

**CALIFORNIA EARTHQUAKE AUTHORITY  
GOVERNING BOARD MEETING  
MINUTES**

**Wednesday, January 16, 2008  
9:00 a.m.**

Location: 801 K Street, Suite 1000  
Sacramento, California

Members of the Governing Board in attendance:

J. Clark Kelso, (designee of Governor Arnold Schwarzenegger, Chairperson)  
Paul Rosenstiel, designee of State Treasurer Bill Lockyer  
Bruce Patton, designee of Insurance Commissioner Steve Poizner  
Pedro Reyes designee of Speaker of the Assembly, Fabian Núñez

Members of the CEA staff in attendance:

Tim Richison, Chief Financial Officer and Acting Chief Executive Officer  
Mark Dawson, Assistant Chief Financial Officer  
Sylvia Fong, Assistant Governing Board and Advisory Panel Liaison  
Danny Marshall, General Counsel

- 1. The meeting was called to order at 9:00 a.m. A quorum was established.**
- 2. The Governing Board will discuss and consider revising its 2008 meeting calendar.**
  - A member of the Board asked to move the meeting scheduled for February 14<sup>th</sup> to a different date, but no alternative date could be determined. Mr. Richison said staff would survey all members' calendars to secure an agreeable date in late February or early March; the new date would be published at the January 30<sup>th</sup> Board meeting.

The Board-meeting dates for April, June, August, October, and December remain as published.
- 3. In connection with staffing the CEA's 2007 independent audit, the Board will consider an audit-staffing proposal to retain the present lead audit partner and change the concurring audit partner.**
  - Mr. Dawson reminded the Board that it had approved extending the contract with PricewaterhouseCoopers ("PwC") under a revised independent-auditor policy, which (as amended) states that the CEA may retain an independent-auditor firm beyond five years so long as the lead audit partner is rotated at least every five years. Negotiations were begun with the PwC lead partner, but after an exhaustive search he was unable to

find a new lead partner with an available schedule or the specialized skill set needed for the CEA's audit.

- Mr. Dawson then asked the Board to approve [PwC lead partner] Mr. Overstreet's remaining as lead auditor for the CEA's 2007 independent audit, with the proviso that staff continue to look for a new lead partner for the 2008 audit.
- Mr. Kelso asked if the Board could be assured that steps would be taken to assure lead-partner rotation after no more than seven-years. Mr. Richison said that Mr. Overstreet is actively looking for a partner but that individual audit partners find the CEA challenging to understand and deal with. CEA staff has issued an RFP for auditing services commencing two years from now.
- Mr. Patton moved to approve the staff recommendation; seconded by Mr. Rosenstiel. Motion carried unanimously.

**4. The Board will meet in closed session to discuss personnel and litigation matters as permitted by California Government Code section 11126, subdivisions (a) and (e).**

- The Board entered closed session at 9:08 a.m. and resumed open session at 12:04 p.m.

**5. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.**

- There was no public comment or public requests.

**6. Adjournment.**

- The meeting was adjourned at 12:05 p.m.