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  
Jake Gibbs  
Lee Fledderjohann (via conference line)

**Others Present:**
Tim Keith, EFCC Administrator  
Jeff Friesen, Willis Tower Watson  
Nancy Hirsch, Deputy State Forester  
Tom Jenkins, Meteorologist, Fire Protection Program  
Chrystal Bader, Executive Support  
Russ Lane, Interim Deputy Chief, Fire Protection Program  
Doug Grafe, Agency Initiative Coordinator, ODF  
Ron Graham, Interim Chief, Fire Protection Program  
Mike Robison, Coos Forest Protective Association  
Jamie Paul, Assistant to the Area Director, Eastern Oregon Area  
Matt Thomas, Toledo Unit Forester, ODF  
Marie Hansen-Wargnier, DAS Risk Management  
Jim Carnegie, retired ODF  
Matt Stayner, LFO  
Kyle Williams, OF&IC  
Chris Johnson, Shanda Asset Management LLC  
Stacy Miller, Acting Fire Finance Manager, Fire Protection Program  
Tonya Halsey, Fire Business Specialist, Fire Protection Program  
Mark Hubbard, Finance Director, Administrative Services Division  
James Short, Budget Director, Administrative Services Division  
Bill Herber, Chief, Administrative Services Division  
Jim Gersbach, Public Affairs

**ITEM 1: CALL TO ORDER**
Chair Cummings called the meeting to order at 10:04 a.m. Introductions were made around the table.

**ITEM 2: APPROVAL OF THE MINUTES OF THE MARCH 6, 2018 COMMITTEE MEETING [Decision Item]**
Tim Keith reviewed the minutes, noting that Steve Cafferata’s edits were included, no additional changes were recommended. Motion was made and all approved, none opposed.

**ITEM 3: FINANCIAL STATUS OF THE OREGON FOREST LAND PROTECTION FUND [Informational Item]**
Tim Keith provided an update on the financial status of the OFLPF noting that the May harvest tax revenue is up over the projected amount. He also noted that interest income is higher and continues to rise, due in part that the OFLPF is carrying a balance of over $20M. Total revenue to date is projected to be $35,315,250 with repayment of the bridge loan to ODF.

For expenses, severity costs from the 2017 season are projected to be a full $3M to the OFLPF ($5M in total). After deducting suppression, severity and the payroll and operating costs, there is only $401,164 available from the OFLPF for payment of the 2018-19 catastrophic insurance policy; the remainder will have to come from the General Fund.

Tim also stated that the 2017 audits are now complete. The net total cost of claims is $431,309 less than originally estimated; this amount does include some projected costs from federal agency firefighting partners. He projects that the final tally will trend down a little more as these amounts owed are based on estimates and the final bills have not yet been received – final costs are usually lower than projected. Tim is confident that the final cost for 2017 will not be any higher.
The projected fund balance, as of June 30, 2018, is $19,417,861, which is up a little more than $120,000 from the amount projected at the March EFCC meeting.

Tim also informed the committee that they are close to finishing the leftover 2014 fire season bills from Southwest Oregon (SWO) and North Cascade (NCAS) Districts. Federal bills are still being reconciled on the Oregon Gulch and 36 Pit Fires in those districts, respectively. The final FEMA reconciliations and submittals will occur when those fires are finalized and paid – which will pave the way for finishing the 2014 fire season fire insurance policy. Tim commended interim Fire Finance Manager Stacy Miller on the tremendous amount of work being done by her fire finance personnel since she started.

Below is a summary of the financial status report of the OFLPF.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 05/31/2018</td>
<td>$3,568,679</td>
</tr>
<tr>
<td>Estimated revenue (including Balance)</td>
<td>$35,315,250</td>
</tr>
<tr>
<td>Less estimated expenditures</td>
<td>($15,897,389)</td>
</tr>
<tr>
<td>Projected Fund Ending Balance for 06/30/18</td>
<td>$19,417,861</td>
</tr>
</tbody>
</table>

**ITEM 4: WEATHER UPDATE [Informational Item]**

Tom Jenkins, ODF Meteorologist, provided the weather update for Nick Yonker who is out ill. He noted that electronic copies of the weather update will be made available upon request.

The global trend for this year is a weak La Niña weather pattern which is projected to stay somewhat neutral. As we move through spring, there is a lower accuracy for long-range forecasting. However, the trend is leaning towards El Niño.

With regard to fire season severity, there continues to be a below-normal snowpack, which aligns with other projections. He noted that northeast Oregon has the most snowpack. Tom explained that there was an earlier start to snow melt this year, leading to the decline in snowpack.

The long-term drought outlook (as of last Thursday, May 31st) is on a negative trend with a severe drought predicted in eastern/southeastern Oregon (east of the Cascades).

Heading into summer, Tom reported that Oregon is currently below normal rainfall amounts and below-normal rainfall is expected for the remainder of June. As far as temperatures over the next 30 days, they are projected to rise, with warmer temperatures projected throughout the Columbia River basin.

For the dry lightning prediction, normally 2-3 lightning episodes are projected over the summer. On that note, Tom reported on a new experimental product for predicting lightning events, called Thunderstruck. This program looks at a historical series of lightning strike maps that are divided by area, and breaks down the past data as to where there have been lightning to ground strikes, month-by-month, hour-by-hour, over a 24-hour period. He reported that they are currently working to get this program posted to the internal ODF SharePoint site for beta testing. It is not likely to be fully ready for this fire season but should be available for the 2019 season.

The bottom line prediction for this coming fire season: neutral conditions to prevail; the snowpack is mostly gone and drought is increasing. Tom’s prediction is that it will likely be an above-normal fire season.

Chair Cummings asked more about the new lightning predicting product and noted that the more and more it’s used, the more data you’ll have to better predict, correct? Tom replied yes, and ODF IT has a direct line to the data provider to store it; then we can go in and improve/update. Ken commented that it is interesting to look at predictions vs. actuals.

Steve Cafferata asked how the open source lightning tracker data compares to this new product. Tom replied that it’s hard to say and noted that the best resources in the area are from a small group of commercial vendors, which is what the federal/state agencies work with currently.

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

Jeff Bonebrake was not available to report to the committee, he is training fire investigators this week. Tim Keith reported in Jeff’s absence, handing out the latest Fire Cost Collection Claim Status report.
Tim pointed out on pages 1 and 2 of the report that the total amount billed in claims is down $1.45M due to the Stratton Creek Fire being settled. This case has been adjudicated and received good publicity (an arsonist that was apprehended and sentenced). Unfortunately, this fire is recommended for closure as the responsible party does not have any available resources.

Other fires that have been finalized since the March EFCC meeting:
- The Baker Gardens fire has been paid in full
- The Nugget Butte Fire was closed and found to be uncollectable

For new claims, the Owens Fire ($92.7K) is anticipated to be full settlement.

Tim noted that there are still significant investigations in progress: Eagle Creek Fire and the Ana Fire.

In addition to the Stratton Creek arson fire, an arrest was made on Central Oregon District’s McKay Fire; restitution from the responsible party is expected there.

Tim concluded, noting that there have been some suspicious fires near Silverton; Oregon State Police is handling those investigations and are zeroing in on suspects.

**ITEM 6: Coos Forest Patrol Association Request**  
*Informational Item*

Mike Robison, District Manager, Coos Forest Protective Association (CFPA), presented a request for reimbursement of extraordinary costs incurred by CFPA due to 2017’s Chetco Bar Fire. He stated that after that fire, he wrote a letter to EFCC about CFPA’s additional work; noting that some of their costs were not eligible for reimbursement from the OFLPF. Mike worked with Tim Keith on how to proceed on a request to the Committee for resource expenditure reimbursement. Mike explained that the Chetco Bar fire was managed by USFS, initially with a Type 3 team, then a NIMO team, and ultimately Type 1 teams after the fire made a major run nearly to Brookings over a 3-day period. CFPA initially discussed the possibility of bringing in an ODF incident management team (IMT) but opted not to given that a national Type 1 IMT was already in place; instead working closely with that IMT.

Mike went on to explain that this put CFPA – due to the significant fire activity in Oregon and Washington and across the nation – into survivability mode with only CFPA and private landowners’ resources left for initial attack and large fire suppression. Their investment allowed ODF to avoid committing an IMT to the fire, saving both resources and emergency fire funds from the OFLPF and the General Fund. The cost-share agreement with the USFS on the Chetco Bar Fire was on a ‘you order, you pay’ basis, which minimized the State’s financial investment. The Chetco Bar Fire cost almost $100M with the State of Oregon/CFPA’s contribution totaling $3.4M on 20,000 acres burned.

There were solar eclipse resources in the state to help with key overhead positions that were needed immediately. These helped, but this became a campaign fire. CFPA put in over 40 miles of fireline to stop the fire and avoid additional acres burned on private landowners and the BLM. The only reason Brookings didn’t burn down is because the weather changed; but then the weather returned to low humidity and hazardous burning conditions for 40 days straight.

Mike stated that the eligibility guidelines for the EFCC allow for CFPA to make a specific ask for unique situations.

Tim Keith added to Mike’s statement noting that the cost-share agreement with the USFS of ‘you order, you pay’ saved the State a significant amount of money. He noted the request is limited to just CFPA engines and tenders; Mike [Robinson] is bearing the personnel costs of which there were many overhead personnel.

Mike confirmed he’s not asking for base pay reimbursement.

Tim asked CFPA to assume the first 3-days of initial attack; costs for their resources after that 3-day investment would be eligible. This totaled $111,465.45 in total cost; of this total, $75,179 is FEMA eligible. With FEMA reimbursements, the total net cost of this proposal would be $55,075.87.

Steve Cafferata asked if there were any hours worked by CFPA which are only overtime, no base-eight. Mike responded that all time listed was time on the fire and all hours were shift-ticket approved hours. After the first three days; district-owned machines were used for work on the fire (for example, there were 110 hours worked with CFPA’s dozer).
Chair Cummings asked where the national IMT would have gone if an ODF IMT would have been brought in. Mike responded that the Chetco Bar Fire cost Oregon $120/acre; if an ODF team came in, EFCC would be on the hook for all of the fire’s cost, needing to bill the USFS for their portion of that total. He concluded that the best fit was to work with the USFS in unified command. Chair Cummings agreed that a lot of money was saved by not bringing in an ODF IMT.

Jake Gibbs asked why CFPA is asking for money from EFCC for this fire and not others. Tim Keith explained that the EFCC served as the ‘gateway’ for emergency fire cost expenditures, and therefore was the appropriate body to approach. If the committee agreed that the proposed request should be honored, then the ultimate payers would need to be involved; in this case it would be the General Fund (GF) since total fire cost expenditures for the season at $32M, are well above the $20M total where the OFLPF and GF split costs.

Doug Grafe added that with the trend in larger and larger fires, there will continue to be more pressure on the system, both in initial attack and extended attack on large fires. Asking the district to support large fires while still being available for initial attack in their district is not sustainable and costs more in overtime wages and equipment usage.

Tim made a recommendation that CFPA’s request for reimbursement be approved by the EFCC.

Chair Cummings said that he appreciates all the work done by CFPA with regard to background for this request. He would like to have more discussion with the Committee members to gain a better understanding of CFPA’s ask in order to set an appropriate precedent for future requests.

The committee agreed to table the discussion to allow additional time to discuss principles and policy. Steve Cafferata asked that a decision be made before June 30, 2018; the committee concurred.

ITEM 7: Strategic Investment Proposals [Decision Item]

Interim Deputy Chief Russ Lane provided an update on the 2017 Strategic Investment projects that were approved, noting that there are six projects in total, four of which were fully-funded proposals and the remaining two are at 20%.

Detection camera in Southwest Oregon District: almost $20,000 has been spent on the Soda Mountain site so far. Chair Cummings added that on his property, signed leases will be in place very soon and he hopes to have the space and camera ready by fall 2018.

Eastern Oregon Area guard stations: one is located in Northeast Oregon District (NEO) and one in Central Oregon District (COD). The NEO guard station update was provided by Matt Howard; it will be located in Troy, OR and is a cost-share arrangement with Oregon Department of Fish & Wildlife (ODF&W). Russ explained that ODF will staff the guard station six months out of the year and ODF&W will staff it the other six months. ODF&W is taking the lead on procurement and there is an invitation to bid out now. Construction is estimated to begin this summer/fall. The estimate used ($119,875) will cover ODF’s portion of the costs. Once the bid closes, the total cost will be known. He added that this is a long-term lease agreement with ODF&W and the guard station will be ready to go for the 2019 fire season. Steve Cafferata asked whether there is a facility for the guard station staff during construction. Russ replied that there is not a facility available until the guard station is built.

COD guard station: this is a cooperative project with Oregon Parks & Recreation Department (OPRD) (La Pine State Park). They are currently working on getting an interagency agreement in place. There is a pre-fabricated building for use from the Department of Corrections (DOC); construction will start this summer. The estimated target date of completion is for the 2019 fire season.

Bandwidth increase for Douglas Forest Protective Association (DFPA) & South Cascade (SCAS) Districts: this project was funded for $16,000 for cameras. They are in the final stages of completion, however no request for reimbursement has been submitted yet. Russ noted that this project allows for migration to High Definition (HD) cameras. The estimated date of final completion is mid to late July 2018.

Highway 30 electronic sign, Northwest Oregon Area, Forest Grove District: there are financial problems with this project. Russ explained that the original budget was $90,000 ($75,000 from EFCC and $15,000 from the District’s budget. Bids came in higher than expected and are now at $23,000 for engineering, $20,000 for site preparation and electrical service, and an additional $60,000 for construction (the latter is a rough estimate). Mike Cafferata, Forest Grove District Forester, reports that they are not seeing a good path forward and are considering cancelling the project to avoid overspending.
Communications investments in West Oregon District and South Cascade District (SCAS): neither project have begun yet. In South Cascade, they have not had a conversation with landowners yet; this needs to occur during the budgeting process in the district. District Forester Chris Cline reported that the projected radio improvement costs were much higher than projected in the original proposal. The project will be cancelled if the Association’s Board of Directors can’t support it. Steve Cafferata asked to be notified when SCAS takes the proposal to the Association Board. Russ stated that he will follow up on this for both.

Interim Chief Ron Graham mentioned that one of the lessons learned for the 2018 Strategic Investments Projects is the need to anticipate rising costs for bids/rates, as well as the need to determine what the probability of these projects actually getting done is.

Russ continued with the 2018 Strategic Investment Proposals which are prioritized by area (no statewide priority - see handout). The total estimated cost for the 2018 projects is just over $5M. Tim noted that there is just under $1M allocated from EFCC that is available for Strategic Investments.

Steve asked if any of the Eastern Oregon Area (EOA) detection cameras would be operational for this fire season, to which Assistant to the Area Director Jamie Paul replied yes, they anticipate that three or more would be ready for the season.

Chair Cummings said that he would like to see a decision on the EOA detection camera request and table the remainder. He asked for a motion to move forward with the EOA detection cameras with a note that these monies be allocated as equitably as possible across the districts. He asked Tim Keith and Steve Cafferata to vet the other 2018 proposed projects and prioritize them for a decision at the September EFCC meeting.

All were in favor of the motion, none opposed; the EOA camera request was approved.

**ITEM 8: Proposed Updates to the ‘Guidelines for Eligibility of Firefighting Cost for the Oregon Forest Land Protection Fund [Decision Item]**

Tim Keith gave an update on the OFLPF Eligibility Guidelines and provided a more concise handout noting the need to change the reference to the BLM contract to ‘BLM agreement.’ These updated guidelines will be effective July 1, 2018. Tim noted that page 10 has a major change in the language to ‘fire costs’ from BLM to ‘ineligible costs.’

Chair Cummings asked for an example of a ‘protection offset agreement.’ Tim responded that it is an agreement to exchange protection responsibilities on tracts of land. The best example is that the BLM bears the full cost of fires in the South Fork of the John Day River drainage, whereas ODF bears the cost of fires burning on BLM land north of Monument, OR. The acreages and fuel types are roughly the same.

Tim also noted two additional minor changes:

- At the bottom of page 12, eligibility for office managers on type 3 fires may be extended if they are relieved of their duties and that it is documented in writing, and
- Trainees are eligible for OFLPF funding if engaged in their trainee position for two consecutive days on an incident.

A motion to approve the proposed updates effective July 1, 2018; all were in favor, none opposed; motion approved.

**ITEM 9: Protection Division Report**

a. **BLM Agreement Update [Informational Item]**

Ron Graham reported that ODF leadership met with BLM leadership on May 25th for mediation on the amount of Equitable Adjustment. The current estimate is $4.7M. BLM appealed the amount of payment so both parties entered into mediation for the past five-year contract payment amount.

BLM has offered a settlement of 5% repayment of the total amount due. After more work, they have reached a settlement amount – it is not ideal but would be an acceptable amount. State Forester Daugherty has informed LFO and the Governor’s Office of the proposed settlement amount. The legal paperwork must be done before being finalized. The Department of Justice (DOJ) has drafted a settlement offer requesting BLM
make the payment by June 30, 2018. This date may be extended to the end of September which is the conclusion of the federal fiscal year. The Appellate board must approve the settlement agreement.

Regarding the protection agreement with BLM for fiscal year 2018-19, Melvin Thornton is working on an operating plan. BLM’s original low estimate of the cost of the agreement has been increased, although there is still an estimated $1.4M difference between what BLM has said they could pay, and ODF’s estimated cost of the agreement. The important change with the new agreement, aside that it is no longer a fixed price contract, is that BLM will pay for all EFC-eligible large fire costs. There is another meeting with BLM scheduled this Thursday, June 8th – the result should be an agreement that will be in place July 1, 2018 with the understanding that BLM will still need to find funding. ODF can track all fire costs and separate these out for BLM as necessary for large fire payments. Long-term, there needs to be more discussion on funding for BLM. State Forester Daugherty is requesting that BLM State Director Jamie Connell and he provide joint direction to their respective staffs implementing the new agreement.

b. **Agency Initiative Update** [Informational Item]

Agency Initiative Coordinator Doug Grafe provided an update on the ODF Agency Initiative noting that very little has changed. The data continues to be fine-tuned, updating current numbers with current fiscal payrolls. Doug said that he will be bringing the Agency Initiative proposal before the Board of Forestry tomorrow and the Agency Request Budget to the July Board of Forestry meeting. There the Board will consider adding the Initiative to the Policy Option Package for the upcoming 2019 Legislative Session. If approved, ODF would roll out the Initiative over the 2019-21 biennium, it is still being reviewed as to how the additional positions will be funded.

c. **2018 Fire Season Severity Plan Update** [Informational Item]

Neal Laugle provided an update (and handout) on severity planning for the 2018 season. They have had to cancel two helicopter contracts for lack of qualified pilots. The additional cost for severity aircraft this fire season will be approximately $300,000. He also reported that ODF is placing two new-generation air tankers from Aero Union on CWN status in the event they may be needed; it is possible that the USFS may pick these aircraft up for use this coming season.

d. **Protection Division Update** [Informational Item]

Acting Deputy Chief Russ Lane provided an update on Protection Division staffing noting they are currently in transition to fire-season readiness. The low precipitation this spring in western Oregon is a worry for everyone.

Russ highlighted the increased staff in Fire Business with Stacy Miller on a rotation as the Interim Protection Finance Manager; Sharrol Pyle has joined the team on a two-year assignment from the Southwest Oregon District managing fire FEMA reimbursements. Gina Dally from SCAS is on a nine-month rotation to support Fire Finance; Dana Tenold from COD The Dalles will come in after fire season for another nine-month rotation, relieving Gina. Russ closed by noting that there are still a couple outstanding recruitments in Fire Protection including the permanent Fire Finance Manager, an Accounting Tech 2, and an Administrative Specialist 2.

Ron provided an update on ODF IMT’s, noting that there have been a couple of meetings with incident commanders and their Command & General staff; the IMT’s are on a good path forward. Right now, ODF will roster three IMTs with two of those fully-staffed. The long term goal is to have three fully-staffed IMTs.

**ITEM 10: EFCC ADMINISTRATOR REPORT** [Informational Item]

Tim Keith provided the EFCC Administrator Report noting that 10 out of 12 districts have been audited so far this year. They’re not quite done with Klamath–Lake District and Northwest Oregon District may have a claim given recent fires [Editor’s note: Northwest Oregon District did not end up having a claim for the 2017-18 fire season]. Additionally, Colleen Conlee has asked to be relieved of her cost estimating role this fire season. Consequently, Tim reached out to Dave Horton (former office manager for Klamath-Lake District) who has agreed to fill Colleen’s role this fire season; Sharrol Pyle will serve as Dave’s backup.
Tim has a letter of intent to retire from Colleen Conlee effective September 30, 2018. He is moving forward with advertising to fill that position part-time and hopes to have someone selected by September or October. He added that Colleen has agreed to stay on after September 30th to train the new person as needed.

Ken commented that Colleen has been unbelievable and has done stellar work for the EFCC. We will make sure to have a recognition for her.

Jeff Friesen reported that the 2018-19 catastrophic insurance policy has been bound.

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

There being no further business before the committee, Chair Cummings adjourned the meeting at 12:18 p.m. The next regular meeting of the committee will be held at 10:00 a.m. on Tuesday, September 4, 2018 in the Santiam Room of the State Forester’s Headquarters in Salem.