In accordance with the provisions of ORS 477.455, a meeting of the Emergency Fire Cost Committee (EFCC) was held via Zoom Video Conferencing on Tuesday, June 8, 2021.

**Committee Members Present**
TBD, Chair  
Steve Cafferata  
Chris Johnson  
Brennan Garrelts

**Others Present**
Tim Keith, Interim EFCC Administrator  
Lorna Hobbs, EFCC Finance Coordinator  
Chrysal Bader, Executive Support, ODF  
Shauna Morris, Administrative Support, ODF  
Nancy Hirsch, Interim State Forester, ODF  
Lena Tucker, Deputy Director for Operations, ODF  
Bill Herber, Deputy Director for Administration, ODF  
Jacqueline Carter, Internal Auditor, ODF  
Doug Grafe, Chief of Fire Protection, ODF  
Ron Graham, Deputy Chief, Operations, Fire Protection, ODF  
Tim Holschbach, Deputy Chief, Policy & Planning, Fire Protection, ODF  
Blake Ellis, Fire Operations Manager, ODF  
Neal Laugle, Aviation Manager, ODF  
Jeff Bonebrake, Fire Investigator, ODF  
Neal Miller, Fire Investigations, ODF  
Brian Pew, EOA Area Director, ODF  
Jamie Paul, Assistant to the EOA Director, ODF  
Dave Larson, SOA Area Director, ODF  
Dave Lorenz, Retired SOA Area Director, ODF  
Dennis Lee, Klamath-Lake District Forester, ODF  
Michael Curran, West Oregon District Forester, ODF  
Joe Hessel, NEO District Forester, ODF  
Pat Skrip, DFPA District Manager  
Stacy Miller, Fire Finance, ODF  
Kim Titus, Fire Finance, ODF  
Sherry Rose, Fire Finance, ODF  
Kathy Wells, Fire Finance, ODF  
Adam Meyer, Policy Analyst, ODF  
Nick Henneman, Public Affairs, ODF  
Todd Scharff, DAS Risk Management  
Lindsay Cunningham, Willis Towers Watson  
Renee Klein, DAS CFO  
Kyle Williams, Director of Forest Protection, Oregon Forests & Industries Council (OFIC)  
Laura Wilkeson, State Forest Policy Director, Hampton Lumber  
Cindy Robert, Hancock Forest Management  
Mike Dykzeul, Retired  
Jim Carnegie, Retired

**ITEM 1: CALL TO ORDER**
Tim Keith called the meeting to order at 10:00 a.m. on Tuesday, June 8, 2021. All Committee members were present via Zoom video conference and there was a quorum.

**ITEM 2: ELECTION OF EFCC CHAIR [Decision Item]**
Tim Keith reported that former EFCC Chair Ken Cummings has resigned from the Emergency Fire Cost Committee effective June 1, 2021. ORS 477.450 details the election of the EFCC committee chairperson. A motion for approval to name Brennan Garrelts as Chair of the Emergency Fire Cost Committee was made by Steve Cafferata and seconded by Chris Johnson. All were in favor, and none opposed. Motion passed unanimously.

Chair Garrelts thanked the committee for their support and confidence to lead this committee. He recognizes that he has big shoes to fill with Ken Cumming’s absence and retirement. Ken demonstrated dedication to this committee and its charge for 25 years. His
passion for Oregon’s complete and coordinated system was evident in all he did as chair. Chair Garrelts said he hopes to continue that dedication and success moving into the future of firefighting. Chair Garrelts will work with ODF to recommend a replacement for Ken Cummings to the Board of Forestry (BOF) at their regularly scheduled meeting in September 2021.

Chris Johnson thanked Chair Garrelts for accepting the nomination. Steve Cafferata noted there is a lot of work to do and thanked Chair Garrelts for taking this on.

ITEM 3: APPROVAL OF THE MINUTES OF THE MARCH 2, 2021 EFCC MEETING [Decision Item]
No comments were made by committee members or attendees on the March 2, 2021 Emergency Fire Cost Committee meeting minutes. A motion for approval was made by Chris Johnson and seconded by Steve Cafferata. The minutes of the Emergency Fire Cost Committee March 2, 2021 meeting were unanimously approved.

ITEM 4: FINANCIAL STATUS OF THE OREGON FOREST LAND PROTECTION FUND [Information Item]
The committee reviewed the financial status of the Oregon Forest Land Protection Fund (OFLPF) for FY21. The last report to the committee was in March 2021. This report is based on April 30, 2021 financial reports.

The beginning balance of the fund on July 1, 2020 was $15,112,175

Estimated revenue/transfers in for April 2021:
- $36.7K for private and public acreage assessments, for a total collected just under $730K, which includes Board of Forestry and Department of State Lands assessments
- $7K was received for minimum lot assessments, for a total of $571.8K
- $24.6K was received for improved lot assessments in April. The total to date is $5.9M

On the report under revenue/transfers In:
- Item #1: Total assessments received for FY21 to date is $7,219,534
- Item #2: Harvest tax revenues received for FY21 to date is $1.4M
  - 4th quarter harvest tax revenue was received in May but is not reflected on this report for April
- Item #3: Interest income received in April was $5,429. Total interest received to date is $96,708
- There were no changes to Items #4-6 from the last report
  - Item #4: Fire season 2019 insurance premium adjustment: $15,341
  - Item #5: Fire season 2018 insurance premium adjustment: $25,385
  - Item #6: FY operating expense adjustment: $1,930

Total estimated revenue/transfers in for FY21 to date is $8,776,529

On the report under expenditures/transfers out as of April 30, 2021:
- Item #1: FY21 payroll and operating expenses to date total $151,494 with 83% of the FY elapsed
  - Actuals will be shown once operating expenses are transferred later this month. It is likely they will be under the estimated amount of $185K
- Item #2: Additional payment on the FY20 insurance premium that was processed in the current FY
- Item #3: Fire season 2021 insurance premium is still estimated at $315K
- Item #4: $2.796M was transferred for fire season 2020 severity. The fund’s cap is $3M. Currently, net severity costs, after FEMA reimbursements, is just under $5M. The remaining $203,719 will be needed from the fund to cover severity costs.

Total estimated Expenditures/transfers out: $703,719

For the 2020 fire season draft claims, the net amount remains at $49.5M. Future adjustments to draft claims will likely reduce the net claims totals due to additional cost recoveries from responsible parties and FEMA claims. FY21 emergency fire claim advances totaled $10M.

Estimated Fund Balance April 30, 2021: $11,087,460

Estimated Fund Balance June 6, 2021: $12,474,000

The balance is expected to be at or over $13.5M by the end of the FY.

Chair Garrelts noted that the fund balance is less than the $13.5M needed for the upcoming year’s budget. He asked about the additional revenues expected (monies owed back to the fund from ODF) as a result of the reconciliation process. Tim noted that Nancy Hirsch likely has more information on that, which is not included in this report.

Nancy Hirsch addressed the committee, stating that there are still unaccounted regular revenues that will show up between April 30 and the end of the accounting year. Work that EFCC staff have been doing with ODF – reconciling accounting books from 2015...
forward because of claims being finalized as well as other reconciliations – are anticipated to be a substantial amount of money. EFCC and ODF leadership will affirm exact numbers.

Doug Grafe agreed with Nancy’s assessment and added that ODF needs to close out with LFO and CFO. Reconciliation ultimately requires FEMA claims reimbursements from 2015 and 2017 in the next couple of months - Doug is targeting this summer. The final piece for ODF to close out reconciliation specifically includes General Fund and OFLPF balances across insurance, severity, large fire costs and OFLPF administrative costs. The additional component is responsible party recoveries, which ultimately influence available dollars from those funds.

Chair Garrels added that HB 2357 initially included language to create a new fire fund and disband the Emergency Fire Cost Committee. To date, this bill has undergone seven different amendments and currently does not include amendments to disband EFCC, however it is still in play. He will continue to monitor this bill and keep the committee up to date.

**ITEM 5: INSURANCE UPDATE [Information Item]**

Todd Scharff, DAS Risk Management, and Lindsay Cunningham, Willis Towers Watson (WTW), provided a brief update of the renewal of the firefighting expense insurance coverage, noting that the coverage was successfully renewed effective April 15, 2021. The coverage terms remained the same with a $50M deductible and $25M coverage. There was a unique change in that Swiss Re and Hamilton Re represented 6% of the expiring coverage (3% each). Swiss Re declined to participate in the renewal this year. Hamilton Re originally declined to participate but came back later with a strong offer but by then, WTW had brought in a vetted U.S. insurer named Acceptance who has taken 7.5% of the coverage, typically more than normally given for new investors. Willis asked Acceptance to demonstrate commitment back to Oregon to assure they will stay long term and Acceptance responded by offering a two-year rate lock (conditioned on a loss ratio of 45% or less). In today’s hard insurance market, the two-year rate lock was a significant offer by Acceptance. In addition, Acceptance offered their pro rata cost on a lower overall price structure than the Lloyd’s syndicates ($4,000,000 vs. $4,150,000) which helps keep overall cost down. The full coverage renewed at premium of just over $4.1M with taxes and fees, just a 3% increase over the prior year.

Todd added that a 15-20%+ premium increase was expected but the system worked: FEMA grants, BLM cost/share of large fires and rapid mobilization to manage unprecedented events all contributed to their support. Lloyd’s underwriters have felt they need to make a special commitment to this program.

Chair Garrels appreciated the underwriters’ interest in learning more about ODF and Oregon’s Complete & Coordinated System. He would like to invite Lloyd’s to visit Oregon to better understand our system. Lindsay noted there have been some preliminary conversations. Acceptance is a wholesaler so they do not do client visits; however, meetings could be set up between renewals throughout the year to deepen that relationship.

Doug Grafe added that ODF had $315K for premium payment and submitted a request to Ways and Means for an additional $3.8M to cover the cost of the insurance policy.

**ITEM 6: WEATHER UPDATE [Information Item]**

Ron Graham provided the weather update for June 8, 2021 noting that this will be a condensed, high-level weather briefing as Nick Yonker retired at the end of April. ODF is waiting to fill that position and due to limited capacity, the division will be sure to provide greater detail. Ron reported that the major concern right now is drought across the state. Large fuel moisture is critically low across the state because of claims being finalized as well as other reconciliations – are anticipated to be a substantial amount of money. EFCC and ODF leadership will affirm exact numbers.

Doug Grafe agreed with Nancy’s assessment and added that ODF needs to close out with LFO and CFO. Reconciliation ultimately requires FEMA claims reimbursements from 2015 and 2017 in the next couple of months - Doug is targeting this summer. The final piece for ODF to close out reconciliation specifically includes General Fund and OFLPF balances across insurance, severity, large fire costs and OFLPF administrative costs. The additional component is responsible party recoveries, which ultimately influence available dollars from those funds.

Chair Garrels added that HB 2357 initially included language to create a new fire fund and disband the Emergency Fire Cost Committee. To date, this bill has undergone seven different amendments and currently does not include amendments to disband EFCC, however it is still in play. He will continue to monitor this bill and keep the committee up to date.

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

Neil Miller and Jeff Bonebrake provided the report on the status of large fire cost collections to date noting specifically the good progress made on the Stouts Creek Fire. There has also been good progress made on the Santiam Park Fire (2019), Fall Creek Fire, Ana 238 Fire (2017), Neil Rock Fire, Squally Point Fire, and the Haystack Fire (2020).

Additional fires are in various stages of cost recovery, which Neil has been tasked with seeking closure for these fires. Closed fires include the Brandt 192 Fire (Klamath-Lake District (KLD)), the Reservoir 334 Fire, the Thatch Fire (Northeast OR District (NEO)), and the Potato Hike Fire. See full report for more details of cost collection claims status.

Jeff Bonebrake noted this is his last official meeting in this capacity as he is retiring July 1. Neil is in place to take over fire investigations. Jeff discussed ongoing cases, which he will keep the ball rolling on for the next 6 months, but in a different capacity. Jeff also reported that the Department of Justice has brought in an additional firm to review the 2020 Labor Day fire records. It is still
unclear about cost recovery for ODF, but they will continue to move forward with due diligence in order that good information is provided for future decisions. There are several new fires this year; however, there is not a lot of information yet on these fires.

Steve asked why the Holiday Farm Fire is not on this list. Jeff noted that it is a federal fire, and they are leading the investigation.

ITEM 8: AGENCY / FIRE DIVISION REPORT [Information Items / Possible Decision]

- **State Forester / Board of Forestry Update**
  Acting State Forester, Nancy Hirsch, congratulated Brennan Garrelts on his nomination as EFCC Chair and thanked Tim Keith for stepping in as Interim EFCC Administrator. Nancy identified her priorities as Acting State Forester in an email sent to the Board of Forestry and forwarded to EFCC last week. Her priorities are clear; number one is the health and well-being of all employees in the department, including added capacity; regaining trust by demonstrating our responsibility/attention to detail regarding finances both with the Legislature, Governor's Office and Board of Forestry; MGO recommendations (implementation management plan to be presented at BOF meeting tomorrow); fire season readiness; and the Board of Forestry.

- **ODF Financial Report**
  Bill Herber provided updates on ODF financials noting it has been quiet the last two months. Current resources include $37M cash, with only three weeks remaining on General Fund (GF) appropriations for this biennium, with $40M available. Bill added that these funds are not for fire costs, however, there continues to be incoming revenue streams including FEMA reimbursements. For the 2021-23 biennial budget, there is availability to access the entire biennial GF allotment for fire. DAS is committed to help cover other costs if fire costs exceed estimates.

- **Wildfire Council, Legislative Session, Wildfire Cost Study**
  Doug Grafe reported on SB 762 which advances fire protection in Oregon, and that ODF is working with small woodland owners and OFIC, along with the EFCC Chair Garrelts on the bill. All these parties participated in a Wildfire Cost Study conducted by Earth Economics. The report details who pays for fire protection in Oregon.

- **BLM Western Oregon Agreement**
  Ron Graham provided an update on the BLM Western Oregon Agreement noting that since February, a group has been formed to work on this with BLM at both the state and national levels, and with representation from EFCC, OFIC, Douglas and Coos Forest Protective Associations, and ODF. On May 28, ODF executive staff met with BLM executive staff to receive an update on the process. Ron mentioned that it is very clear after working with BLM that their top priority is to have some access to suppression funding outside of the base budget. ODF will explore this concept and try to develop a process as to what that looks like. This will continue to be a topic for future meetings.

- **Fire Season Preparedness**
  Ron provided the fire season preparedness report noting the full utilization of positions that the Eboard provided in the December Special Legislative Session, to bolster Salem headquarters and field needs. However, there have been issues with trickle-down vacancies after moving staff up. Measurable outcomes will be available to share after close of the biennium. The department also utilized the extra severity funding provided by the Eboard. Additional aviation resources have already been brought on and have been actively engaged in fires already this year. Ron added that ODF’s 10-year average for fires to date is 144. As of today, there have been well over 320 fires. The average acres burned is also well above the 10-year average. Ron noted that the division is presenting to the Board of Forestry tomorrow on fire season preparedness as well as sharing a summary of district budgets ($58.7M fiscal budget for FY22, up 2.3% from last fiscal year) for approval by the Board.

- **Geoboard**
  Ron also provided the Geoboard report, noting that monthly meetings continue with current work on Police and Fire benefit issues. Initial proposals for a change in these benefits has been submitted to Acting State Forester Nancy Hirsch. Additionally, the Geoboard recently learned that two ODF IMT incident commanders will be retiring after the 2021 fire season but there is a solid plan in place for succession management.

- **Forestland Classification Status**
  Deputy Chief of Policy & Planning, Tim Holschbach provided an update on forestland classification noting that Tillamook County classification has been completed with an overall adjustment removing 85 parcel lots from the county. There was an overall change in district rates - 149 minimum lots were removed due to rate adjustments; 231 improved lot surcharges were also removed. Jackson and Josephine County classification was completed this spring adding approximately 9,500 lots. Of those 9,500 lots, 8,500 were in minimum lot category. In total, 85,000 acres were added to classified paying lands within those two counties ODF will continue working through the forestland classification process and budgeting cycle for FY22.

- **Fire Season Severity Resources & Financial Plan**
  Neal Laugle provided a report on fire season severity resources, noting training has been completed for observers staffing the Partenavia, readying it for the next round of lightning. All severity resources are returning from last year. Some are
currently on call-when-needed status given the early fire activity. The division is also finalizing negotiations on large air tanker contracts. The Fire Boss contract in The Dalles is completed and the Type 1 helicopter contract was finalized yesterday.

- **FEMA Update**
  Stacy Miller provided an update on FEMA, reporting that all initial cost settlements for 2020 fires have been finalized. Public assistance claims will be submitted to OEM in the next several of weeks for the Labor Day fires. The 2016 administrative claim audit documents have been submitted to FEMA as well as the Hugo Road fire, and they are currently working on submitting Mosier and White River Fires. Stacy added that ODF recently received $14M from FEMA. The 2016 administration claim and both 2020 FMAG fires have been submitted for reimbursement. Outstanding claims prior to 2020 amount to $4M; 2020 claims equal $67.5M.

  Brennan noted that he heard that FEMA has been more responsive to reimbursements lately. He thanked Stacy and ODF staff for their work processing last year’s claims and preparing for this year.

- **Strategic Investments**
  Chair Garrelts opened this topic, reminding the committee of the additional projects solicited after the Labor Day fires. He noted that with the Legislative Session still ongoing and funding bills for ODF still outstanding, it would be wise to wait for the Session to end before it is known how to allocate those funds.

  Steve Cafferata asked about power companies and how they are going to be dealt with this year if the same issues arise as occurred in 2020. Ron Graham replied that the ODF/PUC memo details prevention, coordination, communication, and investigation between the two agencies, however neither PUC nor ODF have the authority to force the power companies to shut down. ODF provides information and recommendations for power companies to make informed decisions. Ron added that ODF provided a fire season outlook to PUC last week. Additionally, coordination is also happening at local levels. Steve hoped that it is made clear that the power companies must act responsibly. He noted that more than half of the cost recovery cases Jeff described were utility-related. Doug noted it is clearly an issue and was the number one issue in the Governor’s Wildfire Council and is currently number one in the language of SB 762.

- **Current Financial & Existing Project Status & 2019 Fire Impacts**
  Kathy Wells provided this update as of June 1, noting that $275,000 of $1.5M is remaining for Strategic Investments. The Northwest OR District (NWOA) detection project is completed and closed out; the Central OR District (COD) La Pine guard station has no expenditures yet and Jamie Paul reports that the permit is still pending with the county. The Partenavia upgrade project still has $22K available to spend and the Aviation Unit reports they expect to spend that remaining amount on air-to-ground technology. All remaining balances from 2017 investments are expected to be fully expended by the end of the fiscal year. No significant damage was reported to these assets from the 2020 fire season.

- **Overview of New Strategic Investments [Information Item]**
  For the 2020/21 investments, the amounts requested have been reviewed and fine-tuned. There have been two additional requests since the last report: KLD’s Bly guard station and COD’s grapple-dozer. The NWOA Toledo facility move was to be in conjunction with ODOT, however, that is not the case. ODF will continue separately but the dollar request remains the same.

  Steve Cafferata asked about NEO’s Mahogany Mountain detection camera project; Joe Hessel replied that he expects it to be up and running before July.

**ITEM 9: EFCC ADMINISTRATOR REPORT [Information Item]**

Tim Keith provided the EFCC Administrator report, noting all fire season audits for the 2020 fire season have been completed. He expects audit reports to be on track for January 2022 review and approval by the EFCC. Large fire cost updates, excluding Joseph Canyon, are currently at $1.8M to date. There are no cost estimates on Joseph Canyon yet, but they could be sizable. Tim will post the cost estimate update once received.

Brennan thanked all for the thorough and informative reports.

**ITEM 10: PUBLIC COMMENT / GOOD OF THE ORDER**

There being no further business before the committee, Chair Garrelts adjourned the meeting at 11:58 a.m. The next regular meeting of the committee will be held at **10:00 a.m. on Tuesday, September 7, 2021** either via Zoom Video Conferencing or in-person at ODF Headquarters in Salem, Oregon.

Minutes drafted by:  Chrystal Bader
Minutes reviewed by:  Tim Keith and Steve Cafferata