

# EMERGENCY FIRE COST COMMITTEE

September 6, 2022

In accordance with the provisions of ORS 477.455, a meeting of the Emergency Fire Cost Committee (EFCC) was held in the Tillamook Room of the Oregon Department of Forestry Headquarters in Salem and via Zoom Video Conferencing on Tuesday, September 6, 2022.

## **Committee Members Present**

Brennan Garrelts, Chair - in person  
Steve Cafferata - via Zoom  
Chris Johnson - via Zoom  
Erik Lease - via Zoom

## **Others Present** (via Zoom)

Cal Mukumoto, State Forester  
James Short, Budget Manager, ODF  
Brian Pew, EOA Area Director, ODF  
Rob Pentzer, COD District Forester, ODF  
Teresa Williams, KLD Assistant District Forester, ODF  
Randy Baley, Klamath Protection Unit Forester, ODF  
Dustin Gustaveson, Lakeview Unit Forester, ODF  
Jamie Paul, Project Manager, ODF  
Stacy Miller, Fire Finance, ODF  
Kim Titus, Fire Finance, ODF  
Todd Scharff, DAS Risk Management  
Lindsay Cunningham, Willis Towers Watson  
Eric Kranzush, Giustina L&T  
Jason Curry, Utah Division of Forestry  
Jim Carnegie, Retired  
Mike Dykzeul, Retired  
Randy Hereford, Starker Forests  
KOIN Assignment Editor  
KPTV

## **Others Present** (in person)

Nancy Hirsch, EFCC Administrator  
Lorna Hobbs, EFCC Finance Coordinator  
Chrystal Bader, Executive Support, ODF  
Shauna Morris, Admin Support, ODF  
Bill Herber, Deputy Director for Administration, ODF  
Mike Shaw, Chief of Fire Protection, ODF  
Ron Graham, Deputy Chief – Operations, Fire Protection, ODF  
Neil Miller, Fire Investigations, ODF  
Kathy Wells, Fire Finance, ODF  
Stacey Chase, Financial Services, ODF  
Kyle Williams, OFIC

## **ITEM 1: CALL TO ORDER**

Chair Garrelts called the Emergency Fire Cost Committee meeting to order at 10:02 a.m. on Tuesday, September 6, 2022. All committee members were present either in the room or via Zoom video conference and there was a quorum. Chris Johnson's appointment to EFCC expired. His reappointment will be presented to the Board of Forestry tomorrow, so today he is a member of the public.

He then provided some opening remarks noting the state is still in fire season with a couple more weeks, of tension and then we will start looking toward the season abating and fires coming off the landscape or moving to a more controlled state. This year has had a lot of successes, but there has also been challenging weather conditions, especially in SWO, where there was abundant lightning this summer. Chair Garrelts mentioned the great planning ahead by ODF, specifically noting his visit to the Rum Creek fire where he saw many positive people and heard great things about the cooperation in a three-team set up (USFS, ODF, and OSFM). He gave kudos to ODF leadership and those on the fire line and thanked everyone involved on behalf of EFCC.

## **ITEM 2: APPROVAL OF THE MINUTES OF THE JUNE 7, 2022 EFCC MEETING** *[Decision Item]*

No comments were made by committee members or attendees on the June 7, 2022 EFCC meeting minutes, reviewed by Nancy Hirsch and Steve Cafferata. A motion for approval was made by Erik Lease and seconded by Steve Cafferata. The minutes of the Emergency Fire Cost Committee June 7, 2022 meeting were unanimously approved.

**ITEM 3: 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 FY22 the estimated ending balance on June 30, 2022 was \$11.1M and the beginning balance on July 1, 2022 was **\$10,955,583 (The beginning of FY23)**. This discrepancy is likely a timing issue between financial reports received and the cash balance provided for the beginning balance.

On the FY23 report under Revenue and Transfers In:

- **Item #1:** Total amount of assessment revenue in fiscal year 2023 is \$9,035,483.
- **Item #2:** Harvest Tax revenues for FY23 are estimated at \$2,178,594.
- **Item #3:** Interest earned for FY23 is estimated at \$191,453. The interest rate increased from 0.90% to 1.15% in late June and increased again to 1.40% on July 20, 2022.
- **Item #4:** An adjustment of \$12,943 was made in July for overpayment of FY21 operating expenses.

The estimated total revenue for FY23 is \$11,418,473.

On the report under Expenditures/Transfers Out, there is no change from the last report:

- **Item #1:** Payroll and operating expenses for FY23 are estimated at \$185,000.
- **Item #2:** The OFLPF's contribution to the insurance premium for fire season 2023 is estimated at \$315,000.
- **Item #3:** The OFLPF's contribution to severity costs for this fire season are estimated at \$3,000,000.

For the 2022 fire season draft claims, the estimated net claim total for FY23 claims is \$7.1M, which is different than the \$9.5M on the report provided to the committee. The decrease in costs is due to the addition of federal reimbursements for cost shares on two large fires in the SWO district that were not included at the time the report was sent out.

\$280,000 was advanced to Coos Forest Protective Association last week to help cover fire payments for the Woodward Creek fire.

Total estimated Expenditures and Transfers Out for FY23 is \$13.5M.

**The estimated fund balance for June 30, 2023 is \$8,874,057.**

Steve Cafferata asked how much has been spent on Rum Creek. Nancy responded that this fire is a cost share with BLM and is currently at 83%/17% on ODF protected land. The total cost on all lands is estimated at \$20M with net costs to ODF around \$3.4M . This number could be less when all said and done. Brennan noted that there's still a lot to be done on this fire but primarily affecting BLM land.

Nancy noted that she will be sending out a fire season cost estimate later today.

**ITEM 4: PREVIOUS FISCAL CLAIMS UPDATE [Information Item]**

This report contains information on current estimated totals for EFC large fire claims for fiscal years 2016-2022, or fire seasons 2015-2021. The first page of the report is a summary by year showing the combined total of all claims for that year. It also shows the number of claims that are still open as well as the number of closed claims. The following pages show the detail for each district with a claim. Rows highlighted in green indicate the claim is closed.

The estimated net total for the FY16 claims is **\$33,423,184**. Of the 8 claims in 2015, 4 have been closed and 4 claims are still open. The 4 open claims are waiting for FEMA reimbursement. The majority of FEMA dollars have been received; it is only the small admin claim payments still outstanding.

The estimated net claim total for FY17 is **\$9,605,755**. Of the 7 claims that year, 6 have been closed, leaving only the SWO district's claim open for this year. Pending FEMA admin claim reimbursement, this claim will be closed.

The estimated net claim total for FY18 is **\$35,172,934**. Of the 10 claims in 2017, 3 have been closed. The others have outstanding costs remaining or are waiting for responsible party or FEMA reimbursement.

The estimated net claim total for FY19 is **\$42,498,221**. There were 8 claims in 2018; 2 have been closed and 6 are still open. One of the open claims is waiting FEMA reimbursement and has some outstanding costs to pay. The remaining claims have either outstanding costs left to pay or are waiting for responsible party reimbursement.

The estimated net claim total for FY20 is **\$10,501,365**. There were only 4 claims in 2019, all of which are still open. One is waiting for FEMA reimbursement and the others have outstanding costs and/or reimbursements.

The estimated net claim total for FY21 is **\$46,226,949**. There were 11 claims for 2020 and they are all still open. The majority of FEMA fires in 2020 were submitted through the Office of Emergency Management through the Public Assistance Grant rather than the FMAG (Fire Management Assistance Grant) process. Reimbursement under the PA grant is at 90% instead of 75% under the FMAG.

The estimated net claim total for FY22 is **\$52,195,351**. There are a total of 8 claims for FY22, all of which are open. 2021 costs triggered an insurance claim. The insurance policy period began on April 15, 2021 and ended April 14, 2022. There were several early spring fires that occurred between April 15 and July 1, 2021, which resulted in an estimated net total of \$62,216,952 for the insurance claim.

Finally, the current estimated net total for this fire season (2022), as mentioned above in the fund balance report, is **\$7.1M**.

Steve Cafferata asked about the insurance claim information and where it fits into the net claim. Lorna responded that information is not included in this summary, but she can send it to Steve. She further explained that the net claim is the \$51.3M on the summary. Chair Garrelts clarified Steve's question asking if the net claim in 2021 was \$51M or \$76M. Nancy replied that the insurance claim for April 15, 2021 through April 14, 2022 is still sitting at an estimated total of \$62.2M with \$13M outstanding. The claim is still under the \$50M of eligible costs. Once the outstanding invoices come in and are paid, that number is expected to be closer to \$62.2M. The difference is

that for EFCC's regular business, the fiscal year information still needs to be tracked as well as the insurance claim period in order to meet the requirements of the insurance adjuster and auditor.

#### **ITEM 5: WEATHER UPDATE** *[Information Item]*

Chair Garrelts stated this agenda item will be skipped as the committee will receive the weather update as part of the statewide fire briefing, which this meeting will break for at 10:55 AM today.

#### **ITEM 6: UPDATE ON STATUS OF LARGE FIRE COST COLLECTION EFFORTS** *[Information Item]*

Neil Miller provided an update on the status of cost collections noting the following:

Claims greater than \$5,000:

- New claims
  - Sweet Creek / MP2 fire (Western Lane) - not listed again under new fire costs because demands were not sent. This claim is being handled through Lane County Courts by restitution as the responsible party is currently incarcerated on arson charges. Of the \$4.6M owed, ODF has collected \$46.
  - Marshall Place fire (DFPA) - occurred on an operation; ODF is seeking strict liability by statute for this fire.
- Key fires:
  - Ana 238 fire (Klamath-Lake) - DOJ is working with the US Attorney's office. The insurance companies are not contesting liability and will pay the full \$750K policy limits, but only after July 2023 when the civil statute of limitations is up. After mediation and settlement discussions, ODF should receive the pro rata share of the policy limits in late 2023.
  - Neal Rock fire (SWO) - DOJ filed suit against two responsible parties and money is available through a recent land sale agreement.
- Other 45 fires - since June, ODF has received a little over \$10K in payment plans.

Closed fires since June:

- Pringle fire (COD) – full payment received.
- Hubbard's Creek fire (DFPA) – settlement reached.
- Watson Creek fire (KLD) – settlement reached for ODF's pro rata share of \$994,320. The US DOJ is still waiting for final approval of the settlement from the Assistant Attorney General. This settlement should be complete within a couple of weeks.

Significant fire investigations in progress (or under DOJ review):

- On many of these cases the investigation is complete. However, litigation is anticipated so they are on hold pending completion of the review.
- Since the last EFCC meeting in June, the Marshall Place fire, Government Mountain fire (NEO), Sweet Creek / MP2 fire, and the Days Creek fire (DFPA), are off the list as they have moved into settlement and payment.
- Many depositions are scheduled for this fall for the 2020 Labor Day fires which should help to close the investigations.

#### **ITEM 7: INSURANCE CLAIM STATUS** *[Information Item]*

EFCC Administrator Nancy Hirsch provided a report on the status of the 2021 insurance claim for the timeframe of April 15, 2021 through April 14, 2022 which is estimated at \$62.2M. Currently, approximately \$13M is still outstanding, meaning those costs aren't certified or audited. This leaves the current certified cost just under \$50M. If for some reason those outstanding costs did not come to bear, there would not be an insurance claim. However, we do expect those costs and FEMA cost recoveries also being sought to be realized. Nancy recently met with Lindsay Cunningham (Willis Towers Watson), Todd Scharff (DAS), ODF Administrative Branch leadership, and Lloyd's of London adjusters and forensic auditors on the status of the claim. She and Lorna Hobbs, EFCC Finance Coordinator, will continue to meet with the forensic auditor to close every fire possible, however, it will still be some time before the claim is finalized.

Steve Cafferata noted the insurance claim would be around \$13M, not \$19M. Nancy agreed and said the actuals have come in lower than past estimates.

Chair Garrelts added it was good to hear the historical actuals trend 5-10% lower. It's important to remember that this committee is responsible for ensuring fire costs are audited and tracked for both landowners as well as all Oregonians. For the future, he suggested the need to take a strategic look at next year's insurance policy and whether to continue it or not, remembering that this is a catastrophic insurance policy.

Chair Garrelts then recommended continuation of the insurance policy for the 2023 fire season. Erik Lease agreed.

Steve asked how the legislative concepts would relate to the insurance policy since the committee hasn't received any information on those. Chair Garrelts agreed and noted it is hard to predict what the legislature is going to do, which makes it hard to adapt the insurance policy.

Steve then mentioned the Emergency Fire Funding Task Force didn't address the question of the insurance policy. Chair Garrelts replied that communication hadn't matured to a point where it could be discussed and while ODF was able to develop a legislative concept (LC), the specific language is still confidential while Legislative Counsel is drafting.

State Forester Cal Mukumoto spoke to the LC, which will depend upon the new Governor and legislature. He added that the revenue forecast this biennium looks good but there is concern with a recession next biennium (2023-25). He also agreed with Chair Garrelts on the need to look into renewing the insurance policy but noted that could change if the LC moves forward.

## **ITEM 8: AGENCY ADMINISTRATION REPORT** *[Information Items]*

Bill Herber provided an update on the following topics:

- **ODF Legislative Concepts**

The insurance policy is a tool in this conversation and the hope was to have more information and/or drafts to share by this meeting, however, Legislative Counsel is still working to draft the statutory language. One of the legislative concepts is to provide ODF money to help with cost recovery; the other was the creation of a Smoky Day Fund. The Governor's Office proposed many of the same concepts so there is uncertainty around how those concepts manifested into statutory language. Bill also agrees that ODF should not discount the insurance policy at this time.

- **Agency Request Budget (ARB)**

ODF submitted their Agency Request Budget on August 31, 2022 for the 2023-25 biennium. The total of the ARB submitted was \$650M. Beyond the current service level, ODF requested an additional \$107M, of which \$65M is General Fund dollars. The agency also requested 63 more positions to aid in community engagement, climate change, coordination with emergency response, and additional capacity in the Planning Branch. There were significant asks in Capital Construction too. Of the \$107M, \$15M was allocated for a one-time continuation of the landowner rate offset from SB 762. As far as next steps, in October, ODF will hear from DAS CFO on their Analyst Recommended Budget, and then will discuss with the Governor's Office on what that will look like. At the end of the year, the agency expects the Governor's Recommended Budget (GRB) to come out. The big unknown is the new governor's budget. Ultimately, that final GRB is the one ODF will champion downtown next spring.

- **ODF Financial Report**

Bill noted the effects of the current fire season have not yet hit the financial resources of ODF, but there has been a significant volume of invoicing. Through various revenue streams, ODF has doubled its cash balance to \$18M with an additional \$50M appropriation fully intact from the legislature to manage cash flow. This cash flow is still being actively managed with internal resources since ODF is still in a challenging position with over \$80M still owed to us by FEMA.

- **FEMA Update**

Stacey Chase provided the FEMA update noting the status of the current obligated projects:

- The 2021 fire claims have been submitted to FEMA under the FMAG in the amount of \$18.3M, which included Bootleg, Patton Meadow, and the 419 / 422 fires. After cost shares are settled, ODF will submit the supplemental FMAG claims for Bootleg and Patton Meadow.
- There is currently \$11.8M obligated in projects. Those projects include the 2015 and 2016 administrative claims, and the 2019 repositioning claim for MP97
- Of the \$11.8M, ODF should receive \$800K cash in hand this week with an additional \$11M to be received in the next one to two months. This delay is due to the Public Assistance Grant audit and review process that the Oregon Department of Emergency Management (ODEM) is required to complete before the cash can be transferred to ODF. Additionally, ODF is actively partnering with ODEM on procedural changes for faster reimbursement from FEMA PA grants.

For the non-obligated projects:

- Since the 2020 fires, Public Assistance grant claims make up a majority of the monies due from FEMA which include:
  - \$15.5 for the Holiday Farm fire, which is currently in the large project notification queue. ODF anticipates receipt of this money by the end of the year.
  - \$38.2M in the Environmental and Historic Preservation review process with no timeline. ODF is working with FEMA to find solutions to move projects forward as quickly as possible.
  - The ODF FEMA coordination team has been focused on submitting the final FEMA claims for the 2020 fires, which amounts to approximately \$6.2M.

Chair Garrelts asked what agency referred to as ODEM is. Stacey replied that as of July 1, 2022, the Oregon Department of Emergency Management (formerly Oregon Emergency Management Office) is now their own agency, separate from the Oregon Military Department. Bill Herber added that much like ODF handles the FMAGs, ODEM handles the Public Assistance grants.

Chair Garrelts then asked if there are anticipated challenges and/or conflicts between ODF and ODEM regarding large fire funding and cost recoveries. Stacey responded that she is optimistic the two agencies will work together well to meet the needs of both agencies. Bill added there have been some capacity issues within ODEM, mostly vacancies in their financial program, however they do contract with a third party vendor for those payments.

Chair Garrelts recognized the agency's hard work over the last 18 months to get its cash balance back to a sustainable level. He hopes to identify future sticking points within Oregon state government to get those out of the way. Stacey replied there are opportunities for success as a state to move things along, and ODF is still in the early stages of conversations with ODEM, which have focused on speeding up the process to gain access to the large pots of money.

Chair Garrelts then asked if conversations with ODF and the agency's FEMA counterparts were continuing to help with the process, and whether or not there have been gains. Bill responded those conversations have been and continue to happen. He noted the work done by Board of Forestry member Karla Chambers with the congressional delegation (Senators Wyden and Merkley) which have been instrumental in working with FEMA at the top level on these issues. Since these conversations, FEMA was able to expedite almost half of the process overnight. However, another barrier came up with the Environmental and Historical Preservation review process. Overall, ODF has had some success with the congressional delegation and the Governor's Office congressional liaison, whom ODF recently met with, and the agency has been able to streamline their processes. Some of the Public Assistance grant processes will be worked into the FMAG process to include the Environmental and Historical Preservation grant and so moving forward, payouts on the Public Assistance side could sometimes be 100% as has been the case in the past.

- **Severity Resources Financial Status**

Kathy Wells provided the Severity Report as of August 28, 2022. She noted that this data is collected weekly and then reviewed in detail. The following data was highlighted:

- Total Severity obligations at the beginning of 2022 was \$10.9M
- Of the projected \$7M, approximately \$6.2M has been obligated as of August 28, 2022.

Ron Graham then highlighted the extension on severity resources, past their 75-day exclusive use contracts, noting two key recoveries that have totaled \$3.4M in billable flight hours. This is in addition to the \$861K to FEMA for prepositioning. Despite the slow start to this fire season, things have now picked up and there is a continued increase in flying severity aircraft on fires. With federal aircraft prioritized to other incidents, ODF expects this reliance on severity resources to continue. With the potential for hot weather again, they may be extending those contracts well past September. Ron stated the agency will continue to evaluate the need for severity resources and will work with vendors to extend contracts when and where appropriate. The agency will also work with nearby state and federal partners to possibly share resources. For EFCC, this means ODF expects the \$3M allocated from the OFLPF to be fully expended this season.

Chair Garrelts commented on the severity obligation, which is the full cost for that date, so any extension would be expected additional costs not shown on this report. He added it is good to see allocation of some of those dollars to fires.

- **Strategic Investments Financial Report**

Kathy also provided a report on the strategic investment financials, beginning with the 2017 strategic investment projects. Since the July Board of Forestry meeting, ODF has made a coordinated effort to wrap these projects up. Of note, three projects were completed with residual funds remaining:

1. EOA detection cameras in Klamath-Lake District - \$10.9K remaining
2. NWOA Mahogany Mountain detection camera - \$4.4K remaining
3. SCAS fire communications project - \$3.5K remaining

In total, there is \$18,904 remaining to be pushed forward for funding of future strategic investment projects.

With regard to the Aerial IR project (MMA), this remains open with a balance of approximately \$14.5K left to spend, however a strong push is being made to wrap up as soon as possible.

As a final note, Kathy reported that the La Pine Guard Station modular building is on order with an expected delivery date of spring 2023. The remaining \$87,414 in funds for this project, as shown on the last report, has been committed within the agency's financial system but will not be paid out until the modular unit is delivered and installed.

Steve Cafferata asked if the Mahogany Mountain detection camera was operational yet or not. Kathy replied that the report she received was that it is operational. Jamie Paul, Project Manager on the detection cameras, affirmed it was operation but only just recently.

For the status of the Strategic Investment fund, the 2020 investment funds have been transferred to ODF in the amount of \$1.5M. With the addition of the residual funds from the 2017 projects, the current fund balance sits at **\$1,523,864**. This amount has been validated with the Division's accountant.

## **ITEM 9: FIRE DIVISION REPORT [Information Items]**

Mike Shaw provided an update on the first topic noting the good report from today's statewide fire briefing. He added that this year's fire season statistics are also good.

- **2022 Fire Season Update**

- Statistics
  - 632 fires (75% of 10 yr. avg YTD)
  - 2,331 acres (3% of 10 yr. avg YTD)
  - 1,500 fires across all jurisdictions (ODF had 41% of those) with a little over 150K acres burned YTD
- Positives and successes
  - Excellent initial attack in all ODF districts. Specifically, the lightning event in SWO in mid-August, where around 50 fires emerged and almost all were caught small.
  - Utilization of severity aircraft, which was cornerstone for firefighters in putting the fires out.

- Utilization of MMA aircraft with around 40 initial detections during the overnight hours enabled crews to put these fires out before they became large fires. This aircraft was instrumental in initial attack and an excellent investment by EFCC.
  - Current large fires in Oregon will be challenged with the upcoming weather. These fires include:
    - Rum Creek (SWO) – first and only ODF IMT deployment so far this season. Team 1 was able to get a line around the fire in difficult terrain, as well as tough fuel conditions and weather. Firefighters were able to keep the fire out of the community of Merlin, which had over 140 structures under evacuation levels.
    - Cedar Creek (SWO)– tough location with potential for an east wind event which could push this fire toward the town of Oakridge.
    - Double Creek, Nebo, & Sturgill (NEO)– 60 mph winds increased the size of the Double Creek fire to 36K acres in 24 hours. Major terrain and fuel challenges will keep this fire on the landscape until the first snowfall. There has been incredible work done by the NEO district and the fire team to keep this fire off private land in the Imnaha Canyon. There remains potential, however, for the Sturgill fire to be pushed toward the town of Wallowa.
  - All in all, there does not appear to be a season ending weather event anytime soon. ODF continues to renew the focus on safety and is bracing for the upcoming hot, dry weather with the potential for another east wind event.
- **BLM Western Oregon Agreement**

Ron Graham provided an update on the BLM WOOP noting the continued effort to finalize the last invoice for FY22. Currently, the total cost for this year is close to the estimate provided, if not just under, which is good news. Looking ahead, ODF will form a committee in January which will include CFP, DFPA and BLM to begin negotiations for the next agreement.

Good input was received from many involved parties who all want to remain committed to this relationship, and work together on the next version of the Western Oregon Operating Plan. The Rum Creek fire will be a great example of the implementation and success of the current agreement. Looking back to the 2018 fire season and the fires down south, coordination didn't start off smoothly but has come a long way since. With minor revisions, both ODF and BLM are looking forward to improving the plan and its implementation.

State Forester Mukumoto provided his comments on the BLM WOOP noting he and Chief Shaw recently met with Tracy Manning, and BLM Director, Barry Bushue. He reported that BLM confirmed their commitment to reentering the agreement in 2024 but would like to reduce their costs with the understanding of inflation and the differences between Oregon and other states of why costs are higher here. Cal noted he received communication from Barry Bushue last week stating he, on behalf of BLM, will be putting a letter together in preparation for the negotiations of the new agreement for 2024 and will get this letter to Cal Wednesday or Thursday this week. Cal added that Chief Shaw has been working with Jeff Fedrizzi on increasing the transparency of costs, ODF hopes to assist BLM in those areas. He agrees with Ron and was impressed at the improvement in interagency cooperation, competence, and dedication with BLM.

Chair Garrelts commented that he was encouraged by BLM starting the discussion rather than ODF. He is concerned with the posturing that BLM has done in the past and noted it is good to see a renewed focus by BLM to stay a part of this. He also appreciates Senator Merkley's leadership in moving forward a budget note directing BLM to continue with the Western Oregon Agreement.

## **ITEM 10: STRATEGIC INVESTMENTS REQUESTS** *[Information Item / Possible Decision Item]*

Ron Graham began this topic noting the documents in the committee members' packets include the strategic investments proposals summary as well as copies of all proposals received. As previously mentioned, there is a little over \$1.5M available for allocation from the 2019 fire season and the rollover balances from completed projects.

Overall, 10 projects were summarized (all prior to the 2019 fire season) with a few of these proposals modified, mostly these were detection camera projects. Those modifications include:

- Addition of different locations based on prioritization
- Addition of a proposal from DFPA on the FireWeb license (Project #9) in which DFPA received a letter of support from their Board since the initial investment proposal.

Ron then referred to the summary document, which was done in conjunction with ODF field and Division staff who evaluated several factors such as identifying the biggest problem needing to be fixed. Like in the past, there remain a lot of issues with housing across the state, which also affects the recruitment and retention of seasonal firefighters. The guard stations are also a key component of this success. Ron does not see these issues going away anytime soon. Additionally, the detection cameras have proven to be a valuable and worthy investment and are therefore ranked higher in priority, as well as the communication projects and the Type 3 incident support.

Two of the statewide projects submitted a few years ago, prior to Fire Finance moving to the Administrative Branch, would take considerable revision to be considered and therefore are not being recommended to move forward since they haven't been vetted through the Headquarter Services Committee (HQSC). Some components of these proposed projects have already been completed so the ODF didn't think those should be in contention for the funding. However, ODF defers to the committee and wants to ensure all projects were included for review and approval.

The total for these 10 strategic investment proposals is just over \$2.4M. At this time, ODF requests EFCC's consideration of these projects with the understanding of the Division that more time may be needed and requesting a special meeting of the committee to make an informed decision.

Chair Garrelts asked if the committee members had any specific questions.

Steve Cafferata commented that the committee should look at these as investments with an ROI on implementation. The proposals most likely to reduce costs over the next couple of years would be the highest priority. He added that some of these have more potential than others (for example, the Toledo facility relocation versus the guard station in Bly, which is more likely to give a return to the OFLPF).

Chair Garrelts mentioned the scoring criteria to be used in working through these proposals and asked Steve and Erik if they had all the information needed to move forward with initiating the scoring.

Steve asked if a decision wasn't made in short order on the guard station in Bly, would the opportunity to share in the grant with Chiloquin Fire and Rescue go away. Ron Graham deferred to Area Director Brian Pew, who turned to Dustin Gustaveson, Lakeview Unit Forester, to answer Steve's question. Dustin noted the two parts of the proposal being the guard station in Chiloquin and the guard station in Bly; the Chiloquin guard station has a timeline. Dustin then deferred to Randall Baley, Protection Supervisor in Lakeview, who provided information on the project in that it is an investment into an already retrofit grant that Chiloquin Fire and Rescue already received. With the retrofit, there comes an opportunity to increase housing logistics (kitchen, guard station for firefighters), so ODF jumped on board in partnership. The deadline for this grant was September 1 for the seismic grant to determine the addition of firefighter housing in a central location. Randall said he will follow up with the Chiloquin Fire Chief to see if that deadline can be extended.

Chair Garrelts asked which proposals justify funding and whether the timeline for EFCC to review and approve is compatible with the deadline. Basically, he asked if the Chiloquin project was worthwhile if the committee can't meet the project deadlines that already exist.

Steve Cafferata commented that he thought the committee could move the Chiloquin guard station proposal today, adding that if there's a way to get shared money, that is a plus.

Chair Garrelts said he is unwilling to move forward with a decision today without having looked at all the projects as a whole and the ROI with each one. He added that it could be possible by the end of this week. Steve noted there's enough funding available, with the exception of the Toledo facility.

Chair Garrelts cautioned the committee on the established process for vetting and scoring these proposals and the need to follow that process. He then asked Randall to explain the timeline for this process, whether the matching grant goes away and if so, when. Randall said he was confident that Chiloquin Fire and Rescue Chief Cook would extend the deadline if there's potential for this project to be approved and that the Chief's board would understand.

Chair Garrelts noted the committee can commit to moving this proposal through quickly and be able to provide an early indication of approval or not, but a special meeting of the Emergency Fire Cost Committee will need to be scheduled. He added it will also be important for the committee members to move through vetting and scoring quickly, as well as the importance for committee member Chris Johnson to be involved in the process, pending his reappointment by the BOF tomorrow.

Nancy will work with Steve and Erik to set up a meeting to discuss the process. She added that the most important piece is finding a date that works for the committee to hold a special meeting before the end of the month.

Steve Cafferata asked for more information on the communication trailers and whether it makes sense to fund one trailer as a test. Chair Garrelts then recommended to committee members that they write down their questions and provide to Nancy to seek answers. That way, all committee members can see the questions, and it will also provide more time to give an informed answer.

Nancy will follow up after this meeting and coordinate through the Division and Area Directors to get responses back to the committee.

Chair Garrelts added that it would be fair to set a deadline for the suite of questions from committee members, so all go out at once. The priority will be projecting and securing a future date for a special EFCC meeting and then work backward.

#### **ITEM 11: EFCC ADMINISTRATOR REPORT** *[Information Item]*

Nancy provided the Administrator report noting most of the items have already been discussed.

With regard to the insurance discussion, Nancy will work with the Protection Division and Agency Administration to begin coordination with DAS and Willis Towers Watson on what the submittal document would look like. She added that it may be early October before this occurs due to the strategic investments process.

Regarding the claims summary, Nancy noted that the estimated costs are always estimated until reconciled.

Lorna and Nancy recently met with ODF leadership and the financial accountants, and they are happy to report the books are closed and reconciled for FY14 and FY15. From that look back, they found the OFLPF is owed back \$1,543,037, which was a result of the change in severity payments when repositioning was not factored into the FEMA reimbursements, as well as a result of an overpayment on the insurance premium in FY15.

Nancy appreciates the coordination and hard work by ODF staff on the reconciliation and added this balance will likely be seen by the time of the September EFCC special meeting, pending payment.

Steve Cafferata thanked Nancy for her work on the look back and noted that from the committee's point of view, there is concern with missing that large of an amount. He asked how the committee could make sure it isn't missed in the future and then cautioned the committee on the need to work harder.

Nancy also mentioned the one adaptation to the fund balance report which was to show what the actual expenditures are for each fiscal year, noting it is not one single individual's fault and that there are many parts of the transactions related to fund transfers that occur. Improvements have been made and Nancy is confident that in coordination with ODF, on the OFLPF and GF/OFLPF split on large fire costs, severity resources, as well as the insurance contribution, this issue has been resolved for the future.

**ITEM 12: PUBLIC COMMENT / GOOD OF THE ORDER**

There being no public comments or further business before the committee, Chair Garrelts adjourned the meeting at 12:51 pm. The next regular meeting of the committee will be held at 10:00 a.m. on Tuesday, January 3, 2023 at the ODF Headquarters in Salem, Oregon.

**Minutes drafted by:** Chrystal Bader  
**Minutes reviewed by:** Nancy Hirsch and Steve Cafferata