

**EMERGENCY FIRE COST COMMITTEE
MEETING**

**June 6, 2023
10:00 a.m.**

**Tillamook Room (Bldg. C)
Oregon Department of Forestry Headquarters
2600 State Street
Salem, OR 97310**

**Zoom: <https://odf.zoom.us/j/99267064107>
Meeting ID: 992 6706 4107**

Committee Members: Brennan Garrelts, Chair
Chris Johnson
Erik Lease

Administrator: Nancy Hirsch

Agenda Topics

1. **Call to Order**
2. **Approval of the Minutes of the March 7, 2023 Meeting, and the April 3, 2023 Special Meeting** *[Decision Item]*
3. **Financial Status of the Oregon Forest Land Protection Fund** *[Information Item]*
4. **Annual Audit Report** *[Decision Item]*
5. **Weather Update** *[Information Item]*
6. **Update on Status of Large Fire Cost Collection Efforts** *[Information Item]*
7. **Strategic Investments** *[Possible decision item]*
8. **Administrative Branch Report** *[Information Items]*
 - ODF Financial Report
 - Legislative Session
 - Strategic Investments Financial Report
 - FEMA Update
 - Severity Financial Status
9. **Protection Division Report** *[Information Items]*
 - BLM Agreement
 - ODF Geoboard/IMTs
 - Forest Land Classification Status Report
 - Severity Resource Plan
 - Strategic Investment Status Report
 - WUI Risk Map Update
10. **EFCC Administrator Report** *[Information Item]*
11. **Public Comment/Good of the Order**

EMERGENCY FIRE COST COMMITTEE

March 7, 2023

In accordance with the provisions of ORS 477.455, a meeting of the Emergency Fire Cost Committee (EFCC) was held in the Tillamook Room of the Oregon Department of Forestry Headquarters in Salem and via Zoom Video Conferencing on Tuesday, March 7, 2023.

Committee Members Present

Brennan Garrelts, Chair – in person
Steve Cafferata – in person
Erik Lease – in person

Committee Members Absent

Chris Johnson

Others Present (in person)

Nancy Hirsch, EFCC Administrator
Lorna Hobbs, EFCC Finance Coordinator
Chrystal Bader, Executive Support, Oregon Department of Forestry (ODF)
Cal Mukumoto, State Forester
James Short, Assistant Deputy Director for Administration, ODF
Mike Shaw, Interim Chief of Fire Protection, ODF
Levi Hopkins, Policy & Planning Unit Manager, Fire Protection, ODF
Neal Miller, Fire Cost Recovery Specialist, ODF
Stacey Chase, Finance Manager, ODF
Matt Stayner, LFO
Kyle Williams, Director of Forest Protection, Oregon Forests & Industries Council (OF&IC)
Cindy Robert, Manulife

Others Present (via Zoom)

Sherry Brennan, Fire Finance, ODF
Justin Hallett, Assistant to EOA Area Director, ODF
Ron Graham, Deputy Chief, Operations, Fire Protection, ODF
Lindsay Cunningham, Willis Towers Watson
Eric Kranzush, Giustina
Todd Scharff, DAS Risk Management
Sione Filimoehala, CFO Analyst, DAS
Randy Hereford, Starker Forests
Tyler McCarty, SWO District Forester, ODF
Karl Mielke, Finance Unit, ODF
Jerilee Johnson, Area Accountant, ODF

ITEM 1: CALL TO ORDER, CHAIR COMMENTS AND INTRODUCTIONS

Chair Garrelts called the meeting to order at 10:00 a.m. on Tuesday, March 7, 2023. He and committee members Steve Cafferata and Erik Lease were present in the room. Committee member Chris Johnson was absent, however there was a quorum.

Chair Garrelts then reminded the committee that Steve Cafferata's term expires this April and he has opted to not see reappointment. He then announced that the committee will be recruiting for a new member to fill the vacancy in the coming months.

ITEM 2: APPROVAL OF THE MINUTES OF THE JANUARY 3, 2023 EFCC MEETING [Decision Item]

Chair Garrelts asked for a motion to approve the January 3, 2023 Emergency Fire Cost Committee (EFCC) meeting minutes. No comments were made by committee members or attendees. A motion for approval of the minutes was made by Erik Lease and seconded by Steve Cafferata. All were in favor and none opposed, and the minutes of the Emergency Fire Cost Committee January 3, 2023 meeting were unanimously approved.

ITEM 3: FINANCIAL STATUS OF THE OREGON FOREST LAND PROTECTION FUND [Information Item]

The financial status of the Oregon Forestland Protection Fund was reported by Lorna Hobbs, EFCC Finance Coordinator and reviewed by the committee. Lorna noted the continued work with ODF accounting to improve the EFCC reports then reported the changes made from the last report. For fiscal year 2023t the beginning balance of the fund on July 1, 2022 was \$10,955,583.

On the report, under Estimated Revenue/Transfers In:

- Item #1: As of January 31, 2023, the total estimated amount for assessment and revenue is \$9,211,101. As of January 31, 2023, \$8,677,278 has been received. The majority of assessment revenue, \$6.8M, was received in December.

- Item #2: Harvest Tax revenues for the current fiscal year are estimated at \$2,178,594 with just over \$1M already received to date. There is no change from the previous report. February harvest tax revenues will be reflected on the next report.
- Item #3: The interest rate has risen to 3.75% since my last report. Interest earned as of January 31 totaled \$139,327, and the total for FY23 is now estimated at \$277,651.

Lorna then noted a change made to the report with moving items previously under revenues, items 4, 5, and 6. These used to be the expenditure reversals received from previous years. Those have now been moved down under expenditures as they were actual reversals of expenditures.

The actual revenue received as of January 31, 2023 is \$10,233,016, and the estimated total for the fiscal year is at \$11,666,346.

On the report under Expenditures/Transfers Out:

- Item #1: Payroll and operating expenses for fiscal year 2023 are estimated at \$185,000.

Lorna then noted another change to the report, which was the removal of the \$410,000 expenditure for the 2022 fire season insurance policy as it was accounted for in the previous fiscal year.

- Item #3: The Fund's contribution to the insurance premium for fire season 2023 is still estimated at \$315,000. This amount could increase if spring fires do not reach the \$10M fund cap.
- Item #4: The Fund's contribution to severity costs for the 2022 fire season was \$3,000,000.

The following items, 5, 6, and 7, are the extended reversals from the previous fiscal years that were moved from revenues and transfers in on the report.

- Item #5 & #6: Show a result of prior fiscal year reconciliations where the Oregon Forestland Protection Fund overpaid severity costs for fiscal years 2014 and 2015. The total amount returned to the fund is \$1,543,037.
- Item #: As previously reported, an adjustment of \$12,943 was made in July for overpayment of FY21 operating expenses.

For the 2022 fire season draft claims, the current estimated net claim total for fiscal year 2023 claims is \$17,403,444, which is slightly higher than the previous report.

Additional transfers made in support of the 2022 fire season for large fire suppression remain the same. Those transfers were:

- A total of \$819,135 advanced to Coos Forest Protective Association.
- A transfer in the amount of \$7,685,260 to cover the Fund's portion of large fire costs. This amount was based on the final cost estimate that was distributed in October, less the amount advanced to CFPA.

These transfers total \$8,504,395. Of the estimated \$10M, there is \$1,810,605 remaining in the fund for FY23 emergency fire costs. If this amount is not spent, it would contribute towards the insurance premium for fire season 2023, if the insurance policy is purchased.

Actual expenditures, including previous year reversals, as of January 31, 2023, total \$9,948,415.

The current fund balance ending January 31, 2023 is \$11,230,185.

The estimated fiscal year 23 ending balance on June 30, 2023 is \$10,678,909.

Chair Garrelts commented that it is a good reminder that fire season is July 1 to June 30 and it is not terribly uncommon to see spring fires, so while there is some growing certainty with the numbers shown on this report, there is still the spring season before things really roll into the 2023 fire season. He then thanked Lorna for the update and asked the committee members if they had any questions. No questions or comments were asked or made by committee members.

ITEM 4: INSURANCE MARKET / POLICY UPDATE

Chair Garrelts introduced Todd Scharff, DAS Risk Management, who introduced Lindsay Cunningham and Lee Lockrem with Willis Towers Watson, the lead broker for the insurance policy. Together they provided an update on the insurance policy for the 2023 fire season. As of today, they did not have any proposals to present, however, compared to the typical timeline for this process, they are only a week off. The underwriters have just started reviewing the renewal and have given some initial feedback. Todd mentioned there would likely be a need for EFCC, DAS Risk, and Willis Towers Watson to meet again as the proposals become available, so the committee can review and make a decision.

The firefighting expense policy submittal has been submitted and the underwriter meetings have been held. They went very well. Todd commended Mike Shaw and Chair Garrelts for their good job in representing the program. He then mentioned two areas of feedback from the underwriters – concern with inflation and climate change, with a focus on predicting these moving forward. Specifically, they asked what things cost in the past, what they will cost going forward, and how climate change is affecting all of this. Some of this information has been submitted to the underwriters.

Lee Lockrem agreed with Todd in that Mike and Brennan did an incredible job in the underwriter meetings. She then provided more details of each meeting highlighting that it is still very early in the process and Lee has been in daily contact with Willis Towers Watson London regarding the lead underwriter's initial reaction. It looks like the premium will increase by about 5%, with a potential increase in the retention. Willis Towers Watson is pushing back very, very hard and because of the helpful background data provided by ODF, she hopes to reduce what the lead underwriter's actuaries perceive to be trending inflation. In the meantime, Derek Hanson (lead underwriter) is reviewing all of the information provided and is committed to a response within 24 hours. She reminded the committee that the lead underwriter is pivotal in the success of the program and if he is replaced, there's speculation that the program will be unable

to pull the new London market capacity and resolve the shortfall. Lee closed by stating that depending on what happens tomorrow morning, there may be some other alternatives to offset the premium increase.

Chair Garrelts thanked Lee for the update and asked the committee members if they had any specific questions.

Steve Cafferata asked about inflation and climate change specific to a one year contract, why the underwriters are so concerned. Since climate change is not looked at on a 6 month basis.

Lee replied it's the historical look back of 10 years and what that loss would look like today. She restated that this is all surrounding the retention and that the inflation factors aren't arbitrarily chosen. She agreed with Steve that there are more wildfires now than in the past, but the underwriters aren't only looking at Oregon. It's a global effect, and the underwriting community has not had to address this in their rating mechanism to date. Also, wildfire was never contemplated so it's viewed as climate change and underwriters are struggling with how to underwrite it.

Todd Scharff added that DAS is currently working to verify whether the rates for services such as aircraft, are flat going into next year, or if there will be an increase in those contracted prices. If there is an increase, they're trying to determine what those prices would be. He added that this is the last of the information needed for the underwriters. He stated that with BLM taken out of the equation, when numbers are inflated, there's a need to start with the real number; then contracts are reviewed to ensure all parties agree on the inflation rate escalation. He also noted the increase in retention last year from \$50M to \$75M, and that the program is stressed and has been over a number of years now.

Steve Cafferata said he was amazed that there's even contemplation of increasing the retention given there hadn't been a claim in 50 years that would have reached \$75 M, and it's already too high now.

Lee agreed noting had there been a \$75M retention the whole time, there wouldn't have been claims on the policy. This is exactly the data points provided to the underwriters yesterday to Derek Hanson this morning. It's also why he's reconsidering.

Todd added that Willis inflated the old numbers to show what would happen if those fires were to occur today, even with the removal of BLM.

Chair Garrelts stated he was confident that consideration was given to looking back from 2013 to 2017 when BLM was in the Fund, that those fire years were appropriately discounted in looking at inflation trends over time. Lee and Todd both confirmed this is correct and are very good points.

Lee then reiterated how committed Derek is to making this work for all parties. In conversations just this morning, the 5% increase (or \$80M) in retention is actually coming from his actuarial group. Any decision he makes now is going to be outside of that and resting on the information ODF is providing.

Chair Garrelts noted that inflation within firefighting is kind of a sticky wicket and he hopes the actuaries are trying to pull real time data and not Consumer Price Index (CPI), for example. There has been substantial inflation costs for certain aspects of firefighting, with other large fire costs remaining relatively flat, which could be really influential in analysis of costs. He added that trying to get as close to real inflation costs is difficult to calculate.

Lindsay Cunningham added it's more like a present day calculation and that the information provided by ODF and team is exceptionally helpful to take back to negotiate on those points.

Chair Garrelts thanked Todd, Lee, and Lindsay and asked if they had any closing comments but they did not. Then he asked the committee members if they had questions.

Steve reminded the committee that with a \$75M retention, by the time the premium is paid, there's really only about \$21M in coverage, not \$25M.

Chair Garrelts said that was a fair point and notwithstanding the previous discussion on where the underwriters may land on a retention or premium, another question is ensuring ODF has available General Fund dollars to fund their portion of the policy. He reminded the committee of the limitations on EFCC's contribution. Based on the current balance of the OFLPF, they should be able to contribute more than in the past but will be dependent upon the spring fire season. He then asked ODF's Chief Financial Officer, James Short, provide an update on the status of available funding for ODF's portion of the premium.

James Short, Chief Financial Officer for ODF, stated this is the year that the agency typically goes in front of the Emergency Board to request funding for the insurance premium costs, however, due to it being a full legislative session, it is now requested through Ways and Means. He added that his staff have been in communication with State Forester Mukumoto and will be submitting a letter to the Ways and Means Committee Co-Chairs requesting the funds to pay ODF's portion of the insurance policy premium, and any difference in what the OFLPF contributes, among the eligible costs. In terms of timing, there may be a delay of a week or so due to legislative session, but once the final premium amount is known and approval is given by the State Forester to purchase, the agency will begin drafting the letter, in conjunction with the Fire Protection Division. James reminded the committee that ODF has continually received funding from the legislature for the insurance policy premium costs in the past. .

Chair Garrelts thanked James for his update and restated the statutory obligation of the Emergency Fire Cost Committee to consult with the State Forester on whether or not to purchase the insurance policy, including the level of coverage. However, given that there is no formal proposal yet, that committee decision will need to be had at a later date, and EFCC will likely need to hold a special meeting specific to that topic once a formal proposal is received in the coming weeks. Chair Garrelts noted EFCC will coordinate with ODF on a date and time for the special meeting to ensure it happens quickly.

Mike Shaw, Chief of Fire Protection for ODF, thanked Todd, Lee, and Lindsay for their efforts in providing the committee, and ODF, with the information necessary to aid in the recommendation.

State Forester Mukumoto added his thanks to the team and asked for a more robust discussion later as to where insurance fits into the overall financing package for ODF. He'd like the opportunity to talk landowner rates and the direction they're going as both relate to how fire is financed in Oregon.

Chair Garrelts then opened the conversation, as requested by State Forester Mukumoto, noting the increasing focus on wildfire over the past several legislative sessions, and suggested this conversation happen after session. From his perspective as a landowner preparedness and suppression standpoint, rates in southwest Oregon are increasing rapidly due to inflation and legislative pressures and it's becoming difficult for smaller landowners to see the net return benefit. He added his concerns as an Oregonian because it could mean there could soon be some transition away from forest management to other types of landowners, and therefore, subsequent loss of forest coverage with Oregon-based companies being replaced by large, nation-wide corporations, like Weyerhaeuser.

Erik Lease then provided his perspective as a large forest management company (Weyerhaeuser) and agreed with Chair Garrelts, but also noted large corporations' concerns with escalating costs. Costs are multiplied on the east side of the state where lack of infrastructure tends to reduce the returns back to the land, and with the additional burdens it is even more difficult. He asked for a philosophy on climate change given these large, catastrophic fires are not going away. We were lucky last year, but once August 1 came around, we were into fire season.

Chair Garrelts agreed that the pinch point started on the east side, and his personal opinion is that the system was developed when wildfire was a rural problem. But the fires today are region-wide with smoke impacts hundreds of miles away from the actual fire. He said that Oregon landowners are proud of this cost-share system, but he believes wildfire is now an Oregon-wide problem and cost increases for landowners only is not balanced when it should be. When a landowner's land burns, there's few grant opportunities for reforestation. There's funding for infrastructure, but landowners are left holding the burden of the financial cost to repair their lands, which are largely uninsured.

Erik Lease agreed that fire is a regional problem and there's an opportunity to continue the focus on prevention and initial response within the fire structure by integrating resources to better control some of the costs. As for the general cost of inflation and fires getting more expensive, Erik wonders if it could be due to a strategic change in the heavy reliance on aviation assets, which he noted is the most expensive method of fire suppression. He also noted there aren't roads where there used to be, making initial attack difficult.

State Forester Mukumoto turned back to the question of insurance and where EFCC feels it fits into ODF's financing plan, given the \$4M cost of the premium for a \$21M margin, only after \$75M in net costs are incurred. He pointed out it only reduces the risk for the insurer and asked if it is unattainable given ODF's history of firefighting costs, taking into consideration climate change as the factor which increases the intensity and therefore costs of the current fires we're seeing.

Steve Cafferata responded to State Forester Mukumoto's previous question, that from a small landowner perspective, it should be assumed there would be a \$100M fire once every 5 years in order for the policy to be beneficial. As a percentage of the total budget for the state of Oregon, the \$20M risk may not be as beneficial as it used to be, especially looking at increased retention and/or increased premium. He added that from the EFCC's point of view, a business perspective, it is solely to insure the General Fund. Personally, as a small landowner, he would start to take a little more risk since it's such a small percentage of the total budget of the state of Oregon.

To Cal's other question, Steve noted many small landowners don't have annual incomes from their property; instead, they may get a paycheck every 40 or 50 years, so they have to carry the cost from other sources of income. Steve tells other small woodland owners it's a great deal and ODF is their best friend; they're the only thing standing between you and disaster, so they should support ODF every way they possibly can. It's even harder on the east side.

Chair Garrelts agreed with Steve Cafferata that the challenge is that the insurance policy falls into a nexus with some political headwinds that landowners face. There continue to be conversations every session that landowners should be paying considerably more for fire protection than the state. What these conversations fail to recognize is the partnerships and the all-Oregon problem and want to push the problem directly to the landowners. So while there is the appearance of diminishing return of the insurance policy, he is concerned that removing the policy and then having a year with a major fire bill will only fuel the flames of those political headwinds. So the insurance policy somewhat provides a backstop for the cost of wildfire to the state. There's also been more scrutiny on this policy in the last 5 years than in the previous 50, and he reminded the committee that this is the only policy of its kind in the world and is a partnership nearly 50 years strong. Additionally, it's not like other insurance policies where you can shop around to find better rates, buy down costs, or change the terms. A decision to discontinue the policy, either by the state or the London marketplace, it would not be available ever again. This is a risk that needs to be factored into this decision and set some metrics to see where the financial point of diminishing return is and then look very closely at this policy and the value it provides. He would like to sit down and work through the decision with some financial analytics to determine where that decision point lies. Brennan feels this is a more prudent action rather than engaging in politics.

Cal agreed that it is a good business relationship with Lloyd's of London, but the decision needs to be made based on the fiduciary responsibility and not on legacy. He appreciates the EFCC answering his questions. The big picture is how to finance fire in Oregon.

Chair Garrelts noted the watershed impacts, from available drinking water, is a huge all Oregon problem extending beyond just the valley where the smoke impacts are greatest.

Steve Cafferata noted the biggest risk to Oregon is the federal fire policy and letting fires burn. Cedar Creek is the perfect example, in his opinion. It easily could have been stopped but they let it go. How do we manage Oregon's fire costs when the federal government manages their fires differently.

ITEM 5: 20-YEAR LANDSCAPE RESILIENCY STRATEGY [Information Item]

Nathan Beckman, Strategic Planning Coordinator for ODF, presented a PowerPoint highlighting the collaborative effort and provided a high level overview of the strategy. It prioritizes restoration actions and geographies for wildfire risk reduction that can be used to direct federal, state, and private investments in a tangible way. This language is also in SB 762. After Nathan finished his presentation, Chair Garrelts asked the committee if they had any questions.

Seve Cafferata noted his concerns with not having a New Mexico incident in Oregon and has concerns with trying to manage liability at this scale.

Nathan responded that the landscape resiliency strategy is basically taking data and using it to determine the best place for investment with the greatest return. The governance of the strategy has seen barriers at the local and state levels and the desire is to come up with policy recommendations, though that doesn't solve the problem. It does, however, work toward a vision of that.

Mike Shaw added that this is a tool to help the state be successful. He noted that it will be a long, arduous process, so the planning needs to start now given the complexity of the issue. He highlighted the need to be thoughtful in the response and planning moving forward will take aggressive investments.

Steve commented on the need for experienced people to call the shots.

State Forester Mukumoto made an observation in that the governance piece is as important as anything with all agencies in discussions on working together to best leverage the funds. At the last report, there were still 5.6 million acres still needing treatment. And while prescribed fire is one way, making materials into a useable product, at some point, biomass can be reasonable. He added that reliance on government funding isn't sustainable and there needs to have an economic solution too.

Chair Garrelts stated with multiple partners, many of which with different levels of acceptance of risk, and the transition to implementation, there's no getting stuck in analysis. He encouraged leadership and being part of the discussion and also willing and able to accept risk and make uncomfortable decisions in order to meet the goals of acres burned. He emphasized the most important decision point is to see effective work being done. He is encouraged by the governance to get other partners to accept risk noting it's a statewide issue.

ITEM 6: WEATHER UPDATE [Information Item]

Ron Graham, Deputy Chief of Operations for the Fire Protection Division, provided the weather update, giving credit to the National Interagency Fire Center, Predictive Services, for the information he will provide today. NIFC's newest outlook was released on March 1st for the months of March through June, and there is good news and hope on the horizon for Oregon. At the time of this release, over 40% of the country was still in drought. Since then, there's been improvement, especially in northwest Oregon where there's been a substantial increase in precipitation. In looking at the significant wildfire potential maps, the forecast indicates no strong confidence in a significant fire season, especially an early season. There will be a transition from a La Nina weather pattern to El Nino, though it is unknown exactly when, which is causing a little bit of waiver into forecaster's confidence. Ron added that through March, there will be continued improvement in drought across Oregon. However, across the country, including Florida, Texas, Arizona, New Mexico, Colorado, and the southern and central plains show drought intensifying.

For our region, central Oregon is still looking like the hot spot for drought, though that looks to improve through this March-June period. Through and past June, there are no significant indicators of any kind of significant precipitation, just more normal through the spring months for Oregon. Snow packs are also favorable at this time, and one of the determining factors of fire season is late spring moisture, along with adequate snow packs and how quickly the snow packs melt, and things can change very quickly. Ron closed noting by the next EFCC meeting in June, as the outlooks come out, there will be more confidence in the forecasts.

ITEM 7: UPDATE ON STATUS OF LARGE FIRE COST COLLECTION EFFORTS [Information Item]

Neil Miller, Fire Cost Recovery Specialist, provided an update on the status of large fire cost collection efforts, highlighting a few of the fires that ODF has received significant payments on, which include the West Oregon Maple Park fire for \$3,420. For the monthly payment plan installments for the incidents on the first page of his report, the total received is \$1,541.96, making the total amount received since the January EFCC meeting \$4,961.96.

For cost collection claims at or over \$5k, there were no new claims added since January. The Central Oregon Grizzly fire demand amount was recertified which will reduce the original amount listed at the last meeting by \$1,003,139,207.40. The new total is \$426,595.6. A new invoice is currently being processed for this fire and negotiations will continue after that.

For the significant fire investigations in progress or under DOJ review, the northeast Oregon West Campbell fire, and the Klamath Lake Ben Young fire, have been added to the list. The Ben Young fire has been a long withstanding and is on hold at the US Attorney's office to allow information sharing and collaboration with the US Forest Service investigator. Our investigation is still on hold there.

The North Cascade Niagara fire from 2015 has been removed from the list and closed as it was not a strong case of negligence and the responsible party did not have any assets.

Chair Garrelts asked when claims move into the DOJ review process, what is the average timeframe before it clears out of that? How long it takes for claims to go through the DOJ review process. Neil responded that it is an ebb and flow with class action lawsuits and cost agreements, between US DOJ and Oregon DOJ.

For the 2020 Labor Day fires, Neil noted that many of the investigations are coming to close this spring; then discussions with the USFS will continue. If a settlement is received, the amount would depend upon the assets of the responsible party. In this case, it is a pro rata

settlement due to shared ownership. Overall, Neil is positive that some of these larger cases that were on the landscape, are reaching a near closure.

Chair Garrelts thanked Neil for his leadership, adding that this information is important not only for financials, but also to show Oregon's aggressive action of recovering costs of fire by responsible parties.

ITEM 8: DETERMINE UNENCUMBERED BALANCE OF THE OFLPF AS OF FEBRUARY 15, 2023 *[Decision Item]*

Nancy provided this update by first reminding the committee that it is required by statute to determine if the unencumbered balance of the Oregon Forestland Protection Fund as of February 16, exceeds the reserve base of \$22.5M. Consistent with the requirements and statute, the committee shall meet and determine the balance. The unencumbered fund balance has been calculated in the handout and as of February 16, was \$11,410,495.31, which is a reduction of \$96,315 for administrative expenses, not yet paid by February 16th. There were no other adjustments necessary, resulting in an unencumbered balance of \$11,314,179.89. This amount is below the \$22,522,500 reserve base, which means the OFLPF assessments will continue consistent with the law. Nancy recommended the committee certify the unencumbered balance and asked if anyone had any questions. A motion to certify the unencumbered balance of the OFLPF as of February 16, 2023, was made by Steve Cafferata and seconded by Erik Lease. All were in favor, none opposed, and the motion passed unanimously.

ITEM 9: ADMINISTRATIVE BRANCH REPORT

- ODF financial report

James Short, CFO for ODF provided the financial update noting as of today, the overall cash balance for the agency is sitting at \$47.5M, which exceeds the amount of the agency's current financial obligations. He added that all program appropriations previously borrowed from to mitigate cash flow, have been reimbursed, thus, all General Fund appropriations have been 100% reimbursed. The total accounts receivable balance is \$65.1M, \$46.6 due from federal agencies. James closed his report stating the agency looks good at the moment, but early fire season can mess that up. He asked if there were any questions from the committee.

Chair Garrelts asked if BLM had paid their first fire suppression installment. James confirmed it was paid today in the amount of \$4.6M.

- Legislative session

State Forester Mukumoto provided an update on the current legislative session, noting last week's presentation to the Natural Resources Subcommittee of Ways & Means. The committee asked a lot of questions, which is good. They were also asked about the insurance policy. Cal continued noting there were a few questions on the HCP and many others related to fire. Cal summarized it as a good experience and the agency did well. He is interested in expanding conversations around fire financing.

As far as bills ODF is tracking, there are 633 that may have an impact on ODF. SB 80 is a fix-it bill for the WUI risk map. There is currently a pause on major operations of the map until the legislature responds on their intent. SB 90 creates a State Forests task force and is also paused. SB 509 is a bill to bring agency coordination around community defensible space. It is primarily an OSFM bill to allow them to work with the Firewise program. SB 82 states a homeowner cannot be denied based on the WUI risk map levels.

James Short added it was one of the best presentations the agency has done in a long time, despite the quick turnaround time.

- Strategic Investments financial report

Tracy Wrolson, Fire Protection Finance Unit Manager at ODF, opened his report by mentioning that his entire ODF career has involved emergency fire costs and reconciliations so he understands how the OFLPF works. He noted that he was recently tasked by James Short to figure out the MGO recommendations revolving around the Fire Protection fiscal budgets – the transparency, the consistency, and the final landowner rate to make sure it's as accurate as possible.

Tracy then told the committee that the Protection Finance Unit is working to get bills paid and money back to the agency as quickly as possible. The unit is also working with MGO on consistency, accuracy, transparency, basically any efficiencies of the reports and documents produced. All of this leads to changes to the strategic investment report today.

Tracy then went through some of the changes on the report, noting it is the same information, just in an easier to read layout. He presented a document showing the detail of the strategic investments. For the 2017 strategic investment status, there was a carryover balance of \$14,416 with most of those projects completed and a few are pending expenditures that will be completed in the near future. Tracy went on to note the balance is lower than previously reported at the last EFCC meetings (maybe \$3k or \$4k less) due to the Mahogany Mountain project, which is still being completed and had some expenditures that were being spent against.

For the 2020 strategic investments, the carry over amount into the balance was \$1.5M and was approved to transfer funds. Tracy mentioned at this point, nothing has been spent. Pending expenditures are approximately \$64k.

The remaining project balance is roughly \$1.3M with a balance of undistributed funds in the amount of \$107,376. Tracy asked if there were any questions or comments from the committee.

- FEMA update

Stacey Chase, Deputy CFO, provided an update on FEMA claims noting that since the last meeting in January, \$16.8M has been received from the Fire Management Assistance Grants. These are funds received directly from FEMA, not run through the Oregon Department of Emergency Management (ODEM). She stated the \$16.8M included approximately \$300k for the 2020 pre-positioning claims and \$16.5M for the 2021 Bootleg fire initial suppression cost submission. She noted there will be an additional submission and it is expected after the spring cost reconciliations are completed. \$1.2M has been received for the Public Assistance Grant reimbursements for the 2022 suppression claims, which were submitted through ODEM. with \$40.6M outstanding. Claims pending ODEM approval total \$46.6M from federal partners, \$40.6M of which is related to FEMA. Estimated claims not yet submitted total \$7.3M, including claims pending final cost reconciliation this spring.

Ron Graham provided an update on this topic noting that Protection and Admin staff recently met with FEMA Region 10 on pre, during, and post recoveries. All meetings went well and FEMA noted that Oregon and ODF have a strong program. He explained that Oregon and Alaska have a structure as a state forestry agency by statute, responsible for the FMAG program. Ron mentioned some big news since the last EFCC meeting – the appeal that was submitted on the Cedar Creek FMAG was successful, which is rare and unprecedented. This is opening policy conversations to the FMAG program, especially fire threats on other jurisdictions where ODF incurs the costs. Our data analyst, Teresa Alcock, did the work on the appeal and it was used as an example to other states on what a successful FMAG appeal looks like. Ron stated the financial impact to ODF won't be significant (\$100k) and because the appeal was successful, the incident period restarts.

Chair Garrelts commended the work by Fire Protection staff on the appeal and report and thanked them for their leadership.

ITEM 10: FIRE PROTECTION DIVISION REPORT *[Information Item]*

Mike Shaw opened this report and turned it over to Ron Graham, Deputy Chief of Operations, who provided the following updates:

- BLM Western Oregon Agreement

The fiscal invoice was paid yesterday and documents have been revised. This was the largest invoice and covers most of fire season. ODF and BLM conducted an AAR last month which was well attended and there were no significant findings needing correction from last fire season.

- Geoboard

ODF IMTs will be attending the annual team training April 4-6 at Seven Feathers Casino in Canyonville. All three ODF IMTs are fully rostered and rotations are scheduled but there's still a few vacancies to be firmed up. Federal IMTs are moving away from Type 1 and Type 2 teams and will be designated as complex IMTs. Ron noted more will be learned at a later date. He summarized the Geoboard's work as focused on IMT succession management.

- Severity resource plan

Currently, ODF's Aviation Unit is working on contract renewals for aviation resources. The contracts will be similar to last year. ODF is in the process of upgrading Type 2 helicopter contracts to Type 1 as the federal government continues to impose requirements for Type 2 contractors with older equipment.

The Partenavia is currently at FLIR getting updates and repairs on the infrared camera. It is expected to be back and fully functional by fire season 2023. The cost of repairs to this aircraft will be expensive at an estimate of \$60k.

Steve Cafferata asked who the current ODF ICs were. Ron responded Joe Hessel, Tyler McCarty and Matt Howard and mentioned that there's now Deputy ICs rostered for each of the three teams, and they are: Cline for IMT 1, Pettinger for IMT 2, and Perkins for IMT 3.

Mike Shaw added his comments on complex IMTs at the federal level noting as the federal system transitions fully, the past practice of national Type 1 teams versus regional availability will go away and all teams will be available and deployable nationally. The effort is to staff ODF IMTs and it was a valuable decision to keep ODF's as Type 1 IMTs.

Chair Garrelts asked if this change has any bearing on the Northwest Compact and the ability to pull a Washington IMT into Oregon or if they were separate. Mike Shaw responded this is different from the Northwest Compact as the geographic coordination at R6 (had 3 national, 8 regional teams) are now all nationally deployable. If there is increased activity in other parts of the country, several teams could be pulled from the northwest, putting tension in the system on team availability. Ron added that ODF teams will likely become CIMT equivalent since they meet those requirements, however, ODF will remain status quo and the agency's IMTs will not be nationally deployable.

Mike Shaw noted that the federal agencies are struggling with the shrinking pool so there could be more pressure on ODF IMTs on fires that start on federal ownership and are threatening ODF protection. He added there may be a lack of team availability within the federal system which will put pressure on ODF IMTs.

Chair Garrelts mentioned his concern that Oregon will get teams that don't understand the value of the complete and coordinated system, or the value of timberlands. He noted the struggles with previous teams outside of this area and the need for aggressive suppression tactics. He said ODF made a good decision.

Steve Cafferata noted the great discussion today and commended the agency, adding that landowners were very supportive.

- 2017 Strategic Investment successes

Ron continued with the successes of the 2017 strategic investments noting the 2013 legislation which allowed reinvestment of unused funds to keep large fires off the landscape into the future.

1. **Early detection** allows firefighters to get boots on the ground quickly. The largest strategic investment was the FLIR camera which was installed on ODF's Partenavia aircraft in 2020. In 2022, it was used to detect 56 fires and ODF was able to get firefighters on those fires before they became large. The agency is actively looking at other aircraft to reinstall the FLIR camera onto because the Partenavia can't fly the entire state in one night.
2. **Detection cameras.** There are 8 to 10 sites across the state with detection cameras which continue to provide successful early detection. The Mahogany Mountain camera is shown on the screen. **These photos** were from September 2 and show fire detected within 3 hours. Firefighters were able to get to the fire in the middle of the night and catch it at 6 acres. Without the camera and its operator providing intel to firefighters on the ground, there would have been a much more significant fire on the landscape.
3. **Troy Guard station.** Housing has been a problem when recruiting firefighters. The Troy guard station provided multiple benefits in Wallowa; one major benefit was response time. ODF shared financial responsibility for the guard station with ODFW. It is staffed May through October by ODF and October through May by ODFW. Funding was also received from Wallowa county to offset costs. Since 2019, ODF has staffed an engine to provide faster response to tough terrain, and to provide continual presence for prevention, education, and outreach.
These strategic investment successes will be used for future opportunities. Mike Shaw thanked the committee for the funding which allowed for the assets to provide success for ODF and the state of Oregon. He is looking forward to future strategic investment opportunities for the agency.

Steve Cafferata noted that the city of Troy provided a lot of data for the committee to be able to make the call on the investment in the guard station there.

Chair Garrelts said it was good to hear success stories but reiterated that strategic investments aren't looked at as a grant program. There has to be some analysis for the return on investment and he appreciates when districts can provide that. He noted that it will be an important part of future strategic investment decisions for the committee.

ITEM 10: COMMITTEE MEMBERSHIP POLICY DISCUSSION *[Possible Decision Item]*

Nancy developed a draft document from the last EFCC meeting in January and solicited feedback from committee members. She noted that much of the updates to the policy are enhancements for consideration by the Emergency Fire Cost Committee (see handout). These enhancements are to achieve a policy statement for EFCC to follow statutory requirements for recruitment of new committee members. Chair Garrelts thanked Nancy for her work, which accurately reflects the discussion from the last committee meeting and noted the importance of the process.

A motion to approve the recruitment policy as presented, effective immediately, was made by Erik Lease and seconded by Steve Cafferata. All were in favor and none opposed, and the motion passed unanimously. As such, the committee now has an official recruitment policy which will be used for the recruitment for the position vacated by Steve Cafferata.

ITEM 11: STRATEGIC INVESTMENT *[Possible Decision Item]*

ODF's Eastern Oregon Area, through Justin Hallett, asked the committee if they could amend their camera strategic investment proposal to request additional funds to cover costs. Justin noted that each EOA district have identified priority sites which have no infrastructure and require an additional \$30k to complete. He referenced Tracy Wrolson's report noting the undistributed amount available as \$100k. Chair Garrelts told the committee they can choose to make this a decision item today, or punt to the next EFCC meeting. He added his personal frustration with this request noting the specific ask for the area to take a hard look and ensure the costs were accurate, and then to see this request come in. It's a reasonable ask, however, in terms of the importance of early detection.

Erik Lease asked if the increase were \$90k, whether that would provide an opportunity to drop a site and possibly use that money for the other two sites. Justin replied yes, if the request of the committee is to drop a camera site, that can be done. Steve Cafferata made a comment about round numbers and splitting the difference where EFCC pays 50% and EOA pays 50%.

Chair Garrelts asked what opportunities existed for getting more accurate and definitive numbers. He asked for the agency to come back with a way to achieve all 6 and at that time, the committee will review at a follow-up meeting. The preference is to have hard numbers, recognizing increases in cost for execution. He is hesitant to offer money without seeing more accurate data points.

Steve voiced his concern with delaying the installation of these cameras given the successes, but understands other projects still need funding and doesn't want to spend the fund reserves. Erik agreed that leaves no margin for other strategic investment projects if the remaining funds are used for this project.

The committee agreed that before they could approve, they would need more definite numbers and asked the area to come back with this information for all 6 locations. For now, funds remain in the amount of the initial investment. Chair Garrelts encouraged EOA in the future to sharpen their numbers when requesting additional strategic investment funds.

Steve made a suggestion of borrowing from other strategic investments within EOA.

ITEM 12: EFCC ADMINISTRATOR REPORT *[Information Item]*

Nancy provided the EFCC Administrator report noting the spring audit schedule. She asked committee members to let her know if they would like to attend any of the audits. Nancy then reminded the committee of the discussion at the last EFCC meeting over the district deductible process. She will ensure the topic of the Agency Request Budget (ARB) is included for future EFCC meetings in the ARB cycle. Finally, Nancy stated that she would follow up with each of the committee members on scheduling the special EFCC meeting on the insurance policy.

ITEM 13: RECOGNITIONS

The committee took some time to recognize committee member Steve Cafferata's service on the Emergency Fire Cost Committee. Comments were made by Chair Garrelts noting that Steve has served on this committee since 2011 and was an instrumental force in helping address the new age of fire by getting BLM removed from the OFLPF which saved Oregonians tens of millions of dollars. He thanked Steve for his leadership not only on this committee but for many other issues across the state.

Nancy provided comments, along with State Forester Mukumoto, and previous EFCC Administrator, Tim Keith. Nancy then read portions of a note from former EFCC Chair Ken Cummings and Pete Sikora.

Steve thanked everyone for their comments and said he enjoyed his time serving on EFCC.

ITEM 14: PUBLIC COMMENT / GOOD OF THE ORDER

There being no further business before the committee, Chair Garrelts adjourned the meeting at 1:01 pm. The next regular meeting of the Emergency Fire Cost Committee will be held at **10:00 a.m. on Tuesday, June 6, 2023** at the Oregon Department of Forestry Headquarters in Salem and via Zoom Video Conferencing.

Minutes drafted by: Chrystal Bader
Minutes reviewed by: Nancy Hirsch and Erik Lease

EMERGENCY FIRE COST COMMITTEE SPECIAL MEETING

April 3, 2023

In accordance with the provisions of ORS 477.455, a special meeting of the Emergency Fire Cost Committee (EFCC) was held via Zoom Video Conferencing on Monday, April 3, 2023.

Committee Members Present (via Zoom)

Brennan Garrelts, Chair
Steve Cafferata
Chris Johnson
Erik Lease

Others Present (via Zoom)

Nancy Hirsch, EFCC Administrator
Lorna Hobbs, EFCC Finance Coordinator
Chrystal Bader, Executive Support, ODF
Lee Lockrem, Willis Towers Watson
Lindsay Cunningham, Willis Towers Watson
James Short, Chief Financial Officer, ODF
Mike Shaw, Chief of Fire Protection, ODF
Ron Graham, Deputy Chief, Operations, Fire Protection, ODF
Neil Miller, Fire Cost Recovery Specialist, ODF
Gordon Foster, Prineville Unit Forester, ODF
Teresa Williams, Klamath-Lake District, Assistant District Forester, ODF
Kyle Williams, Director of Forest Protection, OFIC
Eric Kranzush, Giustina
Todd Scharff, DAS Risk Management
Shelly Hoffman, DAS Risk Management
Matt Stayner, LFO
Sione Filimoehala, CFO Analyst, DAS
Kate Skinner, Tillamook District Forester, ODF
Pat Skrip, DFPA District Manager
Jessica Prakke, Public Affairs, ODF
Jerilee Johnson, Area Accountant, ODF
Anthony Texeira, Area Accountant, ODF
Shelby Berry, Admin Asst., Fire Protection, ODF
Susie Armstrong
Ed Easterling
Carrie Karl
Marie Hansen-Wagnier, DAS Risk Management

ITEM 1: CALL TO ORDER, CHAIR COMMENTS AND INTRODUCTIONS

Chair Garrelts called the special meeting to order at 8:07 a.m. on Monday, April 3, 2023. All committee members were present via Zoom and there was a quorum. Chair Garrelts noted that the meeting materials will be posted on the EFCC website following the conclusion of the meeting. He also mentioned that the recruitment solicitation process to fill the vacancy of Steve Cafferata's, whose term ends at the end of April, has been started. If there are qualifying members of the public that are interested in applying, please send your resume to Nancy Hirsch.

ITEM 2: INSURANCE POLICY FOR 2023 FIRE SEASON *[Decision Item]*

Todd Scharff opened this agenda item noting the proposed new insurance policy would be effective April 15, 2023. He then introduced Lee Lockrem and Lindsay Cunningham from Willis Towers Watson. Lee led the group through the policy proposal discussion noting the program is 100% funded, prior to April 1, which is uncommon. She noted the challenges when they started the underwriting process this time around. Derek Hansen, lead underwriter with Canopious, offered an \$80M deductible and an increase in premium to \$4.2M. After further discussion, a \$78.5M retention was agreed upon. This is still an increase from the \$75M policy, however, the premium remained flat, including taxes and fees. Lee explained that a flat premium is unheard of given the rates are driven by industry losses and inflation trending. The premium plus taxes and fees is estimated at \$4,066,425. This is Derek's ninth consecutive year as lead underwriter, which is key in the London marketplace. Derek is well-respected with the syndicates in London. Lindsay Cunningham mentioned that she and Lee are available if anyone would like more information.

Chair Garrelts then opened the meeting up to committee members for comments, but none had comments.

Todd Scharff showed a document depicting the history of the insurance policy program. He mentioned the progress made with the policy limits of coverage which were clarified at \$25M with a \$3.975M premium, and if there was a claim, there would still be access to the full \$25M. He added that the terms are good, especially considering the overall market conditions. The deductible increase throughout the years has been gradual and shows some progress; every 5-7 years, there's been a dramatic jump in the deductible, sometimes \$15-\$20M at a time. Todd explained that the underwriters are concerned with inflation, generally, not just as it relates to the property insurance market. It does not cost the same to fight fire as it did 5 years ago. This policy covers catastrophic costs, which causes the deductible to increase. Todd summarized the history of the policy noting that it has worked well and in our favor over the last 10 years. For every dollar paid in premiums, \$2 has been received back. However, there is a gap in what the OFLPF picks up, which needs to be filled, so there's some work that needs to be done there. He reminded the group that this is a one-of-a-kind insurance policy with a very committed underwriter.

Chair Garrelts commented that as of right now, the estimated portion of the OFLPF contribution to the premium is a minimum of \$315k, but if the remaining fire season doesn't produce a large cost for fires, there is the ability to increase the contribution by \$1M, in addition to the \$315k. Chair Garrelts shared his perspective which is that with the removal of the BLM from the policy, in addition to the contribution from FEMA, since 2013, the state's net firefighting costs have yet to exceed \$71M. From a business perspective, it is becoming a challenge to justify the policy. Additionally, the politics surrounding the policy complicate things, and unfortunately, ODF and EFCC don't have much ability to influence potential shifts in costs for landowners. He added there are some legislators that believe landowners don't pay enough towards firefighting costs and are looking to increase costs dramatically. For some landowners, it's becoming untenable to justify annually, and that's where this policy helps to shelter General Fund (GF) dollars, which rolls down to the landowners. This is not a policy that can be turned on and off over time. Personally, he is struggling with the decision to continue the policy or not. He supports it and wants it to continue, but finances are becoming more difficult for landowners and the political influence risks are increasing landowner costs drastically.

Steve Cafferata noted that even if the premium remains flat and the retention increases, it still won't help. He mentioned the fund balance which is decreasing by about \$2 million each year. If the decrease continues, the committee will have to find special assessments by increasing the rate to rural residents and landowners across the state. If there are no spring fires, there would be a way to start rebuilding the fund. The retention increase also reduces future opportunities for strategic investments, which have saved the GF millions of dollars. Steve noted the policy is only a tiny percentage of the statewide GF dollars (0.06%).

Erik Lease made note of the \$75M retention, which is a threshold that has yet to be met. He is concerned with long term firefighting fund viability for the state and had hoped by now that a solution had been reached, but it has not.

Chris Johnson reiterated the important points that have been brought up. He views this as a bridge to nowhere. Nothing has improved, especially on the east side of the state where landowners are struggling with rate increases.

Lee Lockrem said she understands all points and perspectives and noted that if this product goes away, it won't come back.

Chair Garrelts reminded the committee that, consistent with statute, the decision to purchase the policy is ultimately up to the State Forester. EFCC only makes a recommendation to the State Forester on whether to purchase the policy or not. He offered one more length of bridge in hopes that the legislature can come to a resolution on long term funding of wildfire in Oregon. This considers the catastrophic nature of future fires, which is offset by strategic investments, early detection, and aggressive suppression.

Steve Cafferata commented that last year when EFCC agreed to bridge the gap, it cost the OFLPF \$300k. This time, it has the potential to cost the fund \$1.8M, which is a significant difference.

Chair Garrelts added that decreasing the fund balance is also a concern.

A motion to not recommend the State Forester purchase the catastrophic wildfire insurance policy for 2023-24 was made by Erik Lease and seconded by Chris Johnson. All were in favor except for Chair Garrelts who was in favor of recommending the State Forester make the purchase.

Chair Garrelts then thanked Lee, Todd, and Lindsay for their work on the policy this year and that given the property marketplace and increases, it was impressive to see. He reiterated that ultimately, the EFCC recommendation goes to the State Forester who makes the final decision of whether to renew or not.

Mike Shaw, Chief of Fire Protection for ODF, thanked the committee for this emergency meeting noting their commitment to fire protection in Oregon, along with the fiduciary responsibility to the OFLPF, is appreciated. He also thanked Willis Towers Watson and DAS Risk and added that this was a tough decision for EFCC, but folks understand the circumstances. He apologized on behalf of State Forester Mukumoto, who was downtown at the legislature. Mike then

stated he would be briefing the State Forester personally later today and recommend that he watch the recording of this meeting to understand the full scope and scale behind the committee's decision.

Chair Garrelts mentioned that he spoke with Cal ahead of this meeting and encouraged him to attend the legislative hearing where it was important for him to be.

ITEM 3: PUBLIC COMMENT / GOOD OF THE ORDER

There being no public comment or further business before the committee, Chair Garrelts adjourned the meeting at 8:40 am. The next regular meeting of the Emergency Fire Cost Committee will be held at **10:00 a.m.** on **Tuesday, June 6, 2023** at the Oregon Department of Forestry Headquarters in Salem and via Zoom Video Conferencing.

Minutes drafted by: Chrystal Bader

Minutes reviewed by: Nancy Hirsch and Erik Lease

Emergency Fire Cost Committee - Oregon Forestland Protection Fund

April 30, 2023

FY23 Actual and Estimated OFLPF Account Balance

FUND BALANCE

BEGINNING BALANCE (as of 7/1/22)	OFLPF Account			\$10,955,583
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REVENUE/TRANSFERS IN		Previous FY Revenue	Estimated FY23 Revenue	Actual FY23 Revenue
Landowner Assessment & Surcharges:				
Federal	BIA, Corp of Engineers (100% collection rate)		\$26	\$0
BOF & State	BOF & DSL (100% collection rate)		\$46,164	\$46,523
Private & Other Public	County Assessments & Direct Bill (97% collection rate)		\$774,921	\$758,623
Minimums	County Assessments & Direct Bill (97% collection rate)		\$727,809	\$714,949
Improved Lots	County Assessments & Direct Bill (97% collection rate)		\$7,662,180	\$7,562,931
1	Total Assessments from above		\$9,211,101	\$9,083,026
2	Harvest Taxes		\$2,178,594	\$1,984,360
3	Interest Income		\$280,575	\$217,629
REVENUE TOTALS		\$0	\$11,670,270	\$11,285,016

ACTUAL REVENUE RECEIVED AS OF April 30, 2023	\$11,285,016
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EXPENDITURES/TRANSFERS OUT		Previous FY Expense	Estimated FY23 Expense	Actual FY23 Expense
1	FY23 Payroll & Operating Expense		(\$185,000)	
2	Fire Season 2023 Insurance Premium Estimate***			
3	Fire Season 2022 Severity (used \$3M cap as estimate)		(\$3,000,000)	(\$3,000,000)
4	FY15 Insurance Premium Reversal	\$874,410		
5	FY14 & FY15 Severity Reversal	\$668,627		
6	FY 21 Operating Expense Reversal	\$12,943		
		\$1,555,980	(\$3,185,000)	(\$3,000,000)

2022 FIRE SEASON CLAIMS Net Amount**

Estimated FY23 Total	\$15,739,653	Previous FY Expense	Estimated FY23 Expense	Actual FY23 Expense
COD	\$353,513			
CFPA	\$1,145,890			(\$819,135)
DFPA	\$208,412			
KLD	\$2,399,301			
NEO	\$2,415,555			
NWO	\$297,160			
SWO	\$8,919,824			
FY23 OFLPF Remaining Contribution toward Suppression Costs				(\$7,685,260)
			(\$10,000,000)	(\$8,504,395)
EXPENDITURE TOTALS		\$1,555,980	(\$13,185,000)	(\$11,504,395)

ACTUAL EXPENDITURES AS OF April 30, 2023	(\$9,948,415)
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CURRENT FUND BALANCE ON April 30, 2023 (Beginning Fund Balance plus actual revenues minus actual expenses)	\$12,292,184
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ESTIMATED FUND BALANCE ON June 30, 2023***	\$10,996,833
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** Fire Season Claims listed are based on a Fiscal Year July 1 - June 30.

*** based on assumptions/estimates that the cap of \$13.185 million will be expended from the fund.

**EMERGENCY FIRE COST COMMITTEE
FISCAL YEAR 2021 AUDIT REPORT
OREGON FOREST LAND, PROTECTION FUND
June 6, 2023**

I. Overview

The Emergency Fire Cost Committee (EFCC) Administrator annually audits all fire costs which are a part of the claims against the Oregon Forest Land Protection Fund (OFLPF). This report summarizes the findings of the EFCC's fiscal year 2021 audits; the Administrator recommends that the EFCC approve the audits and consequently authorize payment of those claims, as needed, when they are finalized.

Nancy Hirsch, EFCC Administrator; Lorna Hobbs, EFCC Finance Coordinator; and Stacy Miller, Protection Division Finance Manager conducted the FY21 EFCC audits. Additional assistance on larger audits was provided by Kim Titus, Incident Finance/FEMA Unit Manager; and Sharrol Pyle, FEMA Specialist. Additional attendees at the audits included district foresters, office, and business managers, as well as various unit foresters and other district staff employees.

Due to COVID-19 restrictions, most audits were performed remotely. However, audits for Coos Forest Protective Association (CFPA), Douglas Forest Protective Association (DFPA) and North Cascades District (NCAS) were performed in person while practicing safe COVID protocols.

Fiscal year 2021 audits are complete, as well as any fiscal year 2020 fires that occurred prior to July 2021. During fiscal year 2021, total extra costs were \$134,055,919. After reductions were made for district deductibles, reimbursements, and fire cost recoveries, the total estimated claim to the OFLPF and General Fund is \$47,867,951. The following table identifies the districts that became eligible for reimbursement after meeting all fire suppression cost deductible requirements outlined in OAR 629-165-0010 through 629-165-0100.

DISTRICT	EXTRA COSTS¹	RECOVERIES	DAILY DEDUCTIBLE	ACREAGE DEDUCTIBLE	NET CLAIM²
CFPA (Timber)	\$1,184,121	\$0	\$75,000	\$125,234	\$983,886
COD Timber)	\$27,200,967	\$5,008,811	\$155,715	\$103,810	\$21,932,630
COD (Grazing)	\$6,177,500	\$1,790,360	\$61,908	\$51,590	\$4,273,642
DFPA (Timber)	\$15,741,790	\$13,344,788	\$100,000	\$93,083	\$2,203,919
KL (Timber)	\$11,156,761	\$7,749,203	\$152,485	\$101,657	\$3,153,416
KL (Grazing)	\$1,914,980	\$361,756	\$29,371	\$24,476	\$1,499,378
NCAS (Timber)	\$17,760,750	\$14,568,859	\$41,286	\$53,099	\$3,097,506
NEO (Timber)	\$631,323	\$0	\$96,802	\$84,841	\$449,681
NEO (Grazing)	\$1,482,690	\$100,000	\$65,473	\$54,561	\$1,262,656
SCAS (Timber)	\$10,517,342	\$9,499,342	\$34,367	\$93,452	\$890,180
SWO (Timber)	\$28,106,448	\$24,534,469	\$134,134	\$89,422	\$2,328,423
SWO (Grazing)	\$3,545,984	\$2,454,599	\$10,393	\$8,661	\$1,072,331
WL (Timber)	\$4,648,300	\$45,861	\$30,759	\$53,340	\$4,518,340
WO (Timber)	\$3,986,963	\$3,660,227	\$28,929	\$95,844	\$201,963
TOTAL	\$134,055,919	\$83,118,275	\$1,016,622	\$1,033,070	\$47,867,951

¹ Extra Costs include fires that occurred in early spring of Fire Season 2022 and were not audited in 2021.

² Net Claim total includes fires that occurred in early spring of Fire Season 2022 and were not audited in 2021.

II. Audit Philosophy & Procedures

OAR 629-165-0310 requires that emergency fire suppression cost claims against the Oregon Forest Land Protection Fund not be finalized until "... (3)(b) The Administrator has audited each claim; and (c) The Emergency Fire Cost Committee has approved each audit. ...". With this requirement, the Administrator and Finance Coordinator analyze expenditures to assure that they meet all fiscal requirements of the agency and the State of Oregon, are necessary and appropriate for the suppression of the respective incidents and are appropriately documented.

This review assures that the EFCC maintains their financial responsibility to manage the OFLPPF for the purpose of spreading the risk of emergency fire suppression costs among protection districts statewide – equalizing their eligible emergency fire expenses. In turn, the audits help maintain the State Forester’s ability to procure affordable catastrophic fire insurance to protect the financial interests of forest landowners, Oregon Department of Forestry, and the State of Oregon. This in turn helps assure the State Forester provides a complete and coordinated forest fire protection system.

The focus of each audit can be separated into two parts. First, all equipment and aircraft charges are reviewed for conformity to pre-set pay schedules and appropriateness. Second, fire line payroll records are reviewed and compared to the Oregon State Payroll System’s (OSPS) official payroll records, and fire line equipment records are reviewed and compared to ODF billing for equipment rental records for accuracy. All costs are reviewed for conformity to FEMA eligibility when applicable, and fire cost recovery responsibilities.

The EFCC Administrator encourages the audits be attended by fire management personnel as well as fire business personnel. This affords the added benefit of the audit providing a forum for communicating EFCC policy, procedures, and philosophy to these personnel, as well as an opportunity for these individuals to communicate success stories, emerging trends, and issues or concerns. These two-way discussions help assure that we are providing an emergency fire funding program that is responsive to evolving needs/changes in the forest fire fighting business and ensures continuity of the “Oregon way” of shared forest landowner and State of Oregon-funded firefighting.

III. Audit Results, Fiscal Year 2021

The statewide total for reversal of charges (from EFCC eligibility back to the district or a vendor/provider) was \$214,880.44. This low number demonstrates a high level of commitment towards attention to detail and fiscal responsibility.

During the audit process this year, multiple districts and incident management team (IMT) members expressed an interest in a statewide sharing of lessons learned – an opportunity for continuous improvement. This information from the 2020 fire season reflects work accomplished by districts, IMT’s, and payment teams – truly the collective work from every branch, division, program, district, operating Association, and unit. Below are some common examples of findings from the audits that can serve as reminders and watchouts for future fire seasons.

Electronic Filing

- Anyone submitting, receiving, or filing an electronic file: Ensure all documentation and shift tickets are scanned or corrected in the folders upright and legible when submitted.

General Information

- Consistent with the one team approach to finances, agency administration representation will be included in future audits. And as always, if an insurance claim is imminent, their auditor(s) will be included too.
- Assure every Resource order # has a file. For files that don't have an invoice, this informs the outstanding costs tracking that begins at the district.

Overhead

- ODF Protection funded district staff must meet the eligibility guidelines to charge to the incident.
- Agency Administrators and deputy agency administrators work for the district and are charged to the district, not extra cost eligible.

Equipment

- Ensure daily rates are correct.
- Watch for time worked, ½ daily rates, and double shifted rates. Incident Resource Agreements (IRAs) and Virtual Incident Procurement's (VIPRs) have totally different rules, ensure you are using the right rules for the right vendor. (This is why no vendor who has a VIPR should also have an IRA)
- For IRA Dozer/Lowboys there must be a separate operator for the lowboy to get paid, they should have separate shift tickets with signatures. If it is the same operator, only the piece of equipment being operated gets compensated based on hours listed on the shift ticket.
- VIPR engines require 3 crew people, if only 2 then deduct \$300 per day.

Crews

- Crews do not get paid for subsistence for the first shift.
- Crews must take a 30 min lunch break, or the qualifying reason documented on their shift ticket.
- Only the crew boss gets paid for briefings and time should start at the designated briefing time, not before unless there is documented circumstances i.e., no camp or local crews traveling home each day.

District Foresters, Incident Commanders, Finance Sections/Districts

- Ensure all shift tickets are signed by the resource and the agency.
- IRAs should be daily rates not hourly.
- IRA daily rates should include all aspects of the equipment i.e., operator, fuel, chase truck, extra staff, chainsaw use etc.

- IRA sign up paperwork and shift tickets should include all identifying information of the equipment i.e., VIN, license plate number etc. so rate identification meets audit standards.
- Ensure each piece of equipment has its own folder in the electronic filing system.
- Ensure non consumables are not charged to extra cost PCA.
- All extra cost resources must have a resource order to meet audit guidelines.
- The IMT has the responsibility to assist potential (new) IRA vendors in signing up with assistance of the Salem contracting unit. It is not the district's responsibility unless they choose to retain this duty.
- When possible and needed, staff from the IMT Finance Sections should be designated to remain available (in person or virtually) to the district to assist with ensuring all demobilizations are completed and necessary documents are uploaded to the Google Drive and organized.

IV. Audit / fire season summary and audit follow-up

In the spring of 2021, audits were scheduled with districts having a draft claim established. Only two districts had no claim – Northwest Oregon District and Walker Range Forest Protection Association. Due to COVID-19 restrictions, all but three audits (CFPA, DFPA and NCAS) were performed through videoconferencing.

The first district audited was the West Oregon District. It was held on April 12, 2021. There were three fires on the draft claim – Yew Creek, Echo Mountain, and Mill Creek Park. Echo Mountain occurred during the September wind event and was a FEMA fire.

Western Lane District's audit was held virtually on April 14, 2021. There were four fires on the draft claim with Sweet Creek being the largest, occurring just before the September wind event. Costs for two of the fires, Timber Ridge and Horton, were completely recovered from the responsible parties.

Northeast Oregon District's audit was held virtually on April 19, 2021. There were 22 fires on the draft claim. The Schoolcraft and Horse fires had gross costs over \$100,000 each and gross costs for the Ensign fire were just under \$100,000. It was recommended that the district create a visual helicopter deductible calendar to track district responsibilities for their aircraft deductibles.

The audit for Southwest Oregon District was held virtually on April 21 and 22, 2021. There were coding issues related to other agency fires (Co-op) that stemmed from a lack of understanding on when to use this type of coding. The district expressed concern with the complexity of the Western Oregon Operating Plan (WOOP) and would like to see it simplified in the future. There was also discussion about creating a guidance document on generating cost estimates.

Central Oregon District's audit was held on April 28 and 29, 2021. There were forty-five fires on the claim. Six fires – Fir Mountain, Mosier Creek, White River, Green Ridge, Laurel and Steet Mountain – had total costs over one million dollars. Mosier Creek and White River were FEMA fires. The value of severity resources and simplifying the EFC Directive was discussed during the audit closeout.

The audit for Douglas Forest Protective Association was held in person on May 3 and 4, 2021. There were three fires on the claim, the largest being Archie Creek which occurred during the September wind event.

The audit for Coos Forest Protective Association was held in person on May 5 and 6, 2021. All three fires on the claim had total costs under one million dollars.

North Cascades District's audit was held in person at the Salem ODF Headquarters on May 11, 2021. The district had four large FEMA fires that occurred during the September wind event. Three of these fires, Beachie Creek, Riverside and Clackamas County fires, had total costs over three million dollars each. The fourth fire, Lionshead, had total costs of just under \$100,000. During the audit there was discussion around establishing a better system for tracking costs for smaller fires.

The audit for Northwest Oregon District was held virtually on May 13, 2021, however, after corrections were made and reimbursements received, the claim netted zero.

Klamath-Lake District's audit was held virtually on May 18 and 19, 2021. The district had thirty-seven fires on their claim. Two fires, Two Four Two and Brattain had total costs over three million dollars and two fires, Ben Young and Cutoff, had total costs over one million dollars. The importance of documentation during a fire and the need for additional investigation capacity in the district were discussed during the audit closeout.

The audit for South Cascades District was held virtually on May 25, 2021. The district had two fires on the claim, Highway 20 MP30 and the Holiday Farm Fire. Holiday Farm was a FEMA fire and occurred during the September wind event. Total costs for Holiday Farm were around ten million dollars. During the audit the use of helicopter deductible calendars and the need for resource orders on all large fire incidents was discussed.

Fire season 2020. ODF's IMT's were exercised early in 2020 because of the COVID-19 pandemic. During March and April all three of ODF's IMTs command and general staff were deployed to the State Emergency Operations Center to assist the Oregon Health Authority and other state agencies in managing the response to COVID-19. This is the first time that all three IMT's deployed before the start of the wildland season. None of these assignments were eligible for reimbursement. Operationally, ODF adapted quickly with added professional capacity to address specific needs to keep firefighters and the public safe from a COVID-19 outbreak on wildfires.

Much of the state was experiencing severe drought from the spring onward. This resulted in Southwest Oregon declaring fire season a month earlier than usual. Human-caused wildfires were up slightly but fewer lightning-caused fires were seen until mid-August. As fire season began to heat up, ODF IMT's responded to Green Ridge, Sweet Creek, Steet Mountain/Laurel and Mosier Creek. Even with the August lightning fires, immediately prior to Labor Day the number of wildfires ODF had responded to was 752, slightly (about 4%) below the 10-year average of 783 fires. Due to successful initial attack, the 17,069 acres burned on ODF protection was less than half the 10-year average of 40,930 acres.

The Labor Day firestorm of 2020 was unparalleled in Oregon’s history. On the afternoon of Monday, September 7, atop conditions of expanding drought and historically low fuel moisture and humidity, a Red Flag Warning was issued. A strong cold front arrived in the early evening hours, with east-northeast winds at sustained speeds of 20 to 30 mph and gusts of 50 to 60 mph. This was the strongest three-day easterly wind event during fire season since at least 1950. The first large fire on ODF protected lands was the Two Four Two fire near the town of Chiloquin. This was the first of fourteen large fires from the Labor Day wind event that were approved as FEMA FMAG originally, then most were shifted/approved under FEMA public assistance (PA) due to the Presidential Declaration/Major declaration. Other fires that included ODF IMTs responded to included Holiday Farm and Echo. There were many other large fires that were joint jurisdictional with interagency IMT’s assigned and several fires districts had to handle on their own.

Across all jurisdictions, the Labor Day fires burned just over a million acres. Roughly 400,000 – were fully protected by ODF. An additional 100,000 acres of BLM land burned, which ODF has initial attack responsibility, but BLM covered the large fire cost.

Oregon’s complete and coordinated fire protection system – consisting of ODF, landowner partners, fire contractor community and other cooperating agencies – prevailed under historical conditions this year. During the Labor Day fire storm, landowner response was critical to the success districts had.

Audit results. As in the past, the Administrator and Fire Finance Coordinator work with the Fire Protection Division Chief, Deputy Protection Division Chief and Protection Business Manager to implement these audit findings and recommendations, instilling changes as needed.

The total financial impacts of the audit with reference to ineligible charges identified and charged back to the districts are as follows:

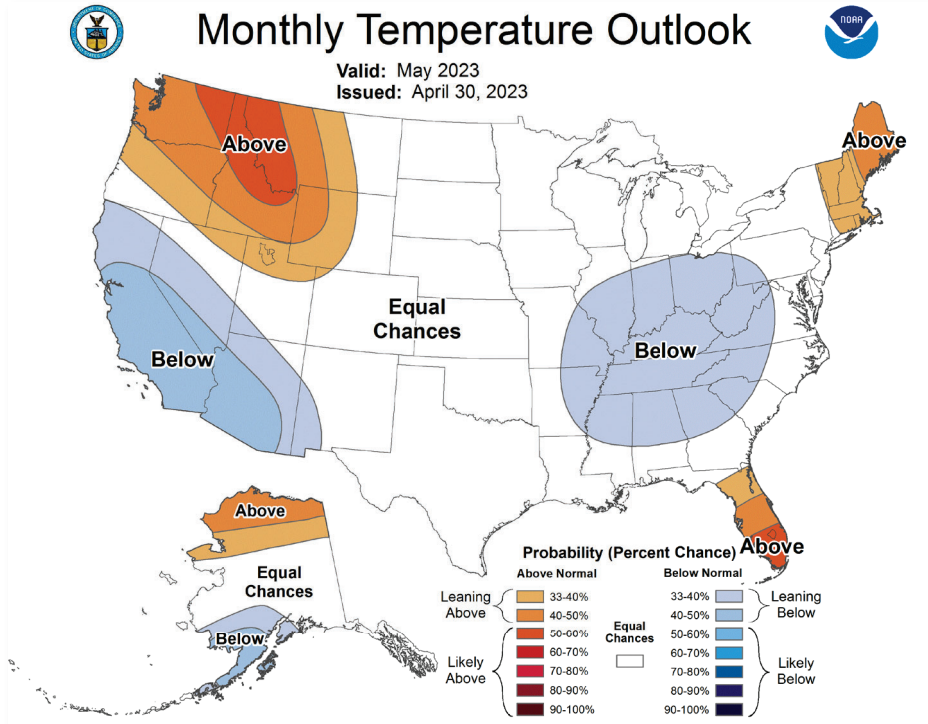
District	Identified Issue	Correction	Total
COD			
954022-21	Non-consumable supply	-311.34	
952022-21	Incorrect payment to resource	-3,224.33	
954025-21	Incorrect payment to resource	-545.67	
		COD FY21 Total	-\$4,081.34
CFPA			
721095-21	Ineligible per diem	-\$825.00	
721051-21	Overpayment for crew	-\$550.00	
		CFPA FY21 Total	-\$1,375.00
DFPA			
733300-21	Non-compensable crew lunches	-\$1,355.10	
733300-21	Ineligible personnel charges	-\$1,921.96	
		DFPA FY21 Total	-\$3,277.06
KLD			
982049-21	Ineligible personnel charges	-333.00	
		KLD FY21 Total	-\$333.00

District	Identified Issue	Correction	Total
NCAS			
581041-21	Ineligible personnel charges (multiple)	-\$72,629.41	
	Helicopter deductible	-\$4,315.20	
	Overpayment for equipment	-\$1,750.00	
582028-21	Ineligible personnel charges (multiple)	-\$20,787.34	
		NCAS FY21 Total	-\$99,481.95
NEO			
971012-21	Helicopter deductible	-\$6,092.03	
973001-21	Helicopter deductible	-\$10,582.00	
973032-21	Overage of personnel hours	-\$30.84	
973032-21	Excessive travel time	-\$1,450.00	
		NEO FY21 Total	-\$18,154.87
NWO			
511069-21	Ineligible non-consumable item	-\$13,685.00	
		NWO FY21 Total	\$-13,685.00
SCAS			
771088-21	Overage of personnel hours	-\$942.76	
	Overpayment for equipment (multiple)	-\$6,048.00	
	Incorrect coding of equipment payment	-\$38,676.00	
		SCAS FY21 Total	-\$45,666.76
SWO			
711238-21	Overpayment of crews	-\$26,543.30	
	Overpayment of personnel charges	-\$676.01	
711102-21	Ineligible personnel charges	-\$836.15	
	Ineligible meals	-\$770.00	
		SWO FY21 Total	-\$28,825.46
		FY21 Grand Total	-\$214,880.44

V. Action Recommended

Pursuant to OAR 629-165-0310, the Administrator recommends that the Emergency Fire Cost Committee approve these audits of fires that burned in fiscal year 2021, and that fire suppression cost claims against the OFLPF from this fiscal year be authorized for payment when claims are finalized; conditioned on proceedings being brought to recover fire suppression costs from responsible parties. Due to conditional payments already made based on fire cost estimates, which enable districts to pay for costs, there will be no further OFLPF payments. Responsible party fire cost recovery is yet to be determined from the Labor Day fires.

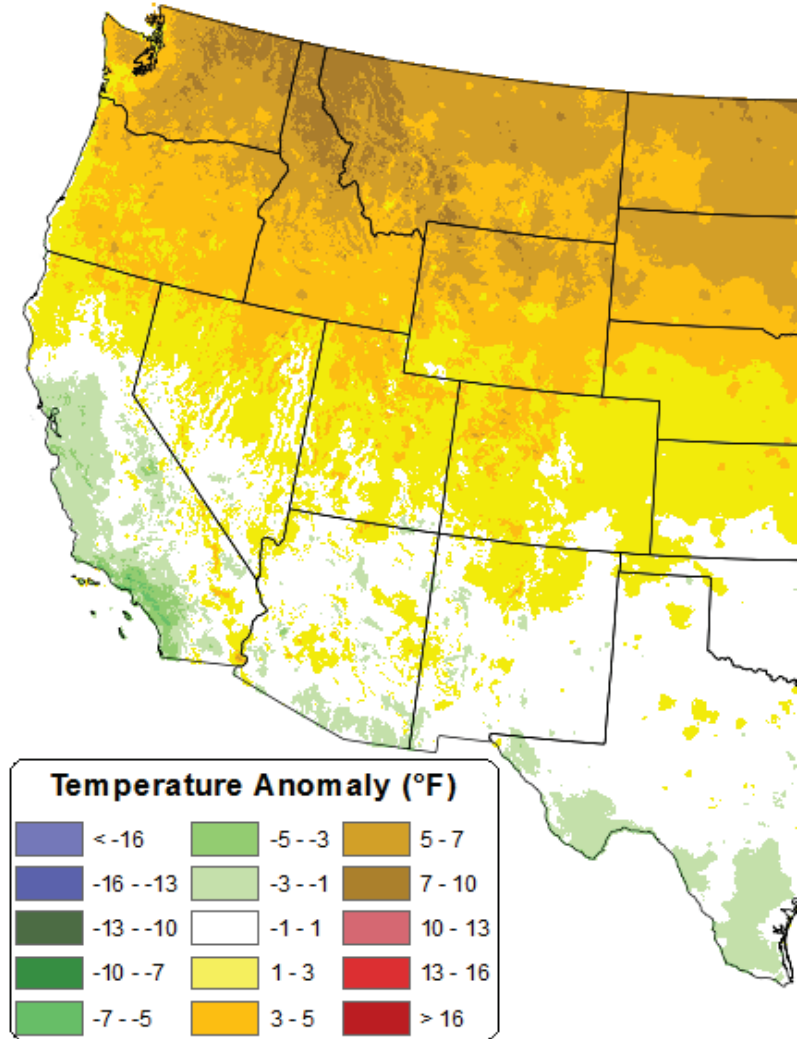
Temperature Forecast vs Observed: May 2023



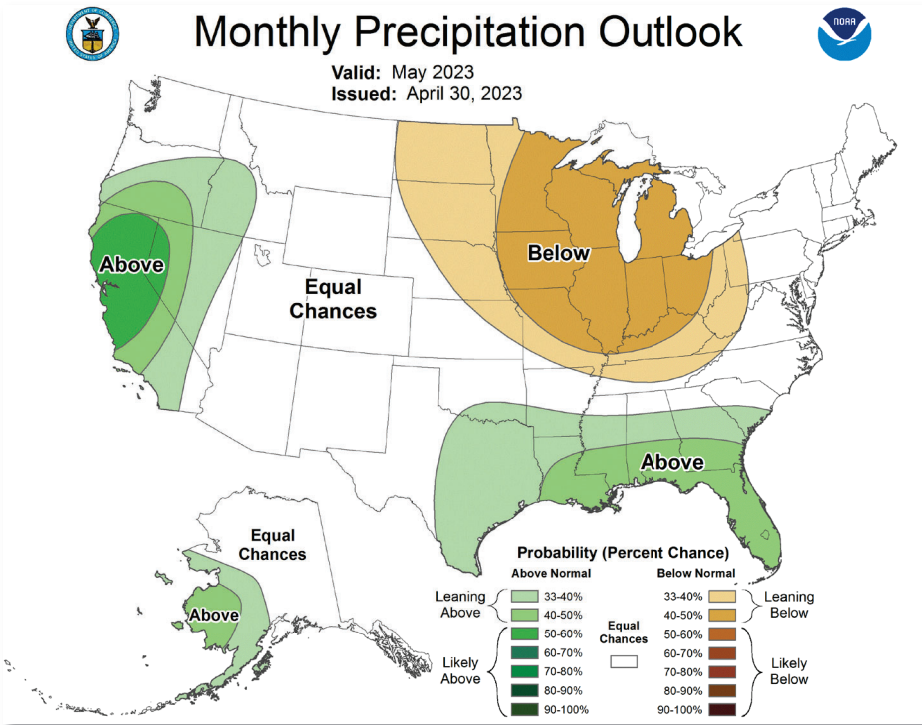
Temperature: May outlook

Characterization: Temperatures were well above average across the Pacific Northwest and further eastward in May.

Observed in May 2023



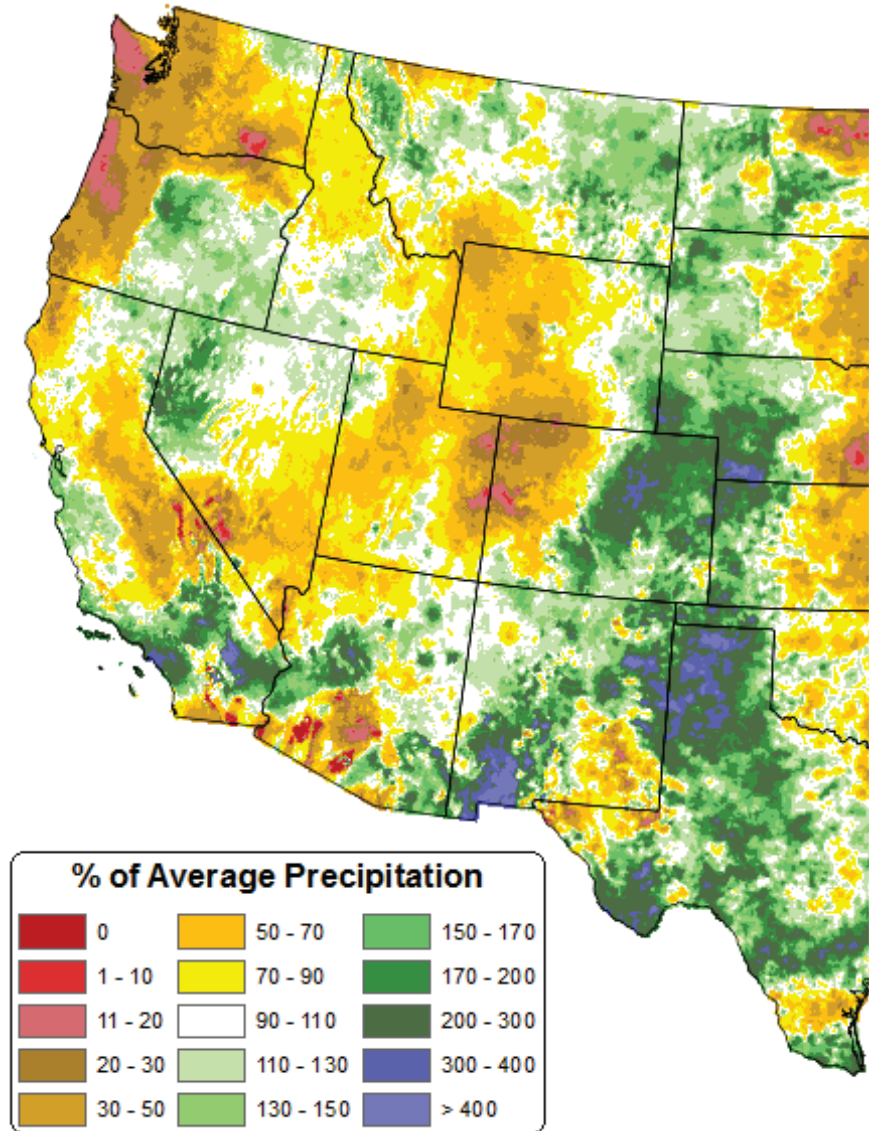
Precipitation Forecast vs Observed: May 2023



Precip: May outlook

Characterization: Precipitation was above average for northeast Washington and much of eastern Oregon.

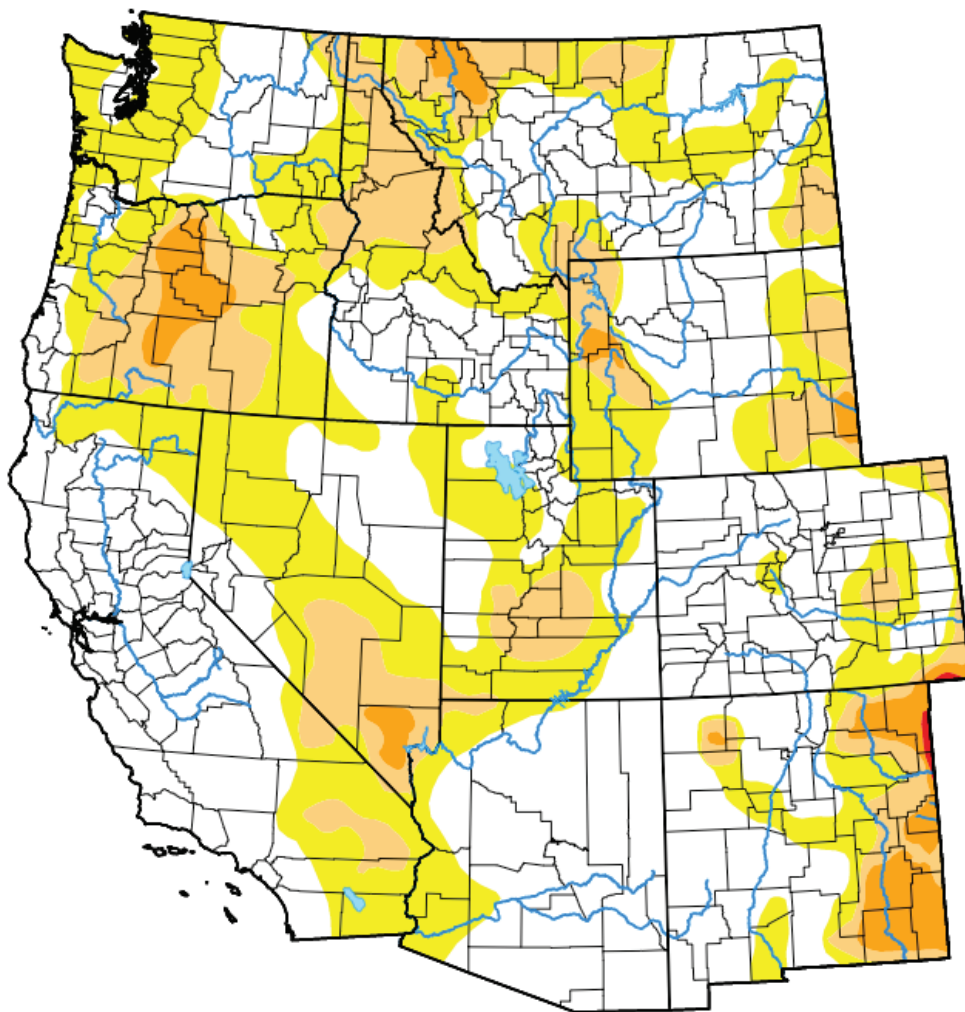
Observed in May 2023



US Drought

Map released: Thurs. June 1, 2023

Data valid: May 30, 2023 at 8 a.m. EDT



Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data

Authors

United States and Puerto Rico Author(s):

[Richard Heim](#), NOAA/NCEI

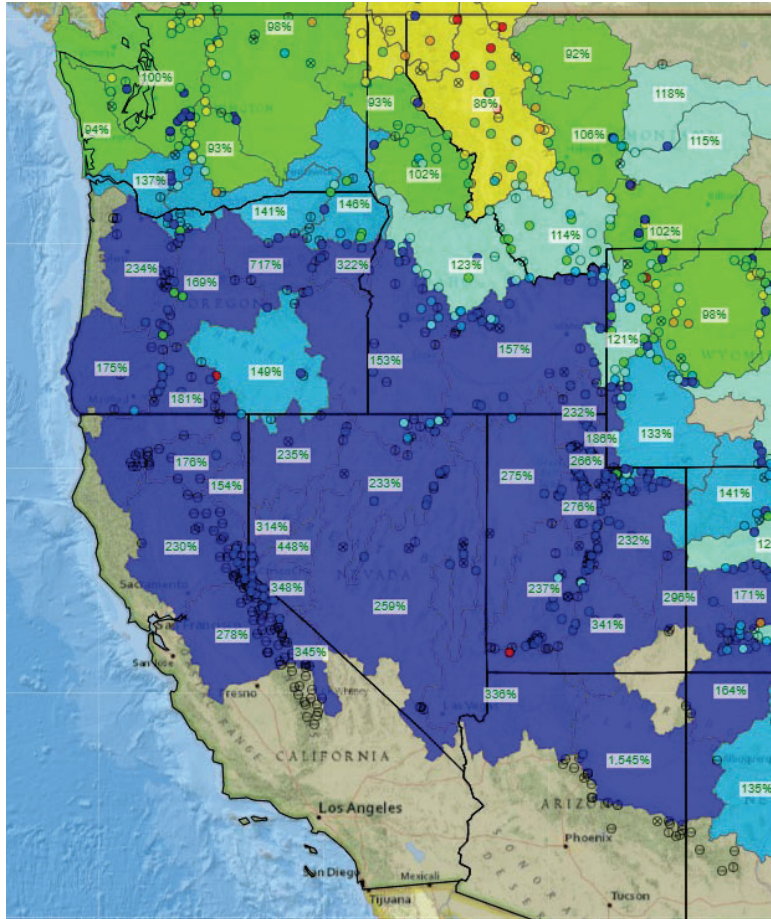
Pacific Islands and Virgin Islands Author(s):

[Rocky Bilotta](#), NOAA/NCEI

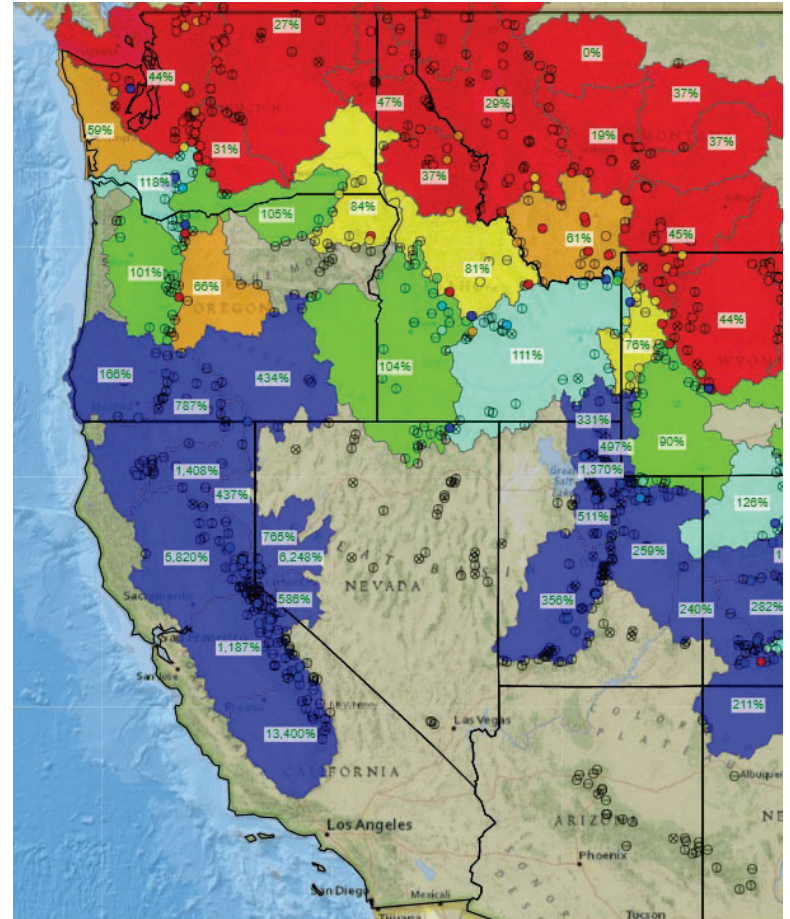
Characterization: Drought designations expanded in western Washington and western Oregon and lessened in central Oregon in May.

Snow Water Equivalent

May 3rd 2023

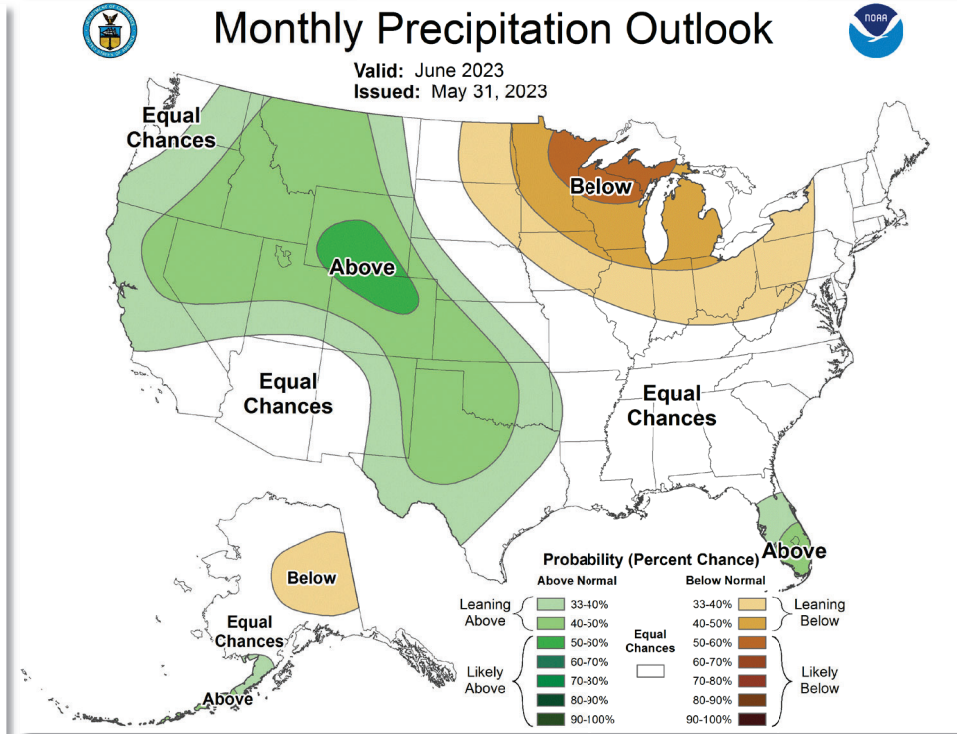
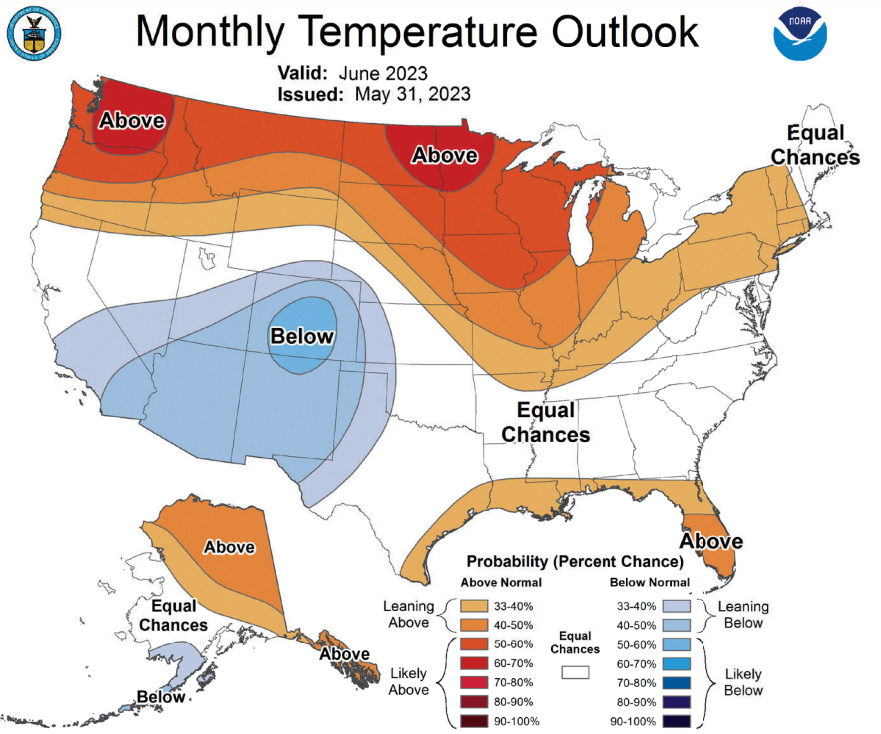


June 1st 2023



Characterization: Snowmelt accelerated in Washington more than Oregon.

June 2023 Outlook

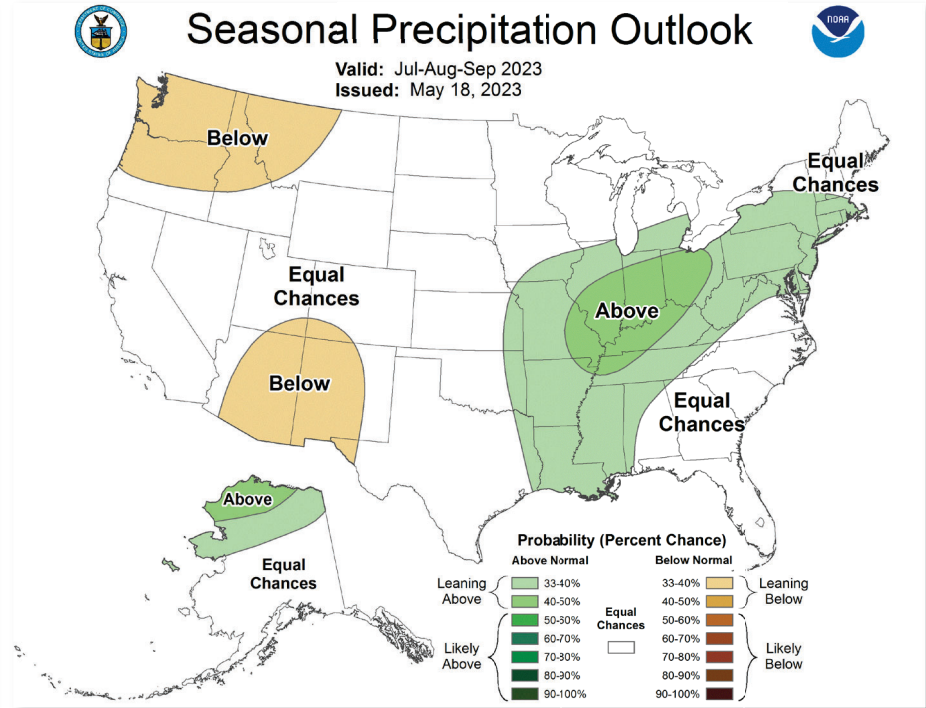
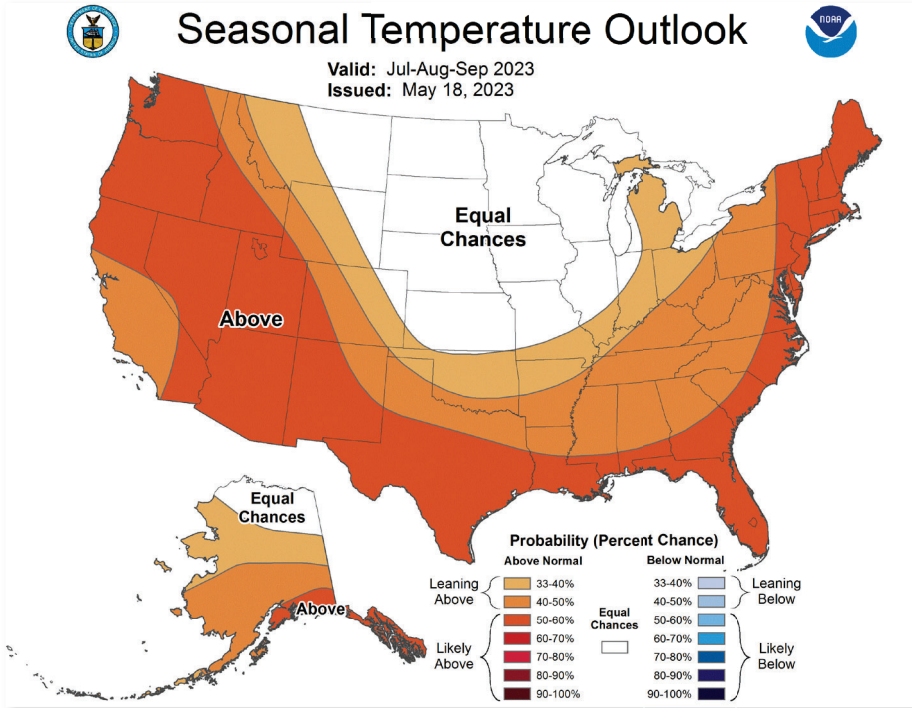


Temperature Outlook

Precipitation Outlook

Characterization: Warmer than typical is the most likely temperatures scenario for June 2023 for the Pacific Northwest. Precipitation is most likely to be above normal in eastern Washington and eastern Oregon.

July-Aug-Sep 2023 Outlook



Temperature Outlook

Precipitation Outlook

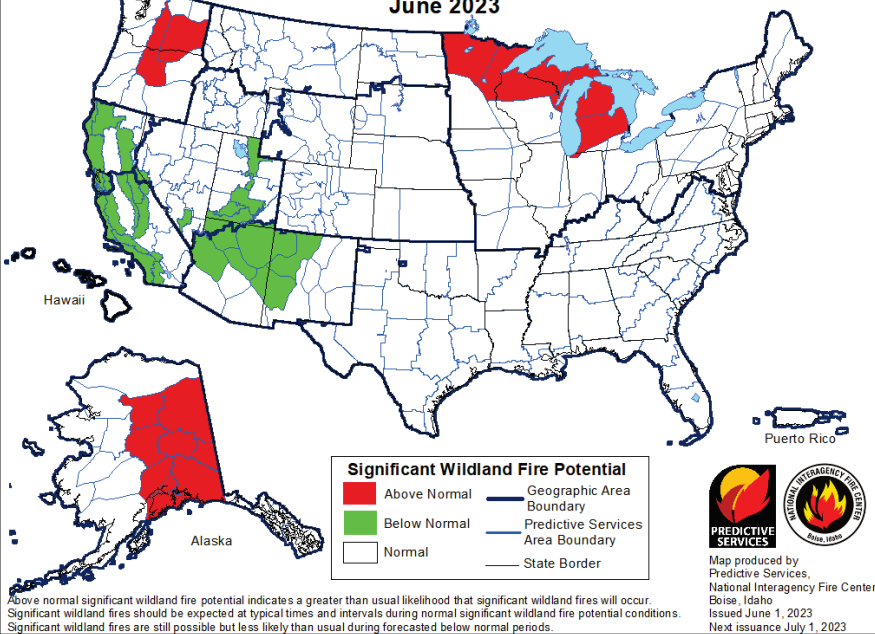
Characterization: Warmer-than-typical most likely for most of the USA. Drier than typical for much of the Pacific Northwest and sections of the southwest.

June - July 2023 Significant Fire Potential Outlooks

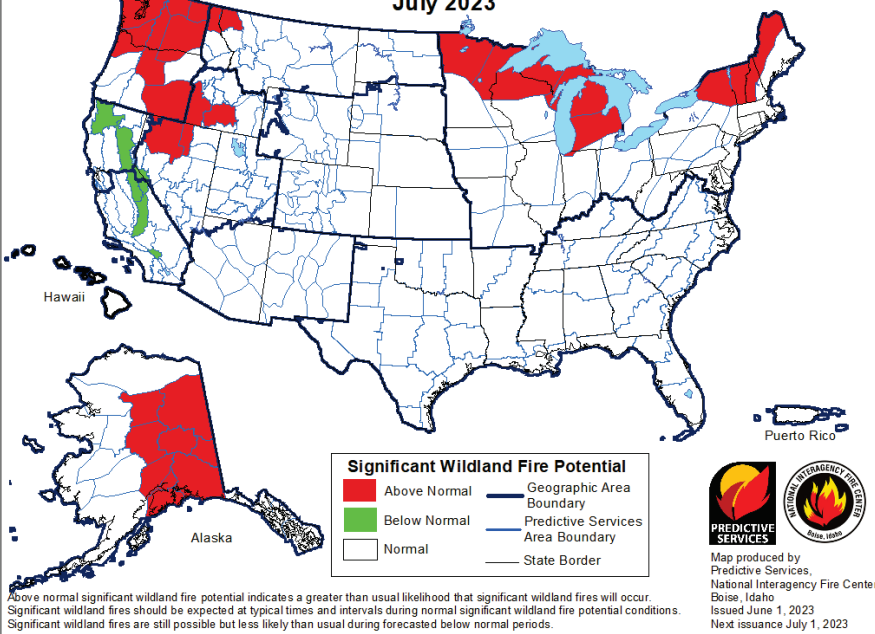
The risk of significant fires is expected to rise above normal for sections of central Washington and central Oregon in June. Elsewhere no unusual risk of significant fires is foreseen.

For July, the risk for significant fires is expected to be above normal for all of Washington and sections of Oregon both east and west of the Cascades.

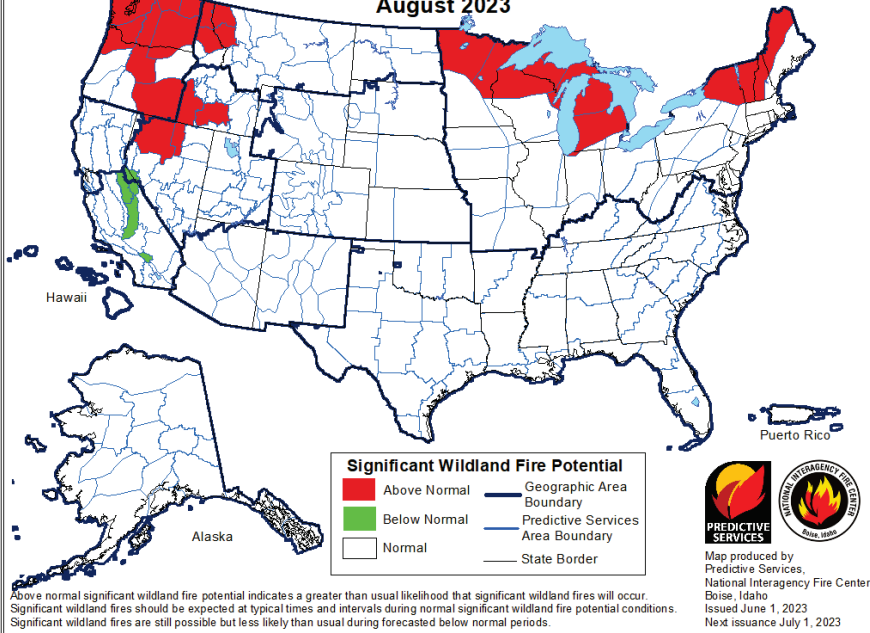
Significant Wildland Fire Potential Outlook
June 2023



Significant Wildland Fire Potential Outlook
July 2023



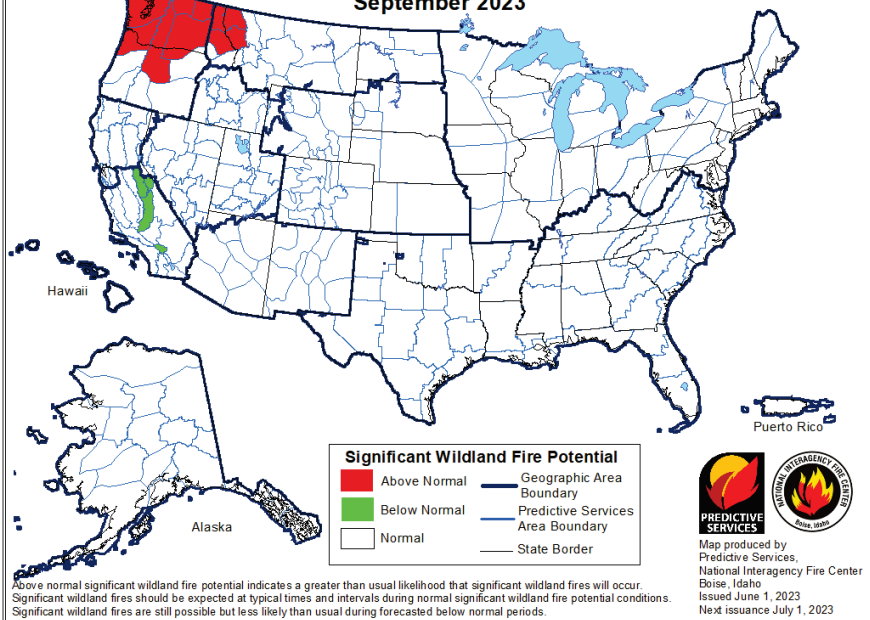
**Significant Wildland Fire Potential Outlook
August 2023**



August - Sept 2023 Significant Fire Potential Outlooks

For August, the risk for significant fires is expected to remain above normal for all of Washington and sections of Oregon both east and west of the Cascades.

**Significant Wildland Fire Potential Outlook
September 2023**



For September, the risk for significant fires is expected to remain above normal for all of Washington and sections of northern Oregon.

FIRE COST COLLECTION CLAIM STATUS
CLAIMS GREATER THAN \$5,000
June 6, 2023

DISTRICT	FIRE NAME	YEAR	AMOUNT BILLED	PAYMENT RECEIVED	BALANCE DUE
WL	Sweet Creek MP 2	2020	\$4,575,880.73	\$71.24	\$4,575,809.49
SWO	Hugo Road 7251	2018	\$948,674.80		\$948,674.80
SWO	Stratton Creek 1-3	2017	\$570,441.53	\$5,142.81	\$565,298.72
COD	Grizzly Fire	2017	\$426,595.62		\$426,595.62
CFPA	Twelve Mile	2022	\$300,000.00		\$300,000.00
KL	Ana 238	2017	\$109,436.31		\$109,436.31
SWO	Neil Rock	2019	\$104,793.10	\$725.00	\$104,068.10
CFPA	Transpacific Parkway 2	2022	\$86,674.51		\$86,674.51
COD	Bologna Canyon	2011	\$69,781.22		\$69,781.22
COD	Bull Springs	2021	\$68,907.56		\$68,907.56
NCAS	Paradise McBride	2004	\$66,900.69	\$13,982.36	\$52,918.33
COD	Jewel Road	2014	\$48,259.22	\$150.00	\$48,109.22
SWO	North Applegate Rd 9244	2017	\$45,129.80	\$6,675.00	\$38,454.80
COD	Straw Fork	2017	\$40,918.39		\$40,918.39
SCAS	Jasper/Lowell	2013	\$39,149.07		\$39,149.07
SWO	Sterling Ditch	2012	\$38,545.00		\$38,545.00
SCAS	Northernwood	2021	\$27,535.08	\$13,178.36	\$14,356.72
SWO	N River Road	2017	\$25,008.45	\$5,100.00	\$19,908.45
CFPA	Carpenterville Road	2012	\$22,849.94	\$2,650.00	\$20,199.94
NCAS	Tom Rock	2019	\$19,980.42		\$19,980.42
SWO	Takilma Rd 5430	2018	\$19,398.23	\$3,000.00	\$16,398.23
CFPA	Hensley Hill Road	2022	\$17,203.16		\$17,203.16
CFPA	Lampa Ln	2018	\$16,535.40	\$4,200.00	\$12,335.40
SWO	Jack Creek #6	2018	\$13,848.48		\$13,848.48
FG	Grabhorn Fire	2018	\$13,151.84		\$13,151.84
COD	Harper	2020	\$12,553.52		\$12,553.52
SWO	Kerby Avenue 336	2011	\$12,412.22		\$12,412.22
NCAS	Gard Rd Fire	2018	\$11,118.03		\$11,118.03
WL	26175 Siuslaw	2019	\$10,762.65	\$8,483.87	\$2,278.78
SCAS	McGowen Lookout	2013	\$10,669.01		\$10,669.01
NCAS	Boundary	2009	\$10,376.11	\$75.00	\$10,301.11
SWO	Dead Indian Memorial #3	2014	\$9,505.02		\$9,505.02
KL	Drews	2012	\$8,982.96		\$8,982.96
DFPA	Happy Valley Rd	2017	\$8,538.70	\$2,100.00	\$6,438.70
SWO	Lariat Drive	2008	\$8,384.86		\$8,384.86
DFPA	Thompson Creek	2016	\$8,183.04		\$8,183.04
DFPA	Lowe Rd	2017	\$7,500.00	\$3,687.00	\$3,813.00
FG	Holiday Road #1	2016	\$6,584.40		\$6,584.40
SWO	15360 Jones Rd	2019	\$6,529.68		\$6,529.68
KL	Egert	2013	\$6,296.62	\$10.00	\$6,286.62
WL	Hemlock Fire	2017	\$6,051.87		\$6,051.87
SWO	Mo Creek	2019	\$5,228.09	\$1,246.00	\$3,982.09
SWO	Griffin Creek Rd 8022	2013	\$5,132.11		\$5,132.11
CFPA	Marlow Creek	2019	\$5,000.00	\$3,600.00	\$1,400.00
SWO	Griffin Creek Rd 4442	2020	\$5,000.00	\$500.00	\$4,500.00
TOTAL	45		\$7,880,407.44	\$74,576.64	\$7,805,830.80

CLOSED FIRE COST COLLECTION CLAIMS GREATER THAN \$5,000

DISTRICT	FIRE NAME	YEAR	AMOUNT BILLED	PAYMENT RECEIVED	CURRENT STATUS
CFPA	Lake Creek	2022	\$35,405.78	\$35,405.78	Paid in Full
CFPA	Table Rock	2022	\$16,069.16	\$16,069.16	Paid in Full
SCAS	Soda Fork	2016	\$7,890.18	\$7,890.18	Paid in Full
TOTAL	3		\$59,365.12	\$59,365.12	

NEW FIRE COST COLLECTION CLAIMS GREATER THAN \$5,000

DISTRICT	FIRE NAME	YEAR	AMOUNT BILLED	PAYMENT RECEIVED	CURRENT STATUS
COD	Grizzly	2017	\$426,595.62	\$0.00	1st Bill
CFPA	Twelvemile Road	2022	\$300,000.00	\$0.00	1st Bill
CFPA	Transpacific Parkway 2	2022	\$86,674.51	\$0.00	1st Bill
COD	Bull Springs	2021	\$68,907.56	\$0.00	1st Bill
TOTAL	4		\$813,270.13	\$0.00	

SIGNIFICANT FIRE INVESTIGATIONS IN PROGRESS OR UNDER DOJ REVIEW

DISTRICT	FIRE NAME	YEAR	FIRE COSTS	INVESTIGATOR
WL	7K	2023	\$2,000,000.00	R. Andrade/N. Miller
NCAS	Milo-Mclver	2022	\$158,000.00	G. White/M. Townsend/J. Goldsby
KL	Ponina	2021	\$430,000.00	C. Miller/K. Burdon
KL	Cutoff	2021	\$4,000,000.00	C. Miller/M. Suba
COD	Grandview	2021	\$2,500,000.00	J. Bonebrake/T. Frueh
NEO	Elbow Creek	2021	\$15,500,000.00	J. Matye (USFS)/M. Townsend
TL	Cedar Creek	2021	\$636,400.00	J. Bonebrake/C. Buhl
SWO	Fielder Creek	2021	\$600,000.00	C. Miller
WO	Echo Mtn./Kimberling Mtn.	2020	\$3,500,000.00	B. Mahr/J. Hitzelberger/T. Frueh
TL	Pike Rd	2020	\$1,000,000.00	D. Helmricks
DFPA	Archie Creek/Star Mtn.	2020	\$15,000,000.00	USFS/Mican (BLM)
CFPA	North Bank Lane	2020	\$919,000.00	J. Chase
SWO	South Obenchain	2020	\$14,000,000.00	C. Miller
NCAS	Beachie Creek	2020	\$10,000,000.00	USFS/G. White
NCAS	Clackamas Co. Complex	2020	\$3,700,000.00	C. Miller/M. Townsend
COD	Fir Mountain	2020	\$3,000,000.00	M. Townsend/G. White
SCAS	Holiday Farm	2020	\$18,000,000.00	USFS/DOJ
SWO	Slater	2020	\$700,000.00	USFS/DOJ
KL	242	2020	\$2,600,000.00	USFS/DOJ
KL	Ben Young	2020	\$688,600.00	USFS/M. Townsend
SWO	Medco B	2019	\$410,000.00	C. Miller/J. Blair
TOTAL	21		\$99,342,000.00	

Fiscal Year 2023		Remining
Expenditure Limit	\$ 13,500,000	
Large Fire Costs Tranfer	\$ (8,504,395)	\$ 1,495,605
Severity Transfer	\$ (3,000,000)	\$ -
Operating costs - estimate	\$ (185,000)	\$ -
Insurance contribution	\$ -	\$ 315,000
Total	\$ 1,810,605	\$ 1,810,605
TBD strategic investments		

Strategic Investment (SI) Fund Recap
Updated 05/16/2023

Description	Transferred Date	Transferred Amount	Totals
2017 Investments	6/27/2017	\$1,500,000.00	\$1,500,000.00
Actual Spent			\$1,467,817.00
Pending Expenditures			\$17,766.67
Undistributed Funds			\$0.00
Remaining Project Balance	(carry-over to 2020)		\$14,416.33
<hr/>			
2020 Investments	Carry-Over Previous Funds		\$14,416.33
	6/26/2020	\$1,166,029.51	
	7/20/2020	\$338,930.42	\$1,504,959.93
Actual Spent			\$14,946.50
Pending Expenditures			\$199,756.00
Remaining Project Balance			\$1,197,297.50
<hr/>			
Undistributed Funds			\$107,376.26

2017 Strategic Investment Project Expenditures

Updated 05/16/2023

Strategic Investment Fund Starting Balance						\$1,500,000.00		
Approved Projects	Project Owner	Project Number	Funds Approved	Actual Spent	Pending Expenditures	Remaining Project Balance	Project Status	
1) SWO Detection Cameras	Tyler McCarty	441002-18	\$111,406.00	\$111,406.00	\$0.00	\$0.00	Completed	
2) EOA Guard Stations								
a. Troy (Wallowa)	Matt Howard	441003-18	\$119,875.00	\$119,875.00	\$0.00	\$0.00	Completed	
b. COD (Lapine)	Gordon Foster	441004-18	\$115,375.00	\$115,375.00	\$0.00	\$0.00	In progress	
3) Bandwidth Increase for Detection Cameras (DFPA)	Pat Skrip	441005-18	\$16,000.00	\$16,000.00	\$0.00	\$0.00	Completed	
4) Highway 30 Electronic Sign			\$0.00	\$0.00	\$0.00	\$0.00	Project withdrawn	
5) EOA Detection Cameras								
a. NEO District	Matt Hoehna	441007-18	\$120,000.00	\$120,000.00	\$0.00	\$0.00	Completed	
b. COD District	Gordon Foster	441008-18	\$120,000.00	\$120,000.00	\$0.00	\$0.00	Completed	
c. KL District	Teresa Williams	441009-18	\$120,000.00	\$109,026.46	\$0.00	\$10,973.54	Completed	
d. NEO Mahogany Mtn	Logan McRae	441010-18	\$60,000.00	\$56,918.80	\$3,081.20	\$0.00	In progress	
6) Aerial IR Technology	Neal Laugle	441012-18	\$692,344.00	\$677,658.53	\$14,685.47	\$0.00	In progress	
7) WO Radio Communications			\$0.00	\$0.00	\$0.00	\$0.00	Project withdrawn	
8) South Cascade Fire Communications	Brent Peterson	441011-18	\$25,000.00	\$21,557.21	\$0.00	\$3,442.79	Completed	
TOTALS			\$1,500,000.00	\$1,467,817.00	\$17,766.67	\$14,416.33		
			Undistributed Funds-->	\$0.00				

\$14,416.33 <-- Cross Check

2020 Strategic Investment Project Expenditures

Updated 05/16/2023

Strategic Investment Fund Investment						\$1,504,959.93	
Previous Strategic Investment Carry-Over						\$14,416.33	
Approved Projects	Project Owner	Project Number	Funds Approved	Actual Spent	Pending Expenditures	Remaining Project Balance	Project Status
1) EOA (KLD) Guard Stations							
a. Bly Guard Station	Dustin Gustaveson	44101A-20	\$300,000.00	\$0.00	\$0.00	\$300,000.00	In progress
b. Chiloquin Guard Station	Randy Baley	44101B-20	\$125,000.00	\$0.00	\$125,000.00	\$0.00	In progress
2) SW Detection Center							
	Matt Fumasi	441002-20	\$100,000.00	\$8,500.00	\$0.00	\$91,500.00	In progress
3) EOA Detection Cameras							
a. COD #1 (Snow Mountain)	Justin Hallett	44104A-20	\$75,000.00	\$0.00	\$0.00	\$75,000.00	Not Started
b. COD #2 (Baldy)	Justin Hallett	44104B-20	\$75,000.00	\$0.00	\$0.00	\$75,000.00	Not Started
c. NEO #3 (McEntire)	Justin Hallett	44104C-20	\$75,000.00	\$0.00	\$0.00	\$75,000.00	Not Started
d. NEO #4 (TV Towers)	Justin Hallett	44104D-20	\$75,000.00	\$0.00	\$0.00	\$75,000.00	Not Started
e. KLD #5 (Warner Canyon)	Justin Hallett	44104E-20	\$75,000.00	\$0.00	\$0.00	\$75,000.00	Not Started
f. KLD #6 (Sage Hen)	Justin Hallett	44104F-20	\$75,000.00	\$0.00	\$0.00	\$75,000.00	Not Started
4) CFPA Microwave							
	Mike Robison	441005-20	\$100,000.00	\$6,446.50	\$34,756.00	\$58,797.50	In progress
5) EOA T3 Trailers							
	Joe Arbow	441006-20	\$225,000.00	\$0.00	\$0.00	\$225,000.00	In progress
6) COD Grapple Dozer							
	Marc DesJardin	441007-20	\$40,000.00	\$0.00	\$40,000.00	\$0.00	In progress
7) DFPA Fire Web Licenses							
	Jonna Blomberg	441008-20	\$72,000.00	\$0.00	\$0.00	\$72,000.00	In progress
TOTALS			\$1,412,000.00	\$14,946.50	\$199,756.00	\$1,197,297.50	
			Undistributed Funds (includes Carry-Over)-->	\$107,376.26			

\$1,197,297.50 <-- Cross Check

Fire Season 2023 Estimated Budget Projection

Updated: 5/22/23

Location	Resource	Contract Obligation	Notes
Aircraft Contracts			
Medford	LAT - T-104	\$3,979,500	
La Grande	Detection - 018	\$77,925	
Klamath Falls	Detection - 6ZC	\$56,700	
Pendleton	Type 2 - TBD	\$500,000	Estimate - Pending Procurement (under procurement review)
Klamath Falls	Type 1 - TBD	\$1,734,000	Award Pending
John Day	Type 2 - TBD	\$479,400	Award Pending
Grants Pass	Type 2 - 4MM	\$482,640	
Fossil	Type 2 - 9KB	\$486,360	
Roseburg	SEAT - T-862	\$288,750	
Roseburg	SEAT - T-864	\$288,750	
Roseburg	Type 2 - ONH	\$496,420	
John Day	Type 3 - 4AS	\$298,050	
Prineville	SEAT - T-829	\$273,900	
Prineville	SEAT - T-804	\$230,550	
John Day	SEAT - T-860	\$249,750	
La Grande	SEAT - T-869	\$253,425	
La Grande	SEAT - T-822	\$225,525	
The Dalles	Fire Boss - FB-231	\$230,025	
The Dalles	Fire Boss - FB-232	\$230,025	
Category Total		\$10,861,695	

Management, Pilots & Observers			
Multiple	Personnel	\$1,626,055	2022 estimated expenditures + 8.7% personnel COLA + 7.7% (2022 CPI) S&S
Category Total		\$1,626,055	

Hand Crews, Helitack, Misc.			
John Day	JD Helitack	\$200,700	2022 estimated expenditures + 8.7% personnel COLA + 7.7% (2022 CPI) S&S
Grants Pass	Hand Crew Members	\$50,148	
Medford	Crew Members	\$70,279	
Category Total		\$321,127	

Other Budgeted Resources			
Salem	Partenavia-100 Flight Hrs	\$58,685	100 hrs x \$550 per hour + 6.7% (2022 CPI)
NWOA	Area Resources	\$250,000	
SOA	Area Resources	\$250,000	
EOA	Area Resources	\$250,000	
Category Total		\$808,685	

Projected Expenditures		\$13,617,562	
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AGENDA ITEM #10

EFCC Administrator Report

NO MATERIALS

AGENDA ITEM #11

Public Comment

NO MATERIALS