



**Paradise Recreation and Park District
Board of Directors – Special Meeting**
Terry Ashe Recreation Center, Room B
Monday, October 30, 2023, 4:00 pm

Members of the public may submit comments prior to the meeting via email to BODclerk@paradisepprd.com before 1:00 p.m. on the day of the meeting or they may comment on Agenda items on during the time the item is presented. Speakers may comment on items not listed on the Agenda under Public Comment. Comments should be limited to a maximum of three (3) minutes. State Law prohibits the PRPD Board of Directors from acting on items not listed on the agenda. Please notify the meeting clerk prior to the start of the meeting if you wish to be heard. The public may access this meeting remotely:
Web Access: <https://us02web.zoom.us/j/84518561101?pwd=TXRZdUNPTk5MNFM1SWdvdzlmZENUQT09>
Telephone Access: **Dial:** +1 669 900 9128. **Meeting ID:** 845 1856 1101 **Password:** 6626

1. CALL TO ORDER

- 1.1. Pledge of Allegiance
- 1.2. Roll Call
- 1.3. Welcome Guests:

2. NEW BUSINESS

- 2.1. Approve Consultant Agreement between The Paradise Recreation and Parks District and the CRC Consultant Team. – The District sent out and RFP to find a consultant that could move forward with the next stage of the BRIC Buffer Project (Technical Analysis). After receiving 3 proposals back, this District chose to go with the Rural Community Assistance Corporation (RCAC) which includes a consultant team (Milliman, NHA Advisors, and Toyon Labs) . **Recommendation:** *Authorize the District Manager to complete the agreement.*

3. BOARD COMMENT

4. ADJOURNMENT

Adjourn to the next regular meeting on 11/8/2023 at 6:00 p.m., in Conference Room B, at the Terry Ashe Recreation Center (6626 Skyway, Paradise, California).



In accordance with the Americans with Disabilities Act, if you need a special accommodation to participate in the meeting, please contact the District Administrative Office at 530-872-6393 or info@paradisepprd.com at least 48 hours in advance of the meeting.

This institution is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Staff Report

October 30, 2023



DATE: 10/25/2023
 TO: Board of Directors
 FROM: Sarah Hoffman, Board Clerk
 SUBJECT: Consulting Agreement with the Rural Community Assistance Corporation (RCAC).

Summary

In December of 2022, the California Office of Emergency Services (CALOES) awarded the District a grant from the Federal Emergency Management Administration's (FEMA) Building Resilient Infrastructure in Communities (BRIC) program to fund the next phase of the Buffer Project. Staff then brought a Designation of Applicant's Agent Resolution to the Board for approval at our February 8, 2023, Board meeting, which allowed signatory authority to our District Manager and Assistant District Manager, which allowed for the completion of the required forms. To get the project going on to its next stage, staff sent out an RFP on April 13, 2023, to implement the Technical Analysis step of the Buffer Project. The District received 3 proposals back and went with Rural Community Assistance Corporation (RCAC) which includes an additional consultant team (Milliman, NHA Advisors, and Toyon Labs).

Recommendation: Authorize the District Manager to complete the agreement.

Attachments:

- A. Consultant Agreement between the Paradise Recreation and Parks District and the CRC Consultant Team

https://paradisepprd.sharepoint.com/sites/BODMeeting/Shared Documents/_BOD/2023/23.1030.Special.Meeting/BOD.RCAC.Report_23.1025.docx
 10/26/2023

**Consultant Agreement Between The Paradise Recreation and Parks District and the CRC
Consultant Team Regarding the Implementation of the District Technical Analysis for the
Wildfire Risk Reduction Buffer Project**

This Agreement is entered into by and between Paradise Recreation and Parks District (hereinafter the “District”), and Milliman, NHA Advisors, Rural Community Assistance Corporation (RCAC) and Toyon Labs (each individually a “Consultant”; and collectively the “Consultants”). Together the District and each Consultant and the Consultants may be referred to herein as the “Parties,” (collectively “the Parties”). The purpose of this Agreement is to identify the roles, responsibilities, and commitments of the District and the Consultants as they implement the District Technical Analysis for the Wildfire Risk Reduction Buffer Project (“the Project”).

The Parties are committed to work together to achieve the goals of the District’s Technical Analysis for the Wildfire Risk Reduction Buffer Project, which include:

- A. The District desires to engage Consultants as independent contractors to perform services on the terms and conditions set forth below; and
- B. Consultants jointly and severally desire to accept such engagement as independent contractors for the District on the terms and conditions set forth below.

Now, therefore, the Parties agree as follows:

1. **Scope of Services.** The District hereby engages Consultants jointly and severally to provide services as described in the attached scope of work (the “Services”), a copy of which is attached hereto as **Exhibit A**. Upon mutual agreement, the Services may be amended to allow for changes under this Agreement with all other terms remaining in force. Any amendment to the Services must be in writing and agreed to by the Parties.
2. **Standard of Care.** Consultants’ services performed jointly and severally under this Agreement will be performed in a manner consistent with the care and skill ordinarily exercised by members of Consultants’ profession(s) practicing under similar conditions at the same time and in the same or similar locality. When the findings and recommendations of Consultants are based on information supplied by the District and others, such findings and recommendations are correct to the best of Consultants’ knowledge and belief. Consultants will rely on the District’s information and will not audit, verify, or review the information for reasonableness or consistency, unless a reasonable consultant or consultants providing advice and consultation in areas similar to that for which the Consultant and Consultants are engaged under this MOU to provide would be reasonably expected to do so or would do. Such a review is beyond the scope of Consultants’ assignment. If the underlying information is inaccurate or incomplete, the results of Consultants’ findings and recommendations may likewise be inaccurate or incomplete. No person or entity other than the District and Consultants shall be construed as a party and parties to this Agreement.
3. **Status as Independent Contractors.** The District and Consultants agree that Consultants, in performing the above Services, are in a direct business relationship with the District and the relationship between the District and Consultants is solely that of independent contractors. The District and Consultants agree that nothing in this Agreement should be construed to create (1) an employer-employee relationship or (2) a joint venture, franchisor-franchisee, partnership or agency relationship, or (3) any other relationship other than that of an independent contractor between the District and Consultants. Consultants shall not be

entitled to any benefits accorded to the District's employees, including, without limitation, Workers' Compensation, disability insurance, vacation or sick pay. Consultants shall be free to perform similar or other services for other companies and individuals during the term hereof so long as such will not interfere with or prevent their performance of the Services on their part to be performed under this Agreement."

4. **Term.** This Agreement shall commence when this Agreement is fully executed by the parties on the dates last set forth below and opposite the Parties signatures and conclude by July 31, 2024 (7/31/24), or when the full scope of work is completed, whichever comes sooner. This Agreement may be extended for up to one year upon mutual written agreement of all Parties and authorized by the funder.
 - a. Notwithstanding the foregoing, this Agreement may be terminated by either District or Consultants by providing written notice should the other Party(ies) fail substantially to perform its obligations under this Agreement ("Default Notice") and continue such default for seven days after receiving the written Default Notice. The Default Notice must be provided to all Parties. For purposes hereof and Subsection b. immediately below, Consultants agree that RCAC shall be deemed as the Lead Consultant and in such capacity is authorized to accept any Default Notice and/or Termination Notice as discussed in Subsection b. below on behalf of each Consultant and all Consultants, if any is given by District.
 - b. The District or Consultants may terminate this Agreement for any reason (or no reason at all) by providing written notice of its intent to terminate to the other Party ("Termination Notice"), whereafter the Agreement will terminate upon the expiration of a 30-day notice period from the date the Parties receive the Termination Notice. For the sake of clarity, to exercise this provision, the Consultants must do so collectively; a single consultant cannot exercise this provision on its own. If the District or Consultants terminate this Agreement through a Termination Notice, each Consultant shall be paid for services performed and costs incurred by it prior to its receipt of the Termination Notice from the District, including reimbursement for direct expenses due, plus an additional amount, not to exceed ten percent of charges incurred to the termination notice date, to cover services to orderly close the work and prepare project files and documentation, plus any additional direct expenses incurred by each Consultant related to the termination of the Agreement including but not limited to cancellation fees or charges. Consultants will use reasonable efforts to minimize such additional charges.

5. **Payment.** District agrees to pay Consultants collectively upon their successful completion of the Services to the reasonable satisfaction of District, a total sum not to exceed \$177,000. This amount shall be payable in quarterly installments upon submission by the Lead Consultant of progress reports setting forth in writing in detail the Services performed by and the Deliverables (identified in Exhibit A) completed and provided by each Consultant and by the Consultants collectively during the previous quarter and their acceptance by District, which acceptance shall not be unreasonably withheld.

Without limiting the foregoing, the Lead Consultant shall present invoices to the District from each Consultant for direct payment to them pursuant to to State of California or federal requirements for the grant for the Project and based upon the amount of work completed within each quarter until all work is completed, and all Deliverables have been submitted for and in connection with any State and/or federal grant funds granted for and in connection with the Project for the grant. Notwithstanding the foregoing, District shall withhold ten percent (10%) of amounts indicated due under each invoice until each invoice until all work on the Project has been completed to its satisfaction, and all Deliverables have been delivered and received and accepted by District, which acceptance also shall not be unreasonable withheld. **Exhibit B** illustrates the cost schedule and/or budget used for this project.

6. **Insurance Coverage.** Consultants jointly and severally represent and warrant that they have Worker's Compensation insurance as required by applicable state laws and will maintain employer's liability coverage and provide the District with proof of this coverage. During the performance of this Agreement, each Consultant will maintain professional liability insurance with a limit of \$2 million on claims made, annual aggregate basis, commercial general liability with a limit of not less than \$1 million on an occurrence basis with an aggregate of \$2 million, and automobile liability insurance of not less than \$1 million combined single limit and provide the District with a certificate of insurance naming the District as additional insured and an additional insured endorsement on the commercial general liability and automobile liability insurance.
7. **Compliance with Laws.** The District and each Consultant and Consultants acting jointly and severally shall each use reasonable care in its efforts to comply with laws, codes, ordinances, and regulations in force at the time of the performance by each under this Agreement, insofar as such laws are applicable to a Party's performance. It is Consultants' belief that the work is not subject to California Prevailing Wage Law, unless expressly identified as such within the scope of work. Should it be alleged or determined that some or all of the work is subject to California Prevailing Wage Law, then Consultants jointly and severally shall bear such additional costs associated with Consultants complying with those laws.
8. **No Authority to Act as Agent; Use-of-Name.** Consultants acknowledge and agree that they have no implied, inherent, or apparent authority to act as an agent for the District or bind the District in any manner or to in any way obligate or bind the District. Consultants further covenant that they shall not make any implied or actual representations to any other person that they have any such authority.

The District agrees that it shall not use the name, trademarks or service marks of any Consultant, or refer to any Consultant directly or indirectly in any media release, public announcement or public disclosure, including in any promotional or marketing materials, customer lists, referral lists, websites or business presentations without that Consultant's prior written consent for each such use or release, which consent shall be given in that Consultant's sole discretion. Notwithstanding the foregoing, Consultants and each of them acknowledge that District is a California Recreation and Park District and as such is subject to all State and federal laws and regulation appertaining thereto, including, without limitation, any and all laws, including Public Meeting and Public Records Acts and laws requiring it to do its business publicly and openly unless expressly exempted therefrom.

9. **Indemnification; Limitation of Liability.** Each Party shall indemnify and hold the other harmless against any and all liabilities, claims, losses, damages, costs, and expenses of any kind (including, but not limited to, reasonable attorneys' fees, costs and expenses) which may be incurred by a third-party as a direct consequence of any negligent or intentionally wrongful act or omission by the other Party ; provided, that a Party shall have no right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.
10. **Confidential Information.** Subject to Section 8 above, during the course of providing the Services under the Agreement, the District and Consultants may be provided with and/or granted access to Confidential Information (as defined below) from the other Parties to the Agreement. The Parties shall not use any Confidential Information from any other Party for any purpose other than as necessary to provide the Services under the Agreement. The Parties agree to use reasonable care to protect the confidentiality of the Confidential Information. If a Party is compelled by law to disclose Confidential Information, the Party shall provide the Party who owns the Confidential Information with prior notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance if the Party wishes to contest the disclosure. If a Party discloses or uses (or threatens to disclose or use) any Confidential Information in

breach of this paragraph, the Party who owns the Confidential Information shall have the right, in addition to any other remedies available to it, to seek injunctive relief to enjoin such acts. The Parties specifically acknowledge that any other available remedies are inadequate. "Confidential Information" includes, but is not limited to: Intellectual Property Rights, nonpublic information in any form including without limitation design information, technology, data, plans, projects, drawings, schematics, standard operating procedures, know-how, client and/or vendor lists, employee and other personnel information, proposals, contracts, reports, photographs, video recordings, audio recordings, and work space inside and outside of buildings.

The Parties acknowledge receipt of the following notice under 18 U.S.C § 1833(b)(1), and will provide such notice to their employees, contractors and others involved in the Services, if any: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal."

11. No Third-Party Distribution of Milliman's Work.

Milliman's work is prepared solely for the use and benefit of the District in accordance with its statutory and regulatory requirements. Milliman recognizes that Deliverables it delivers under this Agreement will be public records subject to disclosure to third parties, however, Milliman does not intend to benefit and assumes no duty or liability to any third-party who receives Milliman's work and may include disclaimer language on its work product so stating. All Parties agree not to remove any such disclaimer language from Milliman's work. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman will mark each such item with "Confidential" or similar designation and each Party agrees that it shall not disclose any such designated work product to third parties without Milliman's prior written consent; provided, however, that the District may distribute Milliman's work to (i) its professional service providers who are subject to a duty of confidentiality and who agree to not use Milliman's work product for any purpose other than to provide services to the District, or (ii) any applicable regulatory or governmental agency, as required.

The District may distribute or submit for publication the final, non-draft version of any report that, by mutual written agreement, is intended for general public distribution. The District shall not edit, modify, summarize, abstract, or otherwise change the content of any final report and any distribution must include the entire report. The District may provide summary information for oral presentations (slideshow) at public meetings. A web link to unabridged materials will be provided during such presentations. Notwithstanding the foregoing, no Milliman report shall be used in connection with any offering, prospectus, securities filing, or solicitation of investment. Professional reviewers engaged by the District or independent journals to provide peer review of Milliman's report must agree to terms of confidentiality that are reasonable and customary in the industry. Any piece of Milliman draft work to be provided to peer reviewers must receive prior Milliman approval, which shall not be unreasonably withheld. Press releases mentioning such reports may be issued by the District or Milliman upon mutual agreement of the District and Milliman to their content. Mentions of Milliman's work will provide citations that will allow the reader to obtain the full report.

12. General Provisions.

- a. This Agreement shall constitute the entire agreement between the Parties as to the subject matter hereof;
- b. This Agreement shall not be assigned by any party without advance written permission from all other Parties;

- c. This Agreement shall not be revised without the written consent of all Parties;
- d. If any provision or portion thereof contained in this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable and shall not be affected and shall remain in full force and effect;
- e. This Agreement shall be interpreted and construed in accordance with the laws of the State of California;
- f. In the event of any dispute arising out of or relating to this Agreement, the Parties agree to engage in good faith settlement negotiations to settle such dispute. If such negotiations are unsuccessful, the Parties agree to engage in good faith in mediation engaging a mediator or mediation service located in Northern California mutually acceptable to them, the fees and costs which shall be borne by them equally. In the event such mediation is unsuccessful in fully and completely resolving the dispute, the Parties agree that the the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall take place before a panel of three (3) arbitrators. Within thirty (30) days of the commencement of the arbitration, the District and Consultants (as a group) shall designate in writing one (1) neutral and independent arbitrator. The two (2) arbitrators designated by the Parties shall then select a third arbitrator. The arbitrators shall have a background in either insurance, actuarial science or law. The arbitrators shall have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery shall be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators shall have no power or authority to award punitive or exemplary damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorney fees, to the prevailing Party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, no Party may disclose the content or results of any arbitration hereunder without the prior written consent of the other Parties, except that disclosure is permitted to a Party’s auditors and legal advisors.
- g. Any Party’s failure to enforce any provision or provisions of this Agreement shall not be in any way construed as a waiver of any such provision or provisions or prevent that party thereafter from enforcing each and every other provision of this Agreement; and

Executed by signatures on the dates below.

DISTRICT:

Paradise Recreation and Park District, a California recreation and park district

By: _____ Date: ___/___/___
Daniel S. Efseaff, District Manager

CONSULTANTS:

Rural Community Assistance Corporation,
a California 501(c)(3) Nonprofit Corporation

By: _____ Date: ___/___/___
David Ferrier, Housing Department Director

NHA Advisors, LLC
a California Corporation

By: _____ Date: ___/___/___
Mark Northcross, Principal

Toyon Labs,
a Delaware C Corporation

By: _____ Date: ___/___/___
David Winnacker, Co-Founder

Milliman Inc.,
a Washington Corporation

By: _____ Date: ___/___/___
Matt Chamberlain, Principal & Consulting Actuary

**CONSULTANT AGREEMENT
Exhibit A – SCOPE OF WORK**

CONSULTANT

The following describes the role and responsibilities and scope of work and/or services that Consultants will provide to the District.

TASKS:

Task 1 – Procurement

The Consultants (Milliman, NHA Advisors, Rural Community Assistance Corporation (RCAC) and Toyon Labs) will follow all procurement procedures as set by the District. For clarity, CoreLogic will be involved as a subcontractor of Milliman.

Task 2 – Project Management and Startup

The Lead Consultant (RCAC) and other Consultants as needed, will work with the District to identify and recruit members for the Technical Advisory Committee (TAC). The TAC will consist of members of the community and greater region such as higher education, Fire Safe Council members, Butte County Collaborative, and other agency members who have a vested interest in the accuracy and completeness of the Project. Input will also be sought from areas like Santa Rosa in Sonoma County and Ventura County in regard to safeguards and mitigation measures that these communities have employed, as well as fire path simulation reports from those regions.

Task 3 – Technical Analysis

3.1 Data Collection: Compile data to support refined modeling, cost estimation, environmental benefits analysis, and a Benefit Cost Analysis (BCA). Assemble baseline GIS layers.

3.2 Wildfire and Probability Modeling:

- 3.2.1. Review and refine the existing analysis of buffer zone’s wildfire risk reduction potential by employing a different wildfire modeling approach to identify and prioritize lands and/or management efforts that provide the best approach to reduce risks to communities within the District. The new modeling approach will adopt the convention of the geographical buffers noted in earlier Strategic Planning Reports. The approach will account for varied fuel in the area, and topographic and wind conditions that can drive wildfire into developed areas.
- 3.2.2. Work with the District and TAC and employ a wildfire modeling approach that will identify the most strategic lands (parcels) for protection, provide acreage estimates, and describe land management prescriptions (or incompatible uses) to reduce fire risks on developed land or provide optimal community scale protection.
- 3.2.3. Refine fire models to evaluate multiple ignition, land management, and ownership scenarios.

Consultant's approach to Task 3.2. is built around the quantification provided by the three models. This work with models is a reiterative process. We will work with multiple stakeholders in the Paradise Area to develop a consensus on the prime parcels for inclusion in wildfire buffer zones through cutting edge quantitative modeling.

Risk Models: Below is a description of each risk model and how it works:

Toyon Labs Fire Pathways Model

The model identifies the areas most likely to support rapid spread rates, and to a lesser degree, high fire line intensity as a fire approaches a community or other values at risk. The model is particularly designed to show graphically how a windstorm driven wildfire moves through a community. With a better understanding of the pathways destructive fire will follow, prioritized treatments can be recommended with location, prescription, and return interval to reduce the speed and intensity of fire as it approaches the community. Specific to this use case, the fire pathways will recommend the areas within the identified buffers where mitigations will have the greatest benefit to community wildfire risk. The Fire Pathways Model can also be used to provide a graphic representation of current vs. desired future state wildfire behavior.

These powerful animated graphics, showing how fire pathways work, will be extremely effective for community education and engagement. Consultants will deliver similar animated graphics to show windstorm fire pathways for the greater Paradise Area. This tool will aid in building consensus around which parcels are key for wildfire risk reduction.

CoreLogic Catastrophe Model

To understand the region's risk, the Consultants recommend analysis using its US Wildfire Probabilistic Model to provide a report. The CoreLogic US Wildfire Model, a full simulation probabilistic model is designed to quantify wildfire risk to property in financial terms, on a ground-up damage and insured basis, for individual properties and for portfolios of properties. Specifically, it will assess the loss cost or Average Annual Loss (AAL) and Probable Maximum Loss (PML) of a given structure or region—in other words, the probability and degree to which a structure or area will burn.

CoreLogic realizes the complexities of the wildfire peril and has reflected these in its model, which dates to 1998 and has been updated most recently in 2022. The model has 3.5 million events simulated over 300,000 unique scenarios (simulated years), compared to the average of 10,000 to 50,000 simulated years in other industry models. The model creates realistic, stochastic events based on a state-of-the-art wildfire behavior simulation algorithm, which mimics wildfire patterns using standard behavior models adopted in the U.S. Some of the factors utilized in the development of the probabilistic model include wind direction, humidity, temperature, size of adjacent wildland areas, frequency, suppression, vulnerability (mitigation, roofing class, fire-resistive siding, other structure mitigation, etc.) and insurance conditions.

CoreLogic will apply its RQE v22.1 Wildfire Model to its proprietary structure level data representing single family homes in the greater Paradise area prior to the Camp Fire. Many of the relevant variables, such as structure location, are known. For those variables that are unknown, CoreLogic will impute a value or will assume an unknown value. The model will produce the AAL by location and in aggregate. It will also produce an Exceedance Probability (EP) curve for the town of Paradise and the nearby unincorporated

communities of Magalia and Concow. The EP curve will indicate the probability of different levels of aggregate loss.

CoreLogic will then rebuild its Wildfire Model to incorporate the targeted mitigation plan developed via the identification of fire pathways. Such mitigation will include targeted mitigation of fuels outside the community and hardening of selected homes where these pathways enter the community. CoreLogic will use the rebuilt model to produce the same loss results as above.

In summary, CoreLogic's catastrophe model will accomplish the following:

1. Characterize the built environment in the study area (structural characteristics, reconstruction cost values, parcel boundaries) to build a modeled representation of the property at risk from wildfire damage.
2. Run the built environment through the customized wildfire models rebuilt by CoreLogic and quantify the corresponding risk potentials for the community of interest. In this process, the identified fire pathways and targeted mitigation efforts will be considered in the analysis.
3. Compile all analysis results into a report for the District.

Milliman Actuarial Model

A major concern of current and future residents of the Paradise Area is the availability and affordability of insurance. While the reduction in wildfire risk arising from external buffer implementation is desirable, individual homeowners may readily observe the potential reduction in insurance premium as a tangible benefit. Using AALs from the modified CoreLogic model and industry data, Milliman will estimate the premium that would reflect an average insurer's full cost under a partial implementation of buffers.

The loss component of a premium, also called the "pure premium", is an estimate of the average amount that insurers expect to pay to indemnify the policyholder. The AALs produced by the modified CoreLogic model represent the expected economic loss, on average, in dollars resulting from the peril of wildfire under the selected mitigation scenario. The AAL considers the exposure value, risk of loss, as well as severity of loss of a set of properties. Milliman will use the AAL to estimate the expected payout for homes in the Town of Paradise before and after the implementation of buffer treatment for selected parcels.

The expense component of a premium, on the other hand, is an estimate of the expenses incurred when paying and processing claims, as well as those associated with acquiring, underwriting, and servicing policies. A profit provision, which provides for the required return on capital, is included in the expense component. Milliman will estimate the non-reinsurance expense component using Insurance Expense Exhibit ("IEE") information for insurers writing Homeowners insurance in California.

Typically, in states other than California, the expense provision includes the net cost of reinsurance. Currently, the California Department of Insurance does not permit reinsurance costs to be included in approved rates. Since insurers are unlikely to be willing to offer extensive coverage without fully reflecting their costs and their belief about the risk they are taking, this is a key impediment to insurers writing in areas of high wildfire risk within California where this cost may be substantial. Milliman will estimate reinsurance expense based on data from Insurance Linked Securities and calculate the indicated premium with and without the estimated reinsurance cost.

- 3.3. *Prioritize Parcels for Management:*** Milliman will use the selected wildfire and risk modeling approach described above, including GIS mapping layers to provide a rationale for the identification of parcels which will, if managed, provide the maximum amount of protection for developed areas.

Prioritize parcels for management based on:

- The overall contours of the buffer system
- A reasonable prediction of future development and protective land management practices on lands with rebuilt homes
- Identification of innovative open space and nature-based management practices
- A property analysis of land most suitable and cost effective for risk reduction

The reiterative process using the animated fire pathways graphics described above – with vital input from key stakeholders in Paradise’s recovery – will deliver the basic prioritization.

Toyon’s Dave Winnacker, our Toyon Labs team member and a leader with the Western Fire Chiefs Association (WFCA), will provide expert advice on innovative open space and nature-based management practices based on the WFCA’s identified best practices.

- 3.4. *Feasibility Assessment:*** Develop a synthesis document to inform feasibility – including analysis of scenarios costs, constraints, public acceptance, environmental compliance, effectiveness, and the best option to meet multiple bottom line (social, environmental, and financial) criteria.

Consultants will focus on the cost feasibility of which group or groups of parcels, based on the outputs of the three models, will deliver the greatest reduction in Average Annual Losses (“AAL”) and as a result, insurance premiums for home and business owners in the great Paradise Area.

This analysis means multiple runs of all three models, starting with the Fire Pathways Model, and work through the Catastrophe Model to the Actuarial Model. The results of the actuarial model are the bottom line, but the results of the Fire Pathways Model are key to the crucial task of minimizing the amount of acreage that needs to be acquired and maintained for cost effective wildfire buffer zones.

Working with staff from both the District, the Town and other stakeholders, Consultants will develop different scenarios for parcel acquisition/maintenance. Each scenario will be tested through both the Fire Pathways Model and the Catastrophe Model to determine AAL.

Using the estimated annual ladder fuel reduction costs provided by Toyon Labs, NHA will estimate both the annual costs, and potential average annual parcel tax levy required to fund those costs for the greater Paradise area for each parcel acquisition scenario.

The cost of acquisition of fee title or easements will be initially estimated at a very high level by extrapolation of the prior work done by Radbridge on the Inner Eastern Buffer Zone for TNC/CBI study. As noted elsewhere in this proposal, the Consultant Team will prepare grant applications for the OPR Regional Resilience grant program and possibly the California Resiliency Challenge program to secure additional funding to complete the implementation tasks identified in Appendix A of the RFP. This will include funding to retain an MAI appraisal firm experienced in large scale public agency parcel acquisitions (like right of way acquisition) to prepare an estimate of the cost for each scenario identified above.

With respect to governance, NHA and RCAC will present the preliminary findings of our work under this proposal to staff at each of the governmental entity stakeholders in the greater Paradise Area. This dialogue will encompass potential governance structures for funding and managing both acquisition and maintenance of the buffer zones. Based on the results of these discussions, NHA and RCAC will make preliminary recommendations regarding governance structure.

Deliverables

Consultants will provide the following Deliverables:

- Reports:
 - Modeling approach and results: a report describing the modeling approach and a summary of results including maps, tables and a narrative describing buffer locations, vegetation characteristics and topography, and proximity to developed areas.
 - Priority Parcels: a summary report including maps, vegetation and topographic conditions, proximity to developed areas, and a narrative discussion of the prioritization rationale.
 - Feasibility Assessment: An Executive Summary of the whole project including analysis of scenarios costs, constraints, public outreach and feedback, environmental compliance, effectiveness, and the best options to meet multiple bottom line (social, environmental, and financial) criteria.
 - Insurance Premium: Using AALs from the modified model and industry data, an estimate of the premium reflecting an average insurer's full cost under a partial implementation of buffers.
- A Fire Pathways Model developed by Toyon Labs for the greater Paradise Area graphically shows how windstorm driven wildfires move through the community.
- Data layers showing relevant data for the analysis with GIS data in common electronic formats.
- Maps in paper and digital formats, such as baseline and future development; wildfire hazard; and risk maps.
- GIS-based tool to prioritize parcels for management with an accompanying model explaining how the tool works.
- Website content such as Story Maps, maps, tables, graphics (in paper and digital formats) used in presentations, and a summary of questions asked and responses (to be posted by the District on the project website).

Approach to Resolving Anticipated Problems

Given the magnitude of the tasks required for implementation of wildfire buffer zones, and the limits of the current \$177,000 FEMA BRIC grant, Consultants see funding as the most likely source of problems. Based on its national experience, the team believes that, to the best of its knowledge, nothing like this project has been attempted before in the United States.

Consequently, the Consultants commit to:

- Deliver the activities and products outline in this Work Plan for the stated cost

- Write grant proposals/applications for additional funding from FEMA HMA, OPR Regional Resilience, CalFire, and/or the California Resilience Challenge

In summary, we see cost containment and grant funding as the key to resolving problems. For cost containment, the Consultant Team commits to the costs shown in Exhibit B attached below.

Task 4 - Future Grant Application and Benefit Cost Analysis.

Consultants commit to assisting with writing the grant applications for FEMA, OPR, Cal Fire, and/or CRC, through our work under this Agreement.

Task 6 - Outreach and Education.

As noted above, the outreach plan will not only build support for the Resilient Parks concept, but also for paying additional taxes to fund ladder fuel reduction.

RCAC's DRS team will provide effective community engagement to 1) build credibility for the three-model approach; 2) develop community understanding of which parcels are most critical for controlling the movement of a windstorm driven wildfire through the use of the Fire Pathways Model's animated graphics; and 3) develop a basic understanding of the funding cost and governance challenges for successful implementation of wildfire buffer zones.

RCAC with input and assistance from the other Consultants and the District will:

1. Conduct at least three in-person public meetings to:
 - a. Introduce the Consultants and describe the modeling effort.
 - b. Provide a mid-term update to wildfire modeling progress.
 - c. Provide results and a summary of the Phase 1 effort.
2. Conduct two meetings with the TAC for focused input. Provide any relevant written materials and a visual presentation via PowerPoint or other appropriate means.
 - a. First meeting – explain the analytic approach to the modeling.
 - b. Second meeting – provide results of the modeling.
3. Provide ongoing content that contains up-to-date information for the District's project website and Story Map.
4. Coordinate with the other Consultants and the District to provide maps, tables, handouts, and other visual aids such as posters to explain the purpose and status of the wildfire hazard and risk analysis at the three public meetings.
5. Coordinate representatives of the Consultants to present a summary of the analytic process and results at a District Board of Director's meeting and assist staff to respond to technical questions from the Board and the public.

Task 7 - Project Closeout.

Consultants will assist the District with all FEMA required grant closeout procedures upon completion of the project work outlined herein.

A successful FEMA grant application for acquisition of the easements or fee title to the wildfire buffer zones requires the following key components:

- A BCA based on actual AAL/insurance premium benefits to the greater Paradise Area
- A BCA based on estimated acquisition costs based on an MAI Appraisal
- A BCA based on ladder fuel reduction costs for comparable timber/brush wildlands based on direct experience of private contractors
- A realistic long term funding plan for ladder fuel maintenance
- Letters of support from all impacted major stakeholders, both public and private, in the greater Paradise Area.

THE DISTRICT

The following describes the role and responsibilities and the scope of work and/or services that the District will provide.

1. The District will advise Consultants on all procurement procedures as needed.
2. The District will work with Consultants to identify and recruit members for the Technical Advisory Committee (TAC).
3. Ensure that all data from previous District Studies and work are available to Consultants.
4. Assist Consultants with logistics for all TAC, Board and Public Meetings, e.g., finding adequate venues for events.
5. The District will provide guidance to Consultants on maps, tables, handouts, and other visual aids desired for their purposes resulting from the Project Work.
6. The District will provide input to Consultants on the development of different scenarios for parcel acquisition/maintenance.
7. The District will provide guidance to Consultants on reporting requirements and formats of all Deliverables.
8. The District will process and pay each invoice submitted from Consultants promptly for direct payment to each individual consulting firm. The District may retain ten percent (10%) of the agreed upon total cost of \$177,000.00 until all Deliverables have been submitted and accepted.

CONSULTANT AGREEMENT
Exhibit B – Cost Schedule or Budget

Consultants will provide services according to the following budget:

	RCAC	Milliman	CoreLogic	NHA	Toyon	Total
Task 1: Procurement						
Task 2: Project Management and Start up	\$8,500					\$8,500
Task 3: Technical Analysis	\$12,000	\$50,000	\$50,000	\$8,000	\$20,000	\$140,000
Task 4: Future Grant Application and Benefit Cost Analysis (BCA)				\$4,000		\$4,000
Task 5: Action / Implementation						
Task 6: Outreach and Education	\$16,600					\$16,600
Task 7: Project Closeout	\$7,900					\$7,900
total	\$45,000	\$50,000	\$50,000	\$12,000	\$20,000	\$177,000

This project will not exceed a total cost of \$177,000.00.

Consultants will bill according to the attached cost schedule. Quarterly invoices from each Consultant listed above will be submitted to the District from RCAC with Progress Reports based upon the amount of work completed within each quarter until all work is completed, and all Deliverables have been submitted. A ten percent (10%) retainage shall be held by the District until all work is completed and all Deliverables have been received.

Due to the subcontractor relationship between CoreLogic and Milliman, all payments owed by the District to CoreLogic will be paid to Milliman and Milliman will submit such amounts directly to CoreLogic.

CONSULTANT AGREEMENT
EXHIBIT C – REQUIRED DISCLOSURES FOR NHA ADVISORS, LLC

NHA Advisors, LLC (“[Manager]”) is required to send this Regulatory Disclosure Letter per Municipal Securities Rulemaking Board (“MSRB”) rules. This letter specifies the terms and details of the work that [Manager] will perform for the [Company] (the “[Subject]”) relating to the above referenced project (the “Project”). Additionally, this letter provides certain duties and disclosures that municipal advisors must present to all clients prior to beginning work on a municipal transaction.

Scope of Municipal Advisory Activities to be Performed

A detailed Scope of Services can be found in Exhibit A.

Independent Registered Municipal Advisor (“IRMA”)

If acting in the capacity of an Independent Registered Municipal Advisor (“IRMA”), with regard to the IRMA exemption of the U. S. Securities and Exchange Commission (“SEC”) Rule, [Manager] will review all third-party recommendations submitted to [Manager] in writing by the [Subject].

Term of the Project

The term of the project shall be the term identified in the body of the Agreement.

Termination of [Manager]’ Role on Project

The [Subject] may terminate the Agreement as identified in the body of the Agreement

Compensation and Out-of-Pocket Expenses

Details regarding compensation can be found in Exhibit B.

Fiduciary Duty

[Manager] is registered as a Municipal Advisor with the SEC and MSRB. As such, [Manager] has a fiduciary duty to the [Subject] and must provide both a Duty of Care and a Duty of Loyalty that entail the following.

Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide the [Subject] with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to the [Subject]’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the [Subject]; and
- d) undertake a reasonable investigation to determine that [Manager] is not forming any recommendation on materially inaccurate or incomplete information; [Manager] must have a reasonable basis for:
 - i. any advice provided to or on behalf of the [Subject];

- ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the [Subject], any other party involved in the municipal securities transaction or municipal financial product, or investors in the [Subject] securities; and
- iii. any information provided to the [Subject] or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

[Manager] must deal honestly and with the utmost good faith with the [Subject] and act in the [Subject]'s best interests without regard to the financial or other interests of [Manager]. [Manager] will eliminate or provide full and fair disclosure (included herein) to the [Subject] about each material conflict of interest (as applicable). [Manager] will not engage in municipal advisory activities with the [Subject] as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the [Subject]'s best interest.

Conflicts of Interest and Other Matters Requiring Disclosures

As of the commencement date of the Project, there are no actual or potential material conflicts of interest, other than those potential conflicts noted below, that [Manager] is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If [Manager] becomes aware of any material potential conflict of interest that arises after this disclosure, [Manager] will disclose the detailed information in writing to the [Subject] in a timely manner.

Pursuant to MSRB Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of [Manager] and its associated persons.

The following are potential conflicts of interest to be considered.

- [Manager] represents that in connection with the issuance of municipal securities, [Manager] may receive compensation from the [Subject] for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, [Manager] hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding [Manager]' ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for [Manager] to recommend unnecessary financings or financings that are disadvantageous to the [Subject], or to advise the [Subject] to increase the size of the issue. This potential conflict of interest will not impair [Manager]' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the [Subject].
- [Manager]' fees under this potential agreement may be based on hourly fees of [Manager]' personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for [Manager] to recommend alternatives that would result in more hours worked. This conflict of interest will not impair [Manager]' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the [Subject].
- [Manager]' fees under this potential agreement may be a fixed amount established at the outset of this potential agreement. The amount is usually based upon an analysis by the [Subject] and [Manager] of, among other things, the expected duration and complexity of the transaction and the scope of services to be performed by [Manager]. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated,

[Manager] may suffer a loss. Thus, [Manager] may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair [Manager]' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the [Subject].

- The fee paid to [Manager] increases the cost of investment to the [Subject]. The increased cost occurs from compensating [Manager] for municipal advisory services provided.
- [Manager] serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another [Manager] client. For example, [Manager] serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the [Subject]. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, [Manager] could potentially face a conflict of interest arising from these competing client interests. [Manager] fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the [Subject].
- Gerald Craig Hill, the Managing Principal of [Manager] is currently serving as an outside director for the HdL Companies based in Diamond Bar, CA. HdL Companies is a software and professional services consulting company providing revenue data and collections information to local governments, potentially including [Manager]' clients. HdL Companies have affiliates including, but not limited to, HdL Coren & Cone. From time to time, [Manager] utilizes the services of HdL Coren & Cone for its clients. [Manager] is mindful of this conflict of interest and fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith when this situation arises.
- [Manager] does not have any affiliate that provides any advice, service, or product to or on behalf of the [Subject] that is directly or indirectly related to the municipal advisory activities to be performed by [Manager].
- [Manager] has not made any payments directly or indirectly to obtain or retain [Manager]' municipal advisory business.
- [Manager] has not received any payments from third parties to enlist [Manager]' recommendation to the [Subject] of its services, any municipal securities transaction, or any municipal finance product.
- [Manager] has not engaged in any fee-splitting arrangements involving [Manager] and any provider of investments or services to the [Subject].
- [Manager] does not have any legal or disciplinary event that is material to the [Subject]'s evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- [Manager] does not act as principal in any of the transaction(s) related to this potential agreement.

Legal Events and Disciplinary History

[Manager] does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The [Subject] may electronically access [Manager]' most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

If [Manager] makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the [Subject] and is within the scope of the engagement, [Manager] will determine, based on the information obtained through reasonable diligence of [Manager] whether a municipal securities transaction or municipal financial product is suitable for the [Subject]. In addition, [Manager] will inform the [Subject] of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which [Manager] reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the [Subject]; and
- whether [Manager] has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the [Subject] objectives.

If the [Subject] elects a course of action that is independent of or contrary to the advice provided by [Manager], [Manager] is not required on that basis to disengage from the [Subject].

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to MSRB Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- [Manager] is currently registered as a Municipal Advisor with the SEC and MSRB.
- Within the MSRB website at www.msrb.org, the [Subject] may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Record Retention

Pursuant to the SEC record retention regulations, [Manager] is required to maintain, in writing, all communication and created documents between [Manager] and the [Subject] for five (5) years.