comment</i>	9
	Oral Communications to the Board, opportunity for public comment with respect to matters not on the Agenda	9
	This portion of the Agenda may be utilized by any person to address the Board of Directors' on any matter within the jurisdiction of FAIRA not listed on the agenda. Depending on the subject matter, per the Ralph M. Brown Act, the Board may not be able to respond at this time or until the specific item is placed on the Agenda for a future meeting. Speakers are limited to three (3) minutes.	9
4	<i>Approval of the Minutes of the June 14, 2021 Board and Executive Board Meeting</i>	10
	Consideration and Possible Action	17
5	<i>Financial Update</i>	18
5.1	<i>Deductible Reimbursement</i>	18
	Receive and File	18
5.2	<i>Investment Update</i>	19
	Receive and File	19
6	<i>General Manager Report</i>	20
6.1	<i>Professional Property Appraisals</i>	20
	Receive and File	20
6.2	<i>Artex Administrative Agreement</i>	21
	Receive and File	21
6.3	<i>Artex Option to Take Over CPA Duties</i>	23
	Receive and File	23
6.4	<i>Outside Solicitations to FAIRA Members</i>	24
	Receive and File	24

6.5	FAIRA Prospect Opportunity-----	27
	Receive and File -----	27
6.6	22-23 Renewal Timeline-----	28
	Receive and File -----	28
7	<i>Loss Control Consultant -----</i>	32
7.1	Fleet Gap Safety Analysis Non-Responsiveness-----	32
	Consideration and Possible Action -----	32
7.2	Controlled Burn Survey -----	33
	Consideration and Possible Action -----	33
7.3	New Employment Practice Protocols-----	39
	Consideration and Possible Action -----	39
7.4	Revising of the Risk Management Manual -----	40
	Receive and File -----	40
7.5	Drive to Survive Courses-----	41
	Receive and File -----	41
8	<i>Closed Session Conference with Legal Counsel -----</i>	42
	The Board may enter into closed session at this time.-----	42
8.1	Potential Litigation. [Government Code § 54956.9(b)]-----	42
8.2	Pending Litigation. [Government Code § 54956.9(a)] -----	42
8.3	FAIRA Claims and Loss Reports -----	42
	The above matters described on the agenda may be held in closed session as a conference with counsel under the provisions of Government Code § 54956.9 (a) and (b). If closed sessions are held, a report of actions subject to disclosure will be made by the Authority's Counsel upon return to open session respectively. -----	42
9	<i>Other Business -----</i>	43
	Other business as necessary so that FAIRA can perform its functions as authorized by law and which has arisen within seventy-two (72) hours prior to the initiation of this meeting and may be considered under the Brown Act.-----	43
10	<i>Correspondence and Informational Items-----</i>	44
11	<i>Adjournment -----</i>	46
	I certify that this Authority Agenda was posted and sent by First Class United States Mail to all Members of the Authority 72 hours before the noted meeting. -----	46



 Susan Blankenburg
 General Manager

Date: September 3rd, 2021

FAIRA, in complying with the Americans with Disabilities Act (ADA), requests individuals who require specific accommodations to access, attend or participate in the Board Meeting, due to disability, to please contact the General Manager at 415-536-4005 at least two (2) business days prior to the scheduled meeting to ensure that the Authority may assist you. Others with questions concerning this Agenda please contact the General Manager at 415-536-4005.

Consideration and Possible Action

3 Public Comment

Oral Communications to the Board, opportunity for public comment with respect to matters not on the Agenda

This portion of the Agenda may be utilized by any person to address the Board of Directors' on any matter within the jurisdiction of FAIRA not listed on the agenda. Depending on the subject matter, per the Ralph M. Brown Act, the Board may not be able to respond at this time or until the specific item is placed on the Agenda for a future meeting. Speakers are limited to three (3) minutes.

4 Approval of the Minutes of the June 14, 2021 Board and Executive Board Meeting

FAIRA Board and Executive Board Meeting Minutes – June 14, 2021



FIRE AGENCIES INSURANCE RISK AUTHORITY MINUTES OF THE BOARD AND EXECUTIVE BOARD MEETING

June 14, 2021 at 1:00 p.m.

To be posted by all Districts in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.

The meeting was held at the Orange County Fire Authority Headquarters, One Fire Authority Road, Irvine, CA 92602. There was also an option to call in via WebEx.

PRESENT: President Criss Brainard (San Miguel Consolidated FPD); Brian Boggeln (Alpine FPD); Sean Bailey (Northstar CSD); Don Butz (Lakeside FPD); Mike Sims (Bonita-Sunnyside FPD); Rhonda Haynes (Orange County FA); Mark Johnson (Fresno FPD).

Telephonic: Ken Musso (South Placer FPD); Howard Wood (Vacaville FPD); Scott Draper (Mason Valley FPD).

Absent: Reno DiTullio Jr (Aromas Tri-County FPD); Richard Pearce (Tiburon FPD); Mark Pomi (Kentfield FPD).

Staff: Susan Blankenburg (FAIRA General Manager); Zack Phillips (Arthur J. Gallagher); Alex Banks (FAIRA Administrative Analyst); Natalie Bates (Arthur J. Gallagher); Jim Smith (FAIRA).

Item 1 - CALL TO ORDER AND DETERMINATION OF A QUORUM

President Criss Brainard called the meeting to order at 1:10 p.m. and confirmed we have a quorum.

Item 2 – Confirmation of Agenda

A **motion** was made to approve the Agenda.

M/S/P Sims/Johnson

Motion passed via Roll Call. Approvals by: Criss Brainard, San Miguel; Don Butz, Lakeside; Mark Johnson, Fresno County; Rhonda Haynes, OCFA; Scott Draper, Mason Valley; Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Howard Wood, Vacaville; Brian Boggeln, Alpine.

Item 3 - ORAL COMMUNICATIONS TO THE BOARD, OPPORTUNITY FOR PUBLIC COMMENT WITH RESPECT TO MATTERS NOT ON THE AGENDA

There was no public comment.

Item 4 – Approval of the Minutes of the September 14, 2020 Board and Executive Board Meeting

A **motion** was made to approve the minutes of the September 14, 2020 FAIRA Board and Executive Meeting, as submitted.

M/S/P Sims/Butz

Motion passed via Roll Call. Approvals by: Criss Brainard, San Miguel; Don Butz, Lakeside; Mark Johnson, Fresno County; Rhonda Haynes, OCFA; Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Howard Wood, Vacaville; Brian Boggeln, Alpine.

Item 5 – Approval of the Minutes of the March 15, 2021 Board and Executive Board Meeting

A **motion** was made to approve the minutes of the March 15, 2021 FAIRA Board and Executive Meeting, as submitted.

M/S/P Sims/Butz

Motion passed via Roll Call. Approvals by: Criss Brainard, San Miguel; Don Butz, Lakeside; Mark Johnson, Fresno County; Rhonda Haynes, OCFA; Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Howard Wood, Vacaville; Brian Boggeln, Alpine.

Item 6.1 – Board Elections

Susan Blankenburg advised that nomination forms were sent out and the four incumbent Directors running are: Mike Sims, Brian Boggeln, Don Butz, and Reno DiTullio Jr. Six ballots have been returned to the FAIRA General Manager with final ballots due on June 21st, 2021.

As the JPA states, the majority of votes decides the new Directors. An email will be sent to the nominees confirming their appointment to the Board. Don Butz brought the Board's attention to the amount of time that goes into the elections and asked about the possibility of a change to the JPA. Don stated that in the event of "no new nominations", the Board automatically accept "the incumbents" and forego the ballot process. Ms. Blankenburg advised that she would reach out to legal to determine if an amendment can be made at a future date.

A **motion** was made to approve the Board Elections.

M/S/P Brainard/Sims

Motion passed via Roll Call. Approvals by: Criss Brainard, San Miguel; Don Butz, Lakeside; Mark Johnson, Fresno County; Rhonda Haynes, OCFA; Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Howard Wood, Vacaville; Brian Boggeln, Alpine; Ken Musso, South Placer.

Item 6.2 – FDAC Agreement

Ms. Blankenburg noted that the FDAC Agreement was presented at the last Board Meeting and since that time President Brainard had the opportunity to discuss the agreement with Jim Cominsky, the President of the FDAC. President Brainard confirmed the discussion with Mr. Cominsky and he assured Mr. Cominsky the FDAC was not outside the guidelines of the contract. President Brainard further stated that based on the conversation with Jim Cominsky, he is satisfied that they have not violated the contract. The agreement provided in the Board Packet requires approval.

A **motion** was made to approve the agreement between the FDAC and FAIRA.

M/S/P Bailey/Boggeln

Motion passed via Roll Call. Approvals by: Criss Brainard, San Miguel; Don Butz, Lakeside; Mark Johnson, Fresno County; Rhonda Haynes, OCFA; Scott Draper, Mason Valley; Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Howard Wood, Vacaville; Brian Boggeln, Alpine; Ken Musso, South Placer.

Item 6.3 – Professional Property Appraisals

Ms. Blankenburg reminded the Board that two options were provided for professional property appraisals were provided at the last meeting. The Board gave FAIRA staff direction to do “a best and final figure” from each appraiser. Duff & Phelps was able to lower their cost from \$140 per building to \$130 per building. FAIRA staff will be negotiating on a start date and the appraisals be completed in the next six to nine months.

No action required.

Item 6.4 – CAJPA Tort Liability Study

Ms. Blankenburg reminded the Board that FAIRA contributed \$5,000 to the Tort Liability Study. The study is complete and is being presented to the CAJPA Board, which will then decide how to report the information.

No action required.

Item 6.5 – AAATraq

Alex Banks advised the Board on May 13th, 2021, that Lawrence and Laura, AAATraq’s two main points of contact held an All Member meeting to address the next steps for gaining compliance as well as addressed the numerous email questions regarding this service. Ms. Blankenburg added that there are 23 Members that are in the process of obtaining coverage and have the AAATraq shield up on their websites. Don Butz reminded the Board that AAATraq is a free service to all FAIRA Members.

No action required.

Item 6.6 – FAIRA Liability Coverage Agreement

In order to access reinsurers when entering the insurance marketplace for the 2021-22 renewal, a coverage agreement needs to be available. Ms. Blankenburg worked with Murphy, Campbell, Alliston & Quinn to create such an agreement.

A **motion** was made to approve the FAIRA Liability Coverage Agreement.

M/S/P Butz/Sims

Motion passed via Roll Call. Approvals by: Criss Brainard, San Miguel; Don Butz, Lakeside; Mark Johnson, Fresno County; Rhonda Haynes, OCFA; Scott Draper, Mason Valley; Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Howard Wood, Vacaville; Brian Boggeln, Alpine; Ken Musso, South Placer.

Item 6.7 – Marketplace Update

Ms. Blankenburg advised the Board that Paul Fuller, the CEO of Allied Public Risk (APR) is on the line to give an update on the current marketplace. Mr. Fuller informed the Board that APR specializes in the Public Sector and writes the primary coverages for FAIRA. APR represents over 4,000 public entities across the country, including over 1,000 in California. He noted there are two reasons why California is experiencing rate shock more than other states. The first reason is the California wildfire situation. There is no indication that this year's fire season is going to be any better than in year's past. Another fact that FAIRA Members may not be aware of is that FAIRA has almost \$500,000,000 in fire station values in moderate to high brush area, which is a substantial portion of the rate increase. The other half of the rate increase is due to social inflation. Social inflation are liability claims in litigation. Public perception right now is not great, which is influencing juries to side against public agencies. On top of that, California's comparative negligence states that a fire protection district can be 1% negligent and still be liable for damages. The combination of "jury bias" and California's comparative negligence is substantially increasing the cost of liability claims filed against public entities. In addition, APR is seeing more employment-related litigation cases against District's currently than over the last five years combined. Once settled, these litigation cases can reach into the hundreds of thousands of dollars once settled. The media can also have an effect as far "jury bias" is concerned.

Mr. Fuller further stated that the average JPA and public entities they represent, incur \$3.20 in loss payment for every \$1.00 they collect in premium. Mr. Fuller advised that there has not been a reduction in coverage and FAIRA will continue to carry guaranteed replacement cost coverage on fire stations and portable equipment. Agreed value on apparatus that have sirens and decal will remain unchanged.

He concluded by saying that the current marketplace is not going away. As is the current year, FAIRA will feel the same pain in 2022 and 2023. The silver lining is that FAIRA will be able to control their destiny. He added that the baseline deductible for JPA's is \$1M and FAIRA only has a deductible \$100,000. He followed that by informing the Board the broad range of coverage and low deductible options that FAIRA has been offered which are not being offered to other municipalities/pools. Ms. Blankenburg closed this topic by stating that the level of FAIRA's premium increase, although not ideal, is less than many others she has seen, some as high as 300%.

No action required.

Item 7.1 – 2021-2022 Updated Insurance Proposal

Natalie Bates reminded the Board that renewal applications were sent out in the middle on January, giving each Member a month to complete them. With three weeks in, Gallagher had only received 34% of applications, leading to follow up calls and emails. Within a week of the due date, all but six applications had been returned. Ms. Bates advised that a total of seven carriers have exited the marketplace, a few exiting the US market entirely. Ms. Bates has also see deductible and retention increases along with capacity limitations, with rate increases ranging between 100% and 300%.

Ms. Bates and the Gallagher team did an extensive marketing effort. They went to three Package markets as well as to captives. Allied World provided a number of options. VFIS is unable to write high deductible plans similar to the current plan. ESIP was unable to meet the

current structure and have a limitation on auto physical damage that for units over five years old are actual cash value opposed to agreed value. For excess liability, the broker went to over a dozen markets who were unable to quote.

Hanover quoted the auto physical damage and came in at over \$1.8M, where APR quoted \$820,000. AIG has a max annual aggregate of \$10M, where the incumbent does not have an annual aggregate. Many other carriers advised they were not interested in emergency vehicles and/or could not provide the requested limits.

The Membership has \$460M in values on the vehicle schedule using agreed value. If the valuation was converted to actual cash value, the valuation would drop the value to \$161M though the premiums savings would not be significant enough to warrant such a change.

When marketing the property line, Ms. Bates received feedback from almost all carriers that they are not interested in California due to the wildfire exposure. Ms. Blankenburg added that FAIRA's rate on property is under 4 cents, which is unheard of in California, especially for wood frame, which makes up 58% of FAIRA's properties. When breaking out each line of coverage and adding them all together, it was evident that doing so increases the cost by 200% to 300% over that of a package policy.

Ms. Bates then walked the Board through the various coverage highlights currently in place (which will remain) for FAIRA, despite the hardening of the market. Some of these coverages include agreed value valuation for auto physical damage coverage; cyber coverage built into the package with no deductible; foundations included as real property; coverage for drones; HIPPA Fines and Penalty sublimit.

Ms. Blankenburg presented four program options that were received from the broker.

These options include:

- Full limits for property and auto physical damage
- A total of \$11M for liability
- \$2M for crime
- \$1M for cyber

The first option is if FAIRA were to move to a first dollar program without a high deductible, the premium came in \$8.5M, something Gallagher would never offer.

The second option was as a \$250K deductible with a \$2M aggregate that Paul of APR provided with a total premium of \$7.495M.

The third option was a \$500K deductible that reduced the premium to \$7.236M, saving roughly \$200K.

The fourth option would reduce the overall premium by \$300,000 and include defense costs within the limits instead of outside limits, removing the agreed value and deleted cyber and crime coverages. Ms. Blankenburg says this is not even close to worth it as FAIRA members gain great value in having agreed value, as previously discussed.

FAIRA has a full liability limit of \$11M. If reduced to the original \$10M that was carried some years back, it would save FAIRA \$236K. This is something she thinks should be discussed.

Mike Sims agreed that abolishing the agreed value is not worth saving \$300K. Zack Phillips added the main difference between option two and three is the limit being \$11M or \$10M. He reminded the savings would be roughly \$236K, or around 6% of the total premium that will be allocated to Members.

A **motion** was made to approve option three: \$500K Deductible, \$2M Aggregate and \$10M Liability Limit.

M/S/P Sims/Musso

Motion passed via Roll Call. Approvals by: Criss Brainard, San Miguel; Don Butz, Lakeside; Mark Johnson, Fresno County; Rhonda Haynes, OCFA; Scott Draper, Mason Valley; Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Howard Wood, Vacaville; Brian Boggeln, Alpine; Ken Musso, South Placer.

Item 8.1 – Review of Financial Statement at April 30, 2021

Mr. Phillips advised the Board that as of April 30th, the balance sheet remains strong. The revenues and expenses are tracking close to what was budgeted.

No action required.

Item 8.2 – Review of KCM Investments at May 31, 2021

Mr. Phillips noted that last year, FAIRA finished well above budget. However this year, with a drop in interest rates, there has been a bit of a decline, though there is a lot of volatility right now and there is some hope to get up to budget.

No action required.

Item 8.3 – Deductible Payments to Date

Mr. Phillips reminded the Board that FAIRA has hit their \$750K aggregate deductible in two of the last three years, with it looking like the third year will reach the aggregate in the coming months. AWAC is still catching up to billing deductibles they have paid, giving FAIRA the benefit of holding on to the money with the 1% interest rate.

No action required.

Item 8.4 – Experience Modifications

Mr. Phillips revisited that at the March 2021 meeting, the Board adopted staff's recommendation of implementing experience modifications capped at \$50,000 with a 25% weight on losses and 75% on exposure. He provided the Board with each Member's experience modification. The modifications are capped at a range of .90 to 1.15. He provided an example of a Member who had an uncapped modification of 1.22, which under the capped range would be at a maximum increase with the parameters selected of 15%. On the other side of this, if a Member's uncapped modification was .80, their maximum credit could be 10%.

No action required.

Item 8.5 – 2021-2022 Annual Budget

Mr. Phillips advised there are four options on the budget. Due to not having final numbers on the excess premium, the four options were: option one: if the excess liability premium were to

come in at \$2M, the usage of no surplus. Option two: if excess liability were to come in at \$2.5M, the usage of no surplus. Option three: if excess liability were to come in at \$2.5M, the usage of \$250K surplus. Option four: if excess liability were to come in at \$2.75M, the usage of \$250K surplus.

A **motion** was made to approve option four, with the General Manager and President reducing the limits from \$11M to \$10M if, in their opinion, the savings are there.

M/S/P Butz/Haynes

Motion passed via Roll Call. Approvals by: Mike Sims, Bonita-Sunnyside; Brian Boggeln, Alpine; Rhonda Haynes, OCFA; Mark Pomi, Kentfield; Criss Brainard, San Miguel; Scott Draper, Mason Valley; Mark Johnson, Fresno County; Don Butz, Lakeside; Sean Bailey, Northstar; Ken Musso, South Placer.

Item 9.1 – Safety Fleet Gap Analysis

Jim Smith reported that in late April he began contacting the target Districts for the Safety Fleet Gap Analysis study. The responsiveness of the Districts has been slow, receiving responses from only three of the nine that have been engaged. He is holding off on the on-site visits until he hears back from more Members. It was suggested by the Board that FAIRA may want to put on a future agenda that there be a debit for non-responsiveness to loss control duties. Mr. Smith advised that the questionnaire should only take 30 minutes to complete as it is mostly “yes” “no” and “n/a” with a few fill-in answers.

No action required.

Item 9.2 – Phase Three of Risk and Loss Control

Mr. Smith noted that once the Gap Analysis is completed, the next step is to update the Risk Management Manual.

No action required.

Item 9.3 – Drive to Survive Dates

Mr. Banks advised the Board that staff reached out to Chris Daly to secure dates for later in 2021. The three weeks available are November 15th, December 6th, and December 13th. Scott Draper advised that Mason Valley would be interested in hosting.

A **motion** was made to allow staff to enter into a contract with Chris to secure dates to be stipulated based off the hosting agencies.

M/S/P Butz/Sims

Motion passed via Roll Call. Approvals by: Mike Sims, Bonita-Sunnyside; Brian Boggeln, Alpine; Rhonda Haynes, OCFA; Mark Pomi, Kentfield; Criss Brainard, San Miguel; Scott Draper, Mason Valley; Mark Johnson, Fresno County; Don Butz, Lakeside; Sean Bailey, Northstar; Ken Musso, South Placer.

Item 10.1 – Potential Litigation. [Government Code 54956.9(b)]

Item 10.2 – Potential Litigation. [Government Code 54956.9(a)]

Item 10.3 – FAIRA Claims and Loss Report

No action required.

Item 10 – Other Business

No other business.

Item 11 – Presidents Report (as needed)

No other business.

Item 12 – Correspondence and Informational Items

Documents that were sent to the Membership were provided.

No action required.

Item 13 – Adjournment

The meeting was adjourned at 3:42 p.m.

A **motion** was made to adjourn the meeting.

M/S/P Sims/Butz

Consideration and Possible Action

5 Financial Update

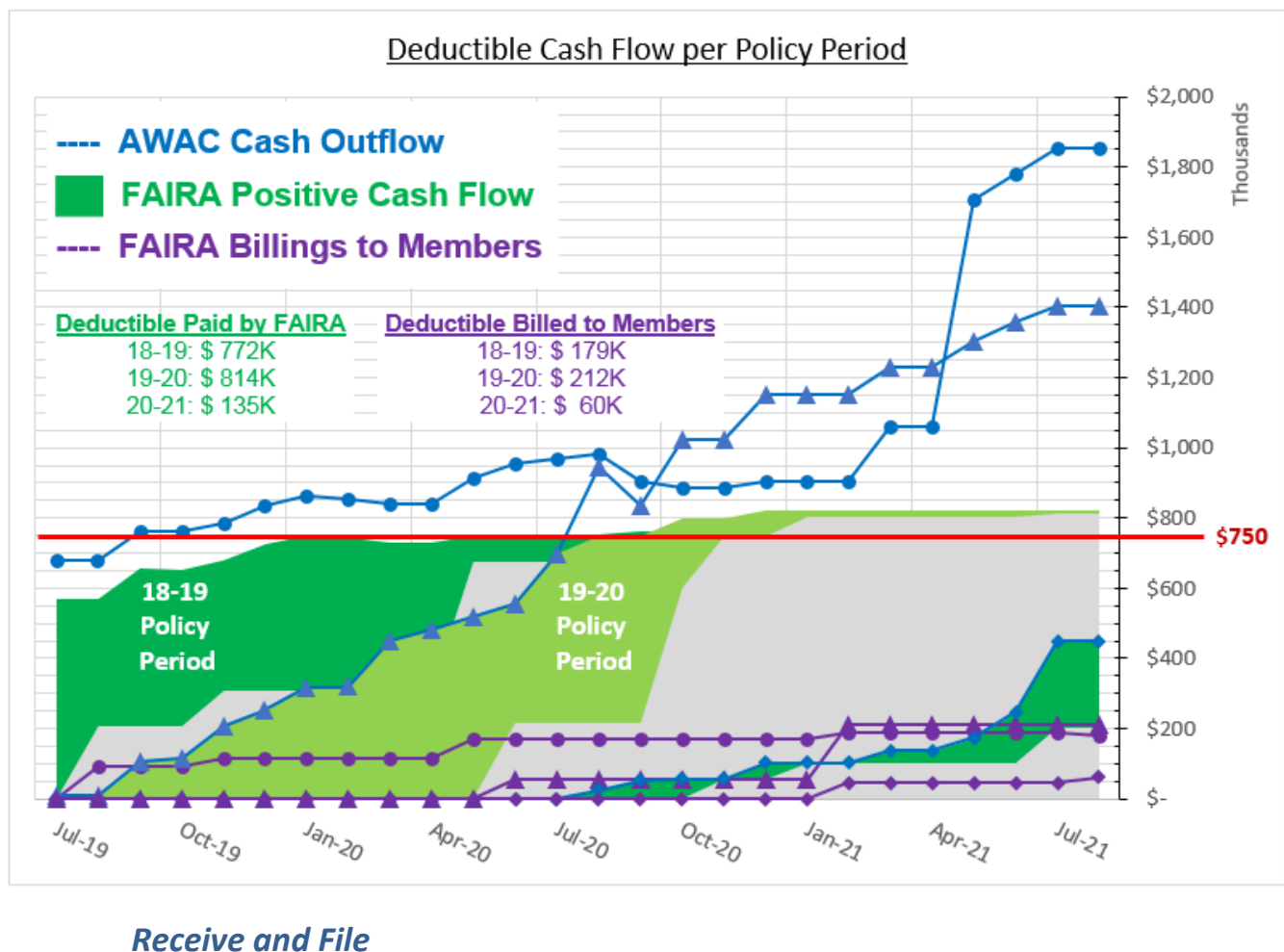
5.1 Deductible Reimbursement

Paid and reserved losses for 2020-21 are developing at a slower rate than the two prior years. If this continues into 2021-22, FAIRA will be well positioned for insurance renewal negotiations with carriers during 2022.

FAIRA has fully reimbursed AWAC for the \$750,000 aggregate deductibles for policy years 2018-19 and 2019-20. Including trailing deductibles (i.e. \$5,000 per claim occurrence), FAIRA has reimbursed AWAC **\$772K** and **\$814K** for those policy years. For policy year 2020-21 FAIRA has reimbursed AWAC **\$135K** as of 7/31/2021.

AWAC has paid out **\$1.08M** and **\$586K** in excess of deductibles for policy years 2018-19 and 2019-20, respectively. FAIRA members have been billed **\$179K**, **\$212K** and **\$60K** policy years 2018-19, 2019-20 and 2020-21, respectively.

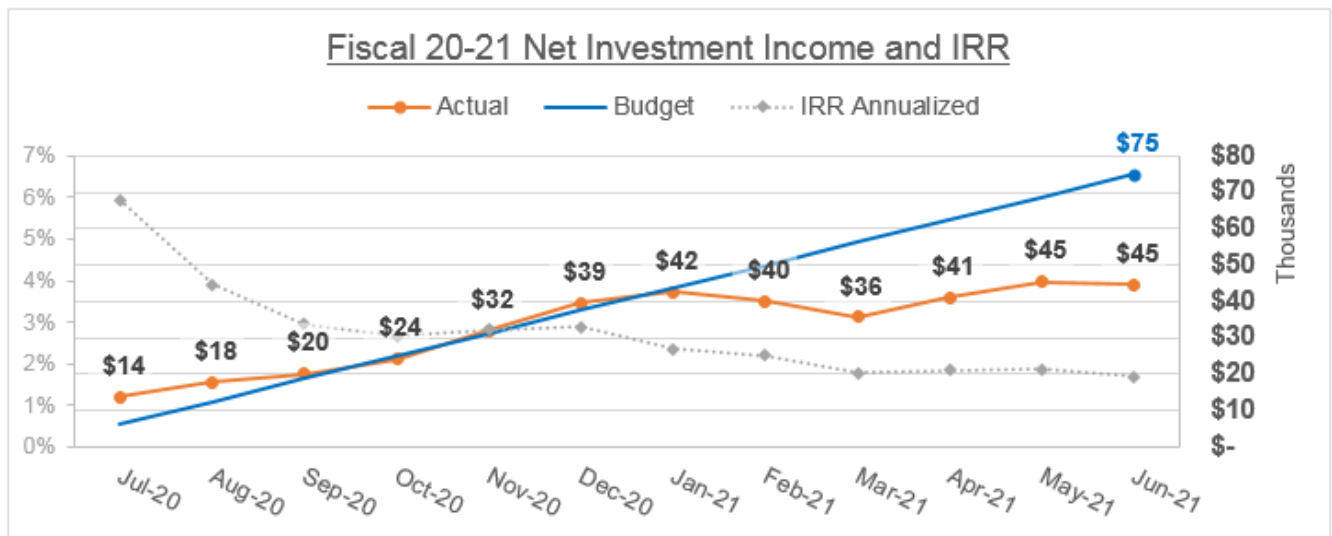
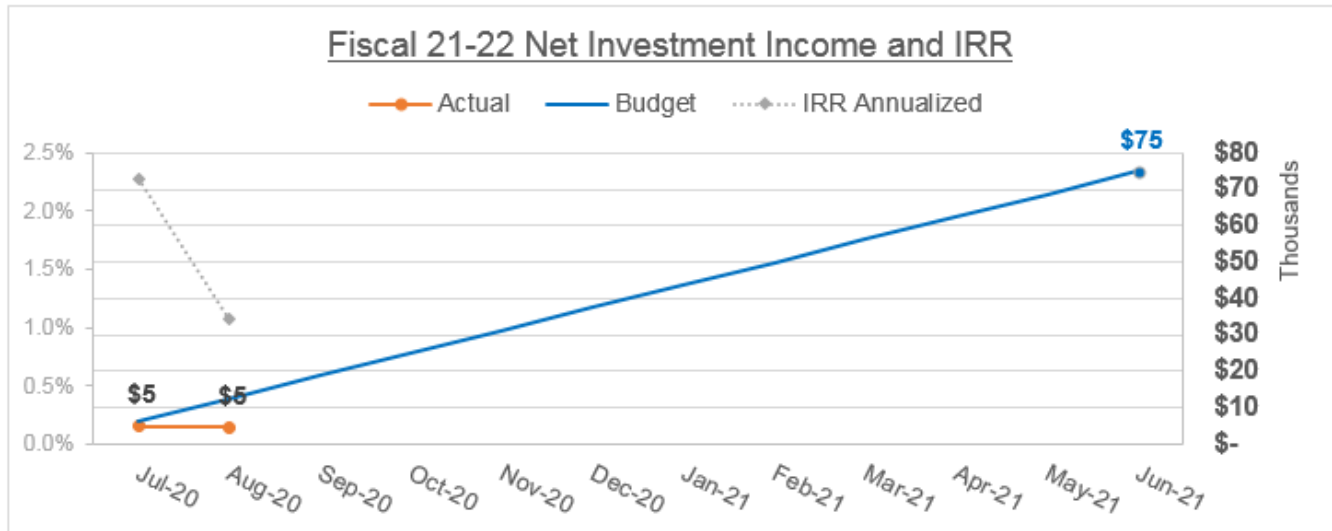
Deductible amounts are charted below:



5.2 Investment Update

The investment portfolio annualized rate of return is 1.1% for 2021-22 year-to-date and was 1.7% for 2020-21. Don Jesper at KCM noted that FAIRA's account is "well positioned to provide steady returns for 2021." Interest earnings are steady, but fluctuations in the market value of bonds are adversely impacting net investment income.

Net investment income versus budget is charted below:



Receive and File

6 General Manager Report

6.1 Professional Property Appraisals

Juan Iverson, FAIRA's main point of contact at Duff & Phelps, the agency FAIRA elected to hire to do the property appraisals, advised FAIRA staff that initial calls to Districts will begin in late August. This will be followed by site visits, which are expected to begin in September or October. The Board will be updated via email as there are new developments.

Receive and File

6.2 Artex Administrative Agreement

Artex had advised FAIRA staff that they were going to non-renew the agreement with FAIRA for the Administrative Services Agreement. Susan Blankenburg requested a call to discuss a compromise that would allow Artex to receive compensation for their work, as the actual scope of work had over doubled the anticipated allotment. A large portion of the work generated was due to our implementation of the large deductible program. This requires that they send out numerous invoices, with details of each loss and the respective deductible that needs to be reimbursed to FAIRA. There are often follow-up questions and regular follow-ups for payment.

The original fee for services was \$4,000 for issuing and collecting some 100 invoices and the depositing of checks. In a recent call with management, we were told that they have lost over \$10K a year on this contract and prefer that we take our business elsewhere unless there is additional business that can be added to make them whole. A copy of the email they sent is on the following page.

Receive and File

From: Derek Taylor <Derek_Taylor@artextrisk.com>
Sent: Monday, June 21, 2021 3:07 PM
To: Susan Blankenburg <Susan_Blankenburg@AJG.com>
Cc: Brittanni Norbut <Brittanni_Norbut@artextrisk.com>; Chris Bridges <Chris_Bridges@artextrisk.com>
Subject: FAIRA

Hi Susan. I hope you are well. Our office has made the decision to cancel the FAIRA contract starting on June 30, 2022. This will give them a full year to find another provider.

We are preparing the disengagement letter. Could you please send us the address and email address of Bill Paskle so we can address it correctly?

Feel free to call if you have any questions. Please note that my last day at Artex is 6/30. Please call Chris (copied) after this date.

Thank you,

Derek R. Taylor, CPA, ACI, CGMA
Vice President - Captives, North America, Arizona



1840 South Stapley Drive, Suite 234 | Mesa, Arizona 85204 | USA
d: 480.553.6228
www.artextrisk.com | derek_taylor@artextrisk.com

Please update your records with our new address. All other contact information remains the same.

6.3 Artex Option to Take Over CPA Duties

Artex had originally expressed an interest in providing both the invoicing and accounting work done by John Paget. We were able to convince them to start with invoicing activities and they have proven to be a top-notch organization. Susan Blankenburg and Zack Phillips have been impressed and enjoy working with them.

We have furnished Artex with a number of documents required to give consideration to providing us with a proposal to handle both the invoicing/depositing and accounting/bookkeeping done by Mr. Paget. We hope to have a decision and proposal from Artex shortly. Tasks that are currently the responsibility of Mr. Paget are:

- Accounting & Bookkeeping services
- Monitor and act upon all incoming emails regarding client business transactions
Cut checks to all vendors as instructed and presented by FAIRA
- Maintain an accounts payable ledger and reconcile to the general ledger
- Record all invoices and related payments to the accounts payable ledger for each vendor
- Maintain an accounts receivable ledger and reconcile to the general ledger
- Record all payments received from Member Districts to the accounts receivable ledger and record deposits of same to the bank account
- Record monthly investment account transactions from Schwab Investment Advisors
- Record monthly transactions from Local Agency Investment Fund of the State of California
- Prepare monthly financial statements for the Board of Directors
- Annually submit all necessary electronic and paper documents to the outside auditor for review and audit
- Assist FAIRA staff with annual budget and assistance with any other matters as from time to time is as requested

It is our hope to reach an agreement with Artex. We have been impressed with their high level of customer service. This can be illustrated by the use of our mail merge letters that come customized to each District when receiving their invoices showing year over year changes in exposure. We receive weekly updates on payments received/outstanding, and they are quick to forward us information when a new Chief has been hired.

Zack Phillips and Susan Blankenburg await their response and hope to have a proposal to consider soon.

Receive and File

6.4 Outside Solicitations to FAIRA Members

It was brought to the attention of FAIRA staff that an Agent from George Peterson Insurance Agency had been contacting a number of FAIRA Members in the Sonoma County region providing false information in hopes of persuading Members to give provisional notice to leave FAIRA. This resulted in FAIRA staff receiving a handful of notices from Members giving their intent to withdraw from the program. Susan Blankenburg called each District and explained the consequences of the notices of withdrawal as there had been several key items that they have been misinformed on. All Members have rescinded their notices.

Staff contacted Bill Ross, at the Law Offices of William D. Ross to send a cease and desist letter to George Peterson Insurance Company. They replied advising they will refrain from using false and misleading statements. Susan Blankenburg contacted Gallagher's Branch Manager who placed a call to a contact in top management at George Peterson to make sure that they understood that they are providing inaccurate legal advice that Districts have used and if this continues there may be consequences.

We have not heard from them since and believe the communication to Members has ended. A copy of the letter that was sent is on the following page.

Receive and File

William D. Ross
David Schwarz
Kypros G. Hostetter

Law Offices of
William D. Ross
400 Lambert Avenue
Palo Alto, California 94306
Telephone: (650) 843-8080
Facsimile: (650) 843-8093
wross@lawross.com

Los Angeles Office:

P.O. Box 25532
Los Angeles, CA 90025

File Nos: 1/14

June 30, 2021

VIA ELECTRONIC MAIL
mmello@gpins.com

Manny Mello, CIC
George Peterson Insurance Agency
416 E St
Eureka, CA 95501

Re: Fire Agencies Insurance Risk Authority; False and Misleading Statements;
Unfair Trade Practices; Cease and Desist

Dear Mr. Mello,

This office represents the Fire Agencies Insurance Risk Authority ("FAIRA"). We have been informed that you have been soliciting local agency (fire protection districts in at least El Dorado and Sonoma counties) members of the FAIRA insurance program to leave FAIRA, based on false and misleading statements in violation of applicable law, including but not limited to, prohibitions on fraud and misrepresentation and the Unfair Practices Act (Bus. & Prof. Code § 17000 *et seq.*). You are directed to cease and desist attempting to solicit existing FAIRA members with such illegal and unethical competitive practices.

Among other false and misleading statements, we are informed you are asserting incorrect representations about the contractual obligations regarding terminating FAIRA membership and the ability for members to be reinstated. You are also misrepresenting the amount that FAIRA insurance premiums will be adjusted.

These misrepresentations and attempts at soliciting FAIRA members violate applicable law and may subject FAIRA members and FAIRA itself to damages for which you may be liable.

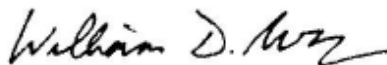
Manny Mello, CIC
June 30, 2021
Page 2

On behalf of FAIRA, we demand that you:

1. **immediately cease and desist** from engaging in further solicitations of FAIRA members using false and misleading statements;
2. take any and all necessary steps to **abate the harm** your activities may have caused to FAIRA and/or its members; and
3. **provide written assurance** by a response to this communication that you will comply with these requirements.

If you do not comply with this cease and desist demand, FAIRA pursue all available legal, and equitable, remedies against you to resolve this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "William D. Ross", with a stylized flourish at the end.

William D. Ross

WDR:kgh

cc: Susan Blankenburg, FAIRA General Manager

6.5 FAIRA Prospect Opportunity

Susan Blankenburg was approached by Sacramento Metropolitan Fire District's Insurance Broker to obtain a quote this past July 1.

They are a large District with almost \$100M in payroll, 670 vehicles, and 500+ Fire Fighters. They currently are with the SDRMA pool.

Susan Blankenburg has had initial conversations with Paul Fuller, the CEO of Allied Public Risk and our lead carrier, as most carriers are shying away from adding larger members to pools. We have agreed to set a discovery meeting to determine if Sac Metro has similar operations, internal policies and procedures that FAIRA requires of its Members. This will take place in November.

Receive and File

6.6 22-23 Renewal Timeline

As communicated to the Board at the June meeting, this was one of the hardest markets that FAIRA has seen to date. Many Liability carriers are leaving California due to the civil unrest and the large nuclear verdicts awarded. FAIRA and Gallagher worked together until the last day to ensure the best renewal for our Members. Waiting it out paid off for FAIRA. We convinced QBE to offer a competitive quote and were able negotiate a reduction in the primary premium from \$2.2M to \$1.8M, saving FAIRA Members \$400,000, then went back and got \$70,000 off QBE's quote. While we had large increases, FAIRA and Gallagher were searching for saving anywhere they could, so the savings were a positive note on this renewal.

To assist our members to prepare for significant increases in premiums we executed a communications series to keep members abreast of the development, to the best of our knowledge. This included:

- Two State of the Marketplace presentations were held on Webex available to the full Membership; one on December 14, 2020, and another on May 21, 2021.
- During the May 21, 2021 Webinar, Susan Blankenburg shared with the attendees that at that point in time, the premium increase was in the 69-81% range.
- On May 28, 2021, a memo was sent to the Membership due to the low attendance on the earlier presentation that put the meeting highlights in writing, included the 69-81% range.
- On June 28, 2021, a memo was sent to the Membership by President Brainard on the anticipated increase in premium (a copy of that memo is on the following page.)
- Invoices were sent out after July 1, 2021, still allowing over 30 days to remit payment.

We understand the late delivery of final numbers to FAIRA Members have caused some members great budgetary issues, due to the late receipt of the final premiums.

FAIRA will work to ensure the timely entry into the marketplace for the 22/23 fiscal year, allowing the release of premiums by June 1st. If premiums have not been finalized by this date all members who are in need of numbers for budgetary purposes will be provided with a non-binding premium estimate based on pricing to date. (We typically receive calls from 1-15 members requesting premiums. These will likely be conservative, leaving room for improvement.)

While this year was a unique experience dealing with the hard market, we will work to assure that the next renewal will be much smoother. A copy of the draft renewal timeline for the 22-23 term is on the following pages.

Receive and File



Fire Agencies Insurance Risk Authority

Criss Brainard
FAIRA Board President
595 Market Street
San Francisco, CA 94104

Date: June 28, 2021
To: FAIRA Member Districts and Board of Directors
From: Chief Criss Brainard, FAIRA Board President
SUBJECT: WHY FAIRA WAS CREATED AND HOW IT HAS SERVED ITS' MEMBERS

As San Miguel Consolidated Fire Protection District is a Charter Member of FAIRA, I would like to remind all members why the JPA was created in 1988, what the benefits of membership are and the long-term savings we have enjoyed.



The Liability Crisis of the mid-1980's will forever be remembered as a time of frantic efforts to obtain insurance if any was available, at lower limits, high retentions at exorbitant rates.

- Insurance carriers abandon most public entities
- Some offered renewal terms at 100-300% increases
- Late 1970-1980 Pools were created

FAIRA was created by Chief Richard Blacker who sent a survey to all CA Fire Districts in 1987 collecting exposure, premium and loss data. The data concluded that the fire industry was a very profitable class of business. In 1988, FAIRA was created and with the purchase of insurance on a group basis we saw an immediately saving of 66%.

Today we find ourselves faced with another Liability Crisis where carriers have withdrawn from insuring municipalities in California, primarily due to the drastic increases in litigation and jury verdicts, with no end in sight.

What is important to remember is that pools have provided more stable pricing than the commercial marketplace, since the late 1970's and the following is what you can expect:

- Significant long-term savings
- Accident forgiveness - FAIRA has never increased rates or canceled a member's coverage
 - New members must have less than a 40% loss ratio, which does not apply to existing members. This is what pooling is about – the loss ratio of the pool, not a single member
 - Commercial carriers develop premiums based on losses. If you file a claim at fault or otherwise, your premium can be increased or even canceled
- The JPA's coverage has been customized and is broader than a standard policy
- FAIRA is run by a Board of Directors' made up of Fire Chief's and Fire Risk Managers
- We are Joint Powers' Insurance Authority and we do not need to make a profit
- As a pool we can take high deductibles allowing us to be less reliant on the layers we buy from insurance companies
- The Aggregate protection that we purchase eliminates the risk of assessments
- Free trainings, risk management services and excellent day to day service

Since FAIRA's inception member Districts have saved over \$96 Million in premiums.

If you have questions or would like additional information, please feel free to reach out to Susan Blankenburg at (415) 517-8028.

Regards,



Criss Brainard
FAIRA President

2022 - 2023 DRAFT RENEWAL CALENDAR

Coverage:	Commercial Package; Commercial Auto; Excess Liability	
Client Contact:	Susan Blankenburg, General Manager	
Gallagher Contacts:	David Stewart Natalie Bates	
TASK	DUE DATE	COMPLETION DATE
Renewal email notifications to all members	Week of January 10 th	
Renewal Strategy Discussion with FAIRA General Manager	Week of February 28 th	
Deadline for completed online applications	February 11, 2022	
Submissions to Markets	Week of March 7 th	
Quotes due from Carriers	April 5, 2022	
Renewal Proposal to General Manager	Week of April 18 th	
Premium Estimates will be generated and released upon request	June 1, 2022	
Premium Allocation	TBD	
Board Meets to Approve. Authorization to Bind	June 13, 2022	
Bind Request to Carriers	June 15-17, 2022	
Binders to FAIRA General Manager	Week of June 20 th	
Policies Received from Carriers	Week of August 15 th	
Policies reviewed and delivered to FAIRA General Manager	Week of September 25 th	

7 Loss Control Consultant

7.1 Fleet Gap Safety Analysis Non-Responsiveness

Considering the hardening marketplace, the significant increases in renewal premiums, and FAIRA's increase in deductible to \$750,000 – it is more important than ever to maintain a rigorous Loss Control and Training program.

Jim Smith, FAIRA's Loss Control Consultant, had identified multiple Districts that were experiencing higher than average loss frequency and/or severity. Multiple requests were made by Jim Smith, following up by emails from Susan Blankenburg requesting that they complete and return the survey.

Requests began in April with Jim reaching out on April 23rd with a follow-up on May 11th. Follow up's to Jim Smith's emails were sent by Alex Banks on behalf of Susan Blankenburg on May 28th and June 8th.

As discussed at the June meeting, Jim Smith is moving forward with field visits to the Districts that have been responsive. He has two meetings scheduled; Montezuma FPD on August 23rd and Montecito FPD on August 24th. There are preliminary plans to meet with Smith Valley FPD, though a firm date is not set.

To date, the following six remain unresponsive:

- Shasta CSD
- South Coast FPD
- Vacaville FPD
- San Ramon Valley FPD
- Lee Vining FPD
- Carmel Highlands FPD (replied but have not heard back since)

Should non-responsive members face consequences similar to the increase in deductibles Districts faced who were not compliant with mandatory Harassment Training?

To motivate unresponsive Districts to become compliant, FAIRA could impose a policy of increasing the automobile deductible to \$10,000 for Auto Liability and \$15,000 for Auto Physical Damage. (The current Auto Liability deductible is \$0 and Auto Physical Damage deductible is \$5,000.) Prior to affecting this change, Members would be provided with 30 days to become compliant.

Consideration and Possible Action

7.2 Controlled Burn Survey

Staff received an email requesting a certificate of insurance for a roadside vegetation clear. The initial concern resulted in a conference call being arranged with the District to get a better understanding of the scope of work. Don Butz was asked to join the call to take advantage of his previous background as Fire Marshall.

Following the call it was concluded that the proposed work was acceptable and the Certificate requested was issued. However, during the call the Chief shared that his District as well as several others in Northern California have been participating in controlled burns, which Chief Butz and Ms. Blankenburg felt required information from the Membership. If this is to be the new norm we believe that our membership should be surveyed, then best practices can be created and implemented.

Director Butz agreed to work with Susan Blankenburg to gather key questions that can be put on a survey. The purpose of this survey is to get a better understanding of what the group is doing as a whole with controlled burns, if they can no longer be avoided. A draft copy of the survey is on the following pages.

Consideration and Possible Action



FUEL TREATMENT ACTIVITY SURVEY

Fuel management is an integral tool to making fire resilient communities. Please indicate which of the activities your agency participates in and ask the related questions:

Hand Thinning/Removal

1. Using handtools such as pulaskis, Mcleods, rhinos, shovels, etc:

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications) _____
- The number of hours _____

2. Using power equipment such as chain saws, weed eaters, brush cutters:

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications) _____
- The number of hours _____

Mechanical Thinning/Removal

3. Using heavy equipment such as:

- a. Compact skid steer loader with any of the following attachments brush rake, grapple attachment, masticating attachment or similar?

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications) _____
- The number of hours _____



FUEL TREATMENT ACTIVITY SURVEY
Page 2

b. Excavator with masticator/mulcher attachment?

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications)

- The number of hours _____

c. Using a bulldozer for crushing and/or chaining?

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications)

- The number of hours _____

d. Using chippers, either towed chippers or tracked chippers

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications)

- The number of hours _____

Air Curtain Burner/Air Curtain Incinerator

4. Using Air Curtain Burner/Air Curtain Incinerator:

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications)

- The number of hours _____



Herbicide Treatment

5. Using chemical herbicide treatment through ground or aerial treatment:

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications)

- The number of hours _____

- Is a written treatment plan developed?

☐ Yes or ☐ No

If yes, answer the following:

- o What is the training/education of the treatment plan preparer? _____
- o What is the approval process for a treatment burn plan? _____
- o Who authorizes that the treatment plan is within prescription to conduct treatment operations? _____
- o Does the treatment plan follow an industry standard with consideration for ecological restoration, fuel reduction, community protection and natural resource protection? _____

Prescribed Fire

6. Using prescribed fire utilizing drip torches and other hand firing tools (fusees, flares, etc):

☐ Yes or ☐ No

If Yes, is it conducted by:

☐ Your Agency personnel or ☐ Contractor

If your Agency personnel, please provide the following:

- The type/kind of training provided to agency personnel (Provide describe or list certifications)

- The number of hours _____

- Is a written prescription, or burn plan, developed?

☐ Yes or ☐ No

If yes, answer the following:

- o What is the training/education of the burn plan preparer? _____
- o What is the approval process for a prescription or burn plan? _____
- o Who authorizes that the burn plan is within prescription to conduct firing operations? _____



- o Does the burn plan follow an industry standard with consideration for ecological restoration, fuel reduction, community protection and natural resource protection?
-

7. Which of the following types/kind of prescribed burning operations does the agency conduct?

Broadcast burn – the controlled application of fire to wildland fuels in their natural or modified state over a predefined area to accomplish planned resource management objectives.

☐ Yes or ☐ No

Pile burn – Piling materials resulting from fuel management activities and subsequently burning the individual piles.

☐ Yes or ☐ No

Fuel Management Activities

8. Does the agency conduct activities to create landscape level fuel breaks? (Defined as manmade change in fuel characteristic that change the fuel arrangement and continuity to reduce fire spread and/or provide a safer location to fight fire.)

☐ Yes or ☐ No

9. Does the agency conduct activities to create shade fuel breaks? Defined as fuel breaks built in areas where the trees on the break are thinned and pruned to reduce the fire potential yet retain enough crown canopy to make a less favorable microclimate for fire.)

☐ Yes or ☐ No

10. Does the agency conduct activities to reduce fuel loading along identified evacuation routes?

☐ Yes or ☐ No

11. Does the agency conduct invasive plant species removal?

☐ Yes or ☐ No

12. Does the agency conduct work in streams and/or water ways?

☐ Yes or ☐ No



General Fuel Treatment Activities

13. Are Agency projects identified in an approved Community Wildfire Protection Plan?
(Approved by the CalFire Unit Chief).

☐ Yes or ☐ No

14. Does the Agency have an executed right of entry from the property owner?

☐ Yes or ☐ No

15. Does the Agency have a waiver of liability or limited waiver of liability from the property owner?

☐ Yes or ☐ No

16. Does Agency provide a certificate of additional insured for property owner, either private or public?

☐ Yes or ☐ No

17. Does the Agency utilize another agency's resource to conduct fuel management activities?

☐ Yes or ☐ No

18. If the Agency conducts fuel management activities utilizing the methods reference above, please provide the year, total acreage treated and methods used?

Year	Total Treated Acreage	Method/Technique
2021		
2020		
2019		
2018		
2017		

19. Please indicate what year the Agency conducted its first fuel treatment project? _____

7.3 New Employment Practice Protocols

Our Employment Practice Liability (EPLI) claims represent the single largest portion of FAIRA's claims and the greatest concern of carriers, followed by wildfire liability exposure.

EPL claims include: Discrimination, sexual harassment, demotion, failure to promote, wrongful termination, race, religion and emotional distress.

In an effort to reduce our EPLI claims and stabilize our insurance rates we would benefit from a better-managed process.

To maintain the current EPLI deductible, when Member agencies are handling personnel-related issues, before taking disciplinary/punitive actions, proof of consultation with legal prior to executing a formal action will need to be confirmed. This would not restrict a Member agency from placing an employee or volunteer on administrative leave to conduct an investigation.

For Districts that do not have relationships with EPLI attorneys, FAIRA will continue to pay for up to 3 hours of consultation with Peter Flanderka.

Upon the receipt of a new EPLI claim, if proof of consultation with legal counsel cannot be produced, we recommend that an increased deductible should be imposed for the first and subsequent claims.

Consideration and Possible Action

7.4 Revising of the Risk Management Manual

Staff discussed with Jim Smith updating FAIRA's Risk Management Manual that will be started later this year. Jim Smith will be reaching out to other large Districts to peer review their Company Handbook. This will be one tool to help improve and develop Human Resource guidelines for hiring and firing, background checks, the Fire Fighters Bill of Rights, driving policies and procedures and proper accident reporting, etc.

Receive and File

7.5 Drive to Survive Courses

At the June meeting, Ms. Blankenburg advised the Board that we would secure dates for later in the year and re-evaluate at the September meeting if the current COVID situation allows FAIRA to do in-person courses. The dates that Chris gave us were November 30th – December 2nd. FAIRA staff will continue with next steps by contacts potential hosting Members. President Brainard advised he would be interested in hosting, leaving two open days available – one in Central California and the other in Northern California. Directors Draper and Johnson are reaching out to their personnel to see if they can host the days.

Receive and File

8 Closed Session Conference with Legal Counsel

The Board may enter into closed session at this time.

8.1 Potential Litigation. [Government Code § 54956.9(b)]

8.2 Pending Litigation. [Government Code § 54956.9(a)]

8.3 FAIRA Claims and Loss Reports

The above matters described on the agenda may be held in closed session as a conference with counsel under the provisions of Government Code § 54956.9 (a) and (b). If closed sessions are held, a report of actions subject to disclosure will be made by the Authority's Counsel upon return to open session respectively.

9 Other Business

Other business as necessary so that FAIRA can perform its functions as authorized by law and which has arisen within seventy-two (72) hours prior to the initiation of this meeting and may be considered under the Brown Act.

10 Correspondence and Informational Items

2021 CA Chaparral Wildfire Proximity Map as of 2021-08-30

FIREAGE-01_FAIRA_032020_FAIRAProperty_20200122

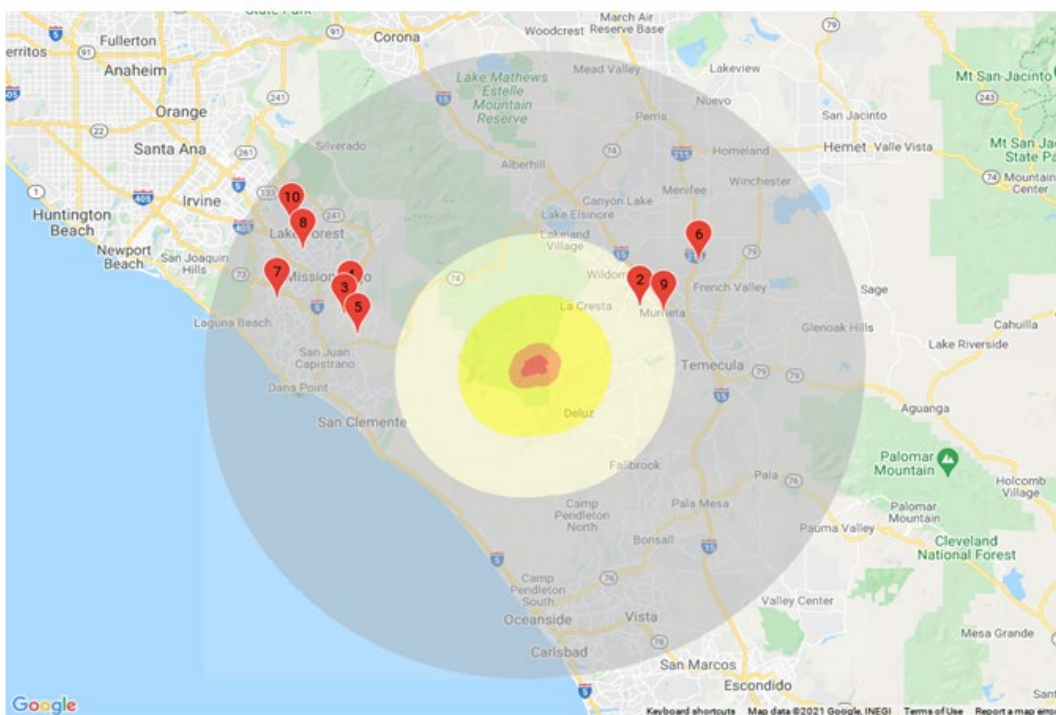
Impact Summary

Assets Impacted

133

Total Insurable Value

125.13 M USD



Wildfire Proximity Zone

- Zone 1: 10-25 miles from Perimeter
- Zone 2: 5-10 miles
- Zone 3: 1-5 miles
- Zone 4: 0-1 mile
- Zone 5: Within Perimeter/Location

Event Set Fire Forecast: Proximity map for active US Wildfires

Source NIFC

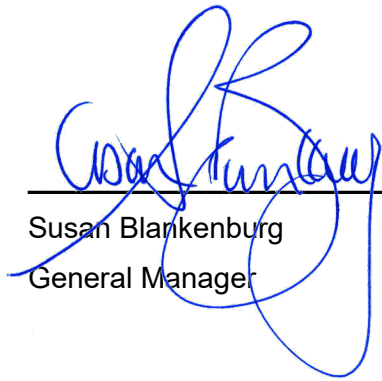
Intensity Wildfire Proximity Zone

Top Impacted Assets by Intensity

#	Asset#	Asset Name	TIV (in USD)	Intensity Wildfire Proximity Zone
1	1199	Murrieta FPD: 5-1_Fire Station 5 Temp Facility: Fire Station 5 Office/Living Quarters 38391 Vineyard Parkway 92562 Murrieta CA 92562-7221 Riverside US	295.98 K	2.00
2	1200	Murrieta FPD: 5-2_Fire Station 5 Temp Facility: Fire Station 3 38391 Vineyard Parkway 92562 Murrieta CA 92562-7221 Riverside US	238.36 K	2.00
3	1584	Orange County FA: 58-3_Warehouse for USAR 19682 Descartes Ladera Ranch CA 92694 Orange US	8.27 M	1.00
4	841	Orange County FA: 58-1_Fire Station #58 58 Station Way Ladera Ranch CA 92694-1180 Orange US	7.09 M	1.00
5	1574	Orange County FA: 56-1_Fire Station #56 56 Sendero Way Rancho Mission Viejo CA 92694-1290 Orange US	5.55 M	1.00
6	1198	Murrieta FPD: 4-1_Fire Station 4 28155 Baxter Road 92563 Murrieta CA 92563-1400 Riverside US	5.06 M	1.00
7	836	Orange County FA: 57-1_Fire Station #57 57 Journey Aliso Viejo CA 92656-3318 Orange US	4.88 M	1.00
8	699	Orange County FA: 19-1_Fire Station #19 23022 El Toro Road Lake Forest CA 92630-4930 Orange US	4.75 M	1.00
9	1189	Murrieta FPD: 1-1_Fire Station 1 41825 Juniper Street Murrieta CA 92562-7200 Riverside US	4.65 M	1.00
10	764	Orange County FA: 38-1_Fire Station #38 26 Parker Irvine CA 92618-1604 Orange US	4.49 M	1.00

11 Adjournment

I certify that this Authority Agenda was posted and sent by First Class United States Mail to all Members of the Authority 72 hours before the noted meeting.



Susan Blankenburg
General Manager

Date: September 13th, 2021

