



**BOARD OF DIRECTORS MEETING- HYBRID
FINAL - OPEN SESSION MINUTES**

May 22, 2024 10:08 AM – 12:03 PM (PST)

Meeting Location: Sacramento, CA

Board Present: Pat Frost, Rex Frazier, David Horne, Chris Anthony, Chris Ochoa, Troy Whitman

Staff Present: Jacy Hyde, Felicia Dunn, Becca Joyner, Julia Marsili, Jeremy Boone, Clayton Eckstein, Nina Evans, Faby Garcia Lopez, Jessica Martinez, Britney Munoz

Guests Present: Seth Schalet (Santa Clara County FSC; Potential New Board Member)

PAT FROST, DAVID HORNE, CHRIS ANTHONY, CHRIS OCHOA, AND TROY WHITMAN JOINED AT 10:08 AM- NO QUORUM ESTABLISHED (5)

MEETING CONVENED AT 10:08 AM

I. Welcome- Roll Call

A. Agenda Review

Agenda modified due to initial lack of quorum; order of agenda items is accurately reflected in the meeting minutes. Pat Frost provided a logistics overview for the Board Meeting and participants introduced themselves.

III. Standing Agenda Items

A. Executive Director Report

Jacy Hyde provided an organizational update:

Business & Operations Report

With the close of the 2021 Audit, Fiscal Year 2022 and 2023 can be reconciled and closed by June 30, 2024. Financial process improvements are ongoing; implementation of Bill.com and new accounting platform is forthcoming. Jacy Hyde presented an overview of the 2024 hiring plan and current vacancies, discussion ensued.

Clearinghouse Report

The organization currently manages 13 master grants with 113 sub-grantees. An overview of major master grants was provided; discussion ensued regarding seeking sustainable funding sources for current grant programs. A contracted grant writer is engaged and is currently prospecting for additional funding opportunities. Grant writing efforts will align with the new Development Director's fundraising strategies. Discussion ensued regarding tracking methods for the California Governor's Office of Emergency Services' LISTOS grant program. The Forest Service decided to administer the 2024 Community Wildfire Defense Grant Program funds internally due to a smaller than expected allocation to California and increased FS staffing; they are no longer requesting CFSC's support. Conversations are ongoing with other stakeholders regarding future administration of the program and potential improvements to community wildfire defense strategies in California.

Programs & Outreach Report

Northern California Regional Coordinator vacancy; Southern California Regional Coordinator is continuing Quarterly and Monthly Regional Coordination Calls and assisting with site visits. Fabiola Garcia Lopez has joined the organization as the Programs Administrative Assistant. The 2023 Southern California Edison Home Hardening Program has been launched with a first-year focus on program planning. The program will initially target Santa Barbara and Ventura Counties. Discussion ensued regarding potential evaluation metrics and program alignment at a state and local level.

Communications Report

Communication Specialist vacancy. Annual Reports for Fiscal Year 2021 and 2022 to be completed by the end of June. Mitigation Messenger Summer 2024 edition to be released.

Jacy Hyde will present an updated organizational chart with the onset of multiple vacant positions.

D. Legislative Bill Introductions Update

Chris Ochoa provided an overview of legislative bill introductions. Legislation and grant funds are likely to be impacted due to the California State Budget deficit. All bills that were not held in committee or in Suspense File are active. Discussion ensued regarding bills that were likely to pass and the related impacts. AB 3150 is sponsored by the California Building Industry Association (CBIA); discussion ensued regarding state fire mapping. SB 946 has a potential impact on the Home Hardening program. Seth Shalet inquired about SB 1060, introduced by Senator Becker. Discussion halted due to establishment of quorum.

REX FRAZIER JOINED AT 11:04 AM- QUORUM ESTABLISHED (6)

I. Welcome- Roll Call

B. Approval of Past Minutes – Open Session

February 21, 2024 Open Session Minutes.

(01) Motion to approve the February 21, 2024 Open Session Minutes by Troy Whitman, seconded by Chris Ochoa- unanimous approval

II. Open Session

A. Director Nomination- Seth Schalet

[Seth Shalet was interviewed as a potential new Board Member during the February 21, 2024 Board meeting. Seth was nominated for a Board Member position with the California Fire Safe Council during the April 17, 2024 Executive Committee Meeting by David Horne, seconded by Laura Blaul, with unanimous approval.]

Seth Shalet clarified his current level of involvement regarding Board and Volunteer service.

(02) Motion to seat Seth Schalet as a California Fire Safe Council Board Member by Chris Ochoa, seconded by Troy Whitman- unanimous approval

SETH SCHALET JOINED THE BOARD OF DIRECTORS; QUORUM MAINTAINED (7)

B. Final 2021 Audit and Corrective Action Plan

The 2021 Audit has been finalized as of May 7, 2024 and uploaded to the audit clearinghouse. Ten findings included material weaknesses, significant deficiencies, and an adverse opinion on a major federal program. The California Fire Safe Council has been working closely with Clark Nuber to

implement Corrective Action Plan by June 30, 2024. Negotiated Indirect Cost Rate Actuals for 2021 to be submitted to the United States Forest Service as soon as possible.

C. 2022 and 2023 Audit Contract Authority and Allocation

The 2022 and 2023 Audits are to be executed in tandem beginning in July 2024 with a completion deadline of September 30, 2024 for both audits.

[A motion was made to recommend to the Board to allocate up to \$150k for the completion of the 2022 and 2023 Audits during the May 13, 2024 Finance Committee Meeting by Pat Frost, seconded by Troy Whitman, with unanimous approval.]

(03) Motion to grant authority to procure a contract and allocate up to \$150k for the completion of the 2022 and 2023 Audits by David Horne, seconded by Chris Ochoa- unanimous approval

III. Standing Agenda Items

B. Financial Report

David Horne provided an overview of outcomes from the Finance Committee Meeting on May 13, 2024. David Horne and Jacy Hyde are in communication on how to present the Financial Report to the Board moving forward.

C. Q1 Income Statement

Jacy Hyde provided an overview of the Q1 Income Statement on behalf of Joel Rusco (Chief Financial & Administrative Officer). The Indirect Cost Rate for the first quarter was 20%; however, the rate is highly dependent on the receipt of funds from grantors and the spending rates of subgrantees. \$2M in spending in April reduced the rate shortly after the close of Q1. CFSC is working to increase the predictability of subgrantee of spending by implementing new invoicing policies within the Clearinghouse Department to make payments more regular, which will increase the stability of the Indirect Cost Rate. Jacy Hyde provided an overview of the organization's relationship with the United States Forest Service, which serves as the cognizant agency.

[A motion was made to accept and present the Q1 Financial Report to the Board of Directors during the Q2 May 22 Board Meeting during the May 13, 2024 Finance Committee Meeting by Kate Dargan, seconded by Angie Gibson, with unanimous approval.]

(04) Motion to approve the Q1 Financial Report by David Horne, seconded by Chris Ochoa- unanimous approval

III. Standing Agenda Items

D. Legislative Bill Introductions Update-Continued

Discussion of SB 1060 continued, especially regarding data collection methods and alignment to existing insurance standards. Chris Ochoa will add to the Legislative Bill list for monitoring and future discussion.

IV. Closed Session

(05) Motion to Close Open Session and Open Closed Session by David Horne, seconded by Troy Whitman- unanimous approval

CLOSED SESSION BEGAN AT 11:39 AM

V. Reconvene Open Session

OPEN SESSION RECONVENED AT 11:53 AM

REX FRAZIER LEFT DURING THE CLOSED SESSION AT 11:50AM- QUORUM MAINTAINED (6)

Pat Frost shared outcomes from the Closed Session: Board Members received information regarding the forensic assessment and 2021 audit governance letter.

A. Announcements

No announcements.

VI. New Business

A. Future Board Meeting Agenda Items

The Q3 Board Meeting in August will be hosted virtually.

VII. Wrap-up and Adjourn

(06) Motion to adjourn the May 22, 2024 Board Meeting at 12:03 pm by Troy Whitman, seconded by David Horne - unanimous approval

MEETING ADJORNED AT 12:03 PM

Next Meeting: August 21 at 10:00am