



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

August 21, 2024 10:04 AM – 12:14 PM (PST)

Meeting Location: Virtual

Board Present: Pat Frost, Kate Dargan, David Horne, Angie Gibson, Chris Anthony, Frank Bigelow, Chris Ochoa, Seth Schalet, Troy Whitman

Staff Present: Jacy Hyde, Felicia Dunn, Melanie Hogan, Jessica Martinez, Joel Rusco, Annie Granucci, Becca Joyner, Julia Marsili, Clayton Eckstein, Gabriela Erazo Smith, Nina Evans, Faby Garcia Lopez, Chris Lozano, Jamie Mach, Bethany Perez

PAT FROST, KATE DARGAN, DAVID HORNE, ANGIE GIBSON, CHRIS ANTHONY, FRANK BIGELOW, CHRIS OCHOA, SETH SCHALET AND TROY WHITMAN JOINED AT 10:04 AM- QUORUM ESTABLISHED (9)

MEETING CONVENED AT 10:04 AM

I. Welcome

A. Agenda Review

No changes are needed.

II. Approval of Past Minutes – Open Session

May 22, 2024, Open Session Minutes

(01) Motion to approve the May 22, 2024, Open Session Minutes by Seth Schalet, seconded by Chris Ochoa- unanimous approval

III. Standing Agenda Items

A. Executive Director Report

Jacy Hyde provided an organizational update:

Business & Operations Report

The Fiscal Year 2022/2023 Audits are being conducted in tandem by the audit firm CliftonLarsonAllen; reports for both years are expected by the end of September 2024. Findings are expected as the Corrective Action Plan for 2021 was not fully implemented until June 30, 2024. Once the Draft Audit Report is received, the Executive/Audit Committee will meet for preliminary approval and the report will be presented and ratified at the Q4 Board Meeting.

In Q2, CFSC hired a Chief Development Officer (Melanie Hogan), Finance Manager (Annie Granucci) and Grant Specialists at various levels (Christopher Lozano, Gabriella Erazo, Clayton Eckstein). Hiring is ongoing for vacant positions; Jacy Hyde to present an updated organizational chart at the Q4 Board Meeting. All vacant positions have been pre-approved in grant budgets.

Clearinghouse Report

Jacy Hyde provided an overview of the Master Grants and Subgrants currently managed by CFSC. Current Master Grants include 2022 Wildfire (California Department of Forestry and Fire Protection- CAL FIRE), 2022BLM (Bureau of Land Management), State Fire Assistance (SFA) and State Fire Capacity (SFC) Grant Programs (United States Forest Service- USFS) and 2023SCE and 2023SCE Home

Hardening Pilot Program (Southern California Edison- SCE). Discussion ensued regarding the 2022 Wildfire Master Grant and ongoing funding opportunities for the County Coordinator program. Frank Bigelow spoke on behalf of CAL FIRE regarding the funding process and next steps for the County Coordinator program, highlighting the importance of alleviating gaps in service. There is potential to strategically align and coordinate with CAL FIRE if Climate Bond funding becomes available. Discussion ensued regarding program evaluation for the County Coordinator grant program and leveraging data to create a narrative that supports ongoing community engagement and funding opportunities.

Recently closed grants include the 2021 County Coordinator (CAL FIRE) and 2020 Defensible Space (CAL FIRE) grant programs. The 2021 County Coordinator grant funded 24 subrecipients (\$175k) across CAL FIRE's Northern Region. Throughout the duration of the project, County Coordinator grant writing efforts raised over \$71 million for local communities and 87 new wildfire mitigation groups were formed. Discussion ensued regarding Defensible Space treatments of 0-5 feet.

The National Fish and Wildlife Foundation (NFWF) terminated the 2020 grant program effective 8/2/24 in response to the FY21 single audit findings. CFSC was required to subsequently terminate all subawards under the grant. The grant will be fully closed Sept 16, 2024. Discussion ensued regarding Corrective Action Plan implementation, maintaining a relationship with the funder and documenting conversations for future reference.

CFSC is pursuing multiple grant opportunities, including the Environmental Protection Agency's (EPA) Community Change Grant, in partnership with Butte County Fire Safe Council. Resources Legacy Fund invited CFSC to apply for a \$100k grant to support advocacy efforts. Discussion ensued regarding potential methods of implementation; Kate Dargan suggested partnering with Megafire Action. Jacy Hyde is submitting the grant application on August 27. Conversations are ongoing to secure 2024 SCE funding. CFSC was not awarded the 2024 CAL FIRE Prevention Grant. Contracted grant writer WRA Environmental Consultants continue to help research and secure additional funding.

Programs & Outreach Report

The Programs & Outreach Team supported new and upcoming Fire Safe Councils and connected Ed Fletcher, Information Officer of CAL FIRE, with County Coordinators to amplify mitigation and preparedness messaging across the state. Local Fire Safe Councils in the Sierra Madre Region were provided resources and training by the California Association of Resource Conservation Districts (CARCD).

CHRIS ANTHONY LEFT AT 10:40AM- QUORUM MAINTAINED (9)

Communications Report

Media to be released in Q3 includes a promotional video for the County Coordinator program, updated Evacuation Pocket Guide, Mitigation Messenger, and Annual Reports for 2021 and 2022. Communications and media engagement training to be conducted in Q3 for key staff and County Coordinators in coordination with Topo Collaborative, CFSC's communications contractor.

Development Report

Melanie Hogan is developing procedures and tools for fundraising. Historic organizational giving (since 2021) has been assessed and all gifts are being entered into the current development software, EveryAction. The PayPal website donation form has been replaced by a form generated by EveryAction.

B. Corrective Action Plan Update (2021)

The Corrective Action Plan for the FY21 Audit has been implemented as of July 30, 2024. New policies have been issued and are being operationalized and implemented internally. Several additional improvements, such as implementing Bill.com and hiring additional staff within the Finance department, are ongoing. Clark Nuber is continuing to review existing policies and procedures.

C. Q2 Financial Report (David Horne & Joel Rusco)

Joel Rusco presented the Q2 Financial Report; special attention was given to the amount spent to date against the IDC rate. Subaward disbursements were delayed due to the finalization of the FY21 Audit. Joel Rusco is in communication with Clark Nuber to establish key performance indicators to spend funds at a predictable rate.

Discussion ensued regarding CFSC's Negotiated Indirect Cost Rate (NICRA). The 2021 Final NICRA has been received from the USFS on August 9, 2024. Once the FY 22/23 Audit concludes, the final NICRA packages will be submitted. The provisional NICRA for 2024 is up to date. The USFS is CFSC's current cognizant agency, the federal agency that grants CFSC the greatest amount of funds for three consecutive years. Considerations will be needed if funding increases from other federal agencies, such as BLM and the EPA. The contact at USFS responsible for negotiating the special provisions for CFSC's NICRA retired and the successor has not been identified. Communications to resume with the USFS once the FY22/23 Audits conclude.

(02) Motion to approve the Q2 Financial Report by Angie Gibson, seconded by Chris Ochoa-
unanimous approval

Additional financial information included in Q3 Board Packet.

CHRIS ANTHONY RETURNED AT 10:55AM- QUORUM MAINTAINED (9)

D. Legislative Bill Introductions Update (Chris Ochoa)

Chris Ochoa provided an overview of tracked legislative bills as of July 10, 2024. Many bills were impacted due to budgetary implications and the appropriations review process. Several bills are still alive including AB2416, AB2968, AB2983, SB571, SB946, SB1003 and SB1152. An updated list will be compiled and presented at the upcoming Legislative Task Force Meeting. The California Building Industry Association (CBIA) sponsored two bills AB3150 and SB610. These bills were held up in Suspense and are dead for 2024. Both bills were concerned with the Fire Hazard Severity Zone Mapping. As these bills did not pass, the focus will remain on local mapping efforts.

IV. Consent Agenda

A. IT Contract

With the recent vacancy of the internal IT Data Administration Manager, a proposal was presented to the Executive Committee during a recent Executive Committee Meeting to procure a contract to outsource the organization's Information Technology function.

[During the August 7, 2024 Executive Committee Meeting, a motion was made by Angie Gibson and seconded by Laura Blaul to allocate up to \$50k annually for external IT services and authorize CFSC staff to procure and execute an outsourced IT contract; this motion passed with unanimous approval.]

(03) Motion to approve the Consent Agenda and ratify the decision to allocate up to \$50k annually for external IT services and authorize CFSC staff to procure and execute an outsourced IT contract by David Horne, seconded by Kate Dargan- unanimous approval.

V. Open Session

A. 2021 Final NICRA

The 2021 Final NICRA has been received from the USFS on August 9, 2024. The provisional NICRA was 18%; the final rate is 14.32%. The unspent indirect funds will need to be returned to the federal agencies. David Horne has allocated funds within the Wells Fargo bank account to cover these costs.

B. Clark Nuber Contract Augmentation

CFSC proposes to increase Clark Nuber's total contract allocation limit up to \$350k. Additional allocation of funds supports an investment in CFSC's goal to secure internal financial processes by 2025. As there are current vacancies within the Finance Department, there is an opportunity to re-allocate unused funds to the Clark Nuber contract. With support and training from Clark Nuber, the Finance Team should be independent by 2025, and Clark Nuber will transition away from managing operations the organization and into an advisory role. Although there was not a quorum during the August 8 Finance Committee Meeting, Pat Frost, Kate Dargan and Rex Frazier support a motion to augment the Clark Nuber contract accordingly.

(04) Motion to authorize a total expenditure of up to \$350K for the Clark Nuber contract by Troy Whitman, seconded by Chris Ochoa- unanimous approval.

C. Account Payable Platform Policy Update

CFSC proposes to update the Financial Manual to account for implementation of Bill.com and delegate authority to staff to release more outgoing payments. Jacy Hyde provided an overview of the proposed payment approval process. Updates will improve record keeping and internal controls, enhance coordination with auditors, and reduce manual data entry. David Horne attended a Bill.com demo with Pat Frost and Jacy Hyde to learn more about the platform and the approval process functionality. CFSC will operate with a stricter payment release approval process than is written in the policy during the implementation phase, with the Treasurer releasing the largest outgoing payments. Once the new system is implemented and tested, authority to release all payments will be fully delegated to the staff in accordance with the approval process in the new policy.

(05) Motion to approve the outgoing payment process and policy language in Finance Manual by David Horne, seconded by Kate Dargan- unanimous approval.

D. Accounting System Proposal

CFSC has utilized AccuFund as its financial software for the past decade and is looking to invest in new software that has increased automation, interfaces with other systems, and has the reporting capabilities required for compliance. CFSC proposes purchasing a new accounting software package, with the goal of implementing it for use in FY2025. Although initial quotes indicate an increase in licensing fees (about \$30k more per year), the increased automation would reduce the need to hire employees for data entry and reporting tasks. Discussion ensued regarding assessing and updating CFSC's chart of accounts as necessary.

(06) Motion to approve Authorize CFSC to procure new accounting software, with up to \$40K in implementation fees and \$40K in annual licensing by Chris Ochoa, seconded by Troy Whitman-unanimous approval.

E. Development Priorities Discussion

Melanie Hogan is currently pursuing possible Development priorities including a Vendor List Program Plan, Corporate Partner Program, foundation grants, Membership Model for Fire Safe Councils and public grant applications.

Melanie Hogan presented the Vendor List Program Plan. This plan would raise funds for CFSC while providing opportunities for businesses to connect directly with local organizations. Discussion ensued regarding two potential models: an Approved Vendor List and a Hosted Vendor List. Chris Anthony inquired about soliciting fire technology companies to maximize potential revenue and impact. Melanie Hogan agreed on researching additional vendor types, keeping in mind the types of vendors grantees are interested in connecting with and potential business offered by local organizations.

Discussion ensued regarding the vendor selection process. Several Board Members highlighted the need for prudence to preserve the organization's reputation and relationships with local communities. Potential liability mitigations include developing standards and criteria when assessing potential vendors. Frank Bigelow provided an overview of CAL FIRE's Building Materials Listing as an example of a similar program that has been successful. Angie Gibson provided an overview of Pacific Gas & Electric Company's (PG&E) internal review process for evaluating and accepting vendors to act on PG&E's behalf. Melanie Hogan discussed program implementation timeline and deliverables.

F. Legislative Action Task Force Update

The Legislative Task Force is continuing conversations about the Climate Bond and potential County Coordinator grant program funding opportunities. Resources Legacy Fund invited CFSC to apply for a \$100k grant to support advocacy efforts. Jacy Hyde is submitting the grant application on August 27; Board Member biographies are needed for supporting documentation.

G. Schedule Mid-Cycle Executive Committee Meeting for Audit

Felicia Dunn to schedule calendar holds for an Executive/Audit Committee Meeting to review and approve draft 22/23 Audit report.

VI. Informational Items

A. 2023/2024 USFS Subawards

Information regarding 23/24 State Fire Capacity (USDA Forest Service) Selected Proposals has been issued in the Board Packet.

B. Injury and Illness Prevention Program

The Injury and Illness Prevention Program has been fully implemented for California Fire Safe Council employees.

VII. New Business

A. Announcements

Felicia Dunn reminded Board Members to submit their professional bios by August 23; requests were sent to Board Member's CFSC emails.

Chris Anthony and Kate Dargan are involved in Earth Fire Alliance's FireSat program; Google to release media featuring Kate Dargan on September 15 ([Newsroom \(earthfirealliance.org\)](https://www.earthfirealliance.org/newsroom))

Several Board Members have conflicts during the date calendared for the Q4 November Board Meeting (November 13, in person at the California Fire Safe Council's Sacramento office). Felicia Dunn will send out a poll to all Board Members and reschedule this meeting (potential dates of November 14 or 15).

B. Future Board Meeting Items

The 22/23 Draft Audit Report and updated organizational chart are to be presented during the Q4 Board Meeting, as discussed during the III. Standing Agenda Items: A. Executive Director Report.

VIII. Wrap-up and Adjourn

**(07) Motion to adjourn the August 21, 2024 Board Meeting at 12:14 PM by Angie Gibson,
seconded by Chris Ochoa- *unanimous approval***

MEETING ADJORNED AT 12:14 PM

Next meeting TBD