



Moraga-Orinda Fire District  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING MINUTES**  
March 15, 2023  
(APPROVED APRIL 19, 2023)

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**1. OPENING CEREMONIES**

The Board of Directors convened Open Session at 6:31 p.m. on March 15, 2023, at the Sarge Littlehale Room, 22 Orinda Way, Orinda, California 94563. This meeting was conducted in a hybrid format with in-person and remote options for public participation. President Jex called the meeting to order, requested an attendance roll call, and led the pledge of allegiance.

District Clerk Holbrook announced that Director Jorgens was not participating telephonically, as noticed on the agenda. Present were the following Directors and Staff (present in person unless noted):

President Jex	Dave Winnacker, Fire Chief
Director Danziger	Gloriann Sasser, Admin. Services Director
Director Hasler	Jonathan Holtzman, District Counsel (present via Zoom)
Director Jorgens	Luke Jensen, Negotiator (present via telephone)
Director Roemer	Marcia Holbrook, District Clerk

**2. PUBLIC COMMENT**

President Jex opened Public Comment on the closed session items. There were no requests to address the Board. President Jex closed Public Comment.

At **6:32 p.m.**, the Board adjourned to Closed Session.

**3. CLOSED SESSION**

**3.1 Conference with Labor Negotiator**

Government Code Section 54957.6)  
Agency Designated Rep: Luke Jensen  
Employee Organization: Local 1230, International Association of Firefighters IAFF

**3.2 Conference with Legal Counsel – Anticipated Litigation**

Significant Exposure to Litigation under Government Code Sections 54956.9(d)(2) and 54956.9(e)(3) – one potential case

**3.3 Conference with Real Property Negotiators**

(Government Code Section 54956.8)  
Agency Negotiator: David Winnacker  
Negotiating parties: Moraga School District  
Under Negotiations: Consideration of and authorization to proceed with real estate negotiations by the Fire Chief regarding the potential acquisition of the real properties concerning price and terms of payment. Real Property: 257-210-013-5

At **6:53 p.m.**, the Board adjourned the Closed Session.

**4. RECONVENE THE MEETING**

President Jex reconvened the Moraga-Orinda Fire District Board of Directors' regular business meeting at **7:00 p.m.** and requested an attendance roll call. Present were the following Directors and Staff (present in person unless noted):

President Jex	Dave Winnacker, Fire Chief	Jonathan Holtzman, District Counsel (present via Zoom)
Director Danziger	Gloriann Sasser, Admin Services Director	Marcia Holbrook, District Clerk
Director Hasler	Jeff Isaacs, Fire Marshal	
Director Jorgens	Mary Smith, Finance Manager	
Director Roemer		

**5. REPORT OF CLOSED SESSION ACTION (audio 00:00:41)**

District Counsel Holtzman reported the following closed session action item 3.1, Conference with Labor Negotiator (Government Code Section 54957.6). Consistent with the concerns expressed by the prior Board, the majority of the Board has decided not to reopen the current MOU with respect to minimum staffing at this time. The Board does not wish to proceed with negotiations at this time because it lacks sufficient information to properly evaluate proposals to change the current staffing model. However, the Board remains open to revisiting this issue when MOU negotiations begin in the fall if the Union wishes to raise the issue at that time. In the interim, the District will be taking action to obtain relevant information.

**6. PUBLIC COMMENT - ITEMS NOT ON THE AGENDA (audio 00:01:49)**

President Jex opened Public Comment.

Jacob Airola commented that if the Board is changing direction, the Board should vote on that change in public, and there should be public comment on that action. Action taken in Closed Session violates the Brown Act and he requested more information from the Board.

Jonathan Goodwin, Canyon resident, agreed with the public comment and requested an explanation from the Board. Mr. Goodwin opined it is important to understand how the Board, the Staff, and all stakeholders view the item because the subject is one of those things where there is no right or no wrong answer but a question of trade-offs. The item is of public interest and not a closed-session matter. Mr. Goodwin also inquired when an item is listed as a public workshop, how the item is different from a regular agenda item, and asked if the District had a policy that defined a public workshop.

Anthony Stephens, Local 1230 Union Vice President, agreed with the public comments about questioning the change of direction from the Board in a closed session without taking public comment and having the stakeholders weigh in on the matter. The change of direction has a direct impact on public safety. The direction was to restore the staffing of a dedicated ambulance in downtown Orinda that has been cut since 2013. The same ambulance that the Federal SAFER (Staffing for Adequate Fire and Emergency Response) grants were written and accepted to restore. Mr. Stephens opposed the change of direction by the Board.

Vince Wells, Local 1230 Union President, concurred with Mr. Stephens and stated there had been a lot of conversation and efforts to restore the staffing of that ambulance since it was shut down in 2013 once the economy and financial situations improved. Mr. Wells stated L1230 asks for the item to remain on the agenda for discussion. The Meet and Confer process has been halted because this conversation should be held during contract negotiations. L1230 feels this was different from the direction of the previous Board's decision to move forward.

District Counsel Holtzman responded that the original instruction was to explore the issue in negotiation, since the item is a negotiation item. The Brown Act provides an exception for labor issues; therefore, the closed Session was appropriate.

**There were no additional requests to address the Board.**

Fire Chief Winnacker requested to move ahead to agenda Item 9.1 Tunnel East Bay Hills Fuel Break Project Environmental Presentation by Sequoia Ecological Consulting to allow the guest presenter to present their item, acknowledging their time and allowing them to move on to other matters. All Directors agreed.

**7. ANNOUNCEMENTS (audio 00:42:59)**

**7.1 Brief information only reports related to meetings attended by a Director at District expense (Government Code Section 53232.3(d)).** No Report.

**7.2 Questions and informational comments from Board members and Staff.** No Report

**7.3 Communications Received.** One item from Kingsley Chatton.

**7.4 Fire Chief Updates**

**a. Finance Report**

Finance Manager Smith presented the status of OES reimbursements, attached to these minutes, as item 7.4(a). Other items reported: FY22 Audit – Audit was scheduled for the week of 2/13/23, with the final audit report expected in March 2023. The Audit has been delayed due to auditor staffing issues. The Audit is now scheduled for March, with the final report expected in April 2023. Six proposals were received in response to the RFP for a new Audit firm for FY23. The Audit Committee is reviewing the proposals. Audit Committee will make a recommendation to the Board at the April 2023 board meeting for approval of a new auditor.

**b. Human Resources**

Fire Chief Winnacker provided the recruitment update. A Firefighter Paramedic Trainee was injured in the LP academy and will no longer be able to complete the academy. The individual has been restored to the eligibility list for a future academy opening. Interviews were conducted for the grant-funded Fuels Mitigation Specialist position. The Staff has identified one candidate that will move forward in the hiring process and one candidate that will be placed on the eligibility list. A promotional examination for the position of Fire Captain Paramedic was released on March 1, 2023, with a filing deadline of May 30, 2023. The examination will take place on June 8, 2023. This recruitment will establish an eligibility list for a future opening. The District has retained a new Communication Support Volunteer, Blake Rothfuss, to assist the District with upcoming residential bridge surveys. Director Danziger inquired about the Plans Examiner position. Fire Chief Winnacker replied the position remains open.

**c. Fire Marshal**

Fire Marshal Isaacs provided the report and reviewed the monthly Fire Prevention report statistics,

included in the Board packet, item 7.4(c). Fire Marshal Isaacs noted that the new ordinances go into effect this week; therefore, the inspections were performed to educate property owners and the June 1 deadline to comply.

Director Jorgens inquired about the property transfer inspections since the District does not have an ordinance in effect. Fire Chief Winnacker answered that Staff is sharing information as best practices but needs to have the Ordinance to enforce compliance. Fire Marshal Isaacs added that Staff has a great relationship with the realtors and performed the inspections as part of outreach. Fire Chief Winnacker affirmed that the community has become comfortable with the requirements as part of the steps when selling a house, and it is a selling feature that the home complies with fuel mitigation.

Director Jorgens asked for clarification that the fire code is for buildings and the Defensible Space and Fuel Break Ordinances are for outside the building. Fire Chief Winnacker confirmed Ordinance 23-03 (Defensible Space) and 23-04 (Fuel Break) are in effect. The Fire Code Ordinance 23-01 is pending ratification by the Town of Moraga and Contra Costa County. Director Jorgens asked when ratification is expected to happen. Fire Chief Winnacker answered the Town of Moraga is expected to adopt it this week, and Contra Costa County will place the item on its agenda after the Town has ratified the Ordinance.

**d. Tunnel East Bay Hills Fuel Break Project –see agenda item 9.1**

**e. Operations**

Fire Chief Winnacker provided the report, attached to these minutes, as item 7.4(e). The weather patterns experienced over the past month continue to be of concern and are affecting conditions across the State. The weather has affected road conditions, utility infrastructure, soil stability, and downed trees. Fire Chief Winnacker shared photos of vehicles off the roadways and accidents on highway 24. Crews have had some extended extrication, some involving fatalities, all attributed to excessive speed. Crews responded to two structure fires on February 20, 2023, and the other on February 21, 2023. Both fires are under investigation.

Director Jorgens asked if the homeowners had a monitored fire alarm system. Fire Chief Winnacker answered he believed the Owner was home. Director Jorgens asked if the District could force people to install an automatic alarm retroactively. Fire Chief Winnacker answered that the Engines carry smoke detectors and batteries and will check to ensure the smoke detectors work. If structures do not meet the modern standard or are considered non-conforming, the District cannot enforce the requirement retroactively. Director Jorgens asked if new homes are required to be wired together. Fire Chief Winnacker confirmed they must be interconnected and must meet the NFPA residential sprinkler system requirement. For the average building with a sprinkler system, if that building is on fire, the fire is put out by two of the sprinkler heads. As soon as the temperature breaks 125 degrees, the sprinkler head releases water, and water is immediately put on the source of the fire. It is like having a firefighter hanging from your ceiling in every room in the house.

Fire Chief Winnacker continued the report and shared that members are assisting Monterey and San Benito counties with flooding after a levee broke that caused evacuations across the Santa Cruz region. Our team and Incident Management Teams deployed backfilling for the urban search and rescue task force through the California Mutual Aid System. The District has several members that are up-staffed on a regional pre-positioning resource funded through California Office Emergency Service (OES) in ongoing efforts to staff up in advance of emergencies. The District has had a significant amount of rainfall with downed trees and with some interruptions to the roadway; however, nothing like what is happening in other counties, so the District is able to provide resources to those areas to support their needs. Director Jorgens asked who people should call if they see a tree down in the road. Fire Chief Winnacker answered 911 if the tree is in the roadway.

Fire Chief Winnacker then shared a story involving young entrepreneurs running a lemonade stand, and concluded the report by displaying a picture of a District engine being towed after breaking down. Director Danziger asked if the District was using a spare apparatus. Fire Chief Winnacker confirmed. President Jex inquired if the broken down engine was the one that was damaged on the road. Fire Chief Winnacker answered no.

**President Jex opened Public Comment for items 7.1-7.4.**

Jonathan Goodwin, Canyon resident, inquired about regional repositioning.

Fire Chief Winnacker clarified that the term is prepositioning, not repositioning, defined regional prepositioning, and how the District benefited during the Merrill Circle fire. Mr. Goodwin asked if OES does the administration. Fire Chief Winnacker confirmed it is similar to the out-of-county mutual aid for wildfires.

Jacob Airola expressed concern about the operational knowledge of some of the Directors and offered to educate or answer any questions directors have about operations.

**There were no further requests to address the Board.**

8. **CONSENT AGENDA (audio 01:04:31)**
  - 8.1 Meeting Minutes – February 7, 2023 (Special), February 15, 2023 (Regular), February 22, 2023 (Special)
  - 8.2 Monthly Incident Report – February 2023
  - 8.3 Monthly Check/Voucher Register – February 2023
  - 8.4 Monthly Financial Report – January 2023
  - 8.5 Dissolve the Ad Hoc Committee to Investigate with the Contra Costa County Board of Supervisors if MOFD Members are eligible to receive the COVID-19 relief one-time \$2,500 payment
  - 8.6 Approve Salary Schedules Effective July 1, 2023
  - 8.7 Adopt Resolution 23-07 Authorizing Participation In And Approving the Amended and Restated Joint Exercise of Powers Agreement of the Fire Risk Management Services Joint Powers Authority
  - 8.8 Approve payment to Contra Costa County Fire Protection District for dispatching and communications services in the amount of \$212,090.95

**President Jex opened Public Comment. There were no requests to address the Board.**

**Motion by Director Danziger and seconded by Director Jorgens to approve Consent Agenda items 8.1 - 8.8. Said motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jorgens, Roemer, and Jex; Noes: None; Absent: None; Abstain: None).**

## 9. REGULAR AGENDA

### 9.1 Tunnel East Bay Hills Fuel Break Project Environmental Presentation by Sequoia Ecological Consulting (audio 00:08.53)-out of order

Ms. Debie Montana representing Sequoia Ecological Consulting, and Ms. Robin Hunter representing Horizon Water and Environment, gave a PowerPoint presentation on the Tunnel East Bay Hills Fuel Break Project. The presentation covered the project details, work completed to date, and the next steps to implementation and provided an opportunity for the community to provide feedback.

Ms. Montana outlined the objectives of the project to reduce/manage wildfire hazard risk, reduce intensity rate of wildfire spread, reduce impacts to communities and infrastructure, maintain/enhance biological diversity, promote conditions that favor native species, enhance native fire-resilient plant communities, and provide strategic locations to fight wildfires effectively.

Ms. Montana reviewed that the fuel break is part of a greater regional effort. The North Orinda Shaded Fuel Break (NOSFB) was completed in 2019 and was one of the 35 emergency-listed projects by the Governor at the time. The CEQA analysis was waived for the NOSFB project. Ms. Montana shared a map of the NOSFB and the Tunnel East Bay Hills Shaded Fuel Break and showed how both projects will complete the perimeter of the overall fuel break. While the CEQA requirement was waived for the NOSFB project, the CEQA requirement for the Tunnel East Bay project was not waived. The District contracted with Sequoia to ensure all the environmental aspects of the project are cleared for implementation. Sequoia will follow the California Department of Forestry Programmatic Environmental Impact Report (EIR). The EIR analyzes various aspects of the environmental baseline data, potential impacts of the project on biological and cultural resources, air, noise, visual, and water quality.

Ms. Montana stated a portion of the CEQA is the Project-Specific Analysis (PSA). The PSA justifies coverage and the ability for the project to fall under the CalVTP (California Vegetation Treatment Program). The following treatment will be used for the project: prescribed burning, manual vegetation treatment, mechanical vegetation treatment, prescribed herbivory, and targeted ground application of herbicides. No treatments outside of that list will be used.

Fire Chief Winnacker asked for clarification on the use of herbicides. Ms. Montana explained the herbicide use would be minimal and applied to each plant species by hand. Ms. Montana continued to review the project location and treatable landscape (Six work areas, 1,223 acres of open space, and a wildland-urban interface exist). Ms. Montana noted some work has already been completed on the EBMUD lands using their existing Programmatic EIR (pEIR).

Director Danziger asked if Sequoia had to do another analysis on the EBMUD lands. Ms. Montana answered it is not required. Fire Chief Winnacker added so long as the District follows the EBMUD prescriptions and the limitations that are in place in the pEIR. Ms. Montana highlighted project-specific requirements and key protection measures for a number of sensitive biological resources.

Ms. Hunter illustrated key protection measures implemented by Horizon archaeologists and the cultural resources team (background research, reaching out to local tribes, and field surveys). There were a few

cultural resources identified during the desktop review. However, when the archaeologists went on-site, those cultural resources were no longer present and will not be impacted by the project. Ms. Hunter outlined other resource concerns (visual, landslide, erosion, water quality, noise, and recreation projective measures).

Ms. Montana stated the PSA had been drafted and included the biological, botanical, and cultural resource reports. The PSA will be submitted in March 2023 and will take approximately 30 days for approval. The initial treatment is scheduled to start in May 2023. The treatment will include manual, mechanical, and prescribed burning and grazing. The Treatment Maintenance is outlined to include: tree-dominated areas every 3-5 yrs, scrub-dominated areas every 1-5 yrs, and grass-dominated areas annually.

Director Danziger asked about the private lands and the process for getting permission from the owners. Fire Chief Winnacker said the District would obtain MOFD and CALFIRE access agreements. The agreements are revocable by the resident at any time during the project.

Fire Chief Winnacker explained the NOSFB project had a CEQA waiver and an imperative to move quickly. Moving at that speed caused the District to incur additional costs per acre. The Tunnel East Bay Fuel Break project is moving slowly and deliberately. Staff believes the cost per acre will be lower than the NOSFB since there will not be costs associated with emergency measures.

Director Danziger inquired about the process for the report. Ms. Montana explained that the report is submitted to CALFIRE as part of an EIR. The EIR has already gone out for public comment and the approval process. Director Danziger asked if the report was confidential. Ms. Montana answered the PSA report would be posted on the CALFIRE CalVTP website. The additional reports about the biological, botanical, and cultural resources report are confidential because sometimes they identify the location of sensitive resources.

**President Jex opened the public comment.**

Jonathan Goodwin, a Canyon resident, asked if Sequoia is involved with the protocols for using the District's flamethrower and how diligently they are enforced. Mr. Goodwin inquired about the future maintenance plan of the project and if there has been any maintenance on the NOSFB project.

Fire Chief Winnacker responded that the District's internal policies govern the Terra Torch, and the use of prescribed fire and grazing is critical to maintaining the NOSFB. Most of the Tunnel East Bay Hills Fuel Break project will be maintained through grazing and prescribed fire. The grant does not allow for maintenance beyond the 3-year cycle of the grant. Director Jorgens asked if the District must redo the environmental studies to maintain the land. Fire Chief Winnacker stated when the maintenance is done with prescribed cattle, a review is not required; however, if the District is putting hand crews back on the land, a review may be required. Ms. Montana answered the PSA analysis covers treatments for about five-plus years but would need to verify. The PSA would cover future treatments, and the CEQA analysis does not have to be redone for an extended period of time.

**There were no additional requests to address the Board**

**9.2 Public Workshop Long Range Financial Forecast March 2023 (audio 01:05:28)**

Administrative Services Director Sasser presented a Powerpoint presentation, attached to these minutes as item 9.2. The Long Range Financial Forecast (Forecast) covers a forward-looking 10-year period. ASD Sasser explained that the Forecast is separate from the Annual Operating Budget. The FY2024 Annual Operating Budget is being developed and will be presented to the Board in a public budget workshop on April 19, 2023. The Forecast amounts for FY2024 are based on the work completed (to date) for the FY2024 budget. The budgeted areas are complete and are reflected in the Forecast. Operating expenditures are still in-process, and the Forecast assumes current-year expenditures plus 4%. ASD reviewed the significant assumptions used in the Forecast:

<u>Revenue</u>	<u>Expenditures</u>
<ul style="list-style-type: none"><li>• Property taxes: +5.04% (HdL), +2%*, +3.5%* thereafter (<i>*as directed by the Board last year</i>)</li><li>• Ambulance revenue: +3%, +1.5% thereafter</li><li>• Net strike team revenue: \$300K, +3% thereafter</li><li>• Tunnel East Bay Hills Fuel Break Admin Fee: \$684K in FY2025 into General Fund (<i>This is subject to Board direction</i>)</li></ul>	<ul style="list-style-type: none"><li>• Salaries and Overtime: +5% July 1, 2023, then +3% thereafter (<i>per the terms of the MOUs and Board direction</i>)</li><li>• Benefits: +3% throughout</li><li>• CCCERA: Actual, +1.19%, -4.18%, -3.74%, -4.08%, -40.27%, (<i>based on GovInvest projections</i>)</li><li>• CCCERA projections based on 12/31/2021 actuarial valuation</li><li>• OPEB Funding: Full actuarially recommended contributions</li></ul>

- Pension Rate Stabilization Fund: Full contribution recommended using 6.25% discount rate, CCCERA -10.6% in 2022, and salary increases per the MOUs

ASD Sasser highlighting significant items regarding the District's pension costs:

- The CCCERA Board decreased the discount rate used by CCCERA from 7.00% to 6.75%. This will result in an increase to the District's pension rates beginning July 1, 2023. The District's rates increased 10% primarily due to the decrease in the discount rate. The increased rates are reflected in the Long Range Forecast.
- CCCERA's actual investment returns for 2022 were -10.6%. These negative investment returns will affect the District's CCCERA rates beginning July 1, 2024.
- CCCERA provides five-year projections of the District's pension rates which are used in the Long Range Forecast. CCCERA's 5-year rate projection is in process, and the District has not received the updated projection that reflects the -10.6% investment return.
- CCCERA's actuary, Segal, projected the Moraga-Orinda Fire Safety cost group will reach full funding as of the December 31, 2026 actuarial valuation. However, in the same letter Segal also noted that this projection was based on the market value of plan assets on December 31, 2021, and that market conditions have changed significantly since that day.
- A graph at the bottom of slide 5 showed the total planned funding in the Long Range Forecast designated for pension costs. The blue part of the graph reflects mandatory costs to be paid to CCCERA. The red part of the graph shows the planned contribution to the District's separate pension trust account. The trust contributions are Board directed. The total funding designated for pension costs reflects the 2022 -10.6% CCCERA investment return. When CCCERA provides the updated five-year projections of CCCERA costs that reflect the 2022 negative investment return, what will happen is the blue part of the graph will increase, and the red part of the graph will decrease. The total funding designated for pension costs of \$8.9M will still cover all the pension costs.

Director Jorgens stated the notes state that the assumption for this year is back to the 6.25% in GovInvest. ASD Sasser confirmed. Director Jorgens replied that the number is optimistic. Director Jorgens commented that CCCERA's data is at least a year old and asked how old is the data in the CCCERA report. ASD Sasser answered Staff would look into the answer.

ASD Sasser continued the presentation and stated that in July 2022, the Board adopted a fund balance policy. The policy states the District will maintain a minimum unrestricted fund balance of 17% of budgeted General Fund revenue at fiscal year-end with a goal of achieving a 50% year-end fund balance in the long term. The Forecast projects the District will meet the 50% long-term goal in FY2030. ASD Sasser shared a graph that illustrated the District's cash flow. At the end of the fiscal year, the cash balances are at their peak. The last time the District used the Teeter Plan was in November 2019 due to receivables from the North Orinda Shaded Fuel Break project and for strike team revenue.

Fire Chief Winnacker reviewed, for the new Directors, that the NOSFB project moved very fast, which caused the District to have to carry the note when the District experienced a very active fire season. Director Jorgens requested a note be placed on reviewing the 17% number and have another iteration with the new Board. ASD Sasser reviewed the outstanding balance for the Station 43 debt, which is \$2,350,000 at an interest rate of 2.14%, and concluded the presentation detailing the District's capital projects. The Forecast projects funding all of the Capital Projects by using transfers from the General Fund and existing funds in the Capital Projects Fund. Staff requested Board direction on the Forecast.

Director Jorgens inquired about the \$4.8M budget for the station 41 capital project. Fire Chief Winnacker replied that it would likely be shifted, as addressed in the Closed Session and ongoing real properties negotiations. Director Jorgens inquired about the \$1M budgeted for this fiscal year. ASD Sasser explained because the \$1M was projected and budgeted, it is included in the Forecast to have been spent and out of the balances.

Director Jorgens asked if the Forecast assumes the funds will be spent. Fire Chief Winnacker answered the project is evolving, and until recently, Staff thought the District would spend it; however, the negotiations have slowed. Any funds budgeted and not spent at the end of the year will roll over into the unrestricted reserves. Director Jorgens recommended updating that number. Fire Chief Winnacker stated direction was to leave the number until Staff knew what the change would be. Staff believed the project would have been well underway by now. Director Jorgens concurred with the rest of the numbers in the Forecast.

Director Danziger asked why the Home Hardening Grant program had \$100K listed yearly when the Board approved \$500K. ASD Sasser explained the amount is based on the current program expenditures and actual demand. The District spent \$50K to date, and there is no demand for \$500K. Director Danziger asked if that money would be rolled over. Fire Chief Winnacker confirmed that as with all excess program funds, it would roll into the unrestricted reserves.

Director Danziger asked if the Board would have to take action through the budget process. Fire Chief Winnacker explained that at the end of the fiscal year, Staff would close out the previous year, and unspent allocations would return to the reserves. The budget is an opportunity for the Board to provide direction regarding programs. The Board could provide direction regarding the execution of the program at any time. During this process, the board specified amount that goes into the program is an appropriate area for board direction. Director Jorgens clarified his previous comment on the numbers for the Forecast regarding the capital numbers and not on all of the numbers, as he still had additional questions on the Forecast.

President Jex inquired about the Forecast presented before, which included nine different iterations. Fire Chief Winnacker responded due to the volatility associated with COVID, the Board previously asked for several speculative options with different scenarios. In the absence of direction, Staff reverted to the current Board-provided assumptions regarding the revenue and expenditures. President Jex commented in the Forecast that the biggest issue and the greatest uncertainty is the magnitude of the unfunded pension liability and how that will be funded. In looking back to the 2021 ACFR, there is a disclosure with a 1% reduction from 7 to 6 (about a \$30M increase in the pension liability). President Jex analyzed the CCCERA information regarding returns/earnings and pointed out several years that could raise the unfunded pension liability to over \$100M. It is critical that the Board receive the very best information on how this obligation will impact the District over the next 3 to 5 years and reflect that information in the Forecast. President Jex requested an Actuarial Consultant walk the Board through the issues and address his concerns regarding the pension obligations.

Fire Chief Winnacker responded the Board could direct Staff to post an RFP for Actuarial Consulting. President Jex favored hiring an Actuarial as a guide before proceeding with the Forecast. Director Jorgens commented on the benefits of using GovInvest rather than another firm because Govinvest already has the model and data. Director Jorgens favored using GovInvest.

Fire Chief Winnacker stated the District utilized GovInvest's service in 2018. Staff could contact GovInvest and identify options. President Jex supported the idea. Director Jorgens agreed. Fire Chief Winnacker confirmed that Staff would engage with GovInvest to identify availability and cost. If the cost is within the realm of reason and availability, Staff will provide an update. If the cost is more substantive, Staff will return to the Board for direction and a budget adjustment and post an RFP. Otherwise, Staff will make the determination.

Director Jorgens commented that the graph shared is helpful because if we fully fund the trust every year (theoretically), and we put the right numbers in the GovInvest model, even if CCCERA has a different forecast than the District, it solves a lot of the problems if the District can get the right assumptions into the GovInvest model. Director Jorgens opined that it would not take a lot of consulting because it would just take them to ensure the District accurately reflects the assumptions.

Director Jorgens asked about overtime projections. Fire Chief Winnacker answered the model assumes that the District will be fully staffed. ASD Sasser reviewed the safety salaries on row 17. That number is going up 8.85% because it is budgeting for all 57 authorized positions. Fire Chief Winnacker stated the District has 57 authorized positions; however, the District does not have 57 people to fill all positions. Staff continues to try to hire to fill the positions. When the mid-year budget is reviewed, Staff will show the difference in overtime versus salaries.

Jacob Airola posted a CHAT message asking to see the long range financial forecast while directors are speaking to specific numbers. District Clerk Holbrook displayed the Forecast.

Director Jorgens commented on the assumption that the housing market is still going up. Director Jorgens disagreed with the assumption that the housing market is going up because the trend is going down along with the number of transactions and questioned the assumption. Fire Chief Winnacker responded that the HdL report referenced the reduction in sales. Staff uses the HdL projections. The Board could direct Staff to use a different assumption. Director Jorgens replied that the District showed 3.5%, and HdL reported 4.8%. ASD Sasser clarified that HdL confirmed the property tax revenue for FY 2024. The following year, MOFD conservatively used a plus 2%, the 2% is solid because the 2% is based on Proposition 13 property tax increases, the minimum everyone gets added to their property tax.

Fire Chief Winnacker clarified that the District uses the HdL actuals for next year, and beyond that, the Forecast uses Board direction. Director Jorgens discussed the impact of the value of the homes going down and homes getting reassessed. Fire Chief Winnacker replied that it is a relatively small portion of the District's housing stock. Director Roemer responded that the person would have to request that their house be reassessed, and the question is what percentage of those households would do that. Fire Chief Winnacker reiterated the Board could provide direction. Director Jorgens stated the 2% is not necessarily super conservative. It might be fine, but it is not super conservative.

Director Jorgens recommended adding funds for the maintenance of fuel breaks.

Fire Chief Winnacker pointed out that the vast majority of the referenced land is owned by public agencies that derive revenue from taxes on residents and fees for services and these agencies are obligated to maintain their lands according to the District's ordinances. Director Jorgens asked if the ordinances were enforceable. Fire Chief Winnacker confirmed.

Director Jorgens requested the Home Hardening grant be brought back up to \$500K. Director Jorgens proposed creating a separate General Grant Fund for the accounting and not including grant funds in the operating expense number because it was difficult to determine trends. Director Jorgens questioned the amount budgeted for the operating expenses. ASD Sasser commented that the FY2023 operating expenses are a projection, and those numbers are still in process.

Fire Chief Winnacker reviewed a portion of the increase in the operating expenses is \$600K, which is a combination of \$353K in fuel reduction grants (inbound), \$80K Fire Chief contingency (accounts for the difference in the \$100K budgeted and the \$20K spent), and \$165K in apparatus maintenance. Director Jorgens commented that maintenance costs should be reasonably predictable. Fire Chief Winnacker reviewed the challenges of predicting the maintenance costs associated with apparatuses. Director Jorgens recommended that when the State reimburses the District for deployment vehicles, mileage, etc., that money should go into the Capital Fund, not the General Fund.

Fire Chief Winnacker stated there would be no reason not to do that other than the simplicity that all inflows go to the General Fund and then get distributed to where they are needed. The General Fund is also tied to the percentage of the reserves.

Director Jorgens responded that, in reality, we are transferring the money from our capital base into our operating base by doing the accounting that way. If the District is using up assets more readily because we are renting them out, it should reserve some of that money for apparatus because of wear and tear on the vehicles to eventually replace them. Fire Chief Winnacker stated that the Board previously directed that money to the General Fund but it could be directed to the Capital Fund.

Director Jorgens proposed bringing that question back to the Board for direction. ASD Sasser responded that this is good timing because Staff is preparing the budget for next year and could implement that change starting July 1, 2023, if that is the direction from the Board. President Jex commented on the \$18M in the Capital Projects fund.

Fire Chief Winnacker noted that that number is making assumptions about the cost of the new fire station construction that are unproven in the current inflationary cycle and likely to be more. President Jex thought the amount was increased by 20%. Fire Chief Winnacker confirmed. President Jex suggested considering budgeting more for Capital Projects.

Director Jorgens commented in 2028/2029 that the imputed rates from CCCERA go down to 12%. That seems like an incredibly rosy assumption since CCCERA does not reflect last year's or this year's market changes. That line should align with what the District does in GovInvest. Fire Chief Winnacker stated the UAL reduction is based on CCCERA's accounting from the stale data saying that the UAL would be paid off by that date, and therefore we would see a reduction of 40% in our cost of the pension.

Fire Chief Winnacker suggested keeping the number provided by CCCERA; however, if the District had a second opinion based on market returns or the data that was available, Staff could include that as an additional line. Director Jorgens agreed.

**President Jex opened the public comment.**

Jonathan Goodwin, Canyon resident, commented on CCCERA's poor track record and the maintenance of the fuel breaks and suggested the administrative fee go towards a Fuels Plan and spend money on studying this plan and one that benefits the environment.



Jacob Airola favored keeping the money from the Strike Teams in the General Fund so the Board could take the extra money and distribute it as necessary on a year-to-year basis. Mr. Airola requested more specifics on the request for increasing the Home Hardening grant program to \$500K from \$100K.

Director Jorgens responded there would be an explanation provided under the Grant Committee report. Mr. Airola asked what the \$500K for Grants in the Forecast would go towards. Director Jorgens noted comments should be addressed to the Board not individuals per Board procedures. Mr. Airola redirected his question to the Board.

Director Jorgens answered the Board approved \$500K for the program and placed limits on how the funds could be spent (vents only). The question is if the program should be expanded to include other things which will be addressed under the Committee reports.

Mr. Airola asked if the public would be able to address the Forecast at that time in the meeting and adjust the Forecast. Fire Chief Winnacker clarified the process and stated the Forecast is not the budget. The budget is the process that will begin with the budget workshop and two budget hearings culminating in the adoption of the budget in June. It would be a departure from our normal procedure for the Forecast to operate as a budget item.

### **9.3 Consider Early Pay Off of Debt from Station 43 Construction Costs and Discuss Possible Dissolution of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (audio 01:58:28)**

Administrative Services Director Sasser provided the report. At the February 2023 board meeting, the Board requested a future agenda item to discuss the District's option for early payoff of the debt issuance, which financed Station 43 construction costs and the possible dissolution of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (Financing Corporation). As of June 30, 2023, the outstanding debt balance will be \$2,350,000, with a fixed annual interest rate of 2.14%. The debt can be paid-off early with no penalty. The total payoff amount is \$2,506,297 as of March 9, 2023. If the debt is paid off early, the Financing Corporation can be dissolved. Staff requested Board direction regarding the early payoff of the debt for station 43 and the dissolution of the Public Facilities Financing Corporation. Fire Chief Winnacker added since this report was included at a director's request, there is no pressure to close out the Financing Corporation. Staff noted there are no plans to continue to use the Financing Corporation; transferring the debt is not an option, and the only way to close out the Financing Corporation is to liquidate the debt.

Director Jorgens stated two separate questions: Can the District pay off the debt, and the other is what is the District doing with this organization? Director Jorgens stated that California law requires the organization to have board meetings and requested a meeting be held, and asked if the organization had separate insurance or if the District's insurance covered the entity in the policy. ASD Sasser confirmed the Board is covered under the District's Directors' and Officers' insurance. Director Jorgens proposed a formal policy not to use the Financing Corporation in the future, but it is not the time to pay off that debt. President Jex agreed. Director Danziger agreed. Director Roemer agreed. Director Hasler inquired about fees or expenses related to the maintenance of the Financing Corporation. ASD Sasser answered that the District is required to file an annual tax return.

**President Jex opened the public comment. There were no requests to address the Board.**

### **9.4 District Investment Options (audio 02:05:37)**

Administrative Services Director Sasser provided the report. At the February 2023 board meeting, a Board member requested a future agenda item to discuss District investment options. Since its inception, the District has voluntarily participated in the Contra Costa County investment pool. Also, since its inception, the District has only invested in the State of California Local Agency Investment Fund (LAIF.) LAIF is an investment pool managed by the State of California. The District's investment options have not been a consideration over the last several years because interest rates have been low.

ASD Sasser presented two options for the Board's consideration. Option one, the Board could remain in the County Investment Pool and invest District funds in securities beyond LAIF; Staff would hire a consultant to review initial cash flow projections and assist with establishing an investment plan. Option two, the District could leave the County investment pool. Advantages to leaving the County investment pool include increased District control and the opportunity to use an investment manager. Disadvantages could include loss of access to the Teeter Plan. Staff confirmed with the County Auditor-Controller that if the District leaves the County investment pool, the District could return to this plan in the future.

ASD Sasser noted that Staff met with Chandler Asset Management (Chandler.) Chandler provides fixed-income investment services to public agencies, including the City of Orinda and San Ramon Valley Fire

Protection District. Chandler offers a Guided Portfolio Strategy (GPS) for government agencies. Staff requested Board direction.

Director Jorgens asked if the District stayed with the County LAIF, would it be able to manage some of the money instead of having the County manage it? ASD Sasser confirmed the District would make the decisions and tell the County to buy fixed-income government securities. Director Jorgens asked if the County or District buys the securities. ASD Sasser responded that the District would decide and the County would execute the trade. Director Jorgens inquired about the broker fees. ASD Sasser answered there are a variety of County brokers that the County utilizes. Fire Chief Winnacker added more than 85% of the treasury investment pool is managed internally by County Treasury staff, and District Staff would place trades directly with those Brokers. If the Board's direction is to proceed, Staff will engage with County Treasury for more information about the fees.

Director Jorgens commented that all that needs to be done is a monthly forecast of the District's cash flow. The District does not need to hire an outside person to make the trades since you only have to make 12 trades a year based on whatever the Forecast for the cash flow is. There are a lot of simple systems the District can use. The District can write the checks, and it automatically sells the money market funds for you. Given the District reserves, it is not obvious that the District will need to use the Teeter plan. Director Jorgens asked if the District could go back into the Teeter Plan. Fire Chief Winnacker answered yes. Director Roemer asked what kind of notice would be required to return to the Teeter Plan. ASD Sasser answered the County did not provide a timeframe. Director Jorgens stated the worst case would probably be a year or fiscal year. Fire Chief Winnacker added that if the District departed the County treasury, the District could engage the County about re-entry. Director Jorgens stated the District does not need to hire Chandler to manage the District's money. The District should hire an inexpensive accountant. Staff should have a monthly forecast for the cash flows, and it will take 5 minutes to log into an account and trade once a month. Fire Chief Winnacker responded the current Staff does not have the expertise or staff resources.

Director Hasler asked if the District has a Board policy. Fire Chief Winnacker stated Board direction is required. ASD Sasser answered that the District has an existing Investment policy required by State law. The policy would need to be reviewed. Fire Chief Winnacker clarified the District does not have a policy for these investments and would need to approve an investment policy that governs the District's actions. Director Jorgens favored the District investing in liquid, stable short-term money market funds. Fire Chief Winnacker responded the Board could provide that direction. Staff would implement that direction with an update to the policy and identify the appropriate resources.

Fire Chief Winnacker recommended if the Board has an interest in moving forward, an informal discussion would be helpful among the Board members. Director Danziger opposed leaving the Contra Costa Investment Pool but favored directing the County to purchase investments. Director Jorgens stated if the District could direct the County to buy treasuries. Director Hasler added that the District should at least ask that question. Director Jorgens agreed as long as the District could direct what the County buys and that the County buys the right things at the right time. Director Hasler stated it should not be a high charge. ASD Sasser answered that the County charges 33 basis points, but it is based on the interest earnings and not on the value of the asset. It is a nominal fee that the County charges.

Fire Chief Winnacker recommended establishing an AD Hoc Committee. The AD Hoc committee could bring a report to the full Board at a regular meeting. Director Hasler asked, in the meantime, if the Staff needed direction. Fire Chief Winnacker reviewed the Board's direction to explore the opportunities for more direct investment options through the county treasury and reiterated to establish an AD Hoc Committee with whom Staff could communicate and not wait for the 30-day cycle for regular board meetings for more interim direction. The Committee can provide immediate feedback. Director Jorgens agreed. Director Danziger agreed.

Director Danziger asked if the money invested would come from reserves. ASD Sasser confirmed. Fire Chief Winnacker explained all of the District's money resides in the County Treasury, and the County Treasury then invests the money. The direction from the Board would be to direct the County staff to invest funds in something such as a liquid trade. Director Danziger asked who makes that decision on the 3-months or 6-months. Fire Chief Winnacker stated the Board would provide direction on the general allocation, and Staff would execute that direction.

District Counsel Holtzman recommended the Board create an investment policy similar to the Board's policies about other kinds of investments. District Counsel Holtzman suggested appointing an AD Hoc Committee to work with Staff to work through some of these things before we bring it back to the Board. All directors agreed to form the Ad Hoc Committee. President Jex asked Director Jorgens if he wanted to serve on the Committee. Director Jorgens responded yes. A Director made a recommendation to appoint

Director Greg Hasler. Directors Greg Hasler and Craig Jorgens accepted the nominations to serve on the Ad Hoc Committee. No other Directors expressed interest.

**President Jex opened the public comment.**

Jonathan Goodwin, a Canyon resident, recalled another time when the Teeter Plan was used to cover payroll costs and suggested the District set up a compensatory policy.

Director Jorgens responded that the District could use the Pension Stabilization Trust Fund to pay the pension costs, freeing up money to make payroll.

Vince Wells, Local 1230 Union President, stated that the decision to leave the current system, go to another system, and get out of the Teeter Plan might be subject to bargaining before the Board makes that decision. Mr. Wells requested a conversation with a Board representative to understand the risk the District would take by leaving the current system.

Director Jorgens commented this is another reason why having large reserves is a good thing and why the Board needs to discuss the 17%. President Jex commented the Teeter plan is the lender of last resort because in order to use the plan, the District would be required to pay down all of its debt with the Capital Fund.

**There were no additional requests to address the Board.**

**9.5 District Insurance Coverage Including Directors and Officers Insurance (audio 02:26:44)**

Administrative Services Director Sasser provided the report. At the February 2023 board meeting, a Board member requested a future agenda item to discuss the District's Directors and Officers Insurance. The District has been a member of the Fire Agencies Insurance Risk Authority (FAIRA), a public agency Joint Powers Authority (JPA) providing insurance risk management services tailored to meet the specific needs of fire and emergency service agencies in the states of California and Nevada since 2013. The FAIRA JPA is owned entirely by participating fire protection districts and agencies and functions solely for their benefit. ASD Sasser reviewed a summary of the District's insurance coverage. FAIRA does not offer customized insurance coverage, so the District cannot purchase additional coverage through FAIRA. Staff requested Board direction.

Director Jorgens asked if Staff put the insurance out to bid to see about alternatives. ASD Sasser answered the previous Staff (at the time) did not post an RFP for insurance alternatives. Fire Chief Winnacker stated an RFP could be issued if directed by the Board. Director Jorgens asked if FAIRA made a profit. Fire Chief Winnacker answered no. Director Hasler asked if it was all government who participated in the pool. Fire Chief Winnacker confirmed. Director Hasler asked if the District gets a refund at the end of the year. ASD Sasser answered the District had not received a refund. Fire Chief Winnacker clarified any amount carries over and sets the premium. District Counsel Holtzman stated JPA insurance pools do reinsure. There are private sectors, like Keenan, that are behind many JPAs and usually use some reinsurance.

Director Hasler asked what the premium was for the prior year. ASD Sasser answered that it has gone up over the last couple of years because of the insurance market. President Jex asked if the District had ever filed a claim. ASD Sasser confirmed three were filed in 2022, one in 2021, and seven in 2020.

Fire Chief Winnacker affirmed that FAIRA is a Public Agency created and managed by Fire District Chiefs and Fire District Directors. The FAIRA JPA is owned entirely by participating Fire Protection Districts and Agencies and functions solely for their benefit. FAIRA does not profit other than reinsurance, where FAIRA buys coverage to spread some risks. The Board of Directors comprises Fire Chiefs or Risk Managers associated with Fire departments.

President Jex asked if the recoveries equal the premium. Fire Chief Winnacker did not know. Fire Chief Winnacker stated the claims and coverage costs are primarily associated with large complex vehicles. Director Jorgens asked about liability if the District hits another vehicle while responding to an incident. Fire Chief Winnacker confirmed the District would be liable.

**President Jex opened the public comment. There were no requests to address the Board.**

Fire Chief Winnacker asked for clarification regarding any direction from the Board. Director Jorgens inquired about the total amount of coverage. ASD Sasser responded the total coverage is \$10M. Director Jorgens suggested increasing the amount to \$15M. Fire Chief Winnacker responded that Staff could research the increase and asked if the Board was interested in a subsequent agenda item for Staff to pursue other insurance options. Director Jorgens requested Staff get an estimate of what it would cost from another insurance company; however, not if it will be a long process and require Staff to send lots of data. Director Hasler asked if there was a way to change the current policy because the limit is \$1M for

management liability. ASD Sasser answered it is called Access Follow Form liability coverage, which is an umbrella coverage that allows up to \$9M of additional coverage. Director Jorgens asked if they would offer more. ASD Sasser answered that the District could not get additional coverage through FAIRA and asked if the Board wanted additional D & O coverage through someone else. Director Jorgens stated he misunderstood that the District could not get additional coverage, so probably not.

#### **9.6 Procedures for Updating the 2016 Standards of Cover Report (audio 02:24:12)**

Fire Chief Winnacker provided the report. At the February 2023 regular board meeting, a Director asked for information regarding the process for updating the District's Standards of Cover (SOC) report. Since the District was founded in 1997, the District has had two SOC's published in 2006 and 2016. The City of Berkeley Fire Department (BFD) is in the final stages of a SOC report which provides an opportunity to benchmark the time, expense, and staff effort required to complete such a project. BFD awarded their contract to CityGate Associates for \$100k and has been underway for roughly one year. Due to MOFD's smaller size, it is reasonable to assume a similar study would be less expensive and require less time. However, these savings may be minimal due to inflation and baseline costs associated with data collection. Should the Board desire to update the SOC, Staff would add this item to the FY2024 budget for approval. Fire Chief Winnacker noted the 2016 SOC does not include information on staffing. The 2006 report does make recommendations on staffing; however, that report is 18 years old and irrelevant, given the many changes to the District's response, the population size, the number of responses, and the nature of the responses that occurred during that time. Staff requested Board direction.

Director Danziger commented that SOC's are done every ten years and are expensive. Looking at the 2016 report, he did not see many significant changes and felt it was premature to do another SOC at this time. Director Jorgens stated it was one of the major things discussed at the November meeting that had to do with staffing and equipment. The SOC is the one thing missing in discussions about the change in staffing, and favored completing a new SOC as soon as possible. Director Hasler asked about the cost of completing an SOC and if specific things could be covered, such as staffing. Fire Chief Winnacker answered specific areas could be directed. The City of Berkeley's SOC costs about \$100K, but prices may have increased in the last year. Director Hasler asked how long it took Berkeley to complete the SOC. Fire Chief Winnacker answered it had been underway for over a year. President Jex favored completing a new SOC. Director Jorgens asked if the 2016 SOC expires. Fire Chief Winnacker answered the SOC does not expire. Director Roemer favored proceeding with doing a new SOC at a reasonable cost. Directors Hasler and Jorgens also added within a reasonable timeframe.

#### **President Jex opened the public comment.**

Daniel Elbanna, Local 1230 Union Representative, stated the number one recommendation in the 2006 and 2016 SOC's was to staff Medic 45 with designated Firefighter Paramedics and felt that the recommendations would remain the same. Mr. Elbanna opposed the decision to complete a new SOC due to the delay it will cause in having a decision made on the 17/19 staffing.

Jonathan Goodwin, Canyon resident, commented on the quality of the previous SOC reports and supported hiring a professional organization to complete a new SOC.

Vince Wells, Local 1230 Union President, pointed out that when the Union agreed to the reduced staffing of Medic 45, it was due to economic concerns. When this discussion came up before the board change in December, there was a discussion that the Board agreed to have a Meet and Confer and establish the staffing of that second permanently staffed ambulance Medic 45. Mr. Wells opposed doing a new SOC and stated the SOC should not have any impact on the restoration plans for staffing Medic 45.

#### **There were no additional requests to address the Board.**

**President Jex opened the public comment on the motion. There were no requests to address the Board.**

**Motion by Director Jorgens and seconded by Director Roemer to proceed with a Standards of Cover Report not to exceed \$100K. Said motion carried a 4-1-0-0 roll call vote (Ayes: Hasler, Jorgens, Roemer, and Jex; Noes: Danziger; Absent: None; Abstain: None).**

#### **9.7 Adopt Resolution 23-03 Approving a Veterans' Hiring Preference Policy (audio 02:54:36)**

Fire Chief Winnacker provided the report. At the October 2022 MOFD Board meeting, a director requested information regarding a Veterans' and Resident Hiring Preference Policy. At the November 2022 MOFD Board meeting, an agenda item outlining a policy for new hires was approved. Staff updated the proposed policy to remove the local resident portion of the hiring preference policy on the advice of District Counsel. Fire Chief Winnacker reviewed the proposed veterans' hiring preference policy criteria outlined in the staff report.

Director Jorgens preferred to use the points as a tiebreaker. Director Danziger was in support of the resolution as written. Director Roemer stated the importance of maintaining flexibility in the hiring process and favored a tiebreaker. Director Halser inquired about the scoring system. Fire Chief Winnacker outlined the hiring process. The proposed policy states that the applicant must achieve the minimum score before providing extra points. Director Hasler asked about the process for hiring veterans. Fire Chief Winnacker stated there are two veterans in the District. One is himself, hired at the end of 2017, and the process would not have applied. The other is another employee with the District for over 30 years.

Director Hasler favored giving Veterans' preference and asked for additional clarification on the point system. Fire Chief Winnacker explained that points are added to the overall score. The policy would not change the hiring process under any proposal. Director Hasler asked how often the District has had a tie. Fire Chief Winnacker answered not in the last five years. President Jex asked if the District was looking for someone that does not exist. Fire Chief Winnacker responded that because of the current staffing model, the District is poorly positioned to field EMT Firefighters, and explained the challenges of recruiting Firefighter-Paramedics and the required experience. Director Jorgens commented that the District needs to change some hiring practices. Fire Chief Winnacker responded that the underlying issue is that the District runs on a Paramedic system, and due to that model, the District can only hire Paramedics. Paramedics are hard to come by in the current environment. Director Jorgens replied that it needs to get covered on the SOC because it sounds like the District has a fundamental challenge in the hiring process and requirements, potentially passing up talented candidates. Fire Chief Winnacker reiterated the competitive hiring environment and many surrounding agencies hiring large numbers of people, increasing the competition for scarce resources. Director Jorgens supported leaving the five points in the policy. Fire Chief Winnacker confirmed the Board direction to leave the policy as written. All directors agreed.

**President Jex opened the public comment.**

Jonathan Goodwin, a Canyon resident, inquired why the policy dropped the Resident Hiring preference.

Fire Chief Winnacker deferred to Counsel. District Counsel Holtzman answered he could not disclose the attorney-client privilege advice; however, he stated having local preferences requires evidence to sustain them and concerns with justifying a local hiring preference in an environment where you have two very small towns. Director Danziger favored the policy and felt it represented generally accepted policies in most jurisdictions.

**There were no additional requests to address the Board.**

**President Jex opened the public comment on the motion. There were no requests to address the Board.**

**Motion by Director Danziger and seconded by Director Jorgens to Adopt Resolution 23-03 Approving a Veterans' Hiring Preference Policy. Said motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jorgens, Roemer, and Jex; Noes: None; Absent: None; Abstain: None).**

**10. COMMITTEE REPORTS (audio 03:12:28)**

**10.1 Standing Audit Committee (Directors Jex & Hasler).**

President Jex reported that the Committee met and reviewed six proposals. The Committee narrowed the proposals down to two and plans to discuss them further in the next two weeks.

**10.2 Ad Hoc Committee Develop Plans for Expanding the Fire Prevention Program (Directors Hasler & Jorgens).**

Director Jorgens presented a summary of the Committee's ideas, attached to these minutes, item 10.2. The first idea is to create a Moraga Orinda Firesafe Council (Council) to help set up and support firewise neighborhoods with communications and grants. The Council could manage a grant program and model a similar program after the Diablo Firesafe Council. The Council would have limited paid Staff to do accounting and coordinate with the City of Orinda, the Town of Moraga, and Canyon. The Council could also solicit funding from the State and County and allow the District to qualify for State and County funds.

Director Jorgens described the second idea and asked for a future agenda item to consider ways the District could expand the scope of what the District is willing to fund. The District could fund long-term fuel reduction like the Diablo Firesafe Council. The third idea discussed was working with families on fixed incomes. As seen in the last weed abatement hearing, the person was going to lose their home due to the expense of the abatement. Director Jorgens shared and discussed the idea of a workman's lien levied against the home when it is sold or refinanced. The District would need to determine the legalities of making the workman's lien on a needs base.

Fire Chief Winnacker acknowledged the report and stated Staff would research what a Moraga Orinda Firesafe Council would look like and find out how Diablo Firesafe Council (DFC) is managing grants,

internal controls on the distribution and accounting of public money, and types of projects being funded. Staff will explore information on the needs-based financing for the workman's lien with Counsel. Fire Chief Winnacker noted a workman's lien is a voluntary lien versus a code compliance lien.

Director Hasler asked if this would be done under the Moraga Orinda Firesafe Council. Director Jorgens stated the Council could have people giving grants, advice, and volunteers to help. President Jex asked about governance. Director Jorgens explained there would be governing documents and bylaws. President Jex asked who would run the organization. Director Jorgens stated the Council would have Staff. President Jex asked about existing groups that already support the District. Fire Chief Winnacker answered that the community is a regular recipient of DFC grants, and Fire Marshal Isaacs is the Vice Chair on their Board. Director Jorgens stated the Moraga Orinda Firesafe Council would be a one-to-one footprint for the District. Director Hasler stated the idea should be investigated further. Fire Chief Winnacker stated Staff is working on researching the gutter guards for the Home Hardening Grant program. Director Jorgens asked for the ideas presented for expanding the grant program to be on the agenda for next month. Fire Chief Winnacker confirmed that the gutter guards would require Board review because there is no State Building Material List rating for ember-resistant gutter guards. Staff will work out the details and bring the item back to the Board to provide direction.

**10.3 Ad Hoc Facilities Station 41** (Directors Danziger & Jex).

No Report

**10.4 Ad Hoc Committee Joint Fire Prevention w/City of Orinda** (Directors Jorgens & Roemer).

No Report.

**President Jex opened the public comment.**

Jacob Airola asked if the Fire Prevention Committee was subject to the Brown Act and if the Committee meeting could be open to the public. Mr. Airola stated that the grant topic was not in the Committee's name.

District Counsel Holtzman answered an Ad Hoc Committee is not subject to the Brown Act, and the Committee determines the option to open the meeting to the public. Mr. Airola opposed the formation of a Moraga Orinda Firesafe Council because of potential political concerns. Mr. Airola opposed the concept of the workman's lien. Mr. Airola cautioned the Board to spend \$500K towards home improvements.

Director Jorgens responded the Moraga Orinda Firewise Council would be a sister organization to the Diablo Firesafe Council and is not a political organization.

Jonathan Goodwin, Canyon resident, stated that the Diablo Firesafe Council had not produced a budget or planning document, and the people on their Board are Agency people. The Council is funneling money into the agency areas where board members are employed. The Council is not in a position to help administratively.

Fire Chief Winnacker clarified that Diablo Firesafe Council annual reports for 2017-2022 are available on their website at <https://diablofiresafe.org/annual-reports> and include details, expenditures, accounts receivable, cash in banks, total assets, liabilities, and equity, all approved at the Diablo Firesafe Council board meetings. DFC also participated in developing the County Community Wildfire Protection Plan and the recently completed regional prioritization plan.

**There were no additional requests to address the Board.**

**11. ANNOUNCEMENTS (audio 03:37:38)**

**11.1 Future Agenda Items**

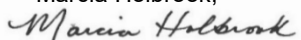
Director Jorgens stated the items just listed above.

**President Jex opened the public comment. There were no requests to address the Board.**

**12. ADJOURNMENT**

**At 10:38 p.m., Director Jorgens motioned and seconded by Director Roemer to adjourn the meeting. Said motion carried a 5-0 voice vote (Ayes: Danziger, Hasler, Jorgens, Roemer, and Jex; Noes: None; Absent: None; Abstain: None).**

Marcia Holbrook,

  
District Secretary/District Clerk

*A copy of all Zoom CHAT messages related to this meeting is attached to these minutes.*

*For an audio recording of this and other Board meetings, please visit the MOFD District Board Meeting at [www.mofd.org/agendas](http://www.mofd.org/agendas).*

03/15/23 Regular Meeting  
Recording CHAT Messages

02:25:08 Jacob Airola: Could we see the long range financial forecast while directors are speaking to specific numbers please?

02:27:31 Marcia Holbrook - District Clerk: You should be able to see it now.



**Moraga-Orinda Fire District**  
Board of Directors

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**Finance Report**  
**March 15, 2023**

Strike Team Reimbursement - OES

- Strike Team Receivable Update:
 

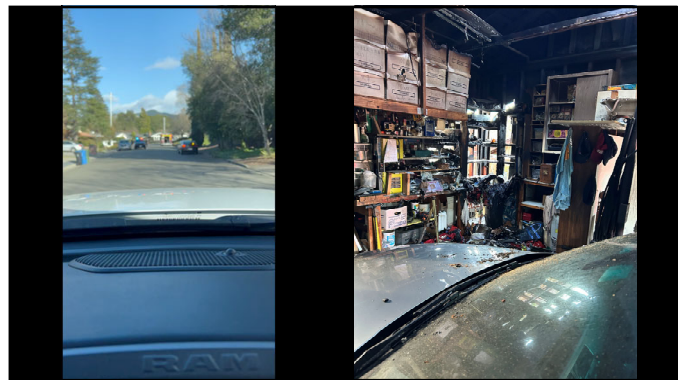
	Estimated
	<u>2022-2023</u>
OES Strike Team Receivable	\$1,030,350
OES Payments Received	<u>\$ 987,810</u>
<b>Net Receivable Outstanding</b>	<b>\$ 42,540</b>
  
- The remaining outstanding receivable is for the flood preposition assignment in January.

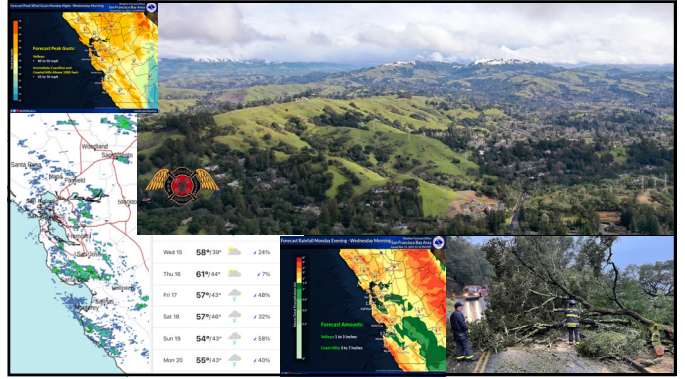
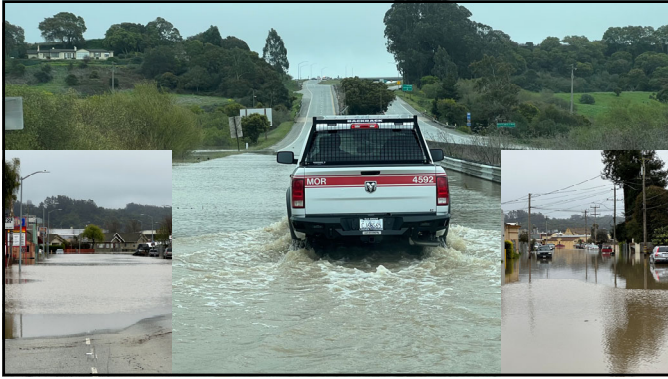
Other Items

- FY22 Audit – Audit was scheduled for the week of 2/13/23 with final audit report expected in March 2023. The Audit has been delayed due to auditor staffing issues. The Audit is now scheduled for March with the final audit report expected in April 2023.
  
- 6 Proposals were received in response to the RFP for new Audit firm for FY24. The Audit committee is reviewing the proposals. Audit Committee will make recommendation to Board at April 2023 board meeting for Board approval of new auditor.



# MOFD Board Update March 15, 2023









## Tunnel East Bay Hills Shaded Fuel Break Project

March 2023

## Welcome and Introductions

**Purpose of Meeting**

- Present project details for the Tunnel East Bay Hills Fuel Break Project
- Opportunity for the community to engage and provide feedback

**Other Goals**

- Describe fuels and fire risks
- Discuss planning and implementation

**PROJECT CONTACTS**

**Moraga-Orinda Fire District**


- Jeff Isaacs, Fire Marshal

**Sequoia Ecological Consulting**

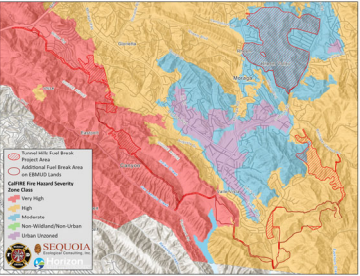
- Debie Montana
- Kim Oldehoef

**Horizon Water and Environment**

- Ken Schwarz
- Robin Hunter



## MOFD Regional Fuel Hazard Risks



**Proposed Project**

- Red line and polygon outline

**Fire Hazard Severity Zone Classes**

- Very High - Red
- High - Gold
- Moderate - Blue

**Legend:**

- Proposed Fuel Break
- Additional Fuel Break Area
- EMUD Levels
- California Fire Hazard Severity Zone Class
- Very High
- High
- Moderate
- Non-Wildland/Non-Urban
- Urban/Unimproved



## Goals of the Moraga-Orinda Fire District



- Reduce wildfire fuels
- Improve evacuation systems
- Reduce risks to homes
- Increase access for firefighters
- Containment success during active fires
- Educate the Public
- Provide grants to residents




## Objectives and Location

**Regional effort**

- BROWN = Tunnel East Bay Hills Shaded Fuel Break
- GREEN = North Orinda Shaded Fuel Break
- Not shown = East Bay MUD, PG&E, Others

- Reduce/manage wildfire hazard risk, intensity, and rate of spread
- Reduce impacts to communities and infrastructure
- Maintain/enhance biological diversity
- Promote conditions that favor native species
- Enhance native, fire-resilient plant communities
- Provide strategic locations to effectively fight wildfires





## California Vegetation Treatment Plan (CalVTP) EIR Process

**What is the CalVTP EIR?**

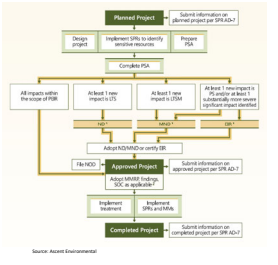
- Certified by Board of Forestry and Fire Protection in December 2019
- Designed to expedite pace and scale of forest treatments across California
- Focus is on State Responsibility Areas and "treatable landscape," but Local Responsible Areas can be added through Addendum
- 20.3 million acres including tree, shrub, grass fuel types

**Type of Treatments Covered?**

- Wildland Urban Interface (WUI) Fuel Reduction (in WUI)
- Fuel Breaks (Strategically placed to actively support fire-control activities)
- Ecological Restoration Projects (outside WUI)

**Covered Activities?**

- Prescribed burning
- Manual vegetation treatment
- Mechanical vegetation treatment
- Prescribed herbivory
- Targeted ground application of herbicides




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### CalVTP Programmatic Environmental Impact Report (PEIR)

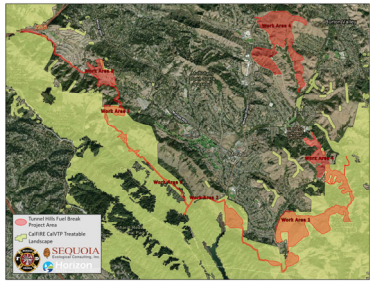
**Project-Specific Analysis (PSA)**

- The PEIR analyzes treatments within a defined Treatable Landscape
- A PSA analyzes the Project activities analyzed by PEIR
- Are the Project activities within the scope of the CalVTP PEIR?
- Is the Project within the defined Treatable Landscape?
  - Addendum is required to include areas outside the Treatable Landscape
- PEIR has Mitigation Measures (MMs) and Standard Project Requirements (SPRs) to minimize impacts



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### Project Location & Treatable Landscape




- CalVTP Treatable Landscape
- Desktop Analyses + Field Surveys - no significant difference
- CalVTP Treatments will be the same
- 6 Work Areas: 1,223 acres Open Space and WUI
- EBMUD lands were treated under their PEIR

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### Example: Pinehurst Shaded Fuel Break


**Before** **After**



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### Example: Pinehurst Shaded Fuel Break

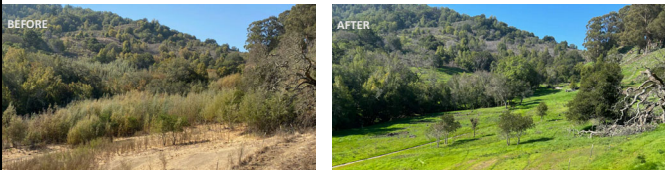
**Before** **After**



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### Examples of Similar Fuel Reduction Work

**BEFORE** **AFTER**




11

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### Examples of Similar Fuel Reduction Work

**BEFORE** **AFTER**



12

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### Biological Resources: Sensitive Species

**Key Protection Measures**


**SPR BIO-1&10**  
Survey Project-Specific Biological Resources, Wildlife, and Nursery Sites

**SPR BIO-2**  
Require Biological Resource Training for Workers


**SPR BIO-11**  
Install Wildlife-Friendly Fencing During Prescribed Herbivory

**SPR BIO-12**  
Protect Common Nesting Birds, Including Raptors

**MM BIO-2a&b**  
Avoid Mortality, Injury, or Disturbance; and Maintain Habitat Function for Special-Status Species



CA Red-Legged Frog



Woodrat Nest

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### Biological Resources: Rare Plants


**Key Protection Measures**

**SPR BIO-6**  
Prevent Spread of Plant Pathogens


**SPR BIO-7**  
Survey for Special-status Plants

**MM BIO-1a&b**  
Avoid Loss of Special-status Plants

**Two species located during survey:**



Western leatherwood (*Dirca occidentalis*)



Diablo helianthella (*Helianthella castanea*)

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### Biological Resources: Sensitive Habitats

**Key Protection Measures**

**SPR BIO-3**  
Survey Sensitive Natural Communities and Habitats

**SPR BIO-4**  
Avoid Riparian Habitat

**MM BIO-4**  
Avoid Protected Wetlands


**SPR HYD-1**  
Comply with Water Quality Regulations

**SPR BIO-9**  
Prevent Spread of Invasives

**MM BIO-3a**  
Design Treatments to Avoid Loss of Sensitive Natural Communities

**SPR BIO-5**  
Maintain Habitat Function in Chaparral and Coastal Sage Scrub

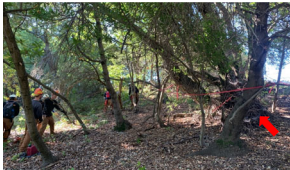
**MM BIO-5**  
Retain/Buffer Nursery Habitat




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### Similar Fuel Reduction Project

**MOFD's North Orinda Shaded Fuel Break (NOSFB) Project**  
A shaded fuel break creating defensible space for potential wildfire in the Moraga-Orinda-Lafayette Hills



Prior to the start of work, Sequoia biologists flagged sensitive resources such as this woodrat nest (red arrow) for avoidance by work crews.



Sequoia biologist (bottom right) monitoring crews as they removed vegetation. Biologists were present to discuss and address any sensitive resources encountered.

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### Cultural Resources

**Key Protection Measures**

- Conduct archival research on previously identified cultural resources within the work areas
- Provide notices to local Tribal representatives regarding the work program
- Conduct field reconnaissance within the work areas where the potential is high
- Prepare recommendations / mitigation measures to avoid impacts to identified cultural resources





Impacts can occur to cultural resources where ground disturbance is proposed

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### Other Resource Concerns

**Visual Protection Measures**  
Effects on views due to project including to recreationalist on trails and roads

- Feather edges of adjacent vegetation
- Avoid staging in viewsheds
- Provide vegetative screening



**Landslide, Erosion, and Water Quality Protection Measures**  
Effects on steep and unstable slopes, erodible soils, and waterways (creeks, reservoirs)

- Limit heavy equipment on steep slopes/suspend during heavy precipitation
- Limit/stabilize disturbed soil areas
- Ensure water quality protections
- Erosion/sediment control measures
- RPF or licensed geologist to evaluate slopes >50%

**Other Resource Concerns**

Noise Protection Measures Effects on adjacent noise-sensitive receptors	Recreation Protection Measures Effects on recreationalists
<ul style="list-style-type: none"> <li>Limit heavy equipment to daytime hours</li> <li>Notify sensitive receptors of work</li> <li>Place staging areas away from sensitive receptors</li> <li>Properly maintain equipment</li> </ul>	<ul style="list-style-type: none"> <li>Notifications of temporary closures of trails or other features resulting from treatment activities</li> </ul>


**Schedule of Work**

**Initial treatment**

- Anticipated start **May 2023**
- Completed by **March 2025**
- Manual, mechanical, and prescribed burning
  - Weekdays 7:00 am and 7:00 pm
  - Burning may occur on weekend days
  - Daylight hours only
- Grazing: 24-7 wherever implemented

**Treatment Maintenance**

- Tree-dominated areas, every 3-5 yrs
- Scrub-dominated areas, every 1-5 yrs
- Grass-dominated areas, annually
- Mindful of fire season and resource availability



**Comparable Timeline**




**North Orinda Shaded Fuel Break (Green)**

- 1,500 Acres
- 4 months to complete


**Tunnel East Bay Hills Fuel Break (Brown)**

- 1,223 Acres

**Thank You**



**Questions?**




**Tunnel East Bay Hills Shaded Fuel Break Project**

**March 2023**

## LONG RANGE FINANCIAL FORECAST

Board Meeting  
March 15, 2023



## LONG RANGE FINANCIAL FORECAST OVERVIEW AND PROCESS

- Forward looking 10-year period
- Separate from the Annual Operating Budget
- Board direction will be used to prepare the Annual Operating Budget

March 15: Public Input

➔

March 15: Board Direction

➔

April 19: Board Adoption

➔

April 19: Public Board Budget Workshop

## ANNUAL OPERATING BUDGET DEVELOPMENT FY2024

### IN-PROCESS

- Revenue - Complete
- Salaries and benefits expenditures – Complete
- Capital Projects Fund expenditures – Complete
- Debt Service Fund expenditures – Complete
- OPEB and Pension Trust expenditures – Complete
- Operating expenditures – In-Process
  - Current year plus 4%

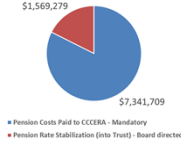
## LONG RANGE FINANCIAL FORECAST SIGNIFICANT ASSUMPTIONS

Revenue	Expenditures
<ul style="list-style-type: none"> <li>• Property taxes: +5.04% (HdL), +2%, +3.5% thereafter</li> <li>• Ambulance revenue: +3%, +1.5% thereafter</li> <li>• Net strike team revenue: \$300K, +3% thereafter</li> <li>• Tunnel East Bay Hills Fuel Break Admin Fee: \$684K in FY2025 into General Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries and Overtime: +5% July 1, 2023, then +3% thereafter</li> <li>• Benefits: +3% throughout</li> <li>• CCCERA: Actual, +1.19%, -4.18%, -3.74%, -4.08%, -40.27%, Govinvest</li> <li>• CCCERA projections based on 12/31/2021 actuarial valuation</li> <li>• OPEB Funding: Full actuarially recommended contributions</li> <li>• Pension Rate Stabilization Fund: Full contribution recommended using 6.25% discount rate, CCCERA -10.6% in 2022, and salary increases per the MOUs</li> </ul>

## PENSION COSTS

- CCCERA Board decreased discount rate from 7.00% to 6.75%: District costs will increase effective July 1, 2023 (+10% of pensionable salaries +\$970K)
- CCCERA actual year-to-date investment returns January 1, 2022 through December 31, 2022: -10.6%
- Segal projected the District will reach full funding as of 12/31/2026
- Full funding projection based on the market value of plan assets on 12/31/2021
- Segal noted that market conditions have "changed significantly"
- The contributions to the pension rate stabilization trust reflect CCCERA -10.6% investment returns


Total Funding Designated for Pension Costs FY2024 \$8.9M



Pension Costs Paid to CCCERA - Mandatory	\$7,341,709
Pension Rate Stabilization (into Trust) - Board directed	\$1,569,279
<b>Total</b>	<b>\$8,910,988</b>

## MINIMUM FUND BALANCE POLICY

- Policy adopted by Board July 2021
- Policy states maintain minimum unrestricted fund balance of 17% of budgeted General Fund revenue at fiscal year-end with a goal of achieving a 50% year-end fund balance in the long term.
- Long-term goal of minimum 50% unrestricted fund balance projected in FY2030



LONG-TERM DEBT UPDATE  
ONE OUTSTANDING DEBT ISSUANCE

- Pension Obligation Bonds paid-in-full July 1, 2022
- One outstanding debt issuance: Station 43 construction \$322K per year debt payment



CAPITAL PROJECTS  
BOARD DIRECTION REQUESTED

- FY2024 Budget
  - Station 41/Administration rebuild \$4.8M
  - Type 1 fire engine \$1.1M
  - SCBA (grant funded \$448K) \$621K
  - Fire station alerting system \$500K
  - Portable radios \$250K
- Rebuild of Fire Station 41 and Administration
  - FY2025 \$4.8M
- Remodel of Fire Station 45
  - FY2026 \$618K
  - FY2027 \$2.5M
- Funding from General Fund transfers to Capital Projects Fund
  - FY2024 and FY2025 \$3M
  - FY2026 and FY2027 \$2M per year
  - FY2028 through FY2033 \$1.1M per year





## Grant Program Discussion Ideas

### 1: Help form a Moraga Orinda Firesafe Council to:

- a) Set up and support Firewise neighborhoods in the community
- b) Manage a grant program modeled after the Diablo Firesafe Council.
- c) This organization could have some limited paid employees.
- d) It would coordinate with the local City and Town organizations to facilitate communication and grant coordination.
- e) It could also solicit funding from county and state programs
- f) Limits would be placed on the grant uses and dollar amount per home covered and focus on multi year benefit items not annual weed abatement. Things like tree limbing and tree and brush removal.

2: Expand ASAP the types of projects that can be funded directly with the MOFD Grant money to include fuel abatement projects and gutter guards. For example to Firewise neighborhoods in the amount of \$5,000 like the Diablo Firesafe Council. I.e. do Item 1 program inhouse until it is up and running.

3: Develop a needs-based financing program for landowners who are part of a firewise community and need significant expensive abatement. They must be part of a community that has otherwise met or is meeting fire code standards to allow the entire community to be safer while not causing undue hardship to that individual owner. The debt would become a workman's lien on the property via a grant funded plan and be repaid to that plan at the time of sale or refinancing of the home.