

----- Fire and Water Coastsde -----

The issue of fire preparedness Coastsde is being exacerbated by insurance industry actions. We have observed during the last couple of months neighbors reporting that they experience significant rate hikes in their homeowners insurance policies and in some cases insurance has been cancelled (after 25 years!!!). The topic was also raised on NextDoor.

Some interesting data about the home insurance market in CA has surfaced recently:

1. Cancellations

Insurers drop almost 350,000 California homeowners in high-fire risk areas as reported in the Mercury News and the Sacramento Bee

(<https://www.sacbee.com/news/politics-government/capitol-alert/article234161407.html>). Note that Carriers aren't required to tell the state Department of Insurance when they drop a customer - so that number is most likely understating the problem.

2. Loss Ratios

For every \$1 they collected in homeowner premiums from Californians last year, insurers paid \$1.70 in claims, according to data collected by the Department of Insurance. A majority of the 15 largest insurance companies lost money in 2018 on homeowners insurance in California.

[A table of major insurers loss ratios is shown at bottom.] A loss ratio below 100 percent means an insurer made money; above 100 means it lost money. A major insurer – Travelers – has a 3 % market share of the home insurance market and has a loss ratio of 222%. Many of us will need to start shopping for a new provider as we approach renewal – if there will be any carrier willing to take us.

3. Insurers are looking at their book of business and try to reduce risk with a special target on areas that classify as high fire risk - but many other factors get added to the mix by insurers (i.e. proximity to fire station, hydrant, clearance around the property). We need to get a copy of the ISO (Insurance Services Office) report for our local water districts to understand the risk factors they are considering in our rates. Our local CalFire and both water districts have been unable to provide this, so I am escalating my inquiry to the County.

4. Triggers/Causes for the insurance changes:

Obviously, the losses are the first concern of the insurers, and the factors underpinning future losses are obvious:

- Devastating wildfires of increasing frequency.
- Specific for the Coastsde - revised fire hazard maps - the 2018 Fire Threat Map from the CA Public Utilities Commission indicates that the entire Mid-coast is either in or surrounded by an extreme or elevated wildfire threat area.
- Inadequate Evacuation Routes – Coastsde made the list of worst towns that will be difficult to evacuate (*published by Streetlight Data, see article in HMB Review*) (https://www.hmbreview.com/news/report-notes-issues-with-evacuation/article_375e2948-d4ca-11e9-908d-734e5111fa4e.html) and shows parallels to the Camp Fire in Paradise – one

way in, through and out which resulted in people who could not evacuate being burned in their cars.

5. What can we do?

Be Prepared, to coin a phrase. [Resist Density](#) has prepared an [excellent report \(click to download\)](#). That report goes well beyond fire risks in its coverage. It also mentions the [Coastside Emergency Corps](#), a volunteer organization founded in 2013, established to provide coordination between emergency response agencies and volunteer organizations for the Midcoast, Half Moon Bay and unincorporated areas south to the SMC-Santa Cruz Countyline. The CEC has six standing committees, one of which oversees the Community Emergency Response Teams (CERT). CERT is split into Branches 1, 2 , 3 and 4. 1 and 2 are Pescadero and La Honda; 3 and 4 are Tunitas to Frenchmans Creek to Devils Slide. CoastsideCERT.com explains everything. Want to stay informed? Email CoastsideCERT@gmail.com. Want more disaster prep information? Go to Coastside Disaster Prep, on Coastside Buzz. You should read that Resist Density report and the [CEC website](#) periodically for updates.

But further, ensure that our infrastructure is adequate to the risks we face. Most basically, that means not adding population that cannot be evacuated safely. Further, it means that growth must provide adequate water and fire services. And that last point was raised at the Sept. 12 MWSD meeting: ensure we have adequate water storage for fire.

MWSD holds 240k gallons in reserve for fighting fires based on a generous allotment for fighting a “2 hour designer fire”, basically one home. That storage seems very small compared to CCWD which holds 4 million gallons in reserve. The two districts are not an apples to apples comparison. MWSD serves a population of 6.5 - 7k vs ~20k for CCWD. But it raises concern that we have less than 1/16th of the stored water reserve for fighting fires compared to our neighbor water district?

Further, less than 1% of the hydrants in each local water district are tested annually. Over the past 10 years, 10% of the hydrants in MWSD have been tested, and only 8% of those in CCWD based on data provided by CalFire in April, 2019.

<i>Results since 5/21/09</i>	MWSD	%	CCWD	%
Total Hydrants	150	100%	627	100%
Not Tested	135	90%	574	92%
Under 1,000	6	4%	1	0%
1-2,000	4	3%	22	4%
Full Pressure	5	3%	30	5%
Sub-total: Number Tested	15	10%	53	8%

	# Hydrants	Under 5 Yrs.	5-10 Yrs.	Over 10 Yrs.
CCWD	627	30	23	574
MWSD	150	7	8	135
Private	3	2	1	unknown
Totals	780	39	32	709

What fire storage adjustments need to take place in the emerging context of the extreme fire risk rating for Moss Beach and Montara, our infrastructure constraints on evacuation routes (*which has been noted and broadly published – diagram below*), and the addition of large housing and commercial developments to the overburdened Coastside traffic, water and sewer infrastructure?

This is about our safety, our ability to maintain affordable homeowner insurance policies (*basically to keep insurers interested in selling policies on the Coastsde*) and also to plan water system capital expenditures with a fair cost burden for both existing and new residents.

At the conclusion of these remarks on 9/12/19, MWSD Board President Kathryn Slater-Carter agreed to have CalFire attend and discuss our fire situation. GM Clemens Heldmaier also asserted that MWSD has sufficient fire reserves and capacity. However, the table below from the 2017 MWSD master plan shows fire storage flat in the face of projected growth, and in the face of the increased risks discussed above. Certainly the comparison with CCWD needs research and evaluation.

Montara Water and Sanitary District
2017 Water System Master Plan Update

Table ES-6 MWSD Storage Goals

Company	Revenue (written premium)	Loss Ratio	Market share
Allstate Insurance Group	\$482.6 million	257%	6%
American International Group	\$152.3 million	866%	2%
Auto Club Enterprises Insurance Grp	\$510.7 million	52%	6%
CSAA Insurance Group	\$544.8 million	237%	7%
Chubb Group	\$231.2 million	275%	3%
Farmers Insurance Group	\$1.34 billion	187%	16%
Hartford Fire & Casualty	\$115.9 million	361%	1%
Liberty Mutual Group	\$521.8 million	78%	6%
Mercury General Group	\$439.9 million	111%	5%
National General Group	\$167.8 million	207%	2%
Nationwide Corp Group	\$329.4 million	153%	4%
State Farm Group	\$1.47 billion	89%	18%
Travelers Group	\$266.4 million	222%	3%
United Services Automobile Association Group (USAA)	\$443.8 million	145%	5%
Western Service Contract Group	\$175.6 million	59%	2%

Table: Michael Finch II Source: [California Department of Insurance](#)

Mr. Dieguez was born in San Francisco, got two degrees from MIT, and returned to the Peninsula 30+ years ago. He founded the award-winning Clean Tech Program for the MIT Club of Northern Calif. In 2003. He lives in Montara and is trying to decide whether he's still in between ventures. He sails, hikes his Lab, and plays racquetball when not busy causing trouble.

How Long Can CCWD Provide Water During a PG&E Fire Safety Shutdown?

VIDEO. Assistant General Manager, Mary Rogren, reports on how **Coastside County Water District** is positioning themselves for PG&E safety shut downs for fire emergencies.

CCWD has 8 million gallons stored. CCWD usage per day is 1.5 million gallons. **4 million gallons are always reserved for fire fighting response.**

That means CCWD has a minimum of 3 days of water. General Manager, Dave Dickson, says a lot of electric water appliances (dishwasher, washing machine, insta -hot) won't work and water demand will go down.

