

CRMP

California Residential Mitigation Program

A Joint Powers Authority

Date of Notice: Friday, May 16, 2025

PUBLIC NOTICE

A PUBLIC MEETING OF THE GOVERNING BOARD OF THE CALIFORNIA RESIDENTIAL MITIGATION PROGRAM

NOTICE IS HEREBY GIVEN that the Governing Board of the **California Residential Mitigation Program (CRMP)** will hold an open, teleconferenced meeting in Sacramento, California pursuant to Government Code section 11123.2. Members of the public may attend using the Microsoft Teams link, the dial-in number, or in-person at the teleconference location, each of which is provided below. A majority of the members of the board will be physically present at the teleconference location provided below in accordance with Gov. Code section 11123.2(j). The Bagley-Keene Open Meeting Act applies generally to meetings of the board, and the meeting is open to the public—public participation, comments, and questions will be welcome for each agenda item. All items are appropriate for action if the governing board wishes to take action. Agenda items may be taken out of order.

TELECONFERENCE LOCATION:

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

DATE: Tuesday, May 27, 2025

TIME: 1:00 p.m.

TEAMS ACCESS TO MEETING: *

By Computer (Open the Microsoft Teams App, or navigate to [Join a Microsoft Teams Meeting by ID | Microsoft Teams](#)):

Enter Meeting ID: 263 555 870 878 4

Passcode: QN24EM3v

Direct Link: [Join the meeting now](#)

Dial-in-Number: +1 323-886-4439 United States, Los Angeles (Toll)
Enter Conference ID Number: 576 185 186#

Public Participation: The telephone lines of members of the public who dial into the meeting to observe and comment will initially be muted to prevent background noise from disrupting the meeting. Public phone lines will be unmuted during all portions of the meeting that are appropriate for public comment, to allow members of the public to comment. Please see additional instructions below regarding Public Participation Procedures.

*CRMP may be unable to control unforeseen technical difficulties of the platform's audio feed of this meeting; if such technical difficulties occur, CRMP will take reasonable actions to resolve the technical difficulties to avoid disruption to public participation in the future. When required, CRMP will adjourn the meeting in accordance with Gov. Code section 11123.2(o).

PUBLIC PARTICIPATION PROCEDURES: All members of the public shall have the right to observe the meeting and offer comment during this meeting as outlined below. The acting Chair of the Governing Board will indicate when a portion of the meeting is to be opened for public comment. As indicated below, please register in order to provide comment. When it is your turn to comment, unmute your line, introduce yourself and proceed with your comment. The Chair of the meeting reserves the right to limit the time for comment. Members of the public should be prepared to complete their comments within approximately three (3) minutes, but more or less time may be allotted by the Chair.

- **If you wish to provide a public comment, please register with Maura White via email at mwhite@calquake.com at least one hour prior to the start of the meeting to ensure your participation.**
 - Any submitted email requesting to speak during public comment should include reference in the subject line of the email referencing this meeting, and the body of the email should specify if the comment is or is not regarding a specific agenda item.

ACCESSIBILITY ACCOMMODATIONS: Pursuant to the Americans with Disabilities Act, persons who need assistance in order to participate in this meeting should, prior to the meeting, contact Maura White via email at mwhite@calquake.com. We would appreciate hearing from you at least five (5) days before the meeting date to best allow us to meet your needs.

AGENDA:

1. Call to order and member roll call:

Lori Nezhura, Chair; Deputy Director, Cal OES

George Sittner, Vice Chair; Chief Insurance and Claims Officer, CEA

Eric Swanson, CRMP Board Member; Deputy Director of Finance and Administration, Cal OES

Tracy Palombo, CRMP Board Member; Reinsurance and Risk-Transfer Director, CEA

Establishment of a quorum

2. Consideration and approval of the minutes of the February 11, 2025, CRMP Governing Board meeting.
3. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of March 31, 2025.
4. CRMP Treasurer Benjamin Kirwan and CRMP Managing Director Stephanie Stephens will provide an update and seek direction from the Board on the CRMP funding and cash flow challenges.

5. CRMP Executive Director Janiele Maffei will present her executive report.
6. CRMP Managing Director Stephanie Stephens will present the CRMP Mitigation update.
7. CRMP Managing Director Stephanie Stephens will provide an update of the Business Plan for review and approval. Board to act on proposed revisions or provide direction.
8. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
9. Adjournment.

Inquiries/General Information:

Maura White

mwhite@calquake.com

**To view this notice on the CRMP website, please visit
www.californiarresidentialmitigationprogram.com/about-us/public-meetings**

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Persons with disabilities may request special accommodations at this or any future CRMP Governing Board meeting or may request the accommodation necessary to receive agendas or materials prepared for its board meetings.

Please contact Maura White by email at mwhite@calquake.com. We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.

NOTE: You might have received this notice because your name, or that of your organization, appears on a public-notice list maintained by the California Earthquake Authority. If, in the future, you do not wish to receive public notices pertaining to the California Residential Mitigation Program, please send your request by email to info@californiarresidentialmitigationprogram.com.

CRMP Governing Board Memorandum

May 27, 2025

Agenda Item 2: Consideration and Approval of Board Minutes

Recommended Action: Review and approve Board minutes

Background:

Approval of Board minutes from February 11, 2025.

Recommendation:

Staff recommends approval of the Board teleconference minutes from February 11, 2025.



Draft Meeting Minutes
are not available.

Please see CRMP Governing
Board Meeting
Approved Minutes.

CRMP Governing Board Memorandum

May 27, 2025

Agenda Item 3: Treasurer's Financial Update

Recommended Action: No Action Necessary

Background:

CRMP Treasurer, Ben Kirwan, will review the CRMP financial statements as of March 31, 2025.

Recommendation:

No action is necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING
Tuesday, May 27, 2025

California Residential Mitigation Program
Balance Sheet
As of March 31, 2025
Unaudited

Assets

Cash and cash equivalents	\$ 3,206,339
Accounts receivable	<u>11,842,513</u>
Total assets	<u><u>15,048,852</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>123,411</u>
Total liabilities	<u>123,411</u>

Fund Balance:

Unassigned	<u>14,925,441</u>
Total fund balance	<u>14,925,441</u>
Total liabilities and fund balance	<u><u>\$ 15,048,852</u></u>

California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Three Months Ended March 31, 2025
Unaudited

Revenues:

Contributions from other governments	\$ 5,196,795
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Total revenues	5,196,795
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Expenditures:

Administration and office expenses	74
Audit fees	10,500
Grants to homeowners	5,046,645
Inspection services	17,920
Insurance	23,760
Software and IT support	12,837
Legal services	7,573
Marketing services/program education	40,645
Call center	2,408
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Total expenditures	5,162,362
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Net change in fund balance	34,433
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Fund balance, beginning of year	14,891,008
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Fund balance, end of year to date	\$ 14,925,441
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California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2025 Budget Year
as of March 31, 2025

	2025 Actual Revenues and Expenditures	Approved 2025 Budget	Variance \$	%
Revenue				
FEMA ¹	\$ 5,196,795	\$ 16,495,000	\$ (11,298,205)	-68.49%
Contribution from Members	-	-	-	N/A
Total Revenue	\$ 5,196,795	\$ 16,495,000	\$ (11,298,205)	-68.49%
 CRMP Administration Expenses				
Administration & Office	\$ 74	\$ 4,100	\$ 4,026	98.20%
Board Services	-	2,000	2,000	100.00%
Call Center	2,408	6,500	4,092	62.95%
EBB Marketing/Program Education	40,645	550,000	509,355	92.61%
Financial Audit	10,500	67,500	57,000	84.44%
Home Inspection Services	17,920	250,000	232,080	92.83%
Insurance	23,760	95,000	71,240	74.99%
Legal Services	7,573	75,000	67,427	89.90%
Software/IT Support	12,837	109,700	96,863	88.30%
Travel	-	1,500	1,500	100.00%
Total Administration Expenses	115,717	1,161,300	1,045,583	90.04%
 Grants to Homeowners				
Grants to Homeowners - EBB	17,591	100,000	82,409	82.41%
Grants to Homeowners - BRIC 2021	-	500,000	500,000	100.00%
Grants to Homeowners - BRIC 2022	-	500,000	500,000	100.00%
Grants to Homeowners - FEMA 4308	4,894,298	14,000,000	9,105,702	65.04%
Grants to Homeowners - FEMA 4407 ESS	134,756	1,000,000	865,244	86.52%
Total Grants to Homeowners	5,046,645	16,100,000	11,053,355	68.65%
 Total Administrative and Grants to Homeowners	\$ 5,162,362	\$ 17,261,300	\$ 12,098,938	70.09%

¹ FEMA revenue is received on a reimbursement basis. The revenue represents the consumer incentives completed for the FEMA programs along with a portion of reimbursable administrative expenses for the FEMA programs. The FEMA revenue will be adjusted monthly to reflect the reimbursement.

CRMP Governing Board Memorandum

May 27, 2025

Agenda Item 4: Funding and Cash Flow Challenges

Recommended Action: Board to consider recommended Cal OES solutions to enhance CRMP Cash Flow to support and fund grants awarded by the CRMP Program.

Background:

CRMP operates the highly successful Earthquake Brace + Bolt (EBB) and Earthquake Soft-Story (ESS) programs, which provide grants to assist in paying for code-compliant seismic retrofits. These grants are provided to California homeowners whose houses are in areas of higher seismic risk.

CRMP funding is provided by annual voluntary contributions from California Earthquake Authority's (CEA) loss mitigation fund, and hazard mitigation assistance grants from FEMA.

Once awarded, FEMA grant money becomes available for reimbursement of eligible expenditures. Funding is first received by Cal OES and then transferred to the CEA after Cal OES' approval of CRMP's request for reimbursement. Once approved, CEA receives reimbursement checks in the mail, and the funding is wired to CRMP.

Analysis:

As of May 20, 2025, the receivable balance of \$10.6 million is due from Cal OES as reimbursement for the approved FEMA grants. The balance will be paid after Cal OES has approved several pending requests for reimbursement of eligible expenditures and CRMP's waiver of retention request is formally approved. In recent months, reimbursements have taken up to 100 days from the date of request to receive funding. The current balance due to CRMP is made up of the following submitted requests:

HMGP DR 4308 OUTSTANDING REIMBURSEMENT (AR) SCHEDULE

Period	Reimbursement Request	Date Req Submitted	Pay Notification	Days Outstanding
2/22/2025 - 2/28/2025	\$ 505,549.51	3/13/2025	5/13/2025	68
3/1/2025 - 3/7/2025	\$ 409,859.62	3/21/2025	5/13/2025	60
3/8/2025 - 3/14/2025	\$ 659,047.33	3/21/2025	5/13/2025	60
3/15/2025 - 3/21/2025	\$ 381,808.47	4/11/2025	5/20/2025	39
3/22/2025 - 3/28/2025	\$ 439,908.69	4/11/2025	Not Received	39
3/29/25-4/4/25	\$ 340,809.12	4/22/2025	Not Received	28
4/5/25-4/11/25	\$ 360,072.34	4/24/2025	Not Received	26
4/12/25-4/18/25	\$ 669,688.15	4/29/2025	Not Received	21
4/19/25-4/25/25	\$ 434,769.39	5/8/2025	Not Received	12
4/26/25-5/2/25	\$ 750,977.87	5/19/2025	Not Received	1
Total AR Due for 4308	\$ 4,952,490.49			

OUTSTANDING RETENTION DUE TO THE CEA

Program	Retention Due to the CEA	Date Req Submitted	Pay Notification	Days Outstanding
4308	\$ 4,959,208.29	4/7/2025	Not Received	43
4407 EBB	\$ 521,657.00	8/14/2024	Not Received	279
Total Retention Due for 4407	\$ 5,480,865.29			

HMGP DR 4407 ESS OUTSTANDING REIMBURSEMENT (AR) SCHEDULE

Period	Reimbursement Request	Date Req Submitted	Pay Notification	Days Outstanding
12/28/2024 - 3/28/2025	\$ 151,010.88	4/11/2025	Not Received	39
3/29/2025 - 5/1/2025	\$33,000.00	5/20/2025	Not Received	0
Total AR Due for 4407	\$ 184,010.88			
Grand Total AR Due to CEA	\$ 10,617,366.66			

Beginning in June 2025, Cal OES will be unable to submit requests for payment processing to the State Controller's Office (SCO) due to the annual budgeting moratorium. A realistic timeline to start receiving reimbursements from Cal OES/SCO could extend to the end of August 2025 if reimbursement requests are not processed prior to June.

In addition to grant payments to homeowners, EBB expenses include ongoing administrative and operational costs, marketing, and third-party evaluation services. Only a portion of these costs are reimbursed by the FEMA grants. As of May 15, 2025, the CEA Earthquake Loss Mitigation Fund has a balance of approximately \$5.8M and the Loss Mitigation Fund is expected to receive its annual set-aside of \$5M from the CEA in June 2025. CRMP has approximately \$4M in its account as of May 15, 2025, for grant and operating expense payments.

The inconsistent timing of when reimbursement requests are approved and subsequently paid is causing a strain on the staff of the CEA to confidently project the timing of future

cash in-flows. To help ensure CRMP's cash reserve will be sufficient to cover CRMP cash flow needs through the end of August 2025, the staff of the CEA will recommend a transfer of \$5M from the CEA's loss mitigation fund to CRMP at CEA's board meeting on June 24, 2025.

CRMP has awarded approximately \$45M in FEMA DR4308 EBB retrofits. There is a balance of approximately \$35M that is set to be awarded before the project's period of performance expires in February 2027. Funds not expended under DR4308 by this date will be returned to FEMA. In order for CEA to continue to meet its cash flow needs to fully administer the FEMA programs we request Cal OES implement the below recommendations.

Recommendation:

Staff recommend the Governing Board to consider and provide direction on the following recommendations to the Cal OES leadership:

1. Cal OES provide CEA with advancement of funds.
2. A percentage (recommend 5%) of all HMGP disaster funding be prioritized for CRMP.
3. Cal OES' Financial Processing Unit (FPU) implement a 2-week maximum turnaround time for payment notifications from submission of reimbursement requests.
4. CRMP's retention waiver request be formally approved and past due retention paid prior to June 2025 budget moratorium.

CRMP Governing Board Memorandum

May 27, 2025

Agenda Item 5: Executive Report by Executive Director Janiele Maffei

Recommended Action: No action required – information only

Background:

Executive Director Janiele Maffei will provide an update on the CRMP and CEA mitigation interests and projects.

Recommendation:

No action necessary.

CRMP Governing Board Memorandum

May 27, 2025

Agenda Item 6: California Residential Mitigation Program incentive programs
(CRMP Earthquake Retrofit Programs)

Recommended Action: No action required – information only

CRMP Retrofit Programs Overview:

As of April 27th, more than 30,730 residential seismic retrofits have been completed. This is an increase of 1,496 retrofits from the previous Governing Board meeting, 1,518 of which were completed under the various FEMA-funded HMGP programs.

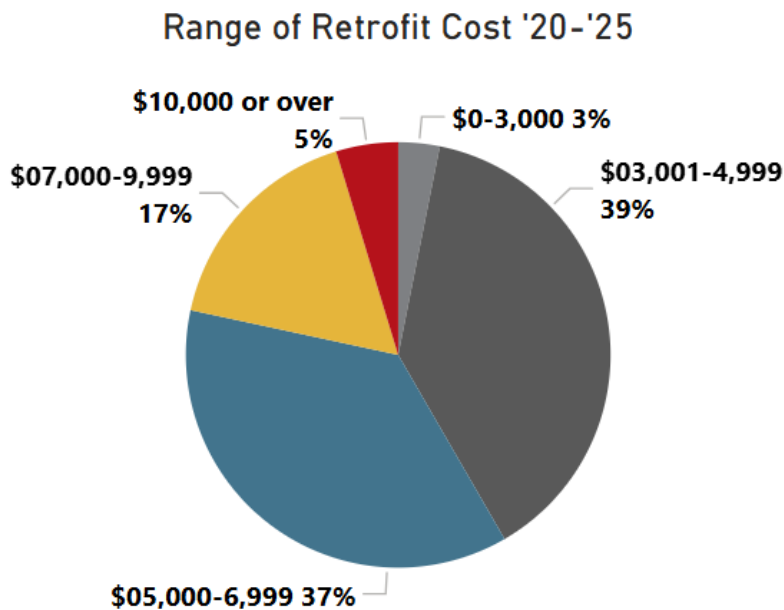
Earthquake Retrofit Programs 4/27/2025 CRMP and CEA by Program Cycle			
Program	Completed	In Progress	Status
2014-2018 EBB	7,598	N/A	Closed
FEMA Napa EBB	110	N/A	Closed
CEA BB	1,339	0	Open
CRMP 2019 EBB	629	3	Open
FEMA EBB – HMGP DR 4308, 4344, & 4407	21,012	2,721	Open
FEMA ESS – HMGP DR 4407	42	284	Open
Total	30,730	3,008	

Earthquake Brace and Bolt (EBB):

The 2025 launch campaign was scheduled to begin January 10, 2025, to promote the availability of EBB grants to eligible California homeowners in 1,183 ZIP Codes through earned media, social media, and direct mail. However, given the devastating wildfires that ravaged the Southern California area, CRMP made the decision to postpone the campaign to begin February 12, 2025. Though campaign efforts were postponed, CRMP successfully registered approximately 19,000 homeowners by close of the registration period for the EBB program.

CRMP began acceptance of the first registrant group on February 6, 2025, with 3,500 homeowners accepted into the program. CRMP was recently awarded the final \$27M of the DR4308 HMGP grant and have through February 2027 to expend the remaining funds.

The cost of EBB retrofits within specific ranges remained stable during this reporting period. For all retrofits completed, 79% cost \$6,999 or less, with the average remaining consistent at approximately \$6,144 statewide.



Earthquake Soft-Story (ESS):

In 2023, 530 homeowners initially registered for the ESS pilot program. Of these, 44 have successfully completed a retrofit and have been paid, an increase of 15 from the previous board meeting. There are 335 retrofits currently in process. The most recent registration to bring additional homeowners into the program opened October 15, 2024, and remains open on a rolling basis until we satisfy the funding threshold of the HMGP grant. Since the opening of the second registration period, 1,280 additional homeowners have registered and 643 have been accepted into the program.

Based on the average reimbursement of the first 44 completed ESS applications, ~430 retrofits could be completed with the available funds from the FEMA grant, though this number is subject to change as more retrofits are completed.

Future Funding Opportunities:

- HMGP DR4683 submitted in 2023: \$5M for the Earthquake Brace + Bolt (EBB) program – Approved. CRMP was notified by Cal OES on January 15, 2025, that this application was approved. Phase 1 program development has begun in the previous quarter with staff meeting with Cal OES representatives to outline next steps.
- Application submitted June 2024: \$5M for the Earthquake Brace + Bolt (EBB) program – Waitlisted.
- HMGP DR4769: Notified by Cal OES on May 19, 2025, that an EBB application was submitted to FEMA for funding for \$1.7M.
- HMGP DR4856 notice of funding opportunity was released April 2, 2025. The CEA submitted three notices of interest:
 - \$5M for Earthquake Soft-Story (ESS) program
 - \$32M for Earthquake Multi-Unit Retrofit (EMR) program. This request would replace the lost Phase 2 funding from the termination of the FEMA BRIC program
 - \$30M for Earthquake Brace + Bolt (EBB) program

Other Items of Interest:

- On April 4, 2025, FEMA terminated the BRIC program, resulting in the loss of ~\$33M in Phase 2 funds for both EMR grants.
 - CRMP spoke in support of the Assembly Joint Resolution (AJR) 11 – a non-partisan effort to urge the United States President and Congress to restore funding to the FEMA BRIC program – on May 12, 2025.

CRMP Governing Board Memorandum

May 27, 2025

Agenda Item 7: CRMP Business Plan

Recommended Action: Review and approve business plan

Background:

CRMP Managing Director Stephanie Stephens will present the business plan for Board approval. The plan was last presented to the Board at the February 2024 meeting and was approved. The Governing Board is required by the CRMP Joint Exercise of Powers Agreement to review and update the CRMP business plan annually.

An overview of the recommended changes are as follows:

1. Section 1 (page 1), as follows:
 - Remove unnecessary language from:
“Address other seismic-related ~~seismic~~ vulnerabilities, consistent with the CRMP program rules, which are promulgated from time to time.”
 - To:
“Address other seismic-related seismic vulnerabilities, consistent with the CRMP program rules, which are promulgated from time to time.”
2. Technical clean-up in Section 2A (page 6), as follows:
 - Remove/replace website links from:
“The CEA contributions will be used for the programs described at ~~www.earthquakebracebolt.com and www.earthquakesoftstory.com.~~”
 - To:
“The CEA contributions will be used for the programs described at www.crmp.org.”

Recommendation:

Staff recommends approval of changes, as noted above, to the current CRMP business plan.

*adopted 10/4/11
revised 6/11/12
revised 7/30/13
revised 7/15/14
revised 12/1/15
revised 5/16/17
revised 12/11/18
revised 9/15/2020
revised 2/22/21
revised 2/14/22
revised 5/30/23
revised 4/7/24*

Business Plan

California Residential Mitigation Program (CRMP)

1. Program Overview

Both the California Office of Emergency Services (Cal OES) and the California Earthquake Authority (CEA) are authorized to assist California dwelling owners who wish to retrofit their dwellings to protect against earthquake damage. The CEA and Cal OES entered into a joint exercise of powers agreement (“JPA”) to create the California Residential Mitigation Program (CRMP) to carry out a joint mitigation program.

The purpose of the CRMP program is to solicit, accept and disburse funds that will be used to provide grants and other types of assistance and incentives to the owners of residential buildings consistent with the JPA in California who wish to retrofit their dwellings to protect against earthquake damage.

The program’s focus is paying or reimbursing dwelling-retrofit expenses that:

1. strengthen crawl space walls to enable them to function as shear elements, significantly protecting the dwelling from collapsing;
2. bolt sill plates to the foundation, enabling the dwelling to remain in place, rather than sliding off the foundation during an earthquake;
3. strengthen soft, weak or open front- dwellings to decrease the risk of collapse; and
4. address other seismic-related ~~seismic~~-vulnerabilities, consistent with the CRMP program rules, which are promulgated from time to time.

A. CA Building Code for retrofitting existing residential buildings

The retrofit work funded by CRMP is to conform to California law and may also conform to other design guidance, as determined appropriate, and approved by the governing board from time to time, including but not limited to the latest edition of Chapters A3 and A4 of the California Existing Building Code; ASCE 41; FEMA P-807; and FEMA P-1100.

The retrofit work will also be subject to any more restrictive local requirements and to the permitting and building-inspection processes of local jurisdictions.

B. Contractors and Design Professionals training and requirements

I. Contractors:

A critical element of the CRMP program is to encourage and support work performed by private-sector contractors that have received FEMA-supplied, specialized residential-seismic-retrofit training. Accordingly, the program includes the following features.

1. Online videos and related tests to illustrate and instruct how to properly perform residential seismic retrofits that meet all applicable residential-seismic-retrofit building codes.
2. A public list of contractors that have one or more employees, workers, or other associated persons who have successfully completed the contractor-training videos and tests, made available online to dwelling owners.
3. A requirement that each listed contractor perform all program retrofit work in accordance with design guidance promulgated pursuant to Section 1(A) above and ensure that an employee, worker, or other associated person who has taken and successfully completed the contractor-training videos and tests oversees and approves all program retrofit work performed by the contractor.
4. A requirement that each listed contractor confirm that it is a licensed contractor in the State of California in good standing and that it will make available to CRMP, on request, evidence that it:
 - a. has in force a current California contractor's license (Class A or B only) in a field reasonably related to residential seismic retrofit work in California;
 - b. has in force a current construction bond that meets or exceeds the statutory requirement for such bonds;
 - c. retains evidence of current workers' compensation insurance for all employees of the contractor; and
 - d. demonstrates a commitment to work within the local jurisdiction's building-construction permitting and inspection processes.

5. Removal of a contractor from the CRMP list of contractors, at the sole discretion of CRMP, in the event CRMP determines that the contractor has failed to meet the requirements listed in (3) or (4) above or is using CRMP's trademark or anything similar to it or the phrase "Brace + Bolt" in a manner that implies to homeowners or the public that the contractor is affiliated with CRMP beyond being a CRMP-registered contractor.

II. Design Professionals (Architects and Engineers)

As a design professional, the following items are required to remain on the list of design professionals:

1. Is licensed in the State of California in good standing; and
2. A requirement that each listed design professional will make available to CRMP, on request, evidence that it:
 - a. performs all program retrofit work in accordance with design guidance promulgated pursuant to Section 1(A) above
 - b. retains evidence of current workers' compensation insurance for all employees of the design professional, if required; and
 - c. demonstrates a commitment to work within the local jurisdiction's building-construction permitting and inspection processes.

Removal of a design professional from the CRMP list of design professionals is at the sole discretion of CRMP, in the event CRMP determines that the design professional has failed to meet the requirements listed in (1) or (2) above or is using CRMP's trademark or anything similar to it or the phrase "Brace + Bolt" in a manner that implies to homeowners or the public that the design professional is affiliated with CRMP beyond being a CRMP-registered design professional.

C. Management team

CRMP is a legally separate entity from its members. It has a governing board consisting of two members appointed by CEA and two members appointed by Cal OES.

Overall responsibility for operations has been delegated by the governing board to the Executive Director in a governing board resolution authorizing the Executive Director to take all necessary and appropriate actions to implement the business plan adopted by the governing board as updated from time to time, with the following limitations:

1. obtain prior approval of the governing board for contracts that either (a) involve a cost or obligation to CRMP greater than \$100,000 annually (or if the contract is not for a set amount, where the obligation is likely to exceed \$100,000 annually);

- or (b) have a duration or likely duration greater than 12 months;
- 2. obtain prior approval of the governing board before commencing litigation or arbitration proceedings; and
- 3. obtain prior approval of the governing board for the annual budget of CRMP.

The Executive Director is authorized to operate CRMP within the framework established by law and the joint exercise of powers agreement that formed CRMP and in accordance with rules and policies adopted by the governing board, including the CRMP Procurement Guidelines and Contracting Manual and the CRMP Expenditures Procedures Manual.

The Executive Director is expected to:

1. endeavor continually to identify emerging legal, economic, political, social, technological, and marketplace trends that are likely to affect CRMP's fulfillment of its mission, its operations, solvency, and management and bring to the attention of the governing board all matters that are sensitive in nature or that have a significant policy impact;
2. advise the governing board on all matters pertaining to CRMP;
3. cooperate with and act as liaison between and among the governing board, the CRMP staff, the members of CRMP and their staffs, departments and agencies of the State of California, the Legislature, the Governor, the State Treasurer, the Insurance Commissioner, and other state officers;
4. present to the governing board (with recommendations for) policies, rules, and proposed actions to carry out the provisions of laws that apply to CRMP programs;
5. submit to the governing board reports, resolutions, and procedures, and make recommendations for legislative action on changes in CRMP's programs and efforts in connection with the laws that govern the administration of CRMP;
6. maintain membership in and participate in the proceedings of state, national and other organizations in the field of earthquake loss mitigation for the purpose of keeping abreast of developments in that field and any and all related fields or endeavors—membership and participation includes traveling to and attending meetings of those organizations, as appropriate, and the Executive Director may designate any staff members (or, as appropriate, a contracted CRMP vendor or consultant) to carry out these delegated duties;
7. in consultation with the governing board as needed, act as the primary spokesperson for CRMP to the public and appear before and offer testimony to Legislative committees and address other groups to inform them of the operations, programs, and policies of CRMP as well as positions taken by the governing board (if any) on proposed laws and other issues;

8. prepare proposed updates to the CRMP business plan no less frequently than annually and submit the updates to the governing board for consideration and approval;
9. oversee, direct, and monitor the performance of services from all CRMP contractors, vendors, consultants, and advisors;
10. accept service of summons and any other legal service of process for and on behalf of the governing board and CRMP;
11. execute all documents and authorize the issuance of instructions to accomplish the Executive Director's authorized responsibilities and duties;
12. report to the governing board on the grants applied for and received;
13. annually select and report to the governing board on the ZIP Codes in which dwelling owners will be invited to submit applications to participate in the CRMP program; and
14. annually notify the governing board of marketing plans for the CRMP program.

D. Governing Board

Under its overall authority and responsibility to administer CRMP, the governing board will retain the following powers:

1. deliberate on and adopt basic policy and policy initiatives of CRMP;
2. review and adopt the annual budget of CRMP and CRMP's cash-flow plan and approve significant budget and cash-flow plan changes;
3. review and adopt the CRMP business plan, approve significant deviations from or actions not in the plan, and review and update the business plan no less frequently than annually;
4. evaluate CRMP program results from time to time and make changes in the program that the governing board decides are appropriate;
5. approve contracts that fall outside the scope of authority delegated to the Executive Director;
6. conduct, or delegate responsibility for, annual performance reviews of key staff; and
7. review and approve litigation and arbitration proceedings.

CRMP may employ or contract staff and consultants as required to administer the program and may contract with private-sector and other organizations to provide goods and

services. Management oversight of the program will be provided by the governing board of CRMP through the chief mitigation officer of the CEA, serving as CRMP Executive Director. Cal OES, through its seats on the governing board, will have input into the direction taken by CRMP. No staffing will be provided by Cal OES.

Under California law, the debts, liabilities, and obligations of CRMP will not be debts, liabilities, or obligations of either of its members. CRMP will purchase insurance, including tort-liability insurance and errors and omissions insurance for CRMP, its members, its officers and employees, and the officers and employees of the CEA who provide services to CRMP and cyber insurance. CEA and Cal OES will be named in the tort liability insurance policy as additional insureds. The terms and cost of such insurance must be acceptable to the CEA and to Cal OES.

2. Program Funding

Funding for CRMP will be provided by voluntary advances, contributions, or grants. Funds from each funding source will be identified and tracked in a manner that permits CRMP to separately account for funds from each funding source. CRMP's program rules will be modified as necessary to reflect restrictions and requirements relating to new funding sources.

A. CEA contributions

CEA plans to continue to contribute funds to CRMP in support of the CRMP program from CEA's Earthquake Loss Mitigation Fund. CEA also has contributed to CRMP the use of personnel, equipment and property. The amount and timing of CEA contributions is within the sole discretion of CEA. Funding provided by CEA may be used for CRMP administrative and operating expenses in addition to direct program expenses. The CEA contributions will be used for the programs described at www.crmp.org www.earthquakebracebolt.com and www.earthquakesoftstory.com.

B. Multi-Hazard Mitigation Plan and FEMA grants

Cal OES will maintain the State of California Multi-Hazard Mitigation Plan, which is required by federal law for the State to receive federal funds for mitigation, disaster recovery, and fire suppression. Cal OES shall not contribute to the CRMP funds appropriated to Cal OES in the state budget for administrative or operations costs except for funds provided by FEMA or other grant programs. Cal OES, CEA, and CRMP plan to seek federal funding under FEMA's hazard mitigation assistance grant programs and other FEMA funding sources.

C. Other third-party funding

Funds for the CRMP program will be sought from state and other sources and will be accepted if the funding source and any accompanying restrictions and requirements are approved by the governing board of CRMP with the prior written consent of CEA and Cal OES.

3. Other Programs

The CRMP program will not preclude Cal OES or CEA from establishing and operating other mitigation projects or programs.