

DF Distribution

EMERGENCY FIRE COST COMMITTEE March 6, 2018

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
Nick Yonker, Meteorologist, Fire Protection Program
Jeff Bonebrake, Investigation and Cost Recovery Coordinator, Fire Protection Program
Randy Hereford, Starker Forests
Chrystal Bader, Executive Support
Russ Lane, Interim Deputy Chief, Fire Protection Program
Tim Holschbach, Prevention & Policy, Fire Protection Program
Doug Grafe, Agency Initiative Coordinator
James Short, Interim Division Chief, Administrative Services Division
Representative Lynn Findley, House District 60 and member of Oregon Legislative Fire Caucus
Whitney Padilla, Legislative Assistant to Senator Johnson and Oregon Legislative Fire Caucus
Ali Webb, Chief Financial Officer, Department of Administrative Services
Blake Ellis, Interim Fire Operations Manager, Fire Protection Program
Cindy Robert, Hancock Natural Resources Group
Adam Meyer, Operations and Policy Analyst, Fire Protection Program

ITEM 1: CALL TO ORDER

Chair Cummings called the meeting to order at 10:04 a.m. Introductions were made around the table.

Chair Cummings asked Representative Findley if he would like to address the committee. Representative Findley expressed his appreciation for the invitation to attend, noting that he is new to the Oregon Legislature, but has arrived after a career with the Bureau of Land Management (BLM) in fire and aviation, working all over eastern OR and in the National Office with BLM

ITEM 2: APPROVAL OF THE MINUTES OF THE January 2, 2018 COMMITTEE MEETING [Decision Item]

Tim Keith reviewed the minutes, noting that they included Steve Cafferata's suggested edits. No other changes were recommended. The committee unanimously approved the minutes as presented.

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

Tim Keith provided a report of the financial status of the Oregon Forest Land Protection Fund (OFLPF), noting that Colleen Conlee was unable to attend. Below is a summary:

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| <i>Balance as of 07/01/17</i> | <i>\$ 3,568,679</i> |
| <i>Estimated revenue (including Balance)</i> | <i>\$ 35,191,424</i> |
| <i>Less estimated expenditures</i> | <i>\$ (15,897,389)</i> |
| <i>Projected Fund Ending Balance for 06/30/18</i> | <i>\$ 19,294,035</i> |

Tim reported that there has not been much change since the January 2018 EFCC meeting, however there are a couple notable items in revenue: the February harvest tax turnover was up \$35,816 from the projections, and interest income continues to increase due to the high OFLPF balance and slightly higher interest rates – an additional \$46,452 is expected. The total projected revenue increase is \$82,268. On the expenditure side of the ledger, Central Oregon District's fire season 2012 claims still haven't been completely resolved -- \$220,000 is expected to be the final amount due. In fire season 2016, Southwest Oregon District was over-advanced \$486,477 from the OFLPF, which will need to be refunded to the OFLPF once their claim is finalized. At the close of this fiscal year, June 30, 2018, it is anticipated that there will be a net of nearly \$19.3 million in the fund.

ITEM 4: WEATHER UPDATE *[Informational Item]*

Nick Yonker provided the weather update, noting the improvement in snow pack, however the state is still a little behind normal. He reported that Oregon is moving from La Niña into neutral conditions as the state moves into spring and summer. Dynamic weather models show more aggressive movement toward El Niño, but that the moderate projection keeps Oregon primarily neutral through summer/fall.

Snow pack in January through the middle of February was less than 50%. Since mid-February, the northern part of the state improved the most – approximately 70-80%, but the south has only improved about 10-15%. Nick also noted that the probability of the snow pack catching up the remainder of the winter is not likely. The latest predictions for March are that the snow pack will continue to increase with below normal temps and above normal precipitation. There is another big low moving in next week (cool and wet) as well as the following week.

The three month outlook (March through May) shows a tendency of below normal temperatures in the north and near-normal in the southern part of Oregon with equal chances of precipitation (near normal) and snow melt will likely not come early.

With regard to drought, because of the way winter started (December/January), the model showed a moderate drought last month in central/eastern Oregon. This will improve if precipitation continues to increase but could come back as the state heads into summer.

Summer models show above normal temperatures and below normal precipitation. Nick noted that typically, when an outlook is this far out, they trend towards the normal/average, looking at past summers. Neutral summers are on the warm and dry side typically.

There are no forecasting techniques to predict dry lightning in the summer. Nick's prediction, assuming a hot and dry summer, may be that there would be a weak westerly flow, which would result in minimal lightning, but if southerly flow sets up, there could be more moisture to the east, creating increased dry lightning potential in central and eastern Oregon.

For the bottom line, snowpack will increase through March but summer looks at least to be near normal, if not a little above normal fire season.

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

Jeff Bonebrake reported that since last meeting, administrative support has stabilized and improved, allowing him to gain momentum in cost recovery; he is looking forward to more significant activity.

Jeff reported on activity associated with Big Creek and Bologna Canyon. He noted that settlement was reached on Stratton Creek. Ferguson is being removed from the list because although a judgment has been issued, because there are no assets available from the responsible party. Nugget Butte has been determined to be uncollectable and will be closed. Placer Road has been paid in full and closed.

New claims include Baker Gardens, Placer Road (which was paid in full), and Hemlock.

There is a vested interest in the Eagle Creek fire as there were some ODF suppression costs. The case has been adjudicated and restitution is still yet to be seen but Jeff doesn't anticipate there to be much, if any, funds received.

Jeff also reported on additional fire investigations in progress: the Ana and Grizzly fires. He said that the 2500 Road, Cleveland Ridge, Niagara, Stouts, Willamina Creek, and Modoc fires are all in que and waiting to be finalized.

He reported that it has been a good year for arson fires, we were able to close some major cases such as Stratton Creek, where restitution is being sought. The McKay fire is being adjudicated now and ODF will likely seek restitution.

Jake Gibbs asked if cost collection will be significant on Stouts Creek. Jeff said that there are limited assets available.

ITEM 6: 2018 Fire Season Insurance Policy [Decision Item]

Chair Cummings asked Jeff Friesen to open this topic. Jeff reported that a contingent went to London in the last week of January to meet with the underwriters in London – EFCC Chair Cummings, State Forester Daugherty, Chief Grafe, Willis Towers Watson (Jeff Friesen), and DAS Risk Manager Marie Hansen-Wargnier. The question was not whether there would be insurance available, but rather how much of an increase in premium would be incurred. There currently is a volatile rate environment due to three named hurricanes, earthquakes and the impacts of the 2017 fall-winter California wildfires. Initially Willis was told that there could be increases in premium as high as 30%, therefore the contingent's job was to convince underwriters that Oregon was a good risk. He said that was exactly how it turned out; the meetings went very well. He reiterated how important it was to make the trip to London; face-to-face relationships are the key. The underwriters told the contingent that they received more consideration because of the effort to travel to London to meet in person.

As a result, there will be only a 6% increase, from \$3.3 million to \$3.5 million for the same policy terms: \$25 million limit in excess of a \$50 million retention (deductible). The premium increase after taxes is over \$200,000. He finished by noting that this is the decision point for the committee to consider.

Chair Cummings noted that State Forester Daugherty and Doug Grafe did an excellent job representing Oregon. The contingent all learned that the insurance world is changing with folks buying out other companies. There was an excess of capital in the world with low losses prior to 2017, but after the record losses last year, all insurance portfolios worldwide had to change/increase. Oregon's pitch was to note that Oregon's catastrophic fire insurance policy was a good risk, that Oregon is a good partner, and is not leaving. Oregon asked for special consideration to be as far to the left of the premium increase spectrum as possible: to be a smaller casualty in rising insurance premiums. The presentation showed Oregon's commitment to mitigate risk and minimize loss. This message was well received by the underwriters. Chair Cummings cautioned the need to keep that relationship alive, despite the cost of occasional trips to London. This trip likely saved \$250,000 to \$500,000 for landowners and the citizens of Oregon over the potential premium increases. Without that interaction with London, Oregon likely would have received a higher rate.

Jeff Friesen added that over the last two years, Oregon has received rate reductions. Even with this increase, Oregon's premium is still under where the premiums started with the revised policy. Steve Cafferata asked what percentage of the portfolio Oregon is. Jeff responded that Oregon is less than one percent (1%) but that the policy is so unique – it's the only policy like this in Lloyds – other underwriters want to come in and see what that portfolio looks like.

Jake Gibbs asked when the conversation might occur to change deductible terms to something less than the current \$50 million. Jeff replied that Oregon elected not to take the change in deductible the last two years which was priced out for \$45 million, as the risk/reward just wasn't there. He noted that it will take time because there is no way for them to model this; especially as Nick points out that dry lightning cannot be predicted. Chair Cummings pointed out that after two consecutive years of \$25 million policy pay-outs [2013 and 2014 fire seasons], Oregon has received more policy payments than premiums paid. He said that underwriters look at a five-year scenario, therefore it will take more positive experience to see a potential reduction in deductibles. Jake noted that expectations need to be managed, recognizing Oregon's recent experience in policy pay-outs. Nancy Hirsch pointed out that part of the unique aspect of Oregon's policy is the partnership between landowners and the State, that Chair Cummings' involvement representing Oregon's complete and coordinated system through changes in state foresters has been a constant that has served the State well.

The committee unanimously recommended that the State Forester purchase a catastrophic insurance policy for the 2018-19 insurance year. Tim Keith will draft a memorandum to the State Forester communicating this action.

ITEM 7: Determine Unencumbered Balance of OFLPF as of February 16, 2018 [Decision Item]

Tim Keith provided a handout showing the OFLPF unencumbered balance as of February 16, 2018. He noted that ORS 477.760 requires that when the OFLPF fund balance reaches \$22.5 million, that revenue be reduced to 50%, and when the balance reaches \$30.0 million, revenue be turned off completely for the following fiscal/calendar year. Estimated revenues have been reviewed through 2018 and there are no payables, nor is there any revenue anticipated other than what's already in the account. As of February 2018, \$53,403 has been spent in administration, which included an update on the BLM Western Oregon Protection Study – ODF hired Mike Dykzeul back for a short time to align the numbers with the BLM contract 5-year timeframes.

With regard to fire severity payments, even with the FEMA prepositioning allowance/reimbursement, it appears the obligation will be a full \$3 million, which is the statutory limit on severity. The insurance policy premium will be paid to the underwriters by DAS in late June.

Claim numbers match the balance sheet showing the amount owed at \$220,000 for FY 2013 and an anticipated \$486,000 repayment for FY 2017 (2016 fire season), based on estimated claims yet to be finalized. Tim reported that he calculates the balance of the fund, as of February 2018, to be \$17,159,970. This is down from over \$19 million last year. This reduction is due to the anticipated spending of \$13.5 million this fiscal year, which exceeds revenues into the fund by nearly \$2 million per year.

If approved, Tim will send a letter to the Oregon Department of Revenue (DOR) to continue the collection of harvest tax. Chair Cummings will certify the balance with Tim.

[Editor's note: Jake Gibbs noted that corrections needed to be made to the report in the estimated revenues – which read “Estimated Revenues through 02/16/2017” and “Expenditures/Transfers Out through 02/16//2017”. These both should read “2/16/2018.” These corrections are included in the minutes above].

The committee unanimously approved acceptance of the OFLPF unencumbered balance report, and Chair Cummings directed Tim Keith to send a signed certification of the fund's balance to the OR Department of Revenue, iterating the need to continue collection of harvest tax for the 2019 calendar year.

ITEM 8: Review and Approve FY16 (Fire Season 2015) Audit Report [*Decision Item*]

Tim Keith reviewed the 2016 fiscal year (2015 fire season) audit report, noting that it is in the same format as the 2015 fiscal year (2014 fire season) audit report previously presented in January. Copies of the audit report and history of reversals are available to meeting attendees. Colleen Conlee and Tim conducted the audits; there were several early season fires in the spring of 2016 – nearly all in Central Oregon District – that were audited by Tim and Dianna Jarman in the spring of 2017. Dave Horton also assisted Tim and Colleen on several larger audits in Central Oregon District (COD), Douglas Forest Protective Association (DFPA), and Southwest Oregon District (SWO).

The net claim totaled over \$28.9 million; reversals came to \$77,369.38. Total costs were \$78.5 million. FEMA reimbursements are expected to be \$19.4 million.

There were no changes to the Audit Philosophy & Procedures from the FY 2015 audit. Tim said that he reviews all aircraft, fire reports, and cost collection determination; Colleen audits payroll and equipment, plus support agreements and costs.

Audit reversals were higher than average at \$77,369.38. He notes that if aircraft deductible findings were removed from the total – the total audit reversals are relatively low. The last page of the audit report lists the issues by district and the amount of audit reversals for each district.

Tim reviewed the audit findings, which were as follows:

- Eligibility of Personnel with Protection Funding – total reversal statewide: \$28,405.63
- Protection-Funded District Hand Crews – total reversal statewide: \$1,272.12
- Contract Crew Payments – total reversal statewide: \$1,580.00
- Incident Resource Agreement (IRA) Payments – total reversal statewide: \$1,068.63
- County Employee Payments – detailed payroll records weren't readily available for review before payment was made for services, but these costs must be validated – no reversal, procedural [Editor note: the district validated the employee payments after the audit was concluded].
- Shift Tickets – it is critical that these are approved by the supervisor and signed – no reversal, procedural
- Fire Investigation Costs – there was confusion over what investigation costs were eligible where the district was able to charge a portion of their district employees to the emergency fund on a large fire investigation – no reversal, clarification of eligibility

- Fixed Wing Aircraft and Helicopter payments – there was confusion over applying weekly district helicopter deductibles – total reversal statewide: \$42,220.75.
- Fuel Costs – ineligible costs for fuel dispensed to a rural fire department engine were identified – total reversal statewide: \$225.05
- Purchase of Non-Consumable Items – total reversal statewide: \$2,597.20
- Incomplete Backup Documentation for Processed Payments – there was incomplete documentation available to verify payments made to vendors – no reversal, procedural
- Deductions from Payments or Invoices Processed to Vendors – no reversal, procedural

Tim reported that the 2015 fire season was extremely challenging for the agency and operating associations due to the multiple large fires. Districts were remarkably effective keeping acres burned as low as possible despite the fire situation in both Oregon and Washington, and the large catastrophic fires that burned on federal lands in several districts in both states. A job well done!

Tim recommended approval of the FY2015 audit of fire costs and noted that by doing so, suppression cost claims can be fully authorized for payment as they are finalized.

Steve Cafferata noted a minor change on page 2, part 2, in the last sentence; the sentence should be reworded to "...the "Oregon way" of forest landowner-involved, and shared forest landowner and public funding..." Tim concurred and agreed to make that change.

In conclusion, Chair Cummings noted that this audit report is not an indictment of someone not doing their job but an incredible testimony to what everyone in this group does, from the State Forester to boots on the ground. These audit reversal numbers are small compared to where the agency used to be, which is a credit to the organization's effectiveness. The agency needs to use this as an opportunity to encourage, educate, and bring people into new positions within the organization. Steve reiterated that the audit report helps bring to light the good work being done by so many people on behalf of landowners and the citizens of Oregon. Russ Lane said that as a participant in the audits, he appreciated the approach of Tim and Colleen to the process, making it an educational opportunity from which to learn and grow.

The committee unanimously approved the FY 2016 (fire season 2015) audit report.

Tim said that he will bring the FY 2017 (2016 fire season) audit report to the EFCC at the June meeting and the FY 2018 (2017 fire season Audit Report to EFCC in September, 2018).

ITEM 9: Protection Division Report

a. Strategic Investment Update [Informational Item]

Interim Deputy Chief Russ Lane updated the current status of strategic investments from the July 2017 allocation where four projects had been approved for full funding. Those projects included a detection camera in SWO, establishing guard stations in NEO and COD, bandwidth increase for DFPA and South Cascade detection cameras, and an electronic sign on Highway 30 for fire prevention in the Forest Grove District, for a total of \$447,520. Additionally, two projects had been approved for 20% challenge funding for radio communication in West OR and communications in South Cascade totaling \$55,000; a total amount statewide of \$502,520. Tim reported that current expenditures total a little over \$10,000 for the SWO project as of the end of January and nothing else has come through the system.

Russ went on to report that for the 2018 process, a call for proposals was sent out last December (2017) and is due back March 30, 2018; nothing has been submitted so far. Area prioritization is to be completed by May 18, 2018 and those prioritized projects forwarded to the EFCC at the June meeting.

Jake Gibbs asked how much money was left unallocated in the Strategic Investment fund. Tim responded that the committee allocated \$1.5 million initially, leaving \$997,480 unallocated. Nancy Hirsch noted that this process has just been developed and continues to evolve; it would be valuable to develop a standard reporting format on Strategic Investment projects. Chair Cummings concurred and Russ agreed to do that.

b. 2018 Severity Plan [Informational Item]

Russ Lane reported that with severity aircraft contracts, the agency is status quo, planning for the same number of aircraft statewide. This includes five SEATs, a type 3 helitack helicopter in John Day, seven type 2 helicopters in eastern and southern OR (one of the southern OR ships normally moves to northwest OR late in the season), two detection aircraft, and one large air tanker. In addition, a hand crew will be funded again in Grants Pass. During the 2017 February Legislative session, budget rebalancing was discussed and subsequent discussion of adding an additional \$1.5 million in severity didn't get picked up, instead eastside rate relief was restored. Doug Grafe added that this is not the agency's time to request a severity increase.

Nancy Hirsch commented and thanked Oregon Small Woodlands Association who played a significant role helping to make the case for restoring eastside rate relief and the full Wildfire Protection Act. State Forester Daugherty also requested this through the Governor's Office. Without restoration of this funding, rates would have increased by \$0.20/acre for eastside landowners. Jake Gibbs clarified that the eastside rate relief was a part of the Wildfire Protection Act that was reduced in the agency's 2017-19 biennial budget.

c. BLM Contract Update [Informational Item]

Russ Lane stated that ODF's objective for moving forward with the expiring BLM contract was to move to an "agreement" basis, using authority provided in the Master Cooperative Agreement, which allows BLM to exchange funds for the purposes of fire protection. This has been agreed to in principle. BLM suggested the agreement be tiered under the Pacific Northwest Coordinating Group Operations Plan, but ODF was uncomfortable with that because there are a number of agencies in the Coordinating Group that are not part of that agreement (BIA, WA DNR, etc.). Currently the approach will be to have a separate operating agreement tiered to the Master Agreement.

Large fire costs will be removed from the agreement; currently the mechanics of that are being worked through. The sensible break point appears to be at the point when emergency fire cost eligibility is triggered. BLM would not pay into the fund and there would be no deductibles, however the details are still being developed for splitting large fire costs on joint ownership fires.

Melvin Thornton, Bob Young, and Ron Graham are taking the lead developing the new BLM agreement. BLM does feel they need more control on managing large fires if they're going to pay more. Despite some challenges, Russ feels the development of an agreement with BLM is moving in a positive direction.

Doug Grafe added that the EFCC set the stage for this work. He thanked the committee members for the direction in completing the framework, but he noted that there is more work to be done at the local operational as well as large fire levels, pointing out that the 'the devil is in the details'. He said that BLM has been a good partner in this work, noting that State Forester Daugherty and BLM State Director Jamie Connell have met and discussed the importance of the agreement. Three major components were important to ODF from the beginning: 1) move away from a contract to an agreement, 2) remove large fire costs from the agreement, and 3) day-to-day implementation of the agreement at the field level. Only the last point is still being negotiated. The concern that an agreement might not be in place July 1 is diminishing with the progress that is being made.

Chair Cummings asked if BLM's view of the agreement is as a multi-year agreement. Russ responded that the Master Agreement is updated every five years and operating plans are updated each year. The time frame is still being discussed for the new agreement and is yet to be resolved.

Jake Gibbs asked what the barriers to success were on the operational side -- is it worth the trouble? Russ replied that we are in a better place than we were before; for example, early BLM input was that every large fire on BLM, either mixed ownership or completely BLM, would be managed by a federal interagency management team (IMT). The negotiations have moved past this, recognizing the value of ODF's system and IMT capability. The operational concerns now are how to apply ORS 477 [fire statutes] to BLM lands. Chair Cummings noted the value of having Melvin Thornton, retired DFPA District Manager, working on the project.

d. Protection Initiative [Informational Item]

Doug Grafe corrected the title of the agenda item, noting that it is an 'Agency Initiative'. He reported that this next week is busy -- outreaching and engaging stakeholders/landowners on the Agency Initiative. ODF is meeting with the Conservation Collaborative group (Nature Conservancy, Sustainable Northwest and six other groups) on Thursday, and next Monday meeting with landowners at Associated Oregon Loggers' (AOL) office. The agency will then meet with state agency partners (OR State Fire Marshal, OR Department of Public Safety Standards and Training, OR Office of Emergency Services and the OR Military Department at a date yet to be determined.

The ultimate target is to establish the framework for the Agency Initiative which will be presented at the April 25, 2018 Board of Forestry meeting with a final proposal at the June 6, 2018 Board meeting.

Jake Gibbs asked if there are any 'big bucket' items to share. Doug responded that State Forester Daugherty has been very clear on the need to develop a sustainable organization and the capacity necessary to meet that goal. The work is anchored into the 2016 Fire Program Review Sustainable Organization's recommendations, and the 2016 Secretary of State's audit report on the agency's ability to meet goals and targets in light of the increasing fire load. This work isn't about building a report, it's about implementation. This is the first opportunity to propose implementation of concepts in the biennial budget process since these reports have been finalized. The work to be done on the initiative includes gathering of information from the 2013, 2014 and 2015 fire seasons and determining how to organize the agency to be able to sustain itself in the future. Essentially it is strategic investments at larger scale. The three legs of the National Cohesive Wildfire Strategy are response, fire-adapted communities and resilient landscapes. There needs to be a comprehensive system where ODF's energy is invested consistent with these three legs. The Federal Forest Restoration Program (FFRP) would be a part of this effort.

With regard to funding, the agency ask to the Legislature will be primarily for large fire support. The initial attack system is sound, the problem is the pressure on large fire support and how ODF operates and engages in that arena. Therefore the focus on funding is a General Fund (GF) ask as this concept is of interest to Oregonians, who agree Oregon's base fire protection system is sound.

The outcome from the February Legislative session was to be expected, there were no surprises. State Forester Daugherty and Doug Grafe met with Ways and Means Co-Chairs, the House Speaker and Senate President, as many of the newly-formed Fire Caucus members as they could visit, and individual Legislators who were a part of the 2016 Fire Program Review, to provide awareness on the strategy for the Agency Initiative moving forward.

Key to the Initiative is ensuring stakeholder engagement. As it moves forward, Doug would like to see the effort shift to a coalition of landowners/stakeholders, conservation groups, and partner agencies working together to finalize the framework for the Agency Initiative ahead of the Board of Forestry meeting in April. Chair Cummings applauded that approach, commenting that the 2016 Fire Program Review involved a large group and cautioned Doug to choreograph it carefully.

Steve Cafferata suggested that Doug make a direct linkage between the BLM agreement and reduced large fire funding to the Agency Initiative with regard to reduced General Fund (GF) exposure, using these savings to help fund the effort. Doug agreed with Steve, and that point had been made with Legislative leadership. He said that those dots had not been completely connected yet in the process. Nancy Hirsch agreed but cautioned that there is a risk of over-promising results and GF savings, but that the potential for saving Oregonians money with the BLM agreement is significant.

Jake Gibbs asked if ODF plans to fund 100% of the personnel capacity or will there will be some landowner resources also factored in. He noted that landowners have a vested interest and skills to offer, and not to completely rely on agency overhead for large fire suppression. Doug agreed and said that he anticipates a lively conversation with landowners this coming Monday – he wants to examine the root of the problem with them. Chair Cummings noted that Oregon needs to think differently if the state is going to act differently, such as adding a "fire" component to position descriptions of all employees of natural resource agencies in Oregon. Ali Webb, Chief Financial Officer for DAS asked if the Governor's Natural Resource Policy Analysts have been involved. Doug responded yes, Jason Miner and Heidi Moawad have been included.

e. FEMA Status [Informational Item]

Russ Lane reported that Lee Hullinger has been busy preparing for a FEMA monitoring visit. The newest developments include a notice received yesterday that FEMA has approved ODF's four administrative claims from the 2013 fire season, for a total of \$850,000; which results in \$637,000 paid to the agency (75% reimbursement rate). Doug Grafe noted the importance of this success; the administrative claims are the last to be processed. Russ said that this provides a strong basis for future administrative claims and essentially validates the process ODF is using. He reported that the 2013 fire season is done, two fires from the 2014 season are complete, three fires still outstanding underway: Oregon Gulch, Rowena and 36 Pit.

Tim Keith reported that he tasked Dianna Jarman to assist the districts in finishing the Oregon Gulch and 36-Pit fires. She has met with the USFS on both fires (along with district employees for the 36 Pit fire) and is awaiting USFS response to the requests made to validate costs in their bills to ODF. Once these USFS bills are resolved, the 2014 fire season will be nearly completed. Russ reported that ODF received \$11 million from FEMA in 2017. From 2013 through the 2017 fire seasons, \$111 million in FEMA eligible costs were accumulated, of which the ODF 75% share would be \$83 million. We've collected \$62 million with \$22 million still outstanding.

f. Division Update [Informational Item]

Russ Lane provided updates on positions that have been filled in the Protection Division: Blake Ellis, currently a Fire Protection Supervisor from the North Cascade District, is filling behind Russ as the Interim Fire Operations Manager while Russ is the Interim Deputy, filling in behind Ron Graham. Tim Holschbach said that he was hired permanently to fill the vacancy left by Bob Young's retirement as Policy & Prevention Manager. Tim has filled the vacant National Fire Plan Coordinator position permanently with Jenna Nelson, who formerly provided support for the Board of Forestry – this position works with many partners including cities and counties, providing education on Community Wildfire Protection Plans. Tim reported that Adam Meyer has been hired permanently to fill the vacant position of Operations & Policy Analyst 3 formerly held by Charlie Stone who retired last year. Russ reported that Amanda Ogden is coming to Protection from the North Cascade District to fill the role of Fire Business Specialist. One subtraction is that Julie Tacchini, Protection Fire Business Manager, has left ODF to take a position with DAS. Protection Division leadership is currently reworking that position description and will do an external recruitment; in the meantime this vital position will be filled with an interim re-assignment, yet to be named.

Russ reported that the recruitment for incident management team (IMT) members this spring has left ODF with significant holes. Key shortages are in planning section and finance section chiefs. The agency is questioning whether or not three IMT's can be sustained and deployed right now. ODF needs to have the capacity to fully support every team and ensure their success. As can be imagined, this is creating a lot of angst within the agency. A meeting has been scheduled with the teams' Incident Commanders (IC's), and Command & General Staff (C&G) to focus on rostering two IMTs this year instead of three. Work is continuing to implement this two-team concept, including gathering input from folks on rollout and what it would look like with only two fully-staffed IMTs.

Jake Gibbs asked what the barrier is to not having three IMT's. Russ responded that many team members are employees of ODF whose permanent positions are in State Forests and Private Forests where there isn't the depth there used to be. Additionally, the current qualifications system is challenging to work through for new employees. He noted that the goal for the future is to have three fully-staffed IMT's.

Doug Grafe reported that financial close-out of the 2017 fire season was moved to the February Legislative session rather than the January Emergency Board. ODF had accrued \$27.5M in total costs, which was approved by the Legislature.

Nancy Hirsch reported that HB 4118 – having to do with Good Neighbor Authority (GNA) – provided a one-time \$500,000 allocation to ODF's budget for capacity to get more GNA work done initially, with the goal of it becoming self-funded in the future. The Legislative Fire Caucus was instrumental in supporting this allocation. There was also an allocation of \$1 million to Sudden Oak Disease management.

ITEM 10: EFCC ADMINISTRATOR REPORT [Informational Item]

Tim Keith reported that a copy of a request from Coos Forest Protective Association (CFPA) for reimbursement of the District's regular [ineligible] costs for the Chetco Bar fire was sent to committee members. The Chetco Bar fire was a marathon for the district. Tim said that more work and refinement needs to be completed with the data that was submitted; as he discovered that some of the costs in their initial proposal are already eligible for emergency fire cost reimbursement.

Chair Cummings tabled the topic for the next committee meeting. Jake Gibbs asked what will be done next. Tim responded that he needs to work with CFPA to correctly allocate the costs between their district and eligible emergency costs. Chair Cummings asked Tim to work more with CFPA to tighten the numbers and report back to the EFCC.

ITEM 11: PUBLIC COMMENT/ GOOD OF THE ORDER

There being no further business before the committee, Chair Cummings adjourned the meeting at 12:19 PM. The next regular meeting of the committee will be held at 10:00 a.m. on Tuesday, June 5, 2018 in the Santiam Room of the State Forester's Headquarters in Salem.