

DF Distribution

EMERGENCY FIRE COST COMMITTEE June 6, 2017

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 (joining via conference line)
Steve Cafferata
Pete Sikora
Lee Fledderjohann

Others Present:

Tim Keith, EFCC Administrator
Doug Grafe, Division Chief, Fire Protection Program
Ron Graham, Deputy Chief, Fire Protection Program
Russ Lane, Acting Fire Operations Manager, Fire Protection Program
Rob Pentzer, Assistant District Forester, Central Oregon District
Nick Yonker, Smoke Management Meteorology Manager, Fire Protection Program
Dave Lorenz, Southern Oregon Area Director
Neal Laugle, State Aviation Manager, Fire Protection Program
Dan McCarron, Chief Pilot, Fire Protection Program
Mark Hubbard, Finance Director, Administrative Services
James Short, Budget Director, Administrative Support
Tracy Guenther, Administrative Support, Fire Protection Program
Christina Clemons, Smoke Management Field Coordinator
Jim Gersbach, Public Affairs, ODF
Amy Patrick, Oregon Forest & Industries Council
Gary Springer, Starker Forests

Others Joining via Conference Line:

Travis Medema, Eastern Oregon Area Director
Mike Shaw, District Forester, Central Oregon District
Jeff Friesen, Willis of Oregon

ITEM 1: CALL TO ORDER

Chair Cummings called the meeting to order at 10:01 a.m. Introductions were made around the table.

ITEM 2: APPROVAL OF THE MINUTES OF THE March 07, 2017 COMMITTEE MEETING [Decision Item]

Chair Cummings asked Tim Keith to review the minutes and proposed changes. Tim reported that Steve Cafferata identified that the fiscal years were incorrect for the project fund ending balance (bottom of page 1) – that should read 'FY 17', and on the fourth paragraph on page 2 should be 'FY 17', not '14. The other changes are grammatical. The minutes were unanimously approved as corrected. *[Administrator's Note: these corrections were made and the corrected minutes emailed to the directors].*

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

Tim Keith presented the Oregon Forest Land Protection Fund (OFLPF) financial status in Colleen Conlee's absence. He noted that the statement was prepared by Colleen Conlee with Dianna Sandoval Jarman's assistance. Below is a summary of the OFLPF financial status

<i>Balance as of FY17</i>	<i>\$ 23,546,081</i>
<i>Estimated revenue (including Balance)</i>	<i>\$ 35,353,129</i>
<i>Less estimated expenditures</i>	<i>\$ (14,034,258)</i>
<i>Projected Fund Ending Balance for FY17</i>	<i>\$ 21,318,871*</i>

Tim said that revenue from harvest taxes that was short in the February, 2017 turn-over from Department of Revenue was made up by an interim payment, resulting in slightly more harvest tax revenue than was initially projected. Interest income is up significantly due to the high balance in the fund – generating nearly \$29,000 per month. The statement was updated to reflect both increased revenue sources. On the expenditure side, the insurance premium cost was updated to reflect actual cost. The ending balance is projected to be just over \$21.3 million, approximately

\$1.2 million less than the \$22.5 million threshold that would trigger a reduction in revenue for the succeeding fiscal/calendar year.

ITEM 4: WEATHER UPDATE [Informational Item]

Nick Yonker began the briefing stating the forecast models are split between forecasting a weak El Niño or neutral conditions. Past history shows it's unprecedented to go back into an El Niño after coming out of El Niño so soon (within a year).

Snowpack was above normal this winter and melt out has been slower than normal. There is currently no drought in any part of the state and very little drought throughout the entire United States.

Long term forecast models for summer moisture are split with the Climate Prediction Center (CPC) forecast showing a likelihood of below normal June rain with no dry or moist signal throughout the rest of the summer. An analog/statistical model predicts a cooler, wetter summer following an El Niño cycle. CPC predicts above normal temperatures and equal chances for above or below normal rainfall.

Nick mentioned that lightning is generally not forecastable but due to the wet winter and spring, wet lightning events are more likely. In addition, the dry lightning southwest monsoonal pattern has yet to appear this year.

Given the existing conditions and competing long-term forecasts, Nick is leaning toward a likely below normal fire season.

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

Chair Cummings asked Tim Keith to report on large fire cost collection in Jeff Bonebrake's absence.

Lost Hubcap is now settled and we have the \$1,060,000 in hand. We haven't done a final accounting of investigation and legal costs; we're waiting for the last legal cost to come through and then the remainder is available and will be returned to General Fund for Fiscal Year 2014-15.

Tim reported on new activity for the following fires greater than \$5,000: Stratton Creek, Ferguson Dispatch 319, Two Bulls, Moccasin Hill, Niagara, Weigh Station, 2500 Road and Cleveland Ridge.

Steve Cafferata noted that these numbers are important in terms of public caused fires – who's paying for them. It's a powerful argument as to whether landowners should be paying for these fires. The numbers should be used to make that point.

ITEM 6: PROTECTION DIVISION REPORT:

a. 2017 Legislative Assembly/Biennial Budget Update [Informational Item]

James Short, Budget Director, noted that the agency is still waiting for their work session regarding the 2017-19 budget proposal – therefore there were no new updates. Hopefully in the next couple weeks, the work session will be scheduled. LFO is working on our paperwork now.

Ron Graham added that as the agency is closing out the current biennial budget, they've met several times as a group and now feel confident that funds are available to close the biennium right now. The only thing in question is how the General Fund (GF) portion of the insurance policy will eventually be paid. That will be a request to the Emergency Board, either this session or next. This is being tracked very closely. Revenues are in from cost collection, and potentially some FEMA revenue might come in before close of the Fiscal Year (FY) – the first suppression claim for Stouts. Several other claims submitted to FEMA won't likely come in before the end of this fiscal as they're still being reviewed. Lee Hullinger is now heading up FEMA efforts after some personnel turnover. He's had good discussions with both FEMA and USFS. The next focus is on other agency billing. There are a lot of outstanding bills to be collected from federal agencies and others.

b. Protection Division Chief Comments/Update [Informational Item]

Ron Graham noted that ODF Protection will be in front of the Board of Forestry tomorrow to give a fire season outlook and readiness report, and Nick Yonker will do the weather forecast. The agenda is largely fire, including approval of rangeland association budgets and forest protective association letters to the State Forester and State Forester Daugherty's responses to those letters. These are all consent agenda items. The agency is seeking approval of fiscal budgets for all districts and associations and recommending that the Board approve budgets as submitted with the caveat that the final budget is still unknown. The districts prepared for reductions in the Governor's Recommended Budget (GRB) but the likelihood is it will be somewhere between the Agency Recommended Budget (ARB) and the GRB. Also on the agenda will be approval of the Fire Prevention Rules, which will then need to go through the Secretary of State rule-making process, asking for permission to promulgate with implementation date of July 1, 2017. The additional time to finalize the proposed rules resulted in good discussion and input from districts, associations, field staff, and the industrial rules' committee, and allowed more time for education and implementation of a communication strategy/outreach by Tom Fields. Ron reported that the last agenda item is about hearings on forestland classifications. Written appeals have been submitted so it's unknown how many will actually show up to formally testify in front of the Board. Most of the process has been done and the Board will have to make a decision to deny or make adjustments. There have been good lessons learned throughout the process; Clatsop County has the majority of the appeals.

The Phoenix National Incident Management Organization team (NIMO) is meeting in the Old Board Room over the next couple of days for their annual training. They are comprised mostly of federal/state employees and are different than the typical incident management team (IMT): they have a smaller command and general staff and deal with all kinds of all-hazard assignments nationally. ODF is just hosting but have a meeting with them, OSFM, OEM, and the Military Department to learn more about NIMO and share what our IMT's do and talk about Cascadia and eclipse planning.

Ron gave a Protection Program staffing update: given the Governor's hiring freeze, they submitted exception requests for critical positions (public safety, revenue); all requests were granted so we're moving ahead with recruitment for Accounting Fiscal Analyst, Fire Operations Manager, Natural Resource Specialists, Fire Plan Coordinator and Fire Policy and Prevention Manager positions. The Policy and Prevention Manager position is held by Bob Young who announced his retirement effective June 30, 2017. Once these positions are filled, if they're still within the 60 day hold, the agency will have to ask for that exception as well. In the meantime, Neal Laugle and Dan McCarron have transitioned back in to their previous positions as Aviation Manager and Pilot, respectively. Russ Lane is Acting Fire Operations Manager. Rob Pentzer is assisting with operational planning surrounding the eclipse. Protection is also preparing for fire season.

After years of reliability, there are issues with Lightning Tracker. The feed is received from BLM who gets it through another vendor. There was a glitch in data transfer from BLM to ODF. Since then, other vendors were explored, but ultimately ODF ended up going to the BLM vendor directly, which will occur soon. The next upgrade will be by push? notification system. For landowners and operators, access to lightning data is requested through the local district forester. There are still potential issues, but it should be significantly better.

Steve Cafferata asked for an update on the BLM contract. Ron responded that ODF is getting poised to start internal discussions on negotiation. There are still several issues with the current contract: ODF has been officially denied the request for the equitable adjustment going back to 2015 and 2016. The next step for ODF is to go to a contractor board or take the issue to federal court. Negotiations on the new contract will start soon. There continues to be issues with the Department of the Interior around their approach as to how they view these contracts/agreements and pay for fire suppression when it's not their own agency.

c. Solar Eclipse Preparation [Informational Item]

Ron Graham provided background on eclipse planning. Early planning is a combined effort among state agencies to organize and take control via the OERS (Oregon Emergency Response System). There is concern from associations given the expected influx of people to the state during fire season. Rob Pentzer, ODF Assistant District Forester for Central Oregon District is on special detail to help ODF with eclipse planning. ODF has had discussions on potential impacts to severity requests. The approach from the division is to monitor fire weather, establish trigger points, look at conditions, know the fire activity, and remain in close coordination and communication with field and agency partners, particularly with regard to impacts to communication and transportation for ODF initial attack response. Rob will be in place through July, when the eclipse plan will be in place.

Rob Pentzer provided a handout showing a map of the Path of Totality, where Oregon is expecting 1.2 million visitors. The map also shows the historical location of lightning and human caused fires (both ODF and federal). Historically, during the time of the eclipse, ODF averages 20 fires for 400 acres within the Path of Totality. A second handout shows a screenshot of RAPTOR, an OEM mapping program, showing the known solar eclipse events reported by county emergency managers, such as the Symbiosis gathering in Central Oregon which expects 50-80,000 people camping for 2-3 days in the forest. This information will also be put into INTERRA, which many of our fire fighters use so they will know the locations of these events and better prepare for evacuations and fire.

Chair Cummings asked if there was any coordination with the Oregon State Fire Marshal (OSFM) on local and rural fire response, other than ODF. Rob provided another handout showing the organizational chart for the eclipse planning group. The Executive Team, and specifically the Protection Program with Rob as the eclipse coordinator, are working with OEM, National Guard, and all local emergency planners. Information is also being coordinated – external and internal communication – so it's consistent across the state. Keep Oregon Green (KOG), Tom Fields, and Bobbi Doan (Public Affairs) are working with Travel Oregon, as well as PNWCG, to coordinate messaging. Russ Lane is running the Protection operations portion.

Ron Graham noted that statewide planning and coordination is happening through the OERS council, which will meet again in July, as well as regional solutions groups and local groups all meeting and planning. The Governor's Executive Leadership Team will be briefed on the plan. The State Emergency Operation Center will have some staffing the weekend leading into the event and fully staffed on the day of the event, as well as county emergency operations centers. ODOT, Oregon State Police (OSP), and Oregon State Parks are also very involved in planning. In order for the National Guard to be mobilized, a declaration by the Governor would have to be made. There is a possibility of an executive order from the Governor.

Pete Sikora commented that the biggest challenge is the logistical response to incidents with regard to transportation, given the influx of people and the timing, during the middle of fire season. He asked if there was any plan to provide for traffic control or alternative transportation routes. Rob responded that ODOT has been working on transportation alternatives, including having vehicles available to be able to push, pull, or tow vehicles out of the way that are causing traffic backups. It will be a major obstacle to overcome if ODF gets fires – they will have to use aviation resources to get to the fires.

Pete asked if ODF was going to secure additional severity resources. Ron Graham responded that we're having discussions currently about what to do. It's difficult to plan for ahead of time and do some of the things needed contractually. They are working to determine how much should be invested ahead of time for this. That began by looking at the historical data and need to monitor conditions closely. The primary concern is that the alternative routes of transportation will be backed up.

A question was asked as to the timing around the build-up and dispersal of eclipse planning information. Rob responded that OEM and OSFM are planning for a day or two ahead. For ODF, it is expected that it will begin the week of the 16th through the 23rd. That's when resources would need to arrive and be in place up to a day or two after the event. ODF wants to be ready for the weekend before the eclipse when all the people will be in the woods camping. Some communities are trying to keep people around a little longer to make more money.

Ron Graham added that Travel Oregon has been really good at including fire prevention messages in their outreach. Russ Lane attended the NW Compact meeting and discussed the possibility of resources from them. ODF will be in competition with other states in the Compact to share the resources so he is looking outside of the Compact for resources. How to get them here via aviation is going to be the problem.

Gary Springer asked if the RAPTOR screen shot map Rob handed out was available online for the public. Ron responded that there is public access to RAPTOR but is unsure what the viewing limitations are. He agreed to track down that information and send it to landowners. Gary noted that this is going to be a great concern for every landowner within the Path of Totality. Ron also commented that this information will be placed into INTERRA too. RAPTOR populates the events as they occur in real time. Someone from ODF Protection will be at the Emergency Operations Center (EOC) the day of the eclipse and monitoring the weekend before. Rob stated that there will be fliers available with the information on access to RAPTOR by the end of the meeting today.

Mike Shaw, ODF Central Oregon District Forester (via phone), reported that he drafted a letter to be sent to all private landowners with lots 2 acres or larger about the challenges surrounding traffic and accessibility for fighting fire. Prevention is going to be critical. There are a lot of landowners who will have visitors to their land. He said the intent is to have two individual outreaches to landowners – one at the beginning of July on general fire restrictions and another at the beginning of August as a reminder with specific restrictions for

regulated closure, as well as reminding landowners that it is their job to prevent the cause and subsequent spread of fires and that ODF's job is going to be more difficult during this time.

Rob offered to districts within the Path of Totality to work with Tom Fields and draft a letter tailored to their needs in their respective district. Dave Lorenz, Southern Oregon Area Director, added that ODF has a Leadership Team meeting next week with all district foresters in attendance and this subject is on the agenda. There will be a lot of information sharing at this meeting. Steve Cafferata said that the letter is a good idea. He also asked about putting together a one-page handout for small woodland owners on protection of their land. Next week is OSWA's annual meeting. Rob added that ODF should also include information on access to RAPTOR for landowners. He will work on that, along with ODF Public Affairs.

Rob provided an additional handout of a timeline of eclipse planning, including trigger points, communication, planning meetings, etc. Districts are busy planning for what their needs may be. Rob will accumulate all of that information into the plan to determine what resources are needed. The main concern among the districts is funding, especially for aviation resources.

ITEM 7: STRATEGIC INVESTMENTS [*Informational, Potential Decision Item*]

Chair Cummings led this discussion, noting an upside to all of this in that there is money available for Strategic Investments pursuant to Wildfire Protection Act (WPA) authority. Districts have provided information on opportunities and background. However, the committee is not ready to make a decision today. EFCC still needs to have a conversation on criteria. After discussions with Protection, the committee determined that they need to be more specific with regard to criteria in order to identify priorities. The committee there will take a step back for now but appreciates all the effort that's been invested; the criteria will be developed and a decision made in July. These projects will take time to implement, the committee wants to take the appropriate time to make good investment decisions.

Chair Cummings asked if EFCC were to allot \$1 million this fiscal year, can the money be benchmarked against this fiscal year and we can make the decisions in July. Tim Keith answered yes, it was possible. He and Mark Hubbard, ODF Finance Director, had a conversation and agreed that the transfer of funds should begin the last week of June to transfer money before the close of the Fiscal year. However, if the available money is exhausted [the \$13.5 million WPA fiscal year spending limitation is reached] before the end of June, that money can be pulled back easily to OFLPPF. The money would go into a 'co-op account' which districts can spend from, if approved.

Ron Graham added that the Protection Division has learned some lessons throughout this process. There will be an after action review with area directors and assistant area directors on how the process went internally and the timeline revised to give this process the time it needs, including better organization and including forest protective associations. Ron will revise the current list of projects and resend to EFCC as there are some that could benefit from funding through State Fire Assistance.

Chair Cummings noted that EFCC's process going forward will be internal. He has asked Steve Cafferata to develop the matrix of prioritized projects. Ken also mentioned putting a date on the calendar to keep this moving forward. Tim Keith added that if EFCC can make a decision and approve some projects by August that may allow some work to begin and be ready by fall. Steve recommended that a decision on the money to be set aside be made at today's meeting. He proposed setting aside \$1.5M, which is 50% of what is potentially available. Lee Fledderjohann seconded the motion and it was approved unanimously to set aside \$1.5 million for Strategic Investment projects after the first of July.

ITEM 8: EFCC ADMINISTRATOR REPORT [*Informational Item*]

Tim Keith opened his report noting that due to a timing issue in ODF's request to the State Treasurer for an increase to the line of credit, ODF is asking for a short term loan from EFCC, with interest payable back to the OFLPPF. A formal interagency agreement was signed last year. Mark Hubbard recommended that the agreement be increased to \$20 million, or up to that, until middle/late July when FEMA money is expected to be received. Tim will prepare the document and send to Chair Cummings for his approval and signature. Motion made by Steve Cafferata to loan up to \$20 million until the middle of July to the Oregon Department of Forestry. Pete Sikora seconded the motion, and it was approved unanimously.

Tim reported that the EFCC directive needed no updates this year, which means that the process is in a stable place without the need for corrective changes. He reported to the EFCC that several audit reports will need to be presented to the committee for their approval but that due to illness, those will need to be

delayed. Tim reported that he hoped to bring the 2014/15 and 2015/16 audit reports to the September EFCC meeting.

Tim provided an update on insurance claims. The 2014/15 policy year was a full policy limits claim but ODF has only been advanced \$12 million because a number of the claims had a FEMA nexus (25%-75% cost-share). The actual costs spent-to-date have been monitored every six months to a year, but there hasn't been much movement with regards to total costs. Since the fall of 2016, there has been more movement. The 2014/15 estimated claims have been updated significantly this spring, working with districts. Consequently the insurance adjuster, David Logan and his forensic accountant will come down June 20th and will work with Tim and Dianna Sandoval Jarman and review purchase orders for large transactions since the \$12 million partial payment. If all goes well, he'll be prepared to recommend an additional draw on the policy. Tim is hoping for an additional \$8 million, which will bring us to \$20 million. Tim reported that several large federal bills haven't been fully reconciled and paid yet – those will account for the remaining money owed on the 2014/15 insurance claim. Once David makes a recommendation and it's signed, we anticipate being paid quickly – the last time it was only four business days. Tim suggested that the final tally may slide in under full policy limits for 2014/15. Steve Cafferata asked where money came from to pay the bills. Tim replied that ODF has been borrowing. Mark Hubbard noted that we have \$13 million outstanding owed now to Treasury. Steve asked who is paying the interest. Mark replied that Protection is. FEMA claims are just now being finalized for 2013/14, with the plan to then move to finalizing 2014/15 claims.

ITEM 11: PUBLIC COMMENT/ GOOD OF THE ORDER

There being no further business before the committee, Chair Cummings adjourned the meeting at 11:40 a.m. The next regular meeting of the committee will be held at 10:00 a.m. on Tuesday, September 05, 2017 in the Santiam Room of the State Forester's Headquarters in Salem.