



State Of California

# SEISMIC SAFETY COMMISSION

*Arnold Schwarzenegger, Governor*



Lawrence Klein  
*Utilities*  
*Chairman*

Dr. Lucy Jones  
*Seismology*

Hon. Richard Alarcon  
*State Senate*

Chris Modrzejewski  
*Senate Representative*

Hon. Mark Church  
*County Supervisor*  
*Local Government*

Dr. Bruce Clark  
*Geology*

Hon. Carol Liu  
*State Assembly*

Donald Manning  
*Assembly Representative*

Celestine Palmer  
*Insurance*

Daniel Shapiro  
*Structural Engineering*

Keith Wheeler  
*(Emergency Services)*

Gary McGavin  
*Architectural Planning*

Jeff Sedivec  
*Fire Protection*

Dennis Mileti  
*(Social Services)*

Arul Arulmoli  
*Soils Engineer*

Richard McCarthy  
*Executive Director*

Seismic Safety Commission  
Minutes of Meeting  
January 12, 2006  
State Capitol, Room 4202  
Sacramento, California

## Members Participating

Lawrence T. Klein, Chair  
Kandiah (Arul) Arulmoli  
Bruce Clark  
Mark Church  
Lucy Jones  
Don Manning  
Gary McGavin  
Dennis Mileti  
Celestine Palmer  
Daniel Shapiro  
Keith Wheeler

## Members Absent

Senator Richard Alarcon/Chris Modrzejewski  
Jeff Sedivec

## Staff Participating

Richard McCarthy, Executive Director  
Karen Cogan, Executive Assistant  
Henry Sepulveda, Director of Legislation

## I. CALL TO ORDER/ROLL CALL

The meeting of the Seismic Safety Commission was called to order by Commission Chairman Lawrence Klein at 10:01 a.m. Executive Assistant Karen Cogan called the roll and confirmed the presence of a quorum.

## II. CHAIRMAN'S REMARKS

Chairman Klein commended the staff and Tsunami Committee members for the recently released Tsunami Report. He noted the report was well received by members of the press and public.

### III. APPROVAL OF DECEMBER 8, 2005 MEETING MINUTES

ACTION: Commissioner Mark Church made a motion, seconded by Commission Don Manning, that:

*The Commission approve the December 8 meeting minutes as submitted.*

\* Motion carried, 11-0

### IV. COMMITTEE REPORTS

#### *Commercial Property Owner's Guide Committee*

Executive Director Richard McCarthy recommended that the Commission appoint a committee to work on updating the *Commercial Property Owner's Guide to Earthquake Safety* (COG). He suggested coming back to this item at the end of the meeting.

### V. EXECUTIVE DIRECTOR'S REPORT

#### **Budget**

Mr. McCarthy drew attention to the budget reports in the meeting packet. He noted staff projects a year-end reserve of about \$9,000. He said expenditures and revenues appear to be on target at this point.

Mr. McCarthy advised that the San Francisco Public Utilities Commission (SFPUC) review project will be coming to the Commission within a few weeks. He said the Seismic Safety Commission will receive reimbursement for services and expenses associated with the task.

#### **FEMA Appeal**

Mr. McCarthy reported that the staff submitted travel documentation of the Office of Emergency Services (OES) for transmission to the Federal Emergency Management Agency (FEMA). He said he will provide a briefing at the next meeting about the Commission's response options.

#### **Contract with Public Entity Risk Institute**

Mr. McCarthy thanked Commissioner Dennis Mileti for his assistance in obtaining a \$10,000 grant to develop a seismic safety timeline for the April meeting at the mega-conference in San Francisco. He invited Commissioner Mileti to discuss the contract in more detail.

Commissioner Mileti said the firm of Claire Rubin & Associates proposes to develop a fold-out poster showing a 100-year timeline of significant state and federal seismic safety achievements. He noted the Public Entity Risk Institute has agreed to fund the project and is awaiting receipt of the proposal. He recommended Commission approval.

ACTION: Commission Gary McGavin made a motion, seconded by Commissioner Mark Church, that:

*The Commission approve the proposal as described.*

\* Motion carried, 11-0

Mr. McCarthy expressed his appreciation to Commissioner Mileti for his efforts.

**CEA Proposal: *Homeowner's Guide to Earthquake Safety, Volume 2, Nonstructural Components and Contents***

Mr. McCarthy introduced and welcomed Dr. Guna Selvaduray, Collaborative for Disaster Mitigation, San Jose State University, and invited him to discuss a proposed addition to the *Homeowner's Guide*.

Dr. Selvaduray reported that the California Earthquake Authority (CEA) issued a request for proposals related to personal property mitigation. He suggested submitting a proposal to develop a second volume to the *Homeowner's Guide* dealing with nonstructural components and building contents. He noted that if project funding is approved, the Commission can establish a committee to work on this project.

Dr. Selvaduray proposed creating a document following the format used for the *Homeowner's Guide*, describing each problem, and then giving solutions. Commissioner Dan Shapiro commented that most earthquake injuries are caused by nonstructural elements. He expressed his opinion it was worthwhile to compile advice and information for homeowners to accompany the *Homeowner's Guide*.

Mr. McCarthy noted that his process will probably take a bit longer than the *Homeowner's Guide* update because the material needs to be developed from scratch.

Dr. Selvaduray requested that the Commission authorize him to write a proposal for CEA.

ACTION: Commissioner McGavin made a motion, seconded by Commissioner Mileti, that:

*The Commission endorse the concept of developing a Volume II on Nonstructural Components and Building Contents and authorize Dr. Selvaduray to work with the Commission to write a proposal.*

\* Motion carried, 11-0.

**Website Update**

Mr. McCarthy drew attention to the latest statistics on Website usage. He noted the Commission's Website receives an average of 193,000 hits per month, and many people have been downloading copies of the Tsunami Report and the *Homeowner's Guide*.

**Department of Insurance Report**

Mr. McCarthy noted the Department of Insurance's annual assessment report in the meeting packet. He said this topic will be discussed in more detail at the next meeting.

## **February Meeting**

Mr. McCarthy reminded commissioners that the February meeting will be held in Los Angeles at the City Council Chambers.

## **Appointments with Legislators**

Mr. McCarthy asked Mr. Henry Sepulveda to discuss the upcoming appointments with legislators.

Mr. Sepulveda noted the schedule calls for four commissioners to participate in 30 minutes over a three-day period from January 17 through January 19. He said he was still trying to arrange visits with Senator Speier and Senator Alquist. Mr. Sepulveda invited other interested commissioners to participate.

Mr. Sepulveda advised that the Urban Search and Rescue Committee will be reconvening on January 20 to update its 2003 report. He said Commissioner Manning and Commissioner Jeff Sedivec plan to attend, as well as former Commissioner Don Parker. He welcomed others to join the meeting as well.

## **SFPUC Water Delivery Project Seismic Retrofit Review**

Mr. McCarthy noted that Commission will have 90 days to review the updated retrofit plans. He said the Commission is likely to receive the document sometime in January, conduct briefings at the February, March, and April meeting, and take action at the April 17 meeting.

## **VI. COMMISSION RESPONSE TO STATE AND CONSUMER SERVICES AGENCY QUESTIONS**

Mr. McCarthy referred to the draft response letter incorporating comments and suggestions made at the last meeting. He pointed out the new headings and refinements to the funding options.

Mr. McCarthy reported that the staff contacted OE, the Division of the State Architect (DSA), and the Building Standards Commission, the three agencies mentioned by Mr. Reid, and none reported any coordination problems with the Commission. He drew attention to the emails from OES and DSA. Mr. McCarthy stated that he would be meeting with Insurance Commissioner Garamendi on January 17 to solicit his input.

Commissioner Dan Shapiro observed that more positive emails and testimonials about the benefits of the Commission would be more helpful. Mr. McCarthy said the staff can ask the agencies to provide more, but that proves will take some time. He recommended finalizing the letter as soon as possible.

Commissioner Church suggested including positive points in the response letter. He expressed support for contacting the agencies for more positive statements, but not waiting for their comments.

Mr. McCarthy recommended that the Commission review the subheadings in the response letter, provide direction on the substantive issues, and then determine how to proceed.

With respect to the question of whether the nature of the Commission should be changed, Commissioner Jones expressed her opinion that the only reason to have the Seismic Safety Commission is because the Commission can speak directly to legislators and translate research into policy and action. She noted that other state agencies do not have this ability because they are part of the executive branch.

Chairman Klein welcomed comments on the possibility of becoming an all-hazards agency. He observed that much of what the commission does can be applied to other hazards, but such an expansion would require legislation to modify the Commission's mission, composition, and staffing.

Commissioner Jones noted the Commission's ability to talk directly to legislators and the governor is its primary reason for staying independent because some of the other Commission functions could be performed by other state agencies. She said the Seismic Safety Commission's uniqueness is its integration across all different stakeholders, a holistic approach seen nowhere else in state government. She stated that the Commission's expertise goes beyond just earthquakes and seismological issues and embraces social, economic, and public policy issues. Commissioner Jones commented that changing the Commission's focus to all hazards would dilute its charge. She said this shift would also necessitate adding a few more experts, making the size of the group too large.

Commissioner Mileti said he did not think the Commission's role should be expanded to all hazards. He noted earthquakes are the largest risk for California and very costly for the state, so the Commission's charge should not be diluted. He commented that FEMA took an all-hazards approach, and the result was that all hazards were diluted. He recommended keeping the Commission's mission pointed, clear, and targeted. Other commissioners agreed.

Commissioner Mileti expressed support for idea of the state looking at all hazards, but not with an all-hazards commission.

Commissioner Jones suggested focusing on the key elements of the Seismic Safety Commission that need to be maintained: its independence, and its breadth of expertise/holistic approach.

Commissioners discussed changing the composition of the Commission to add state agency representatives or non-voting members. Commissioner Shapiro expressed reservations about adding entities that have no ability to advocate within the state government. He recommended asking state agencies for information and periodic updates rather than adding them to the Commission.

Mr. McCarthy observed that the *California Earthquake Loss Reduction Plan* is the existing coordinating document and progress report for state agencies. He noted OES is currently considering a three-year grant to pay for updating the tracking document to present an accurate picture of what the state has done.

Commissioner Clark suggested adding non-voting members from each state agency with a mission related to seismic safety. He noted this would address Mr. Reid's complains and show that the Commission is trying to strengthen its inter-agency coordination role. He proposed mentioning this possibility in the letter, and noting that it will require legislation plus additional staffing and finding.

Commissioner Mileti observed that ruffling other agencies' feathers means the Seismic Safety Commission is doing its job. To address concerns about coordination, he suggested using the inter-agency task force model employed by federal agencies. Commissioner Mileti notes a group of many state agencies can meet together regularly to coordinate their activities.

Commissioner Jones recommended emphasizing the Commission's breadth of expertise and independence. She proposed saying in the response letter that the Commission recommends exploring alternatives ranging from an inter-agency task force to non-voting members.

Chairman Klein pointed out that the Commission already does considerable coordination with state agencies, and he suggested listing the agencies in the letter.

Commission Church agreed with Commissioner Clark that the Commission needs to come to terms with the political reality and express a willingness to explore alternatives. He noted the alternatives could include non-voting members, a network of liaisons, or a task force.

Commissioner Jones commented that business and financial interests in the state are also important stakeholders in earthquake issues, and their inclusion should also be considered.

Commissioner Mileti said the gist of the response should be that the Commission is willing to further consider new categories of membership. He noted other possibilities include someone from the construction industry, or people with real-world experience and disciplinary expertise. Commissioners expressed support for this approach.

Commissioners reviewed the Commission's staffing situation and concluded that at least two more staff should be requested, a social scientist and a Web administrator.

Commissioner Church proposed including a statement in the response letter indicating that every staff member is essential, that the Commission staff has experienced serious cuts over the last several years, and that additional staff is needed, as indicated.

Chairman Klein drew attention to the section on funding options.

Commissioner Jones recommended eliminating the nonprofit foundation. She expressed her opinion that the state should take responsibility for seismic safety.

Commissioner Clark asked the staff to check the wording in the funding section to be sure that they describe the funding options clearly.

Mr. McCarthy noted that a combination of funding sources can be considered. He reminded commissioners that the Commission uses outside grant funds to pay for many projects. Commissioner Jones suggested changing Item 8 to emphasize the Commission's long history of using outside funding to support projects and indicating that practice will continue. She recommended including a specific dollar amount.

Mr. McCarthy reviewed the timing constraints. He noted the current funding source expires on June 30, 2007, and the Commission's office lease expires on May 15, 2007. He said finding a new office space should start now because that process takes time. If funding is not renewed, the staff needs to prepare for an orderly shutdown. Mr. McCarthy stated that the Commission needs assurances of ongoing funding in order to receive block grants, the OES tracking grant, and the \$5 million in CRAF settlement funds.

Chairman Klein recommended explaining the urgency in the second paragraph of the letter and again at the end.

Chairman Klein proposed forming a small committee to review the next draft of the response letter. He and Commissioner Clark and Commissioner Jones volunteered. Commissioner Clark recommended [producing a revised draft by the following week.

Mr. Sepulveda advised that the staff found an author and a placeholder bill. He noted policy hearings will be held in late March, and the substantive provisions should be in place by early March. Mr. McCarthy recommended that the Commission delegate authority to the committee to make the final revisions to the response letter.

**ACTION:** Commissioner Shapiro made a motion, seconded by Commissioner Clark, that:

*The Commission delegate authority to the committee to finalize the letter as proposed.*

\* Motion carried, 11-0

Mr. McCarthy said the staff would provide a revised draft by early the following week. Chairman Klein proposed that the committee meet on January 18.

## **VII. APRIL COMMISSION MEETING PLANS**

Mr. McCarthy welcomed input from commissioners regarding the format and agenda for the Commission's meeting on Monday, April 17, at Moscone Center. He suggested conducting the meeting between 9:00 a.m. and 1:00 p.m. with a short break. Mr. McCarthy said agenda items will include final review of the SFPUC retrofit plans and a presentation by the San Francisco Office of Emergency Service. He proposed organizing a panel discussion on all-hazards insurance with Commissioner Garamendi and others.

## **VII. "PROTECTING AMERICA" PRESENTATION**

Mr. Richard Wiebe, Schubert Public Affairs, spoke on behalf of a new coalition of insurance companies called "Protecting America" and "Protecting California." He explained that people in the U.S. generally do not prepare in advance for disasters, and as a result, the entire country pays more in repair and recovery.

Mr. Wiebe urged the Commission's support for HR 4366, a new federal legislation that would establish a federal reinsurance program to provide funds to state and local governments for mitigation and response to catastrophes. The program would be funded with a portion of premiums paid by insurance policy holders. Mr. Wiebe noted HR 4366 is intended to provide greater financial security, encourage mitigation of damage, promote public education, and foster continuous improvement.

Mr. McCarthy commented that Insurance Commissioner Garamendi is developing a similar plan. Mr. Wiebe noted the insurance commissioners from a number of large states met in San Francisco recently. He said they expressed support for HR 4366, although there were differences of opinion about where the funds should be kept, an issue that will be resolved through hearings.

Commissioner Jones proposed discussing this item at the March meeting and consider endorsing it in April.

## **IX. ANNUAL REPORT FOR 2005**

Ms. Cogan drew attention to the draft 2005 Annual report provided under Tab I of the meeting packet. She noted the Web page section was revised to include a chart and statistics.

Ms. Cogan pointed out that the Commission accomplished a significant amount of work in 2005, and she reviewed some of the highlights. She said five new members joined the Commission in 2005. The Commission sponsored three pieces of legislation and took positions on six other bills. Other important achievements included completing hearings and a report on the tsunami danger to California, updating the *Homeowner's Guide to Earthquake Safety* and a Spanish translation, and the URM status report in June.

ACTION: Commissioner Church made a motion, seconded by Commissioner Manning, that:

*The Commission approve the 2005 Annual Report as presented.*

\* Motion carried, 11-0.

## **X. PUBLIC COMMENT**

There were no members of the public who wished to address the Commission.

## **XI. MISCELLANEOUS & GOOD OF THE MEETING**

Mr. McCarthy recommended appointing a committee to assist with the update of the *Commercial Property Owner's Guide to Earthquake Safety*. Commissioner Arul Arulmoli read the list of proposed members, including himself, Commissioner Shapiro, and Mr. Andrew Adelman. Commissioner McGavin volunteered to chair the group.

Mr. McCarthy asked Commissioners McGavin and Shapiro to help review the CEA proposal to develop a *Homeowner's Guide* Volume II on nonstructural components and building contents. He suggested convening the committee after project funding is approved.

## **XII. ADJOURN**

There being no further business, the meeting was adjourned at 1:06 p.m.

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Sue Celli  
Office Manager

Approved by:

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Richard McCarthy  
Executive Director