

As approved by the Governing Board on Tuesday, December 16, 2025.

**CALIFORNIA EARTHQUAKE AUTHORITY
CALIFORNIA RESIDENTIAL MITIGATION PROGRAM
GOVERNING BOARD TELECONFERENCE MEETING
MINUTES**

**August 26, 2025
1:00 p.m.**

Location: California Earthquake Authority
400 Capitol Mall
Suite 1200
Sacramento, CA 95814

Members of the California Residential Mitigation Program (CRMP) Governing Board in

Attendance:

Lori Nezhura, Chair
George Sittner, Vice Chair
Tracy Palombo
Eric Swanson

Members of the CRMP Staff in Attendance:

Janiele Maffei, Executive Director
Stephanie Stephens, Managing Director
Mark Grissom, Program Manager
Benjamin Kirwan, Treasurer
Seth Merewitz, Counsel
Maura White, Secretary

1. Call to order and member roll call.

Chair Nezhura called the meeting to order at 1:02 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the May 27, 2025, CRMP Governing Board meeting.

Chair Nezhura referred to the 10th paragraph on page 4 and asked to change the word “term” to “team” so it would read “She stated her team has talked with the Director....”

MOTION: Vice Chair Sittner moved to approve the May 27, 2025, minutes of the California Residential Mitigation Program Governing Board. Ms. Palombo seconded. There was no public comment on the motion. The motion passed unanimously by roll call vote.

3. CRMP independent auditors, Plante Moran, PLLC, will present the Report of Audit on CRMP Annual Financial Statements (2024) and Single Audit (2024).

Colin Feguer and Ashley Rademacher, representatives of Plante Moran, PLLC, provided a slide presentation overview of the audit process, required communications under AU 260 for the 2024 CRMP audit, and single audits performed for the CEA and CRMP.

- Two significant risks of material misstatement were identified: adequacy of expenditures, accruals, and other estimates; and completeness and accuracy of contribution revenue.
- Two significant fraud risks were identified: revenue recognition and management override of controls.

There were no difficulties in performing the audit and no disagreements with management. The audit required no audit adjustments and no uncorrected misstatements. It verified that there were no significant findings or issues, no fraud or illegal acts, and that management did not consult with other independent accountants in the management representation letter.

Plante Moran issued an unmodified “clean” opinion on the audited financial statements, which is the highest opinion that an audit firm can give.

Single Audits Performed for the CEA and the CRMP

The CEA is a subrecipient of federal award funds from the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP). The CRMP’s project, called the Earthquake Brace and Bolt Program for Residential Seismic Retrofits, is eligible for these funds based on the CEA’s application. These funds were passed through the CEA to the CRMP.

The CRMP expended more than \$750,000 in federal award funds during 2024, which triggered the requirement of a single audit. 2020 was the first year a single audit was performed.

Plante Moran contracted to audit the use of federal award funds expended by the CRMP to ensure compliance with the FEMA HMGP.

The CEA was also subject to a single audit due to serving as a pass-through entity that received federal award funds and dispersed them to the CRMP to carry out the federal program.

There were no questions from Governing Board Members and no public comment.

4. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of June 30, 2025.

Mr. Kirwan reviewed the CRMP financial information as of June 30, 2025:

Balance Sheet:

- Assets
 - The Cash and Cash Equivalents Line Item is approximately \$11.7 million.
 - In response to recommendations approved at the May 2025 Governing Board meeting, Cal OES prioritized reimbursements and prior retentions that had

been withheld. Approximately \$10.8 million was received from Cal OES in June 2025 prior to the June state budget moratorium.

- CRMP staff is working with Cal OES about advancements being sent to the CEA prior to the end of this year for some of the grant funding.
- The Accounts Receivable Line Item of \$3.3 million has increased to approximately \$7 million as of today.
- CRMP total assets are approximately \$15 million.

Statement of Revenues, Expenditures, and Changes in Fund Balance:

- Revenues
 - Contributions from other governments of \$11.2 million is the total amount of reimbursed retrofit payments both received and outstanding.
- Expenditures
 - The largest expenditure was the Grants to Homeowners Line Item at \$10.9 million.
 - Total expenditures were \$11.3 million.
 - The fund balance at end of year to date was \$14.7 million.

Budgeted Expenditures and Actual Expenditures:

- Revenue
 - The CRMP 2025 budget approved retrofit payments up to \$16.5 million. This projection has now increased to \$23.5 million of retrofits payments to be paid. The net affect will be zero to the financial statements based on the fact that this is a reimbursable program. Those funds will be reimbursed through FEMA 4408.
- CRMP Administration Expenses
 - Total Administrative Expenses are expected to be under budget for 2025.

Discussion

Vice Chair Sittner asked for an update on the potential cashflow issues as discussed at the last meeting.

Mr. Kirwan stated approximately \$10.5 million in reimbursements was received in June, which should allow the CRMP to meet the projected flow of funds for the remainder of FEMA 4408.

5. CRMP Executive Director Janiele Maffei will present her executive report.

Ms. Maffei updated the Governing Board on the CRMP and CEA mitigation interests and projects. She provided a slide presentation overview of the Earthquake Brace + Bolt (EBB), Single-Family Earthquake Soft-Story (ESS), and Earthquake Multi-Unit Retrofit (EMR) Grant Programs. She updated the Board on the CRMP Long-Range Strategic Planning process. She reviewed the mission, vision, and core values of the CRMP and

the CEA's commitment to mitigation through sustainable funding, disaster resilience, collaboration, and operational excellence.

Discussion

Ms. Palombo asked if contractors work on both the EBB and ESS programs.

Ms. Maffei stated not all contractors do ESS work because it typically requires heavy steel columns, proprietary reinforced masonry shear walls, and a larger crew.

Vice Chair Sittner asked about additional avenues to research for sustain funding.

Ms. Maffei stated staff is setting up a foundation, reaching out to technology companies and others, and looking into philanthropy and collaborative efforts.

Public Comment

There was no public comment.

6. CRMP Managing Director Stephanie Stephens will present the CRMP Mitigation (Earthquake Brace + Bolt) update.

Ms. Stephens updated the Governing Board on the CRMP and CEA mitigation interests and projects. She provided a slide presentation overview of the EBB, ESS, and EMR Grant Programs. She stated over 33,000 retrofits have been completed to date, including 2,913 supplemental grants paid and 52 retrofits completed and 138 in progress in ESS Program. She noted that retrofit grant funding is now available in 1,118 ZIP Codes.

Ms. Stephens stated a second registration period was opened August 20th that will close October 1, 2025, because it is unlikely that the FEMA 4308 grant will be extended and \$29 million in funds are still left in the program. Over 3,800 homeowners registered in the first week. She noted that this second registration period marked the first time that registration was opened to landlords.

Ms. Stephens provided an updated on the HMGP funding and the FEMA Building Resilient Infrastructure and Communities (BRIC) Grant funding. She reviewed the current status of FEMA funding and the ESS registration. She stated FEMA agreed to extend the grant another year or two. She stated appreciation for the great collaboration and quick turnaround provided by FEMA and Cal OES.

Ms. Stephens stated applications have officially been submitted for \$5 million in ESS, \$32 million in BRIC Phase II EMR, and \$30 million in EBB. She stated FEMA terminated the BRIC Program in April, which caused a loss of approximately \$33 million in Phase 2 funding for both EMR grants. California has joined 19 other states in filing a lawsuit against the current administration in response to termination of the BRIC funding. Earlier this month, a federal judge issued a preliminary injunction that the \$4.5 billion in terminated BRIC funding is not allowed to be reallocated until this law suit ends.

Discussion

Governing Board Members asked clarifying questions about the funding and the strategic planning process and thanked staff for the excellent work.

7. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.

There were no questions or comments from the public.

8. Adjournment.

There being no further business, the meeting was adjourned at 2:30 p.m.