



Moraga-Orinda Fire District
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
July 19, 2023
(APPROVED AUGUST 16, 2023)

1. OPENING CEREMONIES

The Board of Directors convened Open Session at 6:00 p.m. on July 19, 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.

Present were the following Directors and Staff (present in person unless noted):

President Jex	Dave Winnacker, Fire Chief (<i>late 6:01</i>)	Marcia Holbrook, District Clerk
Director Danziger	Gloriann Sasser, Admin Services Director	
Director Hasler	Jonathan Holtzman, District Counsel (<i>late 6:01</i>)	
Director Jorgens	Alicia Kennon, Special Counsel	
Director Roemer	Erica Summon, Special Counsel	

2. PUBLIC COMMENT – CLOSED SESSION ITEMS (audio)

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

At 6:01 p.m., the Board adjourned to Closed Session.

3. CLOSED SESSION

3.1 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

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

At 6:56 p.m., the Board adjourned the Closed Session.

4. RECONVENE THE MEETING (audio 00:00:16)

President Jex reconvened the Moraga-Orinda Fire District Board of Directors' regular meeting at 7:05 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
Director Danziger	Gloriann Sasser, Admin Services Director	Marcia Holbrook, District Clerk
Director Hasler	Lucas Lambert, Battalion Chief	
Director Jorgens	Christine Russell, Human Resources Manager	
Director Roemer	Mary Smith, Finance Manager (via Zoom)	

5. REPORT OF CLOSED SESSION ACTION (audio 00:00:40)

President Jex stated that the Board took no reportable action on agenda items 3.1 and 3.2.

6. PUBLIC COMMENT - ITEMS NOT ON THE AGENDA (audio 00:00:55)

President Jex opened Public Comment.

Sandy Pearson, Orinda resident (attended in person), presented pictures of her backyard to show progress made on the pre-citation issued for her property. Ms. Pearson noted other safety concerns on her property which she has self-corrected without being required by the fire district.

James Duff, City of Orinda (attended by Zoom) stated that the virtual attendees could not see the photos.

Jonathan Goodwin, Canyon resident (attended by Zoom), expressed concerns about homeowners' insurance being canceled. Mr. Goodwin speculated that insurance companies might not want to insure homes in areas categorized as a "very high fire severity zone". Mr. Goodwin raised concerns with the Fire Code and Findings of Fact.

There were no additional requests to address the Board.

7. ANNOUNCEMENTS (audio 00:07:38)

7.1 Brief information only reports related to meetings attended by a Director at District expense (Government Code Section 53232.3(d)). Director Danziger reported attending the Rosenbauer electric fire engine presentation with Director Hasler on July 10 (note: no expenses were associated with this presentation). Director Danziger acknowledged July is the 26th anniversary of the District.

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

7.3 Communications Received. Fire Chief Winnacker reported that communications received were posted on the website as supplemental material, attached to these minutes, as item 7.3.

7.4 Fire Chief Updates

Battalion Chief Lucas Lambert introduced Firefighter-Paramedic Rick Cotter. Firefighter Cotter joins the District after completing a 22-week joint Academy with Livermore-Pleasanton and M0FD. Firefighter Cotter expressed gratitude for the opportunity and looks forward to serving the community.

a. Finance Report

Finance Manager Mary Smith presented the status of OES reimbursements, attached to these minutes, as item 7.4(a). Other items reported: FY2023 accounting close, and the interim audit is in process. A \$3M Treasury Bill matured on June 22, 2023. On June 23, 2023, the District purchased a \$3M Treasury Bill with a 90-day maturity and 5.29% yield. On June 27, 2023, the District purchased a \$1M Treasury Bill with a 90-day maturity and 5.279% yield. The District has \$9M invested in 90-day Treasury Bills, with \$5M maturing on July 25, 2023. Directed Danziger inquired if the proceeds from the Treasury Bills go into the General Fund. ASD Sasser answered yes.

b. Human Resources

Human Resources Manager Christine Russell provided a recruitment update and highlighted employment changes, attached to these minutes, as item 7.4(b). Eight candidates passed the oral board interviews for the Firefighter Paramedic Trainee position in May and were subsequently invited to the EMS evaluation on June 26, 2023. One candidate withdrew, leaving seven candidates participating in the evaluation, and five successfully passed and are undergoing the background process. Director Danziger inquired about the current number of vacancies. HR Manager Russell answered seven.

The application period for the Office Specialist position opened on July 2, 2023, and closed on July 17, 2023. A total of 41 applications were received. The Fuels Mitigation Specialist position was reposted to update visibility on all online platforms. The first review of applications is scheduled for August 1, 2023, with a final filing deadline on August 16, 2023.

Director Danziger asked if the Fuels Mitigation Specialist position is grant-funded. HR Manager Russell responded the District has three vacancies. Two are regular budgeted positions, and the third is a limited-term grant-funded position. Director Danziger asked if there was an existing list of candidates, and HR Manager Russell responded no. Fire Chief Winnacker explained that the positions are open until filled, and the District has already exhausted the pool of applicants. To encourage more applications, the District is advertising the position with the California Conservation Corps (CCC). HR Manager Russell confirmed she has already provided the posting to the CCC.

HR Manager Russell reviewed the District's employment changes. As of July 19, 2023, one new probationary firefighter-paramedic, Rick Cotter who was introduced to the board at the beginning of the meeting, joined the District, and one Fuels Mitigation Specialist, Natalie MacMillan, separated employment. Director Danziger asked for the total number of open vacancies for the Fuels Mitigation Specialist position. HR Manager Russell answered three. Fire Chief Winnacker commended Ms. MacMillan for her work and acknowledged Ms. MacMillan is appropriately moving on to the next stage of her career, which highlights the difficult balance between having highly skilled individuals and retaining talented employees. The trend indicates the high-quality employees the department can attract, even though it has led to an average tenure of around 12 months in this position.

c. Fire Marshal

Fire Chief Winnacker provided the monthly report highlighting the property transfer inspections. It was noted that the number of failures is attributed to landscapers accustomed to working in multiple jurisdictions and using mulch up to the edge of houses in preparation for open houses, which is a violation. The department continues to conduct inspections, educate, and issue citations in response to this issue. Numerous initial inspections have failed for exterior hazards. The inspections cover all sides of buildings, not just roadsides. Forty-nine citations have been issued to properties in Moraga, with 1/3 of those cases associated with vacant lots and out-of-district property owners. The department is actively working through these cases.

Fire Chief Winnacker reported that the Orinda Measure R chipper continues to be operational and expressed appreciation for the city's support and cooperation towards the shared goal of fire safety. The MOFD chipper, although not represented in the statistics report, has been actively involved in augmenting the Tunnel East Bay Fuel Break, resulting in substantial chipping and tonnage removal. The MOFD chipper for residences will resume in October. Director Jorgens asked about the personnel operating the chipper when used on the Fuel Break. Fire Chief Winnacker answered the contractor's hand crew operates the chipper.

Director Jorgens expressed concern about not having a chipper available during the summer and suggested the District hire an outside crew dedicated to chipping the material for residents. Fire Chief Winnacker responded that he would follow up with the City of Orinda to assess the status of the Measure R chipper requests and explore potential ways to augment and reduce the backlog. Director Jorgens suggested conducting brush and tree inspections year-round so personnel can be utilized for inspections when not involved in chipping activities.

Fire Chief Winnacker continued the report, stating that the E-occupancies (public & private schools) are scheduled for inspection in September. Two R-2 occupancies (dormitories) failed inspections. Director Jorgens acknowledged the correspondence regarding the Orinda Intermediate School's dead branches and poor exterior conditions. Fire Chief Winnacker clarified that the E-Occupancy is specifically for structures under the governance of the Office of State Fire Marshal. In the correspondence from a neighbor adjacent to the Orinda Intermediate School, numerous violations have been cited regarding the exterior hazard abatement at the school site.

Fire Chief Winnacker presented the summary of code violations. The primary violation is non-combustible ground cover within two feet of structures. Fire Chief Winnacker noted that the State Board of Forestry is finalizing Zone 0 as a Statewide regulation. This regulation would apply to all State Responsibility Area Hazard Severity Zones and Very High Fire Hazard Severity Zones in Local Responsibility Areas. The State regulation would likely prohibit any combustible ground cover within 5 feet of a structure. Implementation could impact certain areas within the District within the following year. Director Jorgens inquired about the areas that will be affected. Fire Chief Winnacker stated the Very High Fire Hazard Zones map will be updated next year. The 2007 map was developed using technology from 2004, which has since evolved significantly. The current ability to model and understand wildfire behavior has advanced beyond what was available at the time of the current map's creation.

Fire Chief Winnacker shared a list of all parcels with open \$500 citations as previously directed by the board. The publication illustrated the date and the location of these parcels by street. Director Danziger inquired about the process for delinquency notices and the actions taken after three notices. Fire Chief Winnacker explained the process outlined in the regulation. Director Danziger emphasized that the board's intent in having this type of report was to incentivize property owners to act and address the violations. He requested that the report not include individuals who have paid the fine. All Directors agreed.

Director Jorgens inquired if the District imposes a fine when individuals are hard to contact but eventually complete the work. Fire Chief Winnacker stated if a property owner completes the necessary work, the fine may be waived. President Jex inquired about the Saint Mary's College of California fines. Fire Chief Winnacker explained they are unpaid fines for nuisance alarms averaging 10 to 30 monthly occurrences. Battalion Chief Lambert commented that there have been four responses to Saint Mary's on the day of this meeting. Director Roemer inquired about the nature of the false alarms. Fire Chief Winnacker responded while there are the occasional false alarms (knowingly activating an alarm in the absence of an emergency), the majority of the alarms are nuisance alarms (a system malfunction or failure) associated with aging equipment. Director Roemer

added that the District incurs significant fuel costs and wear and tear on the apparatus every time a fire truck is dispatched for a nuisance alarm and suggested increasing the fines.

Director Danziger inquired about the FTB (Franchise Tax Board) column in the report. ASD Sasser explained that individuals who fail to pay after receiving three notices are enrolled in the Franchise Tax Board Intercept Program. This program redirects any state income tax refund or lottery winnings to the District, ensuring that the District receives payment.

d. Tunnel East Bay Hills Fuel Break Project

Fire Chief Winnacker presented the update. Work commenced after receiving approval from the Cal VTP PSA <https://bof.fire.ca.gov/projects-and-programs/calvtp/calvtp-programmatic-eir/> on July 18, 2023. With this approval, work can begin in areas not owned by East Bay Municipal Utility District (EBMUD) where an existing HCP allowed work to get underway. These areas belong to private and public landowners along the project footprint. Overall, the project is now in full swing, and the teams are actively working on both EBMUD land and other designated areas to establish the fuel break and enhance fire safety in the region.

Fire Chief Winnacker showcased the project's progress through a series of slides attached to these minutes, item 7.4(d). The presentation continued with before-and-after comparisons, demonstrating the successful vegetation thinning while preserving mature oaks' tree canopy. The cleared space is designed to mimic a park-like setting, more reflective of the natural state in a fire dependent landscape. By clearing out the space underneath the oak canopies, the fuel break effectively prevents ground fuels from carrying fire, thus reducing fire spread rates and intensity.

President Jex inquired about the billing and reimbursement procedures and if the equipment utilized was charged back to the project. Fire Chief Winnacker confirmed the equipment is charged back to the project. ASD Sasser explained Staff will submit invoices to the State for reimbursement once work progresses and bills are incurred. Director Jorgens asked about the duration between invoice submission and reimbursement receipt. ASD Sasser explained that it is unknown since this is a new project. Director Jorgens inquired about the budget for this year. Fire Chief Winnacker responded the project is in its early stages due to the time required to complete required environmental review.

e. Operations

Battalion Chief Lucas Lambert provided the report, attached to these minutes, as item 7.4(e). The presentation covered recent operation activities. The District celebrated a successful 4th of July. The District participated in the 4th of July parade in downtown Orinda. Perrin Kliot and former MOFD Director Gene Gottfried represented the Rescue One Foundation, showcased the Remote Automated Weather Station, and educated the public about their equipment. Crews have engaged in helicopter training in preparation for rescues in remote locations. The training included air-to-ground communications, patient loading, equipment location, and resource capabilities. Additionally, Crews inspected the status of fire trails in preparation for fire season.

President Jex opened Public Comment for items 7.1-7.4.

Jonathan Goodwin, Canyon resident (attended by Zoom), asked about the fire trail report and how many will be available or disabled this fire season. Battalion Chief Lambert answered normally, the fire trail inspections would take place in May and June, but with the late seasonal rain, the inspections were delayed. The status of the trails is unknown at this time. When the Crew comes across a trail that is not passable, the owner is contacted to get that trail back in service. Mr. Goodwin asked if the wet year caused any issues with streams which would normally be dry by now. Fire Chief Winnacker responded the District is unaware of any locations impassable due to road moisture.

There were no additional requests to address the Board.

8. CONSENT AGENDA (audio 01:00:03)

- 8.1 Meeting Minutes –June 21, 2023 (Regular)**
- 8.2 Monthly Incident Report – June 2023**
- 8.3 Monthly Check/Voucher Register – June 2023**
- 8.4 Monthly Financial Report – June 2023**

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

Motion by Director Jorgens and seconded by Director Danziger to approve Consent Agenda items 8.1, 8.2, 8.3, and 8.4. 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 Consider MOU to Coordinate Wildfire Prevention Activities in and Around the East Bay Hills (audio 01:01:55)

Fire Chief Winnacker provided the report. During the December 2022 board meeting, a director reported receiving an email from the Oakland Firesafe Council requesting \$3,500 to support forming an East Bay Hills Wildfire Prevention and Vegetation Management group. The topic was placed on the January 2023 regular agenda for discussion. On March 27, 2023, MOFD received a formal request for a contribution to cover legal and facilitation costs in establishing an East Bay Hills Wildfire Prevention Memorandum of Understanding (MOU). A director proposed an agenda item for the Board's consideration regarding the Request for Funding. The request was approved, and MOFD provided the \$3,500 contribution to the Oakland Firesafe Council. In June 2023, the Oakland Firesafe Council, represented by their consultant Placeworks, presented the proposed MOU to MOFD staff and other agency representatives. Fire Chief Winnacker recognized Jon Kaufman (attended by Zoom), a representative of the Oakland Firesafe Council, to provide more information about the proposed MOU and answer questions.

Mr. Kaufman highlighted the purpose of the East Bay Hills Wildfire Prevention MOU and the importance of collaboration among jurisdictions in the East Bay Hills for effective fire prevention and the purpose of the East Bay Hills Wildfire Prevention MOU. Mr. Kaufman did not have a formal presentation but explained the effort put into creating the MOU. The MOU has been reviewed by attorneys from multiple agencies, including MOFD, and there have been extensive discussions. The draft of the MOU has been submitted for review and consideration by various Boards of Directors, City Councils, and Boards of Supervisors.

Director Danziger acknowledged that MOFD was among the original group of seven agencies that provided funds to support the initial stages of the process for the MOU. He noticed that one of the attachments included a list of numerous other jurisdictions and asked if the intent was to expand the MOU to these agencies listed in the attachment.

Mr. Kaufman responded that the intent is to extend invitations to all the other agencies listed in the attachment to participate in the MOU. He confirmed that there were initially seven jurisdictions in the working group, which played a crucial role in developing the MOU. The funds contributed by MOFD and the other six agencies supported the engagement of the consultant and the attorney in drafting the MOU. The plan is to invite the original seven agencies and all the other agencies in the East Bay Hills region. The MOU will determine payments or contributions to provide staff support and pay other unidentified expenses association with the MOU from the participating agencies during their initial meetings. Director Danziger inquired if other agencies, such as Richmond, San Leandro, Livermore, and Pleasanton, would be invited to consider joining the MOU. Mr. Kaufman confirmed.

Director Danziger inquired about the status of the agencies that have joined and approved the MOU. Mr. Kaufman stated that the approval process is still ongoing, and no agencies have approved. Mr. Kaufman noted that some agencies are unavailable for consideration due to the summer break and will resume in the fall. Director Danziger asked if the MOU was a draft. Mr. Kaufman stated the MOU was considered final and is now being circulated for approval. Fire Chief Winnacker noted many unanswered questions that the Drafters and the Consultant proposed to be answered by the Signatories once they gathered in a Brown Act conforming meeting. Mr. Kaufman answered that was correct.

Director Jorgens asked if there were existing agreements between MOFD and various fire agencies regarding coordinating with these agencies during fire suppression responses. Fire Chief Winnacker confirmed the existing mutual threat zone, auto aid, and mutual aid agreements are sophisticated, well-established, and far outside the scope of work of the MOU from this group.

Director Jorgens commented that the draft version was difficult to read and seemed as though it did not appropriately transmit and asked for a summary of the MOU. Mr. Kaufman responded there is no specific scope of work. The scope will be formed by the participants who sign the MOU at future meetings. The idea is to get together to work on fire prevention and coordinate efforts on a regional basis. Director Danziger has raised concerns regarding the duplication of work, as the District is already a member of the Diablo Firesafe Council. Mr. Kaufman explained that the MOU has a broader geographic scope, covering the entire East Bay Hills region. The agency's goal is to address the challenges posed by fire risks, and their activities can range from coordinating and sharing ideas to taking a more proactive approach.

Fire Chief Winnacker clarified the District is currently a member of the Diablo Firesafe Council and the Hills Emergency Forum (HEF). The Diablo Firesafe Council's area is all of Alameda and Contra Costa Counties, with a significantly larger scope than the proposed MOU. The HEF has a narrower scope

primarily defined by the agencies that were impacted by the 1991 Tunnel Fire. The proposed MOU would have a larger scope than the HEF but a smaller scope than the Diablo Firesafe Council.

Director Jorgens discussed competing resources and staffing and that the District is already coordinating from a fire suppression standpoint. Mr. Kaufman replied that the MOU is focused on wildfire prevention. The East Bay Hills Wildfire Prevention Group considered the HEF organization before forming a Joint Powers Authority (JPA) or new MOU; however, the HEF turned the group down. Fire Chief Winnacker clarified that the contact with HEF occurred well after the JPA-MOU project began. Fire Chief Winnacker stated he presented the idea to the HEF at the behest of the Joint Powers Authority (JPA) group during the April 2022 meeting. Mr. Kaufman disagreed as to timing.

Director Roemer referenced readability issues with the draft copy of the MOU. Director Roemer emphasized the need for more information before committing additional funds and resources to the group. The District had previously contributed \$3,500, but now with the establishment of the Firesafe Moraga-Orinda council, felt an obligation to prioritize resources and funding for an organization that directly focuses on the community. Director Roemer expressed opposition to signing the MOU or providing resources until they have a clearer understanding of the other agencies' plans.

Director Jorgens agreed and expressed the need to wait and see if the group can reach a more cohesive approach and preferred focusing on organizations within the District and more aligned with the District's objectives.

Mr. Kaufman understood and was unsure about the copy of the draft MOU received. The final draft is available at the <https://eastbaywildfire.org/>. Fire Chief Winnacker stated it appeared to be an issue with the pdf conversion and would send a link of the final draft to the Directors.

Director Jorgens supported deferring the request. Director Hasler agreed, stating that the specifics of the request need more clarity. Director Roemer agreed. Director Danziger agreed, expressing concerns about the lack of a funding structure.

President Jex opened the public comment.

Jonathan Goodwin, Canyon resident (attended by Zoom), thanked the organization for their efforts and described the need for more actions to address the issues and a more comprehensive approach. The District Clerk announced that the speaker had reached the end of their allotted three minutes. Mr. Goodwin requested to continue with his statement. President Jex permitted the speaker to proceed.

Mr. Goodwin concluded if he were on the Governing Board, he would applaud the group for taking the initiative to study effective interventions so Board members could direct resources. Mr. Goodwin emphasized the importance of a well-organized and informed process to address the challenges effectively. Director Jorgens pointed out that the District has done significant work to understand the issues and the importance of enforcing the fire code and clearing fuel from open spaces to mitigate fire risks effectively.

There were no additional requests to address the Board.

Director Danziger asked if Berkeley and Oakland had paid their fees. Mr. Kaufman confirmed. All seven agencies have contributed. No agencies have acted on the MOU.

The Directors unanimously concluded to defer any action. Mr. Kaufman hoped the Board could revisit the issue once other jurisdictions act.

Fire Chief Winnacker reviewed the timeline of events. In October 2021, MOFD received initial information about the East Bay Wildfire JPA formation, and a widely attended proposed participants meeting was held on December 3, 2021. In April 2022, a presentation was made to HEF regarding the expansion. The majority of HEF was not in support. MOFD made the presentation and support HEF expansion. This action resulted in the JPA progression of the MOU. Mr. Kaufman responded that no work was done until after that decision by HEF.

9.2 Discussion regarding the Fire Safe Moraga-Orinda Nonprofit Organization Objectives and Initial Funding Request (audio 01:28:34)

Fire Chief Winnacker provided the report. At the June 2023 meeting, information was provided during public comment regarding Fire Safe Moraga-Orinda, a new 501(c)3 nonprofit formed to further wildfire safety awareness and action in the community. Mr. Marc Evans attended (in-person) to provide the Board with more information regarding this group's goals and initial funding request.

Mr. Evans introduced himself as Marc Evans, the Greater Monte Vista (Orinda) Firewise Leader and Chairperson of the Orinda Firewise Council. He was joined by Steve Hoyt, the Campolindo (Moraga) Firewise Leader, and Rob Schroeder, the Sleepy Hollow (Orinda) Firewise Leader, also a Board Member of the Rescue One Foundation.

Mr. Evans stated they are a newly created fire-safe nonprofit corporation called Fire Safe Moraga-Orinda (FSMO). The organization has been approved as a 501(c)(3) nonprofit by the State of California and is focused on helping the Moraga-Orinda Fire District residents. The FSMO approach is straightforward and coordinates only with the Moraga-Orinda Fire District, unlike other Fire Safe Councils with broader geographic areas. They plan to seek grants from State and Local agencies and distribute funds to neighborhood groups for fuel reduction efforts. Their main focus will be neighborhoods rather than single homes, and they aim to prioritize the highest risk areas identified by the fire district. Mr. Evans emphasized that their approach allows them to concentrate efforts on specific priorities within the community.

Director Danziger expressed concern about the funds being directed only toward Firewise neighborhoods. Mr. Evans stated becoming a firewise neighborhood is a simple process, and FSMO is willing to assist anyone who wants to participate. The main reason for this preference is that working with organized Firewise neighborhoods allows for a more streamlined and efficient cost model and reduces the administrative burden on the nonprofit, allowing the organization to concentrate efforts on implementing effective fire prevention strategies and making a more significant impact on the community.

Director Jorgens commented that he understands the preference for working with organized neighborhoods as it provides a more structured and manageable approach. He mentioned an example of an organization like the HOA (Homeowners Association) in his area, which has received grants from the Diablo Firesafe Council. A formal organization with designated roles and responsibilities makes the process more organized and effective. However, Director Jorgens also expressed concern about excluding other groups. He believes that while having a formal organization is beneficial, FSMO should recognize other organized community groups.

Mr. Evans stated that the FSMO is setting up the nonprofit this way because it is cost-effective. Mr. Evans noted that the Orinda Fire Wise Council is transitioning from the Moraga Orinda Firewise network to partner with that organization. Once the FSMO gets going, there may be exceptions, but felt strongly if you are not a Firewise neighborhood, you are not working as neighbors.

Director Danziger pointed out that he lives on a cul-de-sac of 10 homes. They are not a Firewise neighborhood, but they all got together and hired a contractor to mitigate the areas between their homes and Moraga Way without being a Firewise neighborhood. Director Danziger opposed excluding groups and did not feel it appropriate to focus on Firewise neighborhoods. Based on feedback from residents in Canyon, they also take exception to this restriction. Director Danziger noted it would be challenging to create a Firewise group in Canyon which might preclude them from getting any funds when they are one of the most critical areas in the District.

Director Roemer asked what is the current number of households that are presently in a Firewise neighborhood. Mr. Evans responded there are approximately eight or twelve officially recognized Firewise areas in Moraga and Orinda. Director Roemer suggested removing the precondition of being a recognized Firewise neighborhood but requiring some organizational structure with a commitment to coordination. This approach would enable the organization to exercise discretion and prioritize projects based on the level of organization and commitment displayed by the participating groups.

Director Roemer expressed his inclination to support the organization but also emphasized the importance of addressing the concerns raised by Counsel and asked if FSMO has received its official certification from the State. Mr. Evans stated they have received their approved Articles of Incorporation.

District Counsel Holtzman noted there are still some pending tax matters to be resolved and the Organization is still in the process of being formed. Mr. Evans concurred they have an employer identification number, but they still need to go through the steps to be able to collect and distribute money.

Mr. Evans responded to Director Roemer's inquiry about the timeline for the funding request by expressing that their first request is to have a Fire District Director serve as a member of the FSMO Council. He emphasized the importance of having a MOFD representative on their board; if that is not possible, they would need to proceed accordingly.

Director Roemer highlighted concerns without waiving attorney-client privilege from District Counsel. Having a Board Member on a nonprofit's Board raises many legal issues. Additionally, involving staff members on the nonprofit Board raises conflicts of interest and issues related to command and control.

Considering the potential complexities and implications, District Counsel recommended against such arrangements.

District Counsel Holtzman agreed and clarified that the concerns are not illegal and recommended that a more appropriate structure would be for the Board to appoint a liaison or an advisor from the District to work with the nonprofit. District Counsel Holtzman expressed concern about the potential financial transactions between the two organizations.

Director Danziger opposed having a Board member participate in the organization. Directors Jorgens and Roemer agreed. Director Danziger stated that Staff is already handling a significant workload, and adding additional responsibilities could be burdensome and lead to conflicts of interest, and he did not foresee active participation from the District's Staff at this time.

Director Jorgens pointed out that Staff currently participates on the Diablo Firesafe Council. Fire Chief Winnacker concurred and added that Staff also participates in other groups, such as the Hills Emergency Forum, which consumes Staff time.

Fire Chief Winnacker appreciated the concern about staff's time, as there is a limited amount of it available. Director Roemer expressed concerns about having a staff member with voting rights on the FSMO Council, which would be distributing District funds.

Fire Chief Winnacker highlighted questions for the Board to consider, such as whether or not the fire district should be involved in distributing funds for fuel mitigation activities. He acknowledged the significant volunteer support and efforts from community members, including the fire-adapted community ambassadors, who have played a vital role in increasing the outreach of the district's message to homeowners. Fire Chief Winnacker referred to the example of the recent embezzlement conviction of the Moraga Community Foundation leader as an example of the required oversight, audits, and controls that would be necessary, leading to an increase in the administrative burden on the District.

Fire Chief Winnacker emphasized the need for a deeper analysis of the pros and cons of handling the distribution of funds for fuel mitigation grants as an in-house function versus through a nonprofit organization. Regardless of how the funds are routed, the District would be accountable for their expenditure, and the financial implications and efficiency must be thoroughly evaluated. If the Board's desire is to have the District involved in the distribution of public funds for fuel mitigation work on private parcels, it would be essential to conduct a comprehensive analysis to determine the most effective approach, considering factors like cost, oversight, and accountability for the expenditure of government funds.

Director Jorgens expressed a differing viewpoint and believed a nonprofit organization would be better equipped to handle the distribution of funds for mitigation activities, as it could offer a more cost-effective and efficient approach compared to a government agency. Director Jorgens supported utilizing the FSMO instead of handling it internally. Mr. Evans reassured the Board that his organization is fully committed to the cause and would maintain a high level of transparency in its communication and record-keeping practices.

Director Jorgens pointed out that the fire district has already set a precedent by providing financial support of \$3,500 to the Oakland Firesafe Council. The Board must decide whether they are comfortable supporting the formation of the organization. Director Roemer expressed his support.

District Counsel Holtzman responded that he could not provide an answer on the funding support question since the terms of the funding have not been defined. Discussions have encompassed considerations for supporting the establishment of the organization, its grant-making function, and potentially funding staffing of the Executive Director and Communications Director positions. The grant-making function requires a higher level of oversight, and that is less true if only helping to establish the organization.

District Counsel Holtzman noted that the item is only up for discussion, and no action. District Counsel Holtzman informed the Board that they needed to make three decisions. Specifically, Mr. Evans is asking for the Board's buy-in at a lower level. Mr. Evans agreed they are looking to collaborate with the District, the City of Orinda, and the Town of Moraga. The FSMO is also planning to submit grant request to State agencies.

Director Danziger commented that many organizations in the community, like the Rescue One Foundation, work with the District, and the District does not support them with funding. Director Danziger favored supporting the FSMO the same way the District supported other organizations in the community. Director Jorgens commented that the District does give money to CERT.

Director Roemer stated his hope and expectation is the \$150K request will serve as seed money to put FSMO on the road to pursue grant money, and believes it will yield a return on the investment that justifies the risks. Director Roemer expressed a desire to make sure the Fire Chief was comfortable with FSMO and ensure he has the necessary time to assess potential pitfalls and challenges and write a comprehensive Staff report before making any decisions.

Fire Chief Winnacker clarified the \$6,500 support for the CERT activities is made through purchases made by district employees and most of the organization's operating budget comes from money earned from CERT drum/barrel sales conducted by volunteer members of the group. Director Jorgens asked if the District audited CERT. Fire Chief Winnacker answered no as district funds are not transferred to the group.

District Counsel Holtzman noted that the Board appears unanimous that having a Fire District Director or Staff would not be suitable to serve on the FSMO Council, and was in support of that decision. District Counsel Holtzman expressed concern that clear guidelines must be established to avoid misunderstandings and potential issues regarding the funding request.

District Counsel Holtzman clarified that he had no specific policy view on the matter except to ensure the operations were well-organized, there was a clear proposal, and that it was an open transparent process before providing funding. A clear and open proposal was required before the District could provide any funding. Additionally, Counsel believed it was crucial for the Board to evaluate whether this funding pathway was the most suitable choice. If FSMO were to receive funding from other sources, it would create a different scenario.

Director Roemer reiterated a clear written statement outlining the criteria for awarding grants, specifying whether being a formal Firewise group was necessary and whether the grants will be needs-based is necessary. District Counsel Holtzman stated that if the District is going to give money for the creation of this organization, it should be in writing; in addition, well-established criteria need to be established for giving grants, rules, and official oversight.

Director Jorgens commented that the State's grants have specific criteria. Fire Chief Winnacker shared the rules are very demanding, and Staff spends a tremendous amount of time receiving and expensing State money. Director Jorgens replied that the District could add the criteria for giving the money. FSMO can choose to take the money or not, similar to how the District votes on receiving grants. The Board must first decide if it is a good idea and if the proposal FSMO has presented today makes sense.

Director Jorgens inquired what the Board considers necessary for the next board meeting to be allocate funds to FSMO that will in turn benefit the community. Director Jorgens requested to understand from the Chief and Counsel the requirements so the Board feels comfortable to vote next time.

District Counsel Holtzman stated the District would like to have something in writing from the nonprofit that gives the Fire Chief time to make assessments regarding cost-effectiveness, other concerns, and legal concerns and then come back to the board with a Staff and attorney analysis.

Fire Chief Winnacker agreed with Counsel and recommended looking at the request from FSMO in three phases. If there is board interest in providing funds that can be used to start-up the entity or if there is District money that could be used to sustain the Staff portion of the entity over time, those are two very different discussions. Having Board direction about whether this is one-time or ongoing support would be helpful. The third question, which is a policy question, is whether or not the board is interested in getting into the business of dispensing public funds through fuel mitigation grants, which has not been done to date. The District's grants have been limited to home-hardening retrofits because those are one-time money. The District has received approximately \$14M in external grants, but all district funded fuel mitigation efforts have been limited to encouraging/requiring property owners to carry out work through outreach, education, and enforcement. The District has not been in the business of dispensing fuel mitigation grants to residents, so that would be a significant departure if the FSMO grants to residents were going to be funded, in part or primarily, by the Fire District. If that is a policy direction or decision, we would need direction so Staff can ensure we were operating within the Board's intent when putting together the pros and cons.

Fire Chief Winnacker stated that he has previously shared concerns about giving fuel mitigation incentives because the need will significantly exceed what the District could endeavor to take on. There is a great deal of fuel mitigation work that needs to be done throughout our community.

Fire Chief Winnacker also worried about the moral hazard that if the District began to dispense fuel mitigation incentive money, that could create downward pressure on resident's willingness to take on

projects and potentially encourage delay to wait until incentives become available. In the current environment, when people request resources, the District refers them to the Diablo Firesafe Council or how to become Firewise. However, the onus for maintaining the property rests with the resident as part of the cost of owning property in California. Director Jorgens disagreed because the District physically and financially supports fuel mitigation by providing a free chipper program. Fire Chief Winnacker clarified his statement to mean direct cash disbursements.

Director Jorgens added that the District spends money to stop homes from burning down by giving away fire-resistant vents. Director Jorgens disagreed that the program would be a disincentive and cause people to wait. Some residents need the money and the incentives. Sixty-seven percent of the people in the City of Orinda voted for Measure R because they believed in spending City money to help make things disappear. Director Jorgens opined there is a lot of public support for taking public money and spending it on that same public for fuel mitigation.

Director Roemer stated that the Board heard a lot about the 5-foot zone. Now, in addition to getting the 1/16-inch vent screening and gutter guards, motivated by discussions about the 2-foot and 5-foot zone, he purchased gravel rock for the front of his house, which was inexpensive and a one-time cost. If FSMO found out whose houses would benefit from the permanent installation of gravel rock, would that remove the moral hazard concern stated by the Fire Chief?

Fire Chief Winnacker replied one-time retrofits would fall under the same criteria as vents or gutter guards. Director Jorgens added that trees only have to be cut down one time. Fire Chief Winnacker remarked that \$100K would only be able to cut down a few trees given the high cost per tree and trees do not represent the primary risk when viewed through the fire science of the fuel most likely to carry fire in this community. Director Jorgens replied it is something that the District is enforcing. Director Jorgens raised the policy question for the Board to consider whether the District wants to allocate some of the public funds to assist them in removing fuel.

Fire Chief Winnacker concurred Staff will analyze the pros and cons, efficiencies, etc. and a policy could be created. Fire Chief Winnacker stated Counsel has advised the funding is permissible, however the policy direction of the Board is requested.

Director Hasler requested information to see if there is precedent of other agencies that have provided grants to citizens for fuel mitigation. Director Hasler was hesitant about using public funds and did not want their agency to be the first to do so. He emphasized that the citizens of Orinda had voted in favor of Measure R and the use of those funds. Before proceeding with the analysis and Staff time, Director Hasler wanted to know if another agency has done this.

Director Jex stated he observed the Firewise groups over the years and believes it is an excellent way of achieving the District's objective of reducing fire risk. Director Jex favored pursuing FSMO because it supports the District's objectives and has the potential to enhance fuel mitigation efforts. Director Jex favored looking at ways the District can fund or participate in the organization but had some concerns with the conflict of interest impact on Staff time.

Mr. Evans expressed that FSMO wants to be collaborative and reiterated the Orinda Firewise Council is now the Moraga Orinda Firewise network and is growing its capability. Mr. Evans understood the funding issues and complexities and planned to revise the request.

President Jex opened the public comment. District Clerk Holbrook announced four (4) written public comments were received. Charles Porges opposed the Fire Safe Moraga-Orinda being dependent on joining Firewise. Mr. Porges requested the Clerk read the comments into the record. Susan Anacker, Paula Reinman, and Sue Wecht expressed support of the Fire Safe Moraga-Orinda organization. The comments were forwarded to the Board of Directors and made available for viewing on the District website, attached to the minutes.

Jonathan Goodwin, Canyon resident (attended by Zoom), shared that CON FIRE utilized Federal money that came in through the State Firesafe Council for residents and suggested this might be an avenue for the Board to consider. Mr. Goodwin opposed the Firesafe requirement and suggested requiring a minimum number of people to participate instead.

There were no additional requests to address the Board.

Director Jorgens asked if Staff had the direction needed to proceed. Fire Chief Winnacker stated that Staff will proceed with working with Counsel about researching if other agencies have similar programs and lessons learned. Fire Chief Winnacker requested clarification from the Board and asked if the Board

was interested in expanding the grant program beyond retrofits and the chipping service to cash transfers for fuel mitigation.

Director Roemer favored staying open to it and would like to know the legal policy, accounting, auditing, and moral hazard issues. It is also helpful to be guided by the experience of others if time allows and cautioned overburdening staff. Director Roemer requested a report at the August meeting. Director Jorgens agreed with Director Roemer and favored having District money to provide grants.

President Jex concurred and requested more analysis of where and how the program has worked in other districts. President Jex favored the concept of assisting and fostering more abatement activity. Director Danziger abstained from further commenting as he already expressed his opinion.

Director Hasler cautiously supported the consideration of the program. Still, he would like to understand if there are precedents and the benefit of going through a nonprofit versus doing it in house and determining the purpose of the \$500K.

Mr. Evans asked what if the FSMO dropped their request for fuel reduction. Mr. Evans addressed the Board from the audience chair and away from the microphone. The conversation was inaudible. District Clerk Holbrook requested the speaker approach the podium and speak into the microphone. Mr. Evans stated he appreciated the District's time and acknowledged the additional complexities of the request. In light of this, FSMO would modify the request. Director Hasler inquired about the specific details of the future request. District Counsel Holtzman suggested a separate conversation with Mr. Evans to discuss the request further and had some thoughts to share with Mr. Evans.

Fire Chief Winnacker summarized the amended request. The request included:

- Part-time Executive Director: \$30,000
- Part-Time Communications Specialist: \$15,000
- Website Support and Applications (Mail Chimp, Zoom, MS Office, Otter.AI, etc.) Miscellaneous costs such as tax preparation, application fees, postage, etc.: \$5,000

Mr. Evans confirmed that volunteers would take on the task of writing grants to address the funding needs. He also agreed that having a sideline discussion with District Counsel is necessary to understand better the parameters that can be presented at a future board meeting. Director Jorgens clarified that the Board could still consider the idea of providing seed money to support the community initiatives. District Counsel responded that he assumed that that is exactly what the Board would discuss at a future meeting.

At 9:38 p.m., the Board took a 5-minute break. At 9:46 p.m., the Board reconvened. All five Board members and Staff were present.

9.3 Discussion of Pension Funding Update with GovInvest Pension Software Representative (audio 02:41:18:)

Administrative Services Director Sasser provided the report. The District uses GovInvest software to provide actuarial analysis and information regarding the District's pension plan, liability, and costs. Mr. Ira Summer, a representative from GovInvest, attended in person to present an overview of the pension plan, including changes since previous valuations, cost projections, and the impact of the District's Pension Rate Stabilization Trust Fund. Prior to the GovInvest presentation, ASD Sasser reviewed the timing of the pension information, attached to these minutes, as item 9.3.

PENSION LIABILITY

- June 30, 2022 – most recent information provided by CCCERA (*GovInvest software reflects June 30, 2022 information*)
- June 30, 2023 – information will be provided by CCCERA in September/October 2023 (*GovInvest software annual update occurs after CCCERA provides the information*)

PENSION RATE STABILIZATION SECTION 115 TRUST

- GovInvest discussion based on June 30, 2022 market value of assets: \$6,845,315
- March 2023 - District contributed an additional \$2,108,577
- April 30, 2023 market value of assets \$9,553,920 (most recent information)
- June 30, 2023, statement to be received in August 2023

A copy of Mr. Summer's presentation was included in the board packet as attachment A to the staff report.

Investment Returns

The most significant factor influencing the cost of the Pension plan over time are the investment returns. Depending on the performance of the financial markets, approximately 60% to 90% of the funds coming into the plan are attributed to these returns.

The graph displayed the market value of returns on a yearly basis. CCCERA conducts the actuarial valuations following the calendar year. These valuations are based on the data as of December 31 and then used to determine the District's contribution rates for the fiscal year beginning on July 1. In the most recent actuarial valuation conducted on December 31, 2022, CCCERA determined the investment return for the year ending December 31, 2022, resulted in a loss of approximately -10.5%. This decline aligns with the trend seen in pension funds nationwide for 2022.

Mr. Summer described the bars on the graph are the market value of assets. The orange line shows the actuarial value of assets. To even out contribution rates, CCCERA takes any investment returns that exceed or fall short of the assumed rate of return (just under 7%) and distributes them evenly over five years. CCCERA knows that the market is volatile and manages the District's cost by smoothing out returns over five years, causing the actuarial value of returns to be consistent with the market value returns year-by-year. This approach acknowledges the inherent volatility in the global financial landscape and aims to mitigate the impact of such volatility on contribution costs.

Unfunded Accrued Liability

GovInvest utilized the unofficial Actuarial Valuation Report as of December 31, 2022, and performed future projections. The projections assumed that CCCERA would achieve its targets and meet the assumed rate of return each year.

Director Jorgens pointed out that CCCERA has yet to meet its investment targets on average over the past 20 years, which prompted the establishment of the Pension Liability Fund. Mr. Summer mentioned that based on his recollection of historical data from the 1980s and 1990s, CCCERA's returns generally surpassed their targets. However, beginning around 2000, the market became increasingly volatile with the bursting of the dot-com bubble. Looking ahead, GovInvest predicts that CCCERA will have a higher probability of hitting its targets as interest rates rise. GovInvest believes the Fed will raise interest rates again at their meeting. The fixed income portion of CCCERA's investments is likely to earn closer to 5%, which makes it easier to hit the targets.

President Jex questioned the information provided by a letter from CCCERA, stating that over the last four years, the return was reported as 4%, and pointed out that a 1% deviation from expected returns results in a \$30M increase in the unfunded pension liability. President Jex expressed concern that the deviation was not reflected in the forecasts or projections. Mr. Summer clarified that the conservative projections assume CCCERA achieves its target rate of return. The investment returns for the first six months of 2023 have been stronger and are ahead of targets.

Mr. Summers stated if CCCERA had not lost 10.5% in the 2022 year, MOFD would have achieved a 100% funded pension liability in 2027. Instead, because of the loss in 2022 and the effects of the smoothing, the District's unfunded liabilities have stayed steady at \$30M for the next five years. The District is now expected to be 100% in 2039.

President Jex stated the letter from CCCERA appears inconsistent with the historical returns and raises questions about the accuracy of the data provided by CCCERA. Director Jorgens shared his perspective, mentioning that the average return rate for CCCERA has been around 7% per year. However, from 2020 until now, their performance has earned less than the S&P 500. The District set up the Trust fund because CCCERA historically earned about 4% less than their target rate of return. Mr. Summer acknowledged the reasons behind the establishment of the 115 Trust and deferred the discussion until the completion of the presentation on the projections.

Director Hasler asked if the projections assume CCCERA meets their target returns. Mr. Summer answered yes. Director Hasler further inquired if the projections were actual returns for the 2023 year. Mr. Summer replied the projections are not based on actual returns.

Total Required Employer Contributions

Based on the 2021 valuation report MOFD's contribution was just under \$6M. Due to one year of bad returns, phased in over the next five years, the District's required contribution increased to \$9M. Director Jorgens inquired about the fluctuations in the values plotted on the graph.

Mr. Summer answered by saying CCCERA utilizes a five-year smoothing approach. When the actual plan experience of investment returns and demographic factors deviate from what was initially expected,

it creates a new layer of unfunded liability. To manage the impact of these new layers of unfunded liability, CCCERA employs an amortization process. The new layer of unfunded liability is spread out over 20 years.

Director Roemer asked Mr. Summer to explain the demographics. In response, Mr. Summer answered CCCERA's Actuary aims to ensure sufficient funds in the pension plan to cover all the promised benefits for plan participants throughout their careers and lives. To achieve this, CCCERA makes various demographic assumptions, such as retirement age, life expectancy, disability rates, turnover, and the number of firefighters who might get injured on duty and start collecting benefits early. These assumptions play a role in actuarial calculations and help ensure the long-term financial sustainability of the pension plan.

Director Roemer asked for an explanation of the lines on the graph. Mr. Summer explained that after the pension plan becomes fully funded, MOFD will continue to pay the normal cost (the actuarial term for each year of service earned) because of the Public Employee Pension Reform Act. When a pension plan has a positive unfunded liability (meaning it is not fully funded), additional contributions are required to catch up to the target funding level. Conversely, contribution rates could drop when a plan exceeds the 100% funding level.

In the late 1990s, many Public Pension plans in California were over 100% funded. However, during market downturns and increased benefit costs, pension plans faced financial challenges. Governor Brown implemented the Public Employee Pension Reform Act to address this issue. Under this reform, once a pension plan becomes 100% funded, the Normal Cost Contributions are still required yearly. The District will continue to pay the Normal Cost each year, protecting the pension plan for when the markets drop. That is why the blue line on the graph levels off when the District becomes 100% funded, and the blue and orange lines come together when the District hits 100% funded for both.

President Jex commented on the increase in contributions over the next five years. Mr. Summer explained the contribution is doubling over the next five years because of the unfunded liability. This is happening in a lot of agencies all across California and all across the country.

Director Jorgens observed a discrepancy between CCCERA's assumption of a 3.5% wage increase and the District's actual 5% wage increase. This inconsistency in the wage increase assumptions results in CCCERA underestimating the pension liability. Mr. Summer concurred.

Director Jorgens asked if the District has been paying bigger salary increases than what CCCERA has used in their models to determine the Normal Contribution rates. ASD Sasser answered yes. Mr. Summer stated that GovInvest expects to see losses in 2022 and 2023 in the valuation reports due to the projected salary increases.

Director Jorgens shared historical information from 2004, when the District borrowed money to fund the pension plan fully. However, since then, the pension fund has experienced a loss of \$30M. He also pointed out that CCCERA has underperformed over the last 20 years.

Mr. Summer provided further insights, explaining that approximately half of the \$30M loss is attributed to CCCERA's investments falling short of their target returns. The other half is primarily due to CCCERA lowering the assumed rate of return for future years and extended life expectancies. Consequently, CCCERA requires more money to achieve the target funding level, which increases MOFD's unfunded liability.

Director Roemer inquired about the "the world is changing" statement Mr. Summer made during the presentation and asked for clarification on its meaning. Mr. Summer explained the changes in demographic experience and market over the years. Approaches that were effective ten years ago are not effective today. The changing world and added challenges from the pandemic have significantly impacted hiring and recruitment processes, requiring different approaches and solutions to address these issues effectively.

Director Romer commented on the demographic bubble and challenges posed by an aging population on the pension system. Other factors that are also impacting investment portfolios are environmental changes that impact investment portfolios and should be considered by CCCERA when making decisions. Mr. Summer expressed confidence that CCCERA considers the impact of environmental factors, including climate change, in their investment decisions. The responsibility for making those investment decisions lies with the CCCERA Board. While suggestions can be offered to the board, they make the final decisions independently.

Impact of the 115 Trust

The 115 Trust represents irrevocable funds the District has permanently set aside for pension benefits. These funds can be applied to cover regular or extra contributions to CCCERA. The decision on when and how to use these funds lies with the District's Board. The 115 Trust does impact the District's current contribution rate, as it is solely related to the funding position of the pension plan.

Director Jorgens pointed out the challenges in pre-funding CCCERA given the current performance of their investments and that CCCERA charges a 1% overhead fee.

Trust Assets/Projected Balance of Assets in 115 Trust

As of June 30, 2023, the Market Value of Assets is \$10M (announced today). Based on assumptions that the investment portfolio would grow by 5% per year, the expected Market Value of Assets as of June 30, 2023, was projected to have a value of \$7M on June 30, 2023. Due to the District's additional investment and market growth, the asset's value increased to \$10M. GovInvest did not use any assumptions of future money going into the fund because that is a policy discussion and only used the 5% growth assumption for investments. The projected balance is expected to increase to \$20M by 2039, assuming a 5% growth and no additional contributions.

Funded Percentage

Mr. Summer presented a graph displaying the percentage of the funded liabilities. By incorporating the funds from the 115 Trust and allowing it to grow, the District could reduce the time it takes to become 100% funded by seven years. If the Directors wanted to get 100% funded right away, the Board would direct all the money to the 115 Trust and give it to CCCERA. However, he cautioned that there could be potential risks if the District were to transfer all the money from the 115 Trust to CCCERA. The concern is that CCCERA might not perform well, creating new unfunded liabilities.

Mr. Summer stated the projections indicate that the District will continue to have \$35M in unfunded liability for the next five years. The way the unfunded liability gets paid off is to increase the District's annual contribution to \$9M per year. The increase in the contribution rate is growing faster than the District's anticipated revenue growth. The question becomes what actions the Board would like to take in response and if the Board wants to pay the money to CCCERA now or later, considering that the contribution rates are spiking up to \$9M in a few years, should that money go to CCCERA or into the 115 Trust. The 115 Trust is currently invested conservatively to get an expected 5% yearly return.

Director Jorgens asked if GovInvest is assuming a 5% rate of return. Mr. Summer stated the 5% is based on where and how the funds are currently invested. Director Jorgens stated he thought the assumed rate was 6%. ASD Sasser confirmed the latest long-term rate is 6% because the District is invested in almost 100% equity per the investment policy. Director Jorgens thought the assumed rate of return was 6.25%.

Mr. Summer suggested the Board determine what is most important in terms of the financial objectives. Mr. Summer asked if the District wanted to reach 100% funding for the pension plan or level out the pension contributions over time. Instead of assuming the 6.75% rate of return that CCCERA is assuming, the District should rerun the numbers at a slightly lower rate, take that difference, and put it into the Trust, assuming that CCCERA is wrong and going to earn 6.25%. Director Jorgens pointed out that CCCERA also takes an additional 1% fee.

President Jex stated in the past, the District had made a prepayment of \$26M to CCCERA, intending to pay off the unfunded pension liability. Unfortunately, over time, the unfunded liability increased to \$60M. Director Jorgens added CCCERA systematically undercharges the normal cost. Mr. Summer stated the District should continue with the current strategy based on that perspective. Mr. Summer has worked with several cities with a similar approach.

Mr. Summer explained that the GovInvest software could plug in a lower assumed rate of return to determine the cost using CCCERA's methods and assumptions, take that extra money, and contribute the amount to the 115 Trust. The contribution to the 115 Trust would be put aside to protect the Pension. The District would be paying a little more now to pay a little less later. At some point, if the District continues to follow that model, the District should use that money while the required contribution is above what CCCERA is asking for and put the extra money in the 115 Trust. When it gets to a point that the amount is above what CCCERA is requesting, then the District should take some of the money from the 115 Trust and pay some of the required contributions to CCCERA.

Director Roemer remarked that the 115 Trust is functioning as a smoothing mechanism. Mr. Summer confirmed if the District wanted to use the Trust that way, although if the District never gives the money to CCCERA, it does not function as a rainy-day fund. Director Jorgens stated the problem is the

projections say that the District would not be giving CCCERA money or be fully funded for the next eight years. The question is, the State says we charge the normal cost all the time, and if you have a surplus, you still make your payments even though they don't need it necessarily. Director Jorgen's perspective on the matter is how the account was set up back in 2017; the Board decided to amortize the gap over 17 years and keep funding the Trust. Although at the time, the Board assumed that it was a one-time thing that now happens every year and is not a one-time situation. The good news is the earnings in the portfolio make up the gap instead of the District having to fund it from the budget. It was unclear to Director Jorgens why a new plan was necessary until the District is almost fully funded.

Mr. Summer commented that GovInvest has observed other agencies that are trying to protect themselves against market volatility and sets aside two years of contributions to use as a cushion for a rainy day. District Counsel Holtzman stated one of the arguments for putting the funds into the 115 Trust is announced borrowing when the markets are going down. Mr. Summer agreed and stated CCCERA is effectively loaning the District the \$35M in unfunded liability and charging 6.75% in interest.

Director Jorgens mentioned that in 2004 the Board extensively discussed the matter and decided to borrow the money at a 5% interest rate to pay CCCERA. CCCERA mismanaged the funds, leading the District to accumulate \$30M in unfunded liabilities again. Consequently, the solution was for the District to manage the investment of the money independently.

Mr. Summer commented that the Board seems happy with the current strategy and approach for funding the 115 Trust. Director Hasler agreed. Director Hasler expressed concern about the potential impact of the spike in the next two or three years. Director Jorgens stated in 2023 the market will undo some of that but it will not be known for another year. Mr. Summer also emphasized that the recent underperformance by CCCERA by 17%, needs about a 24% target to undue that underperformance. Mr. Summer stated if the District continues to assume 50 basis points less than CCCERA and put the excess into the 115 Trust will allow that fund to grow.

Mr. Summer stated the question for the Board is to consider under what circumstances the District would utilize the 115 Trust. Mr. Summer asked the Board whether they were interested in alterations to the 115 Trust and requested general direction moving forward with regard to a 115 Trust Policy, both in terms of contributions, and guidance on how and when the District might use it. Does it make sense to stay in stocks because it is a long term investment or move some of the funds as the interest rates get higher towards bonds because the District might use the funds in the next three to five years. With the shorter time horizon, market volatility becomes more of an issue.

Director Roemer stated it is a good idea to anticipate when interest rates will top out and slightly increase exposure to the bond market because as interest rates decrease, those bonds might outperform the equities for a short period. Director Jorgens explained that he currently did not see a reason to change the existing methodology.

Mr. Summer concluded the direction from the Board is that until something happens that causes the District to want to use the funds in the 115 Trust, the goal is to get to a position where the amount in the 115 Trust is the difference between the unfunded liability at CCCERA's rate and the unfunded liability in the District's rate. Director Jorgens confirmed. Mr. Summers assumed the District would then feel it has enough money in the Trust when it achieves that difference. Director Jorgens concurred.

Director Danziger inquired about additional modeling for the District if desired. Mr. Summer confirmed GovInvest could perform additional modeling. Jex inquired about CCCERA's comparability to other pension funds. Mr. Summer responded that CCCERA aligns with the other public pension systems throughout California and most of the country.

President Jex opened the public comment.

Jonathan Goodwin, Canyon resident (attended by Zoom), stated years ago, CCCERA de-pooled the District and asked if it was re-pooled. Mr. Summer answered that the investments are all being tracked separately, but the money for all of the agencies within CCCERA gets invested the same way. Mr. Goodwin recommended the Board memorialize the understandings of the 115 Trust that the entire Board can agree on and vote on and subsequently suggested a committee.

There were no additional requests to address the Board.

9.4 Development of a Pension Funding Policy (audio 03:46:27)

At the April 19, 2023, Board meeting, a Director requested a future agenda item to discuss the development of a Pension Funding Policy, which would involve the District's Pension Rate Stabilization Trust Fund Section 115 Trust account. The Pension Rate Stabilization Trust Fund was established by

the Board in 2017. The Government Finance Officers' Association (GFOA) has developed best practices to address these concerns and recommends adopting a funding policy that ensures the cost of benefits is funded equitably and sustainably. Ira Summer, a representative from GovInvest software, attended in person to aid in developing the pension funding policy.

Director Jorgens stated a policy was already developed when the Board initially approved the fund. ASD Sasser clarified the Board approved Resolution No: 17-05, which is not a Pension Funding Policy per se compared to the samples provided in the staff report. The Resolution does not address when the funds would be used or target goals. The Resolution states the District's desires to set aside funds.

Director Jorgens referred Staff to the 2017 minutes, which should contain the discussion about the Trust and the decision to amortize over 17 years to fund the amount that was the difference between the District's and CCCERAs calculations. The Board did not discuss when to use the Trust funds because that would be determined based on time and circumstance.

ASD Sasser deferred to the Board for direction. Director Jorgens stated there is already a policy to fund the Trust, and the only question would be how the Board wants to spend it. Mr. Summer stated there is also the question of at what point does the board feel that is enough money in the Trust that the District can stop putting money into the Trust. Based on previous discussions this evening, it is when the amount equals the difference between (inaudible). Director Jorgens agreed.

Mr. Summer asked when the Resolution was approved. Fire Chief Winnacker answered in January 2018. Mr. Summer stated that in 2017, the District chose to amortize for 17 years to 2034. Mr. Summer asked if the goal is to amortize the 17 years each time or until the year 2034 in order to have the right amount of money in the Trust. President Jex responded the intent was when the unfunded pension liability was fully funded. The Board can then determine whether to use the Trust to make pension contributions. Mr. Summer suggested now that the District has saved a certain amount of money, establishing a policy to decide when the District should use the Trust, or if it should keep contributing to the Trust, or if it should redirect the funds. Director Jorgens stated the Board already provides that direction yearly during the budget and Long-Range Financial Forecast discussions.

Mr. Summer reviewed why other agencies have developed a policy to help the Staff know what information to bring and what metrics to show the Board (on target, ahead of target, behind target) and also to provide procedures if the District gets to a place where it can stop putting in funds, with the understanding the top priority for the District is to cover the gap with the overstatement of the assumed rate of return.

Mr. Summers requested direction from the Board and affirmed that GovInvest representatives are available to assist in developing a policy if desired. Director Hasler supported developing a policy and asked if it was worth formalizing the amortization guidelines and targets for the Trust and documenting the intuitional knowledge and funding objectives.

Director Jorgens stated the difficulties in determining all the facts and circumstances about when to write a check. Mr. Summer responded a good policy would leave that discretion to the Board. The policy would be for general terms to guide discussions of when there is enough money in the Trust and how the money is being invested. President Jex stated everything should stay the same as the current practice and expectation of using the Trust funds.

District Counsel Holtzman restated Director Hasler's suggestion that the Board write down the 17-year amortization direction. Director Jorgens stated the investing aspect is also done every year regarding how or where to invest the funds. Director Hasler stated the policy should include that the Trust is reviewed during the budgeting and Long-Range Financial Forecast board discussions on an annual basis. Director Hasler suggested a simple one-page policy. All Directors agreed.

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

9.5 Adopt Resolution 23-14 Classifying the Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54 and Adopt a Revised Fund Balance Policy (audio 03:56:55)

Administrative Services Director Sasser provided the report. The District has a Fund Balance Policy (Policy) that requires annual review by the Board. The Policy states the District will maintain a minimum unrestricted fund balance in the General Fund of at least 17% of budgeted General Fund revenue at fiscal year-end with a goal to achieve a 50% year-end General Fund balance in the long term. Staff completed a risk analysis, which is included in the staff report. Staff also included the most recent information regarding reserves published by the Government Finance Officers Association (GFOA). The

board has recently discussed changing the minimum fund balance policy minimum, may be done during this agenda item. Staff requested board Direction regarding the fund balance policy.

President Jex thought the policy would be discussed in August to change the minimum fund balance policy. ASD Sasser stated that this is the item before the Board for discussion. Director Jorgens asked if the fund balance includes other reserve funds besides the general fund. ASD Sasser answered the Fund Balance Policy is in the General Fund only and the unrestricted fund balance. Director Jorgens asked if separate funds were established for the Grants. ASD Sasser confirmed effective July 1, 2023, separate funds were established for the Fire Risk Reduction Grant Fund and the Tunnel East Bay Hills Fuel Break Fund. Fire Chief Winnacker referred to page 9 of the approved budget, which explains all the funds.

Director Jorgens asked on what date the minimum percentage of the fund balance will be measured. ASD Sasser answered at the end of the fiscal year, June 30 every year. Director Jorgens recalled that the Board had discussed utilizing a forecast to determine the lowest point throughout the year and not arbitrarily at the end of the fiscal year.

Director Roemer commented that the General Fund is most likely to fluctuate up and down throughout the year. Fire Chief Winnacker confirmed that the year's lowest point is typically the second week of December. Director Roemer stated it is impractical to say that the District will maintain a 50% minimum fund balance throughout the year and supported establishing a measurement date. Fire Chief Winnacker stated that nothing prevented the Board from using a different date than the fiscal year-end. The Board discussed establishing an appropriate date for measuring the minimum fund balance.

Director Hasler asked what happens if the District falls below the minimum fund balance policy. Fire Chief Winnacker answered Staff would report the issue to the Board. Staff provided projections and would address the issue as part of the annual and mid-year budget process. The revenue and expenditures are predictable and forecastable. President Jex explained the importance of having a 50% General Fund Reserve balance for the District to cover six months of revenue and felt that the minimum balance should be higher than 50% because of the risks associated with the District's fuel break projects. During our conversation, Fire Chief Winnacker shared about the previous time the District had to utilize the Teeter Plan in 2019. President Jex explained how the Teeter Plan operates.

Director Roemer asked what the argument would be for not establishing a 50% minimum reserve fund balance as of June 30. Fire Chief Winnacker clarified that the District has additional revenue inflows between June 30 and the middle of December. In the years the District has not been at 50% on June 30, the District has not needed to utilize the Teeter Plan and has been able to pay cash because of those other inflows. President Jex stated the biggest expenditure of the year is in July. Director Roemer has not heard any arguments for not increasing the minimum reserve fund balance.

Director Hasler asked if the policy is to raise the minimum fund balance to 50% or if it should be phased in over time. Director Jorgens stated that a board meeting would need to occur for Staff not to follow the policy. District Counsel Holtzman stated a policy is, by definition, not binding. Director Jorgens inquired why the Board is developing a policy. District Counsel Holtzman answered because it reflects the Board's intent. Director Jorgens suggested having the policy reflect if spending falls below the minimum balance, a board meeting would be required.

Fire Chief Winnacker confirmed that would be the decision of the Board if the board were to say that the policy of the Moraga-Orinda Fire District is to retain at least a 50% fund balance as of a given date. The Staff would analyze and present to the Board if the District can meet that minimum balance. There could then be Board direction about whether or not to defer the implementation until the next budgeting process or direct staff to revisit projects and programs to achieve the savings.

Director Jorgens asked what would be the trigger. District Counsel Holtzman responded that the policy would trigger staff to return to the Board. Director Jorgens said the policy should require Staff to return preemptively and not after the fact. President Jex inquired about the current balance as of June 30, 2023. ASD Sasser answered the most recent financial statements show the balance will exceed a 50% reserve. However, the budget document, of June 30, 2024, shows the District will drop below 50% to 43.5%. Director Hasler recommended phasing in the minimum balance requirement. Fire Chief Winnacker clarified the budget document that was adopted projects 43.5% reserve as of June 30, 2024. If the Board intends to adopt a policy of a fund balance that exceeds 43.5%, then Staff would take that as direction to bring back to the Board a list of budget cuts if the District fell below the stated policy. Based on the discussion, District Counsel Holtzman proposed changing the minimum fund balance from 17% to 40%

and leaving the goal at 50%. The Directors agreed to a minimum fund balance of 40% on June 30 of each year.

President Jex opened the public comment.

Jonathan Goodwin, Canyon resident (attended by Zoom), emphasized that unforeseen expenses may arise, suggesting not to overthink the decision.

There were no additional requests to address the Board.

Director Jorgens motioned to change the current minimum fund balance policy of 17% to 40% to be measured on June 30 each year with the goal of 50%.

President Jex opened the public comment on the Motion.

Dan Elbanna Local 1230 Union Representative (attended by Zoom), requested clarification on the date as to when the General Fund minimum balance will be measured.

Fire Chief Winnacker clarified the motion before the Board is to change the current minimum fund balance policy of 17% to 40% on June 30 each year. The balance will not be measured throughout the fiscal year. The minimum balance will be measured at the end of the fiscal year on June 30. Director Jorgens added a discussion would occur if projections projected a balance to fall below the minimum fund balance.

There were no additional requests to address the Board.

Motion by Director Jorgens and seconded by Director Roemer to adopt Resolution 23-14 Classifying the Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54 and Adopt a Revised Fund Balance Policy changing the minimum reserve balance from 17% to 40% to be measured at the end of each Fiscal Year on June 30, with the aspirational goal of 50%. Said Motion carried a 4-1-0-0 roll call vote (Ayes: Hasler, Jorgens, Roemer, and Jex; Noes: Danziger; Absent: None; Abstain: None)

10. COMMITTEE REPORTS (audio 04:23:48)

10.1 Standing Audit Committee (Directors Jex & Hasler).

ASD Sasser reported that Maze and Associates is conducting the interim audit. The Auditor will contact the Audit Committee members to ask questions as part of the process. ASD Sasser provided the following options: email, talk individually to the auditors via phone or a Zoom meeting, or respond during an in-person, public Audit Committee meeting. The Audit Committee decided to be contacted by individual phone or Zoom meetings.

10.2 Ad Hoc Committee Develop Plans for Expanding the Fire Prevention Program (Directors Hasler & Jorgens). No Report.

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. There were no requests to address the Board.

11. ANNOUNCEMENTS (audio 04:26:15)

11.1 Future Agenda Items

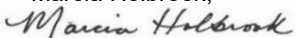
Director Jorgens requested the Fire Safe Moraga-Orinda Nonprofit Organization be discussed at the August meeting. Mr. Evans requested to have a discussion item placed on the agenda for the September meeting in order to allow more preparation. Director Jorgens responded that he would be absent from the September meeting. Director Roemer suggested the item remain on the agenda for the August meeting.

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

12. ADJOURNMENT

At 11:32 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



From: [Charles Porges](#)
To: [Holbrook, Marcia](#)
Subject: Public comment item 9.2
Date: Saturday, July 15, 2023 3:18:23 AM

I request that this be read aloud:

I **STRONGLY** object to FSMO grants being dependent on joining FireWise. Any small group of neighbors should be allowed to apply.

My neighbors and I are NOT part of FireWise, are well organized, and fire code compliant. We nonetheless did obtain a DFSC Grant. We do not plan to join FireWise.

All residents should be given the same opportunities and disincentives must be minimized.

Charles Porges

From: [Paula Reinman](#)
To: [Info](#)
Subject: Public comment for Wednesday board meeting
Date: Tuesday, July 18, 2023 3:12:09 PM

Dear MOFD,

I would like to submit a comment on item 9.2 on the agenda for Wednesday's board meeting.

I strongly support the formation of Fire Safe Moraga-Orinda and hope that you will decide to provide the requested initial grant to start the organization. The strategy and plan for Fire Safe Moraga-Orinda has been carefully researched and vetted with a number of experts in the field.

Getting financial support into the hands of organized groups that can do significant wildfire mitigation work in their neighborhoods is a critical part of making our communities safer and more resilient in the event of wildfire. Fire Safe Councils throughout the state and the country have been providing matching grants for targeted projects that could not be done by a single homeowner alone.

Thanks in advance for your consideration and support

Paula Reinman
Orinda

From: [Susan Wecht](#)
To: [Info](#)
Subject: Support the newly formed corporation Fire Safe Moraga Orinda
Date: Wednesday, July 19, 2023 2:56:02 PM

Moraga Orinda Board of Directors,

I am writing to add my support to the newly formed non profit corporation, Fire Safe Moraga Orinda. Grant money from the corporation will be an incentive and help ease the financial burden many homeowners face when it comes to reducing the fuels on their property. I am hoping you, as the district's Board of Directors, will also be supportive.

Hats off to Marc Evans and Steve Hoyt for their leadership in the formation of Fire Safe Moraga Orinda.

**Sue Wecht
Orinda Firewise Leader**

From: [Susan Anacker](#)
To: [Info](#)
Subject: Letter of support for Fire Safe Moraga Orinda
Date: Wednesday, July 19, 2023 2:55:59 PM

Moraga Orinda Board of Directors,

I would like to add my support for the newly formed non profit corporation, Fire Safe Moraga Orinda. Importantly, grant money supplied will provide an incentive to many homeowners facing the costs of reducing the fuels on their property. Please vote to support Fire Safe Moraga Orinda.

We greatly appreciate the leadership of Marc Evans and Steve Hoyt in the forming of Fire Safe Moraga Orinda.

Susan Anacker
Firewise Leader Orindawoods



Moraga-Orinda Fire District

Supplemental Materials

Item 7.3 – Communications Received

Documents

#01 Berkeley FireSafe Council Paper on Catastrophic Fire Prevention in Berkeley

#02 Victor Ryerson FW_ Extreme fire hazard.pdf

From: [Winnacker, David](#)
Cc: [Sasser, Gloriann](#); [Holbrook, Marcia](#); [Isaacs, Jeff](#); [Rein, Dennis](#); ["Jonathan Holtzman"](#)
Subject: FW: Berkeley FireSafe Council Paper on Catastrophic Fire Prevention in Berkeley
Date: Friday, July 14, 2023 12:47:23 PM
Attachments: [Five Fundamentals 2023 06b.pdf](#)

Directors,
Please see below for correspondence received.

Respectfully,

Dave Winnacker
Fire Chief
Moraga-Orinda Fire District



From: Henry DeNero <htdenero@gmail.com>
Sent: Thursday, July 13, 2023 1:29 PM
To: Winnacker, David <dwinnacker@mofd.org>
Cc: Henry DeNero <htdenero@gmail.com>
Subject: Berkeley FireSafe Council Paper on Catastrophic Fire Prevention in Berkeley

Dear Chief Winnacker,

Significant steps have been taken in recent years by the City of Berkeley, the University of California Berkeley, the Lawrence Berkeley National Laboratory, and the East Bay Regional Park District. But much work remains if we are to significantly reduce the risk of a catastrophic fire destroying much of our city and the university.

We wrote the attached paper on behalf of the Berkeley FireSafe Council. The paper acknowledges recent steps by public land owners; then describes the major actions that are still needed. These actions fall into five categories which we call "The Five Fundamentals of Wild Fire Prevention." Within each category, we describe current programs, pending grant applications, and remaining actions that will be needed. We urge you to read the paper, as we believe it provides a comprehensive road map for the years ahead. We hope the document will become the basis for discussions about how we can accelerate achieving a fire safe Berkeley. Below is a PDF copy and a link to the paper on our website.

As you are aware, the Regional Park District has recently submitted a grant application to significantly widen the fuel break between Berkeley and Tilden Park. UC Berkeley has recently obtained an appellate court ruling allowing it to proceed with its plan to remove hazardous fuel from the Hill Campus. Berkeley Lab is preparing an Environmental Impact Report to revegetate its entire campus with non-hazardous trees. The Berkeley Fire Department is launching defensible space and home hardening programs. And the Berkeley FireSafe Council has removed over 75 tons of

hazardous fuel from the city with community donations and UC Berkeley student volunteers. Yet, the issue remains how these major projects can be completed faster. And we must ultimately face the issue of reforestation (the fifth fundamental). To make Berkeley truly fire safe, the city, university, and the regional park district will need to reclaim their forest areas by replacing hazardous, invasive species with non-hazardous trees as Berkeley Lab is in the process of doing. This needs to be done with urgency; before it is too late.

The Berkeley FireSafe Council can make a major contribution to this challenge if we receive the funding we have requested from the City of Berkeley and from the California Fire Safe Council. Our request for 20% of this year's UC Berkeley Settlement Fund allocation, together with the \$500,000 CA Fire Safe Council grant, would allow us to rapidly complete the first of the five fundamentals – that of cleaning up the understory of the eucalyptus groves inside the city and moving this major risk into the maintenance mode. We sincerely hope that we receive these funds.

We hope you find this paper informative and helpful. We look forward to discussing its major elements with you in the coming months.

Best regards,

Henry DeNero, President, Berkeley FireSafe Council

Nancy Gillette, Chair, Urban Forestry Committee, Berkeley FireSafe Council

<https://drive.google.com/file/d/1Fhxekf8P1VG4AbW6dfsFptNzKwOih8tZ/view>

Preventing the Next Catastrophic Fire in Berkeley

The Five Fundamentals

Henry DeNero and Nancy Gillette

We all know that there is an extreme risk of wildfire in the East Bay Hills. This paper focuses on Berkeley. Other cities in the East Bay have similar facts and circumstances.

Berkeley's public landowners have taken significant steps in recent years to reduce wildfire risk. These actions have included the creation of fuel breaks along Grizzly Peak Boulevard, up Centennial Boulevard, in Claremont Canyon, and along the fire road in UC Berkeley's Hill Campus. In addition to serving as fuel breaks, these measures support evacuation and firefighter access. Other steps have been taken, and we can thank city, university, park district and municipal utility leaders for these efforts.

But more is needed, much more. Despite recent measures, there is still an extreme danger of a catastrophic fire in Berkeley. This is because most of the fuel that will transform a "normal" fire into a real catastrophe remains on the ground and in the tree canopies. This danger can be dramatically reduced by a targeted approach focused on the most significant risks.

There is an urgent need to mitigate this risk, before it is too late. And it can be done.

The Catastrophic Fire We Must Prevent

There are many fire risks in and around Berkeley. Firefighters and others have long recommended measures to reduce the chance of fires starting, to reduce the risk of a fire spreading to adjacent buildings, and to prepare us for evacuation if needed. These measures include vegetation management around the home, fuel breaks at the Wildland-Urban Interface (the WUI), home hardening, evacuation planning, undergrounding of power lines, installing residential automatic gas valve shut-offs and other steps. They all make sense.

A fire that begins in a home or yard will almost always be suppressed by the fire fighters who protect us. Buildings can burn. And a fire can spread to adjacent buildings. There is always the danger of loss of life. These risks exist everywhere.

A catastrophic fire is very different. It almost always involves a fire in the forest or in a large grassland outside of a town or city (the WUI). And it almost always involves high winds. As these wildland fires develop speed, they can ignite homes and structures by wind-driven flames, embers, and firebrands. When the speed of a wildfire outpaces the ability of government to

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amass enough resources, catastrophic outcomes are more possible. If enough homes and structures ignite, firefighting resources get overwhelmed. Then the structures become the fuel to carry the fire forward. The fire becomes unstoppable and continues to burn until the wind stops or the fire runs out of fuel. This has happened repeatedly, in the 1923 Berkeley Hills Fire, the 1991 Oakland Tunnel fire, the Camp Fire in Paradise, the Marshall Fire in Colorado, the Black Saturday Fires in Australia, and several fires in Southern California. In each catastrophic fire, hundreds and sometimes thousands of homes burn, property damage is in the billions, people are permanently displaced, particularly lower income groups, the environment is severely damaged, and lives are lost. The 1923 fire took 600 homes and burned to the downtown, the 1991 Tunnel Fire took over 3,000 homes and 25 lives. Nearly 800 homes burned in the fire's first hour of the fire! And that fire could have been much worse if the weather had not shifted. The environmental and social costs of major urban wildfires are more difficult to estimate. But they are also catastrophic.

Conditions in and around Berkeley create a particularly acute catastrophic fire risk. The city is adjacent to Tilden Park, which is "upwind" of Diablo winds and which contains thousands of eucalyptus, Monterey pine, and large areas of yet-uncleared brush. The Blue Gum eucalyptus is considered by foresters, firefighters, and scientists to be one of the most hazardous tree species from a fire risk perspective. Equally dangerous is that part of the "forest" is INSIDE the city, with many unmanaged eucalyptus groves containing several thousand more trees in the neighborhoods and on the campuses of UC Berkeley and Berkeley Lab. Much of the Berkeley hills area is essentially an urban forest. And much of that "forest" is hazardous. It is therefore possible for a catastrophic fire to begin inside the city.

Five Fundamental Actions to Prevent a Catastrophic Wildfire

Because of our particularly severe wildfire risk, we need to use all measures possible to give our firefighters a chance to suppress a fast-moving wildfire before it ignites enough Berkeley homes to become a catastrophic fire that could burn much of the city and the university. The most important measures can be categorized into five sets of actions aimed at reducing the most hazardous fuels, slowing structure to structure spread, and protecting homes, buildings, and lives. We call these actions the "Five Fundamentals" of catastrophic fire prevention:

- 1- Clean up the understory of hazardous groves inside the city.
- 2- Create a wide fuel break the entire length of the WUI.
- 3- Manage vegetation on all our properties.
- 4- Harden our homes.
- 5- Reclaim the forest by replacing hazardous species with fire-resistant trees.

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Some experts will debate which of these measures are most important. There is a debate about how deep the fuel break at the WUI needs to be, or the need to replace the hazardous trees. Because of the extreme risk posed by thousands of hazardous trees at the WUI and inside the city, combined with high winds with low humidity, some level of action on all five fundamentals is needed to minimize the risk of a catastrophic fire. No sub-set of these measures will be enough, particularly when it comes to a catastrophic fire. All five of these steps need to be implemented with urgency, before it is too late. And most of these actions really can be taken, surprisingly quickly and inexpensively. Here is how.

Clean Up the Understory Inside Berkeley

There are just over 1,100 eucalyptus trees in northeast Berkeley, not counting those on the UC Berkeley and Berkeley Lab campuses. How do we know this? We counted them. Fewer than 100 of these trees are on City of Berkeley property, primarily in the parks. The remaining 1,000+ are on 117 private properties, the vast majority of which are in 11 groves spanning multiple properties. As one moves south within Berkeley, we know that there are another 1,500 eucalyptus trees on the Berkeley Lab campus by their estimate and several hundred on UC Berkeley property (not counting the Hill Campus to the east, which contains a wildland located within the City of Oakland). There are also several hundred trees in Oakland near the Clark Kerr Campus that threaten the southern parts of Berkeley.

Over the past three years, the Berkeley FireSafe Council, a non-profit organization, has cleaned up the understory of four of the 11 eucalyptus groves on private property in northeast Berkeley with the help of student volunteers. The Council has removed an estimated 75 tons of hazardous fuel from the neighborhoods, amounting to as much as one third of the hazardous fuel in the groves. The total cost of this effort has been less than \$50,000, all raised by homeowner donations. If this can be done by ordinary citizens, think what could be done by public entities and professionals. Berkeley Lab and UC Berkeley have also cleaned up the understory of several groves on the north side of their campuses.

The Berkeley Fire Department has just launched a new vegetation management program that will use Measure FF funds for fuel reduction on private property for the first time. This program will reduce hazardous fuels throughout the WUI but will focus initially on targeted pockets of homes on the perimeter of the City where a fast-moving fire from the wildland area will first contact homes. To augment and accelerate the Fire Department's efforts, the Berkeley FireSafe Council has recently asked for just under \$300,000 from the City to clean up the remaining groves on private property using tree and landscape contractors. The FireSafe Council has also applied for a \$400,000 California FireSafe Council, funded by CAL FIRE, that would focus on protecting low-income, elderly, and disabled residents. If funded, the Berkeley FireSafe Council will hire landscape contractors to remove the remaining heavy deposits of hazardous fuel in the groves and do residential defensible space work in many residences. UC Berkeley is also continuing to clean up the understory of hazardous tree groves on its property.

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Regardless of the source of funds or who does the work, the hazardous understory of the eucalyptus groves and other hazardous fuel loads inside Berkeley need to be cleaned up as soon as possible and then strictly maintained.

Create a Wide Fuel Break along the WUI

The hazardous fuel inside Berkeley is a large risk. But an even larger risk is in Tilden Park and in the UC Berkeley Hill Campus, with dozens of unmanaged Eucalyptus groves and thousands of trees immediately east of the city and campus. The Berkeley FireSafe Council has asked the East Bay Regional Parks District to clean up the groves immediately east of Berkeley and it has begun to do this with a recently expanded fuels management program. The Parks District, EBMUD, UC Berkeley and The City of Berkeley are seeking additional funds from CAL FIRE to broaden and accelerate the expansion of the fuel break between the city and Tilden Park. Called The Grizzly Peak Strategic Fuel Break Collaborative, this grant application is an important and laudable development.

The Berkeley FireSafe Council estimates that all of the hazardous understory in Tilden Park and the Hill Campus east of the Berkeley could be cleaned up within a mile of the WUI for a cost of \$5 to \$10 million. Finding the money does not appear to be the limiting factor. The Park District's fire chief, Aileen Theile, has expanded her fuels management staff by 240% in the last one to two years and is removing ground fuels as fast as resources allow and within the requirements that govern the Park District's fuel management approach. We do not believe there is a current plan to clear the understory inside the Hill Campus.

Again, regardless of the funding and property ownership, the forest areas east of Berkeley must be cleaned up as quickly as possible and then maintained.

Manage Vegetation on Our Properties

As mentioned earlier, Berkeley's new Fire Chief, David Sprague, has just launched a new vegetation management program, which will begin using Measure FF funds to help some homeowners remove fuel from their properties. This vegetation management program will not be easy to implement. Following anticipated State of California standards, we may need to remove virtually all flammable material (plants, wood chips, etc.) within five feet of our homes. This area is called "Zone Zero." Science and experience have shown that, in an ember storm, these flammable materials can quickly ignite the home. Some of our favorite shrubs will have to go. In some cases, rows of Juniper, Pine, or Bamboo planted up against houses will need to be removed entirely. Many of us won't like this, but it must be done. Insurers like State Farm are already abandoning California's homeowner insurance market. Eventually, insurance companies may rate {wild}fire risk by neighborhood or property-by-property. We may all need to comply with the new standards to lower our insurance premiums or to maintain insurance coverage at all.

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And if you have eucalyptus on your property, keep the trees stripped of loose bark at least 10 feet above ground, remove sprouts, saplings, and low branches, and remove fallen bark and leaves from the ground (a “Healthy Forest Operation”). The Berkeley FireSafe Council is working to clean up the groves spanning multiple properties after years of neglect. When this is completed, homeowners must maintain their properties annually or the hazard will return within three to five years, as more debris falls and new vegetation grows. If you are one of the 17 residences with only a few isolated eucalyptus trees, clean them up now.

Vegetation standards will also include requirements from five to 30 feet from the home, and out to 100 feet from the home (or your neighbor’s home). The 100-foot standard will encompass virtually every square yard of Berkeley. So, get ready. You *will* be inspected. Please understand that your Berkeley Fire Department inspector is coming to keep you safe – we are all on the same team.

Harden Our Houses and Buildings

In parallel with the vegetation management program, the Fire Department is also launching a home hardening program, also using Measure FF to help some property owners to harden their homes and buildings against ignition in an ember storm. Gutters and vents will need to be screened with 1/8th or 1/16th inch screening. Eaves will need to be of a certain design. Roofing material will need to be “Class A” (fire resistant). And you may need to replace old single-pane windows with heat-resistant double pane glass.

The Fire Department will do a two-part inspection, one for vegetation and one for home hardening. Implementing the vegetation portion is mandatory under state law. The home hardening actions will initially be voluntary but may become mandatory to maintain home insurance soon. Even if you are not required to do so, we urge you to take the time to harden your home. No amount of fuel reduction in the WUI will prevent embers from landing against or traveling inside your house in a wind-driven fire. Home hardening is your last, best defense.

Reclaim the Forest

The last of the five fundamentals will be to replace the hazardous trees themselves with fire-resistant species using proven urban forestry practices. We call this “reclaiming the forest” because it will not only greatly diminish the catastrophic fire risk, but it will also return our wooded areas to a healthy, natural state.

The blue gum eucalyptus tree is not only one of the most hazardous trees from a fire risk perspective, it is also invasive. With time, eucalyptus trees often take over a forest. Their canopy sits high above other trees, limiting their light and starving them of nutrients. They produce toxic allelochemicals that prevent the growth of other, natural vegetation. Smaller trees and shrubs are squeezed out. The forest floor becomes covered with highly flammable bark, killing other plants, preventing grass from growing, and destroying habitat for many animal species. A

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dense, unmaintained eucalyptus grove is largely a dead forest, except for the eucalyptus. Finally, because eucalyptus groves are extremely tall and reach very high stand “basal areas,” the volume of flammable material they present is far greater than that of historical WUI vegetation patterns. Their burn time and energy of combustion are therefore unprecedented for the East Bay Hills area. There are other hazardous tree species in Berkeley, but the eucalyptus is the most hazardous and outnumbers the others by a wide margin.

The Berkeley FireSafe Council has seen first-hand what happens when a eucalyptus understory is cleaned up. Sunlight can reach into the groves, and grass comes back almost immediately. Tilden Park has a poster showing the before-and-after benefits of a Healthy Forest Operation. The eucalyptus trees are stripped of loose bark, low limbs and saplings are removed, ground fuels are cleaned up, and some small or damaged trees are removed. With sunlight entering and ground fuels removed, the natural, healthy forest quickly comes back, even without removing the eucalyptus trees.

A more dramatic example of reclaiming the forest is a demonstration project called Skyline Gardens right here in the Berkeley/Oakland hills. The project is managed by the East Bay Municipal Utilities District (EBMUD) along a watershed area between the Tilden Park Steam Trains and Four Corners. Most of the eucalyptus trees were removed and regrowth prevented by repeatedly stripping sprouts from the stumps, without the use of chemicals. With most of the eucalyptus removed, the landscape has been totally transformed. Wildflowers are blooming, small- and medium-sized shrubs have re-established, and rare wildlife and butterflies have returned. The Sierra Club and the Claremont Canyon Conservancy have also produced a video that shows the dramatic transformation that occurs when eucalyptus is removed from a forest. This isn’t just about fire safety. It is about restoring the landscape and the environment to a healthy state.

Reclaiming the forest will be a big job. But it is not insurmountable. Berkeley Lab is planning to complete the transformation of its campus with a CAL FIRE grant of only \$2.9 million. In 2019 UC Berkeley developed a plan to remove hazardous trees and ground fuels from the Hill Campus with a \$3.4 million CAL FIRE grant and has just won a California Appeals Court ruling allowing it to proceed with this project. On private land, Zaytuna College will replace the remaining eucalyptus trees on its Marin Avenue campus for \$250,000, re-landscaping with fruit trees and terraced gardens. We estimate that the 1,000+ eucalyptus trees on private (residential) properties inside Berkeley could be replaced with safer trees for about \$5 million. Most homeowners would like this to be done but don’t have the funds to do it themselves. Since the entire city faces a catastrophic risk from these trees, underwriting this effort would be an appropriate use of public funds, if approved.

Reclaiming the forest in Tilden Park will be a larger task. There is not a total consensus as to its necessity, but most firefighting professionals agree that reclaiming the forest would greatly reduce the risk of a catastrophic fire, simply because it would greatly reduce the volume of highly flammable vegetative fuels. If done in stages, this too could be accomplished within 10

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to 20 years. And within about 20 years it would cost less to restore fire-resistant vegetation than to conduct repeated maintenance of the existing hazardous species in the forest. As is the case with all large projects, this will never be done unless we start now.

Henry DeNero is President of the Berkeley FireSafe Council. He is a former senior partner of the management consulting firm McKinsey & Company, and has served in executive roles or on the boards of directors of 10 publicly-owned companies and five not-for-profit organizations. He has chaired the audit committees of several of these organizations and is an expert in Enterprise Risk Management, the practice of identifying and mitigating an organization's most significant risks.

Nancy Gillette is a member of Berkeley FireSafe Council's leadership group and chairs its Urban Forestry Committee. She holds a Ph.D. in Forest Entomology from UC Berkeley and is retired from a 40-year career in US Forest Service Research. She also served as liaison between USFS Forest Health Protection and the US EPA's Biopesticide Division.

Holbrook, Marcia

Subject: FW: Extreme fire hazard

From: Victor Ryerson [REDACTED]
Date: July 17, 2023 at 12:18:27 PM PDT
To: "Isaacs, Jeff" <jisaacs@mofd.org>
Subject: Fwd: Extreme fire hazard

Corrected address on email

Sent from my iPhone

Begin forwarded message:

From: Victor Ryerson [REDACTED]
Date: July 17, 2023 at 10:14:10 AM PDT
To: jisascs@mofd.org
Subject: Extreme fire hazard

Mr. Isaacs:

I took these photos yesterday evening while I was walking my dog through the Orinda Intermediate School parking lot. Please note the expended firework on the ground. I also saw a cigarette butt a short distance away.

When is MOFD going to get serious about enforcing requirements to clean up flammable brush and dead leaves and branches on the OUSD side of the creek? Some of this material is several years old, and nothing has been done in response to complaints by us neighbors since a herd of goats was brought in to start the clearance. They just added to the problem by killing scrub oak bushes by eating the bark.

As you can see, a eucalyptus tree fell during a winter storm this year. The trunk was cut and removed, but all the slash and leaf litter was left. It has now dried out, adding to the tinder box.

This situation has become critical. There are workers operating heavy equipment nearby, and parents parking in the the lot on weekday evenings to wait for their children engaged in soccer programs. This is a disaster waiting to happen.

Do something—please!

Victor Ryerson
[REDACTED]





Sent from my iPhone



Moraga-Orinda Fire District
Board of Directors

Finance Report
July 19, 2023

Strike Team Reimbursement - OES

• Strike Team Receivable Update:

	Estimated <u>2022-2023</u>
OES Strike Team Receivable	\$1,106,257
OES Payments Received	<u>\$1,006,319</u>
Net Receivable Outstanding	\$ 99,938

- Invoices have been received for all but two S/T Assignments.
- No Change since last Board meeting

Other Items

- FY2023 accounting close is in-process
- Interim audit in-process week of July 17th
- \$3 million Treasury Bill matured on 6/22/23. The District purchased the following:
 - 6/23/23 \$3 million Treasury Bill – 90 day maturity – 5.29% yield
 - 6/27/23 \$1 million Treasury Bill – 90 day maturity – 5.279% yield
- District has total of \$9 million invested in 90 day Treasury Bills with \$5 million maturing on 7/25/23.
- CCCERA FY2024 prepayment of \$6.4M due 7/31/2023



Moraga-Orinda Fire District Board of Directors

Human Resources Update – July 19, 2023

RECRUITMENT UPDATE

- Firefighter Paramedic Trainee
- Office Specialist, Fire Prevention
- Fuels Mitigation Specialist

EMPLOYMENT CHANGES

- Fire Academy Graduate – Richard Cotter, 6/29/2023
- Employee Separation – Fuels Mitigation Specialist, Nat MacMillan, last day 7/21/2023


7.4(d) Tunnel East Bay Hills Fuel Break Project Presentation





7.4(e) Operations Presentation





Moraga-Orinda Fire District

4th of July Fireworks-GOINGO Checklist

Incident Name: _____ Date: _____

1. Yes No Weather: Time _____ Temp _____ @ _____ Wind Direction _____
2. Yes No Wind Speed _____ Location _____
Spill forecast reviewed and reviewed. No adverse weather conditions or changes expected.
3. Yes No Applicable permit/notifications have been issued and permit complies with all qualifications of the incident response?
4. Yes No Personnel and equipment required in the IAP are in position
5. Yes No All personnel have been briefed on the IAP
6. Yes No Notifications have been made
7. Yes No Wind speed less than 20 MPH?
8. Yes No Temperature less than 90° F?
9. Yes No Relative humidity is greater than 10%
10. Yes No Has IAP issued if the Weather Watch or Red Flag Warning
11. Yes No Fuel has been checked? If so, do not burn unless approved to modify the plan has been received.
12. Yes No
 - a. # ICS/State approved fire operations
 - b. F-100 or F-110
13. Yes No Can the plan be modified or actions taken to modify the situation?
 - a. # ICS/State approved fire operations
 - b. # ICS/State approved fire operations

Fire Marshal or Designee Signature: _____ Date: _____ Time: _____







Moraga-Orinda Fire District Timing of Pension Information

PENSION LIABILITY

- June 30, 2022 – most recent information provided by CCCERA
 - GovInvest software reflects June 30, 2022 information
- June 30, 2023 – information will be provided by CCCERA in September/October 2023
 - GovInvest software annual update occurs after information is provided by CCCERA

PENSION RATE STABILIZATION SECTION 115 TRUST

- GovInvest discussion based on June 30, 2022 market value of assets: \$6,845,315
- March 2023 - District contributed additional \$2,108,577
- April 30, 2023 market value of assets \$9,553,920 (most recent information)
- June 30, 2023 statement to be received in August 2023