

**DF Distribution**

**MINUTES  
EMERGENCY FIRE COST COMMITTEE  
September 06, 2016**

In accordance with the provisions of ORS 477.455, a meeting of the Emergency Fire Cost Committee (EFCC) was held at the State Forester's Headquarters, 2600 State Street, Salem, Oregon.

**Committee Members Present:**

Ken Cummings, Chair  
Steve Cafferata  
Pete Sikora  
Lee Fledderjohann

**Others Present:**

Tim Keith, EFCC Administrator  
Doug Decker, State Forester  
Satish Upadhyay, Administrative Services Division Chief  
Doug Grafe, Division Chief, Fire Protection Program  
Ron Graham, Deputy Chief, Fire Protection Program  
Nick Yonker, Meteorology Manager, Fire Protection Program  
Bob Young, Fire Prevention & Policy Manager, Fire Protection Program  
Tracy Guenther, Administrative Support, Fire Protection Program  
Chrystal Bader, Executive Support, Public Affairs and Executive Team  
Colleen Conlee, Emergency Fund Finance Coordinator  
Andrew Yost, Forest Ecologist, Resources Planning  
Mike Dykzeul, EFCC, Fire Protection Program  
Nancy Ashlock, EFCC, Fire Protection Program  
Jeff Friesen, Willis of Oregon  
Todd Scharff, DAS Risk Management  
Gary Springer, Starker Forests  
Jeff Fedrizzi, Bureau of Land Management  
Dan O'Brien, Bureau of Land Management

**ITEM 1: CALL TO ORDER**

Chair Cummings called the meeting to order at 9:03 a.m. Introductions were made around the table.

**ITEM 2: APPROVAL OF THE MINUTES OF THE June 07, 2016 COMMITTEE MEETING [Decision Item]**

The minutes of June 07, 2016 meeting were approved anticipating changes that Steve Cafferata proposed. It was suggested that there is too much detail in agenda item #5: 'Update on Status of Large Fire Cost Collection Efforts'. This section should be paraphrased to avoid placing too much confidential investigation work in the minutes. Tim Keith will revise agenda item #5 accordingly and make other minor edits Steve suggests, and send the committee the revised meeting minutes via email for their concurrence. [Editor's Note: the committee unanimously approved the rewritten minutes that were emailed to them.]

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

Below is an updated summary of the financial status of the Oregon Forest Land Protection Fund (OFLPF) prepared and reported by Colleen Conlee:

<i>Balance as of FY16</i>	\$ 15,042,623
<i>Estimated revenue (including Balance)</i>	\$ 34,886,770
<i>Less estimated expenditures</i>	\$ (13,049,798)
<b><i>Projected Fund Ending Balance for FY16</i></b>	<b>\$ 21,836,972</b>

Colleen reported to the committee that the \$15.0 million loan made to Oregon Department of Forestry in late June was paid back in early August as per the interagency agreement, with \$42,623 of interest earnings.

August's Harvest Tax turnover was \$134,642 less than what had been estimated.

Under estimated expenditures, Colleen reported that payroll & operating expenses for the administrators [Tim Keith and Colleen] are projected at \$90,000; payroll & operating expenses for conducting the BLM Protection Study [Mike

Dykzeul and Nancy Ashlock] is \$70,000. For the purpose of this report, 50% of the current year's insurance premium cost was used as the fund's estimated expense for the 2017-18 policy year.

As of August 26<sup>th</sup>, the fund's obligation for the 2015 fire season severity costs were estimated at \$2,834,914. With this estimate for severity costs, there may be an additional amount of \$161,754 available from the fund to offset the cost of the current policy years insurance premium cost before reaching the FY16 spending limit of \$13.5 million (\$392,831 was already obligated for insurance premium cost in fiscal year 2016 for the 2015-16 premium).

FY17 draft claims have been prepared using estimated fire costs as provided by each district on fires with estimated emergency cost expenditures greater than \$10,000.

Lee Fledderjohann asked Tim Keith about the budgeted amount of \$90,000 for administration costs; he had understood at the June meeting that those costs may be higher. Colleen pointed out that fiscal year 2016 administration costs were over \$110,000; Tim said that with a lighter fire season it's anticipated that administration costs should drop from 2016 – hence the \$90,000 estimate.

Chair Cummings reminded the audience that we were in the final phase-in year of the Wildfire Protection Act – consequently cost estimates were 50-50 General Fund-OFLPF to date, but that the OFLPF would be responsible for suppression costs from \$10-15 million. Tim Keith confirmed that it was likely that final costs for the season would exceed \$10 million, therefore that next segment would be the full responsibility of the OFLPF.

#### **ITEM 5: UPDATE ON STATUS OF LARGE FIRE COST COLLECTION EFFORTS [*Informational Item*]**

Jeff Bonebrake, ODF Investigation and Cost Recovery Coordinator was unable to attend; Tim Keith presented the committee with a brief overview and status update for on-going fire cost recovery cases, focusing on significant fire cost collections.

Tim reported that six significant fires were in various stages of investigation and data gathering: Weigh Station Fire and Griffin Gulch Fire in Northeast Oregon District, 2500 Road Fire in West Oregon District, Cleveland Ridge Fire and Gold Canyon Fire in Southwest Oregon District, and High Pass 12.5 Fire in Western Lane District.

Jeff reports that it has been a disappointing year for suspected arson fires. A joint task force in central Oregon is working 19 suspicious fires that were ignited south of Bend in central Oregon this past season. The task force includes both Central Oregon and Klamath-Lake Districts of ODF; USFS; BLM; OR State Police; three county sheriff's departments: Deschutes, Lake and Klamath; and Bend Police Department. In addition, there have been other suspicious fires scattered throughout the state. Bob Young stated that Jeff has been very impressed with the high quality, professional work done by the central Oregon task force. Their work has led to a possible suspect.

Chair Cummings asked how many incident management team deployments occurred on ODF-protected lands. Doug Grafe responded that there were two – compared to 12 in 2015.

#### **ITEM 6: 2016 FIRE SEASON AND SEVERITY UPDATE (TO DATE) [*Informational Item*]**

Chair Cummings asked Ron Graham to report on the fire season to date. Ron provided two hand-outs on the 2016 fire season. He stated that the primary themes are that there has been very little lightning, only two team deployments, and the number of fires and acres burned are down.

After action reviews in 2015 and three successive record fire seasons led to important lessons learned. Drought is mitigating throughout the state, although there are still some pockets of drought-stricken areas in the southeast and northeast corners of the state. Early in the season, there was heightened concern due to the dry late spring. There are still some districts in Industrial Fire Precaution Level (IFPL) 3 but that most have dropped to IFPL 1 & 2 levels. There were a handful of IFPL 4 periods during east wind, dry periods, but they were short-lived.

The two incident management team deployments were for the Akawana Fire that burned in the Sisters Sub-Unit of Central Oregon District in June, and for the High Pass 12.5 Fire that burned recently in the Western Lane District. The statewide fire map, although busy, shows far fewer fires than 2015, and most of the fires on the map were managed by type 3 teams. Much of this success is due to aggressive, successful initial attack by districts and the use of statewide severity resources. These severity resources were moved around to areas with the highest fire potential. There wasn't nearly the competition for resources in Oregon this season, which also contributed to success. Resources continued to be available to bring to bear on new starts, which wasn't always the case in 2015.

There were two FEMA fires – Akawana and the Gold Canyon Fire near Selma in Southwest Oregon District. Nearly all of southern Oregon's severity resources, plus the air tanker, were brought to bear on the Gold Canyon Fire.

Structures lost statewide are still being tabulated but appear to be in the single digits, whereas 2015 saw the loss of more than 60 structures. There were no significant impacts to communities in 2016 as opposed to the previous season. HB 2501 reporting requirements were only met on the Akawana Fire which burned over 1,000 acres of ODF-protection. It appears that there will be very little damage to report – primarily timber loss which was on one landowner.

It's been a tale of two fire seasons. The recent mitigating weather looks promising for the remainder of the 2016 season – of course the season isn't over so it's important to stay the course. Initial attack success is just over 96% compared to 95% in 2015. So far there have been 635 fires (573 fires human-caused – 90% of all fires). Unfortunately human-caused fire numbers are above average, but mitigated by the fact that lightning-caused fires are at only 20% of average. Acres burned are significantly lower -- 5,380 acres to date compared to over 86,000 acres in 2015 and well below the 10-year average of approximately 33,000 acres.

The second hand-out is an overview of the severity program. The budget for the season is nearly \$6 million, assuming that recoveries from firefighting, other agencies and FEMA will bring this total below the \$5 million budget. Ron anticipates that the final costs will be under the \$5 million threshold. It's been a good year for the program – managing costs and having success in initial and extended attack.

Lee Fledderjohann expressed concern that there were few USFS engines remaining in Lakeview during portions of the season. He asked whether ODF puts pressure on the federal agencies to maintain their local initial attack capability. Ron said that yes, pressure is applied both locally, and at the regional level with state and federal agency representatives that coordinate firefighting activity in Oregon and Washington. Ron asked Jeff Fedrizzi and Dan O'Brien if they would like to respond. Dan said that the Northwest Coordination Center responds to fire risk, mobilizing resources to mitigate that risk. Jeff noted that draw-down levels are coordinated and managed to avoid bringing resource levels down too much. He noted that federal agencies are also dictated by resource needs of other states which has an effect on their ability to manage resources locally. Doug Grafe reiterated ODF's stance to influence resource staffing levels at both the local level as well as the state level.

Steve Cafferata stated that he had concerns that the fall could prove to be a bad east wind year. He is hopeful that the agencies are mindful of the need to maintain staffing well into October – or later if needed – to ensure that resources are protected. Ron Graham agreed and pointed out that severity resources were staggered in their start dates, which allows ODF to keep more of them on contract later in the fall.

Chair Cummings concluded this item, noting that the successes from the 2016 fire season should be used when touring insurance underwriters in October – they illustrate the effectiveness of Oregon's fire protection program.

#### **ITEM 7: FOLLOW-UP ON EFCC SPENDING AUTHORITY [*Informational Item/potential Decision Item*]**

Tim Keith reported that this issue first surfaced during the Fire Program Review. Our Legislative Fiscal Analyst voiced concern that although ORS 477.755 continually appropriates monies to the EFCC, since 1985 the EFCC is no longer a state budget unit and therefore not eligible to receive it. This has never been challenged, and we continue to disperse monies to districts to defray their suppression costs. The purpose of the OFLPF and its processes are well understood and accepted.

This issue can be fixed by legislatively changing the continuous appropriation to the Oregon Department of Forestry. All existing authorities of the EFCC to set policies and control distribution of OFLPF monies would remain the same.

Chair Cummings asked that Charlie Stone and Tim draft corrective language to remedy this situation and set it on a shelf for a future time when a housekeeping bill presents an opportunity to make these changes. This could be in a succeeding legislative session.

#### **ITEM 8: CLIMATE CHANGE AND IMPACTS ON FUTURE FIRE SEASONS [*Informational Item*]**

Chair Cummings asked Andrew Yost to give the committee a report on anticipated climate change and the impacts that might have on future fire seasons. Andrew said that the last time he reported to the committee, he reported on using 100+ acre fire perimeters from 1971 to 2000 for Oregon and Washington. Those perimeters were modeled using temperature, elevation and precipitation. This model was then projected forward in time through 2010, and then further into the future using the climate change projections in 30-year increments. He reported that Pete Sikora asked the question, where do the 2013 through 2015 fire seasons fit in with future climate predictions? Pete noted that this information could then inform what firefighting resources are needed to deal with those future conditions.

Andrew illustrated the precipitation and temperatures for 2013-15. Slide 28 compares 2015 data to the future. The season data is comparable to 2030 to 2040 model data. Kathie Dello from the OSU Climate Change Research

Institute provided her observations of the three fire seasons. She said the seasons were affected by El Niño, the Blob (much warmer than normal water off the coast), and climate change with warmer winters and summers. This led to the unusual snow drought of 2014-15. The temperature departure for the 2014-15 winter was 6.5 degrees F., which would be expected around mid-century under business as usual emission scenarios or even later in the century (2070's) if global emissions are drastically reduced. She said 2015 was an outlier but gave us a glimpse of what is going to happen more frequently in the future than in the past. During the 2015-16 winter, the good snowpack was almost completely lost at low elevations in a very short time due to warm temperatures. This highlights the sensitivity of snowpack to changes in temperature. Her bottom line: '[the] last few years have been a good wake-up call for climate change. It's tough to get worse than the 2014-15 winter coupled with the 2015 summer, but we'll be seeing more of it in the future.'

Pete Sikora asked Andrew if the take-home message might be that using 2013-15 data may result in short-term overkill for budgeting resources – that it could be 15-20 years out before these seasons are common? Andrew agreed – that sometime between 2030-40 this could be the norm, and will get worse from there if the projections hold out. Pete thanked Andrew for this presentation in response to his question. Doug Grafe noted that trend lines are key in planning for adequate resources. State Forester Decker pointed out the need for a workforce analysis – what does the agency need to be doing to be ready in 5-10-15 years?

**ITEM 4: WEATHER UPDATE [Informational Item]** [Administrator's note: this agenda item was presented late because Nick Yonker had an earlier commitment]

Nick Yonker presented a PowerPoint presentation summarizing weather to date, and projecting weather conditions during the 2016-17 winter that might influence the 2017 fire season. The summary is as follows:

Fire Season Statistics: 2016 season has been below normal with only 5,412 acres burned compared to the 10-year average of 33,991 acres burned. He pointed out that the 10-year average acres burned has increased significantly due to the last three years of extreme fire seasons.

How Did We Get Here? Prior to the 2016 fire season, winter and spring temperatures were significantly above normal while precipitation was near normal during the winter, but below normal during the spring. In December the snowpack was significantly above normal due to a record wet month, but it decreased more quickly than normal during the late winter and spring due to the warm temperatures brought on by a strong El Niño. By mid-spring snowpack was considerably below normal. The significant December precipitation and normal precipitation the rest of the winter alleviated the extreme drought of eastern Oregon, but the dry late spring brought back moderate drought conditions east of the Cascades and along the coast during the summer.

Current Fire Potential Conditions: 2016's Energy Release Components (ERC's) were compared to the previous year's data. In most areas the ERC was similar to the previous year from the beginning of May into the first part of June. Then the ERC decreased this year vs. last due to summer rain. This condition continued until the beginning of August when temperatures were significantly warmer than the month of July. From the beginning of August to the beginning of September, ERC's were similar to 2015. One reason wildfire acres burned remained low was because of significantly reduced lightning activity vs. last year.

Remainder of Fire Season: forecasts through the remainder of September and into fall show continued above normal temperatures and initially below normal rainfall.

Winter/Summer Outlook 2017: El Niño has diminished and is becoming a weak La Niña. This will likely persist into spring of 2017. Winter and spring precipitation is likely to be above normal. Temperatures are likely to be near normal during the winter and below normal during the spring, and lead to a below normal fire season for 2017.

Steve Cafferata asked Nick what potential he saw for east winds this fall. Nick responded that a high pressure ridge will set-up later in the week, bringing the potential for the winds but it's uncertain after that ridge breaks down. Steve went on to say that the weather synopsis shows what a tremendous fire organization Oregon has and the great job everyone did this past season to keep fires as small as they were. He illustrated that by pointing out the massive fires that burned in the adjacent states of Idaho and California this season.

**ITEM 9: UPDATE/STATUS OF BLM PROTECTION STUDY [Informational/Discussion Item]**

Chair Cummings pointed out that this update provides a public venue to update progress on the BLM Protection Study. He asked Mike Dykzeul and Nancy Ashlock for their report and activity on the Study to date. Mike introduced Nancy Ashlock, retired USFS-BLM fire management officer who had a hand in writing the current BLM Protection Contract. Mike then provided a hand-out entitled 'Project Update – September 6, 2016 EFCC Meeting'. The update provides a chronological review of the work done on the study to date. A project charter was drafted, a project kick-

off meeting was held with sponsors, contributors, advisors and support staff, and final revisions are being made to the charter.

Mike and Nancy have met with staff personnel, and the OR Department of Revenue. The latter provided detailed harvest tax data for the study. Large fire costs have been provided by Colleen Conlee and Tim Keith. They have met with Bob Young who serves as ODF's BLM Protection Contract administrator. Teresa Alcock published study area maps for the Project, and provided fire data and sorts, and additional data analysis. The full data set for the 10 years studied is 242 10-acre+ fires, with a sub-set of 57 100+ acre fires.

On the back side of the hand-out, Mike pointed out the acreage assessment is broken down by landowner class. He asked if anyone in the audience is aware of any improvements that are paying surcharges on public lands into the fund. No one was aware of any.

Mike concluded their report stating that they're in the beginning stages of intensive data analysis. Doug Grafe asked that the 10 acre to 100 acre size class be analyzed to determine if it is significant in the final tally of suppression cost, or do nearly all of the large costs rest in the 57 100+ acre fires. Mike agreed that they would do that analysis.

#### **ITEM 10: FIRE PROTECTION DIVISION UPDATE *[Informational Item]***

Chair Cummings asked Doug Grafe and State Forester Decker for their report. Doug Grafe stated that they will report on the Secretary of State's audit, the first Trust Fund meeting, position vacancies, proposed biennial budget and Program Option Packages (POP's), and begin a conversation about Strategic Investments.

State Forester Decker led off, reporting that the agency began engaging with the Secretary of State's staff in August of 2015; this was a special group assembled to conduct a performance audit, not a financial one. They began looking at the state forest program and expanded it to the fire program. State Forester Decker recommends that the final report and associated articles be read in the following order: the five-page agency response letter (which is at the back of the report), the 39-page report itself, and finally the Oregonian article. It will be presented to the Board of Forestry at their meeting tomorrow. There were no major surprises. The Oregonian article inaccurately states that the agency doesn't track a number of things and that there is a lack of awareness of issues. He pointed out that the questions asked during the audit actually came from the Department. He does feel the report gives ODF a cornerstone on which they can build in the coming biennia. State forester Decker singled out the work of Satish Upadhyay and other staff who worked diligently throughout the audit process. He concluded, stating that audits don't always feel good – but this audit provides ODF a positive foundation upon which to move forward.

Doug Grafe then moved onto the Trust Fund concept, which was one of several recommendations of the Fire Program Review. It proposes a statewide constitutional ballot referral, amending the Oregon Constitution to allocate 2% of Oregon Lottery proceeds to large fire funding – funding the 'gap' – the amount between \$20 million and \$50 million in large fire suppression costs. Individuals volunteered to participate to flesh out the concept, including legislators. The first meeting was last week. Prior to that, ODF worked with OFIC and the Nature Conservancy to draft referral language for the committee meeting. The key discussion at the meeting was the Governor's position. The Governor's office was not able to champion the concept; they would not oppose it but wouldn't champion it going forward. They proposed broadening use of the Trust Fund. The committee hit the 'hot pause' button after hearing the Governor's position, realizing that without the Governor's full support, it would be a very heavy lift and unlikely to be successful. An email will go out summarizing the work done so it could be picked up in the future if desired. Chair Cummings stated that it appears that the concept is not 'never', just 'not now'. He personally believes that it's fiscally irresponsible to not budget/allocate the fire suppression dollars. He noted how committed Brett Brownscombe was to the process and the Trust Fund concept. Pete Sikora asked how they envisioned it be expanded? Doug stated that it wasn't entirely clear, but that apparently it be available for investments in the system such as prevention, detection, forestland sustainability, and organizational capacity. State Forester Decker said that, given Measure 97, PERS costs and other issues facing the state, that the Governor couldn't carry this narrowly-focused concept. He feels she's 'all in', but that she simply cannot carry the concept given current issues.

Doug Grafe noted that there are two key vacancies in the Protection Division: Toni Chamber's business management position, and the office manager position that supports Ron Graham and his staff. Protection budgets have been submitted to the Governor's office, which includes the severity POP. He has discussed the protection POP's with the association presidents on a conference call last week. Key positions being requested are a fire business coordinator focusing on severity, FEMA and incident business management, and an aviation coordinator assisting Neal Laugle. Another POP would continue the rangeland coordinator position into the future. Lee Fledderjohann expressed his appreciation for explaining the proposals to the presidents by conference call – it was valuable for them. Steve Cafferata asked how the rangeland association efforts are working. Doug Grafe said he is interested in seeing the reports from the season; he believes that the concept is evolving well because of the increased coordination and training ODF can now provide with the limited duration coordinator. He highlighted the work that person is doing with federal agencies, helping build federal agency-RFPA partnerships. Tim Keith

described the success he witnessed this season on the Cherry Road Fire. There the Vale District BLM worked closely with the Jordan Valley RFPA and were able to stop the forward progress of the fire. The Malheur County Sheriff publicly praised the work of both the BLM and RFPA in working together to successfully fight that fire.

Doug Grafe concluded by expressing his hope that Strategic Investments are a possibility for the EFCC to consider this year. It's on his radar screen, working with Ron Graham and Tim to bring forward potential concepts.

#### **ITEM 10: EFCC ADMINISTRATOR REPORT**

Tim Keith provided a hand-out to EFCC directors that contained a listing of statewide direct bills in response to a question about what and how many direct bill accounts are there that may provide little or no harvest and associated harvest tax into the OFLPF. He will strive to determine the number of acres that are protected and eligible for emergency funds from the OFLPF

Jeff Friesen reported that on October 6<sup>th</sup>, five people will come over from London: two from Willis of London, and three from our policy underwriters including lead underwriter Canopus and two others. They've asked for an agenda and itinerary which Tim will be providing through Jeff. This tour will likely substitute for a winter 2017 London tour. Tim briefly summarized what was done four years ago. He asked for input on what should be included in the tour. Possibilities mentioned include the High Pass 12.5 Fire, 2500 Road Fire, the Weyerhaeuser initial attack contract helicopter, detection cameras, and severity aircraft including the SEAT reload base. State Forester Decker asked that Senator Devlin be given an opportunity to visit with the delegates, either here or down at the Capitol.

#### **ITEM 11: PUBLIC COMMENT/ GOOD OF THE ORDER**

Gary Springer voiced concern that the agenda for the EFCC meeting was not posted on the website, consequently he assumed the starting time was the traditional 10:00 a.m. instead of the revised 9:00 a.m. starting time. Tim Keith committed to ensuring that the agenda be posted in a timely manner for those interested in attending EFCC meetings.

There being no further business before the committee, Chair Cummings adjourned the meeting at 11:25 a.m. The next regular meeting of the committee will be held at 10:00 a.m. on Tuesday, January 03, 2017 in the Santiam Room of the State Forester's Headquarters in Salem.