



June 12, 2019

Commission on Catastrophic Wildfire Cost and Recovery
Governor's Office of Planning and Research
1400 10th Street
Sacramento, California 95814
wildfirecommissin@opr.ca.gov

Commissioner Carla Peterman, Chair
Commissioner Michael Kahn
Commissioner Michael Wara

Commissioner Dave Jones
Commissioner Pedro Nava

Dear Commissioners:

This letter is in response to the Executive draft summary and its recommendations.

The Herald Fire Protection District Has Inadequate Resources to Adequately Protect SMUD Assets or to Protect the District Should SMUD Assets Generate a Fire Within the District.

As set forth below, the Herald Fire Protection District ("District") has grave concerns about its ability to protect the assets of the Sacramento Municipal Utilities District ("SMUD") in the event of a fire incident within the District. Moreover, the District is also greatly concerned about its ability to protect members within the District should SMUD assets generate a fire within the District boundaries. The District has raised these concerns directly to SMUD personnel only to have SMUD summarily dismiss these concerns.

District staff reviewed Senate Bill 901 and the Executive Draft Summary prepared by the Utility Wildfire Liability workgroup. The District recognizes the broad scope and complexity of the subject matter as it applies to the entire State of California but the District, its geographic location, and relationship with SMUD can serve as an example of an individual local government's challenges. Therefore, the comments provided in this document are intended to reflect the local challenges the District faces as they relate the potential catastrophic impacts of utility-caused wildfires within the District.

The District.

The Herald Fire Protection District was formally established on October 21, 1946 to provide fire protection services to certain unincorporated areas in Sacramento County. The District receives its authority under section 13801 of the Health and Safety Code. The services provided by the District are described under Health and Safety code section 13862. The District is governed by a

five-member fire board and currently has thirty dedicated volunteer firefighters operating out of two stations. The only source of revenue is through property tax and the current budget is projected to be six hundred ninety-six thousand and nine hundred dollars (696,900).

The District covers ninety-six point four (96.4) square miles located in the south east corner of Sacramento County and is bordered by the City of Galt, San Joaquin County, Amador County, and the community of Wilton and includes the unincorporated towns of Herald and Clay Station.

The District resides outside of an Urban Service Boundary and as such contains no infrastructure such as municipal water mains or fire hydrants. The area is currently zoned by Sacramento County as Agricultural Residential and no zoning changes are planned for the foreseeable future.

The entire District meets the U.S. Forrest Service criteria for Wildland Urban Interface. The District is further subdivided into two sections or responsibility areas. On the east, approximately forty percent (40%) of the District resides within the State Responsibility Area (SRA) and part of this area carries the 'Very High Fire Hazard Severity Zone' rating. In the Local Responsibility Area (LRA), located adjacent to the SRA two sections also carry the 'Very High Fire Hazard Severity Zone' rating. The District has the highest wildfire danger rated areas in Sacramento County.

The general topography within the District is considered flat on the western boundary and rises in the east to a low foothill region on the eastern border with Amador County. Nine creeks (and associated riparian zones) flow westward through the District terminating at the Cosumnes River. Due to the local topography, winds will generally come from the west and travel eastward. The area is also subject to high or straight-line winds. The Federal Emergency Management Agency (FEMA) has labeled the Sacramento region as Zone 1 and as such local winds can reach 130 mph.

Current Challenges.

Wildfires: The District has always lived with the constant threat of wildfires but acknowledges they are growing in their intensity/frequency and agrees that climate change has influenced fire behavior. Also, because the District resides outside of the Urban Service Boundary, all of the water needed to extinguish any wildland fire must be delivered using water tenders.

Residential development: The District has seen an increase in residential home construction within its boundaries and more recently, an increase in the construction of secondary use homes on the same property.

Commercial development: The Sacramento Municipal Utilities District (SMUD) has eight distinct address locations in the District along with miles of high voltage electrical transmission corridors and electrical distribution lines. SMUD is again expanding their operations to include

a much larger photovoltaic field, electrical transfer station, and has increased electrical production at the Cosumnes Power Plant.

Regulations: The District has worked closely with both Sacramento County and Cal/Fire to enforce all current state and local regulations for home construction/remodel and land use in the SRA. The biggest challenge facing the District is a lack of local regulatory oversight concerning SMUD's assets. This includes access, egress, building construction, fire flow requirements, and inspections of electrical distribution lines or transmission corridors.

California public Resources Code 25500 states that in accordance with the provisions of this division, the commission shall have the exclusive power to certify all sites and related facilities in the state, whether a new site and related facility or a change or addition to an existing facility. The issuance of a certificate by the commission shall be in lieu of any permit, certificate, or similar document required by any state, local or regional agency, or federal agency to the extent permitted by federal law, for such use of the site and related facilities, and shall supersede any applicable statute, ordinance, or regulation of any state, local, or regional agency, or federal agency to the extent permitted by federal law.

SB-901 states that investor owned utilities (IOUs) are required to develop and submit Mitigation Plans to the California Public Utilities Commission (CPUC) for approval (PUC section 8386). The majority of the publicly owned utilities (POUs) are required to independently develop wildfire mitigation plans and have them available for public comment. Thus, each of the state's POUs sets its own standards and programs in its wildfire mitigation plan and this behavior is not regulated by the CPUC beyond the existing statewide standards.

Government Code Title 5 Division 1 Part 3 Chapter 1 article 8: Tax exemption of Community Energy Authority 52180; It has been found and declared by the legislature that the activities of an authority constitute an important governmental function and are for public uses and purposes and are governmental functions of state concern. As a matter of legislative determination, it is hereby found and declared that the property, projects, and bonds of an energy authority are of such character as shall be exempt from taxation.

Response to Executive Summary.

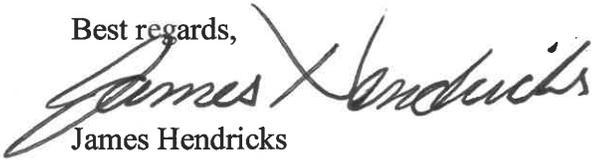
The Herald Fire Protection District was established to respond to local emergencies of a residential or rural nature. When the District was formally established in 1946, State Responsibility Areas with associated fire hazard ratings and SMUD's extensive assets did not exist. The local taxpayers had adequately funded the District for the local emergencies the District would typically respond to. Because of the aforementioned regulations, the citizens within the District are now forced to shoulder the financial responsibility concerning more complex emergencies, have no voice in the placement, construction, maintenance of SMUD's assets and pay increased homeowner insurance rates based on changes in state regulations as they relate to the WUI or SRA.

If SMUD can independently build/improve facilities, expand operations, develop their own wildfire mitigation plans, set their own standards/programs for addressing wildfire emergencies, and are not regulated by the CPUC, the District cannot be held liable for damages caused by SMUD under any circumstances.

In 2018, SMUD's capital investment portfolio included investments in additions and improvements to SMUD's property, plans and equipment. The proposed capital investment budget was five hundred and eighteen point four (518.4) million dollars for planned investment in generation. Based upon my review, it does not appear that adequate funds were set aside to provide any improvements in the Districts ability to respond to emergencies at SMUD facilities or to wildfires caused by SMUD's electrical infrastructure.

Therefore, the District is requesting that the Utility Wildfire workgroup look further into establishing the Electric Utility Wildfire Board, further strengthen SB-901 bringing publicly owned utilities under the direct regulatory control of the CPUC and local governments. The District further requests a review and possible repeal of Government Code Title 5, Division 1, Part 3, Chapter 1 Article 8; Tax Exemption of Community Energy Authority 52180, so a fair and equitable share of the tax burden for wildland fire protection can be accomplished.

Best regards,

A handwritten signature in cursive script that reads "James Hendricks". The signature is written in black ink and is positioned above the typed name and title.

James Hendricks
Fire Chief