

To: MOFD Board of Directors
From: Steve Cohn
Date: June 19, 2024
Subject: Public Comment - Wildfire Prevention in Orinda

Because the MOFD Board refuses to use the \$4 million a year in excess property tax receipts from Orinda property owners for wildfire fuel mitigation, Orinda remains at such a high risk of wildfire that insurers are cancelling fire insurance policies, causing Orindans to rely on the insurer of last resort, the state's FAIR plan, costing each property approximately \$10,000 a year in excess of what they had been paying. The total cost to Orinda property owners could easily be \$15 million for 1,700 impacted State Farm clients; could be up to \$30 million if all insurers follow the lead of State Farm and cancel 50% of all policies in Orinda; and could be \$60 million a year if the FAIR plan is actually a "fair" estimate of risk and all of Orinda ends up paying the premium due to the elevated risk after the state allows insurers to charge commensurate to risk.

Orindans pay MOFD a premium for service: 25% more than it costs MOFD to provide service to Orinda. For this premium, Orindans expect to receive premium service. This is what they were "promised" when MOFD was formed, that Orinda tax dollars would be used only for service to Orinda, not to elsewhere in the county, including Moraga. The only mechanism put in place to "guarantee" that Orinda tax dollars would be spent for service in Orinda was electing representative board members "locally" (not at large). Representatives voted by Orindans to look after the best interests of Orindans.

To date, our representatives have failed to do this. They have thrown out every excuse in the book as to why they can't or won't allocate Orinda's tax dollars for service to Orinda. Some of these excuses are:

* It costs 25% more to serve Orinda. 9 of 17 firefighters (53%) are stationed in Orinda, the same number that served Orinda before MOFD was formed. 53% of the population served by MOFD live in Orinda. The last time I analyzed incidents, 53% were in Orinda. It does not cost more to serve Orinda than Moraga.

* Units from Moraga provide service to Orinda. Operation statistics show that units from Orinda provide offsetting service to Moraga and any excess offset is within the reasonable boundaries of other providers of mutual aid between adjoining districts (provided at zero cost).

* We are one fire department. The United States is one country. But California's elected representatives do their best to get Californian's benefits from taxes going to Washington. There is nothing wrong with sticking up for your constituents' best interests; that's how representative democracy is supposed to work.

* Last year one of Orinda's board members said that if Moraga's parcel tax rate was increased to its statutory limit of 30 cents, so that more of Orinda's taxes could be used in Orinda, that Moragans would suffer financially. The average cost per household of such an increase would be about \$340, less than \$1 per day. The average Moraga home is worth \$1.8 million. The median Moraga household income is \$190,000. They can afford \$1 per day.

* An increase in Moraga's parcel tax cannot be used for service to Orinda. It would simply reduce the need for Orinda to subsidize the service Moraga is already receiving.

Tonight (June 19) you have the chance, once again, to finally do the right thing. Increase the Moraga Fire Flow Parcel Tax rate to 30 cents, use the additional \$2 million in revenue to pay for the 47% of MOFD's service that goes to Moraga (currently Moraga residents are getting 47% of MOFD's service but only paying 34% of the cost), so that more Orinda tax dollars can then be used for service to Orinda.

And after you do that (this will only address half of the misallocation) figure out how to "balance the books", by determining what tax dollars actually come from Orinda and allocating costs between Orinda and Moraga. That is what we were promised would happen 27 years ago, but you never did it. Now our homes and our lives are at risk because of the underfunding of Orinda services.

Wildfire risk CAN be measured and reduced in Orinda so that insurance costs can be minimized, and safety maximized. A proposal by the Center for Catastrophic Risk Management to Orinda in 2022 described how the fire risk in Orinda's 100 firesheds could be measured and monitored. The insurance companies are obviously performing a similar risk analysis modeling to determine that Orinda is four times the risk as Moraga and twice the risk as Lafayette. The vegetation in these designated firesheds can then be mitigated. A mitigation expert recently estimated what it would cost to mitigate three of the 100 firesheds at \$350,000. Extrapolating to all 100 firesheds results in a cost of \$12 million. Large but not impossible for MOFD, with \$4 million in excess taxes from Orinda annually plus Orinda with another \$4 million in annual Measure R sales tax revenue.

Cleaning up these firesheds is a municipal-scale project. They are not being cleared because the job is not something 7,000 private property owners have the wherewithal to accomplish on their own. That is why they are providing MOFD and Orinda with an additional \$8 million a year in tax revenue, to provide services that only the government can provide. To act in the common good.

MOFD has to take action by charging Moraga property owners an additional \$340 a year in fire flow parcel tax. Even then, the tax revenue from Moraga will only be 85% of what it costs MOFD to provide service. Moraga is living beyond its means. It is not Orinda's job to subsidize it, especially when that subsidy negatively impacts Orinda's safety. When MOFD was formed, both the Orinda and the Moraga voters' pamphlets made it very clear a primary reason for forming the district was to use local tax dollars locally, not just within the newly formed district, but within Orinda and Moraga as separate partners in the partnership. A partnership where one partner is sucking the other partner dry is doomed to fail. Each town wanted equal service, and they are receiving it, but they never anticipated one city massively subsidizing the other. Moraga never expected a windfall from the partnership other than sharing the administrative expense. Orinda's sole reason for forming the partnership was to use all of Orinda's tax revenue in Orinda for better service. Initially that was accomplished but that is not happening now.

If the government, both MOFD and Orinda, does not use the money made available to them for wildfire fuel mitigation, then Orinda's wildfire risk will remain extreme, and the residents will have to pay tens of millions more in elevated fire insurance premiums. All because the government has failed to act.