

RESOLUTION RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies, proposed to or pending before a local, state, or federal governmental body or agency, must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, on July 12, 2019, Governor Gavin Newsom signed Assembly Bill (AB) 1054 and AB 111 (collectively, the "2019 Wildfire Legislation"). The 2019 Wildfire Legislation enacts a broad set of reforms and programs related to utility-caused wildfires in California, including establishing the California Wildfire Fund ("Fund"); and

WHEREAS, the purpose of the Fund is to provide a source of money to reimburse eligible claims arising from a covered wildfire caused by a utility company that participates in the Fund by assisting in capitalizing the Fund, and undertaking certain other obligations specified in the law; and

WHEREAS, the Fund exists as a mechanism for utility companies to recover certain costs and expenses arising from post-July 2019 wildfires ignited by a participating investor-owned utility company (SDG&E, SoCal Edison, or PG&E). By statute, the Fund is only authorized to distribute funds directly to participating utility companies after they have paid or settled eligible claims arising from a covered wildfire; and

WHEREAS, LADWP and other publicly owned utilities are not participants in the Fund created by Assembly Bill (AB) 1054; and

WHEREAS, in January 2025, the Pacific Palisades' wildfire burned more than 23,000 acres and destroyed nearly 7,000 structures; and

WHEREAS, after the Pacific Palisades' wildfire, credit rating agencies downgraded LADWP's credit rating noting that while LADWP had not been implicated as the cause of the wildfires, the increasing frequency and severity of highly destructive wildfires within LADWP's service territory and recent spread into more urban areas highlights the utility's potential vulnerability to financial liability claims that could eclipse its liquidity and insurance coverage even if no negligence is established; and

WHEREAS, the California Legislature passed and on September 19, 2025, Governor Gavin Newsom signed Senate Bill (SB) 254, requiring the California Earthquake Authority, in its role as the Wildfire Fund Administrator, to prepare and submit a report ("SB 254 Report") to the Governor and the Legislature by April 1, 2026, that "...evaluates and sets forth recommendations on new models or approaches that mitigate damage, accelerate recovery, and responsibly and equitably allocate the burdens from natural catastrophes, including catastrophic wildfires, earthquakes, and other natural disasters, across stakeholders, including insurers, communities, homeowners, landowners, governments, electrical corporations, and local publicly owned electric utilities, to complement or replace the fund"; and

WHEREAS, recommendations and approaches from the SB 254 Report include that individuals who suffer losses be justly compensated to rebuild in a timely manner, and also recognize potential wildfire liability reform and establishment of a new wildfire or broader perils fund, which could have financial impacts on LADWP, its customers, and the City of Los Angeles;

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NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2025-2026 State and Federal Legislative Programs SUPPORT for any legislative and/or administrative action that proposes beneficial wildfire or catastrophic event liability reforms and/or a beneficial wildfire or broader perils fund.

PRESENTED BY: *Adrin Nazarian*
ADRIN NAZARIAN
Councilmember, 2nd District

SECONDED BY: *Katy Yarrow*

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