



**Minutes of the Conference Call
Of the Board of Directors
Of
The Gypsy Moth Slow the Spread Foundation, Inc.**

**September 9, 2003
10:00 a.m. – 12:30 p.m. EDT**

Proper notice having been duly given to each Board member, a Board of Directors' conference call was held on the above date.

President Esther Chapman called the meeting to order and asked Secretary Charlie Coffman to call the roll.

BOARD MEMBERS

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| Esther Chapman, Wisconsin, President | present |
| Gene Cross, North Carolina, Vice-president | present |
| Charlie Coffman, West Virginia, Secretary | present |
| Bob Waltz, Indiana | present |
| Scott Frank, Illinois | present |
| Ken Rauscher, Michigan | present |
| Frank Fulgham, Virginia | present |

OTHERS PARTICIPATING IN THE CALL

Phil Marshall, Indiana
John Hill, Michigan
Linda Ellefson, Wisconsin
Geir Friisoe, Minnesota
John Obrycki, Kentucky
Donna Leonard, Noel Schneeberger, and Mike Quesinberry, USDA Forest Service
Phillip Bell, USDA-APHIS-PPQ
Ed Holloman, Southeastern Association Services

Whereas, the above noted directors constitute a quorum, and there is no objection to this proceeding, the following business was conducted:

Approval of the Minutes

The minutes of the Gypsy Moth Slow the Spread (STS) Foundation Board of Directors' June 19, 2003 conference call were approved and ratified by unanimous vote and shall be filed in the Minute Book.

Compliance with Administrative Provisions on USDA Grants

Ed Holloman is having difficulty meeting the reporting requirements to the USDA Forest Service (FS) and Animal & Plant Health Inspection Service, Plant Protection and Quarantine (APHIS-PPQ), because of deficiencies in reporting on the part of state members who have grants with the STS Foundation. This is in large part due to the recent change by the FS from semi-

annual to quarterly reporting. Ed will make a concerted effort to summarize deficiencies by state and grant and to initiate discussion with fiscal personnel in each state.

2002 Trapping and Treatment Grant (FS Funds)

States: The 2002 grants from the STS Foundation to the states closed out on June 1, 2003. The administrative provisions for this grant required semi-annual reporting and final reports [Financial Status Reports (FSR) and Accomplishment Reports] were due by July 30, 2003. Most states have deficiencies in their reports and Ed will be contacting each state with a list of what is required to finalize grant closeout.

Foundation: The 2002 grant from the FS to the Foundation will end on September 30, 2003. Funds that were deobligated by the state members of the Foundation and any other balances left in the grant were used to purchase racemic disparlure and Hercon Disrupt II. The final balance in the grant when it closes will be close to zero (see the Excel file FS 02 detail 090403.xls distributed with the notification for this call).

2003 Trapping and Treatment Grant (FS Funds)

Foundation: The award letter for \$6 million was signed by the FS on June 8. New administrative procedures require quarterly reporting to the FS. Approximately \$3.9 million has been obligated for subgrants to state members and \$2.1 million will remain at the Foundation for purchase of mating disruption supplies, NC trap contracts and administrative expenses. It should be noted again that the FS changed their administrative provisions to require quarterly rather than semi-annual financial reporting.

States: Awards to each of the state members have been finalized. IL, MI, NC, VA and WI have initiated drawdowns, whereas KY, IN, MN, OH and WV have yet to submit requests for disbursement of funds (see the Excel file FS 03 detail 090403.xls distributed with the notification for this call). Discussion items regarding the subgrants to each state:

NC: Still needs to submit a revision to decrease the grant amount by approximately \$175,000, because the NC trapping contracts are being administered by the Foundation.

Reporting: Ed will be contacting each of the states regarding compliance with the new quarterly reporting schedule.

Ending Dates: There are discrepancies between the ending dates of the grants listed on the 424 packages (some list June 30, 2004) versus the award letters (all award letters list June 1, 2004). The date in the award letter takes precedence – the closing date for all grants is June 1, 2004.

Funds Remaining at the Forest Service: Approximately \$4 million remained with the FS and \$3.8 million has been spent on salaries, travel, university grants for data management, and the flakes application contract. The Foundation had planned to capture the remaining balance prior to the end of the federal fiscal year via a revision to the grant requesting an increase of \$200,000. However, the request was not funded because it was caught up in the FS budget recall to fund wildfire suppression. FS budget recalls to fund wildfire suppression are likely to happen each year and they usually occur in mid-to-late July. In the future, the Foundation needs to submit requests for revision by June 30 each year if we hope to capture unspent funds.

2003 Regulatory Grant (APHIS-PPQ Funds)

States: WV is the only state that has not yet requested a drawdown, but all states have a balance remaining in their respective grant as of the date of this call (see the Excel file named APHIS 03 detail 090403.xls distributed with the notification for this call). These grants end September 30, 2003 and balances must be pulled down to zero as soon as possible (the final deadline is actually the end of October) or the funds will be lost.

2004 Regulatory Grants (APHIS-PPQ Funds)

Foundation: In August 2003, the Foundation submitted a preproposal requesting \$239,250 in funding for the STS regulatory work in 2004. The budget allocated funds to each state the same as in 2003. The Foundation plans to submit the final 424 package to APHIS by September 30, 2003.

States: Plans are to fund each state at the same level as 2003. States need to submit budgets and narratives to Ed by September 24, 2003 in order for the Foundation to prepare the final 424 package by the September 30 deadline.

APHIS-PPQ: In addition to the \$239,250 allocated for regulatory work conducted under the umbrella of the Foundation, APHIS-PPQ has received internal requests from state plant health directors to fund regulatory work in the states of OH and IN totaling \$65,000. Phillip Bell was hopeful that all requests would eventually be funded in 2004. However, he cautioned that the APHIS-PPQ FY 2005 budget allocates only \$240,000 total for STS regulatory work.

Discussion: Esther Chapman asked if the amounts we were getting were enough. Charlie Coffman responded by saying he felt the funding level was not adequate for the program and that we needed to try to get it up and brought in the discussion that was had on this issue on the STS regulatory conference call that was held last Thursday, i.e. that data management for the regulatory component has not been what was envisioned and there was still a need to get that to where it needs to be to get the maximum out of our regulatory efforts and this alone will require at least some additional funding. Phil agreed with this and commented further on the subject of regulatory data management. Donna Leonard commented on the need for guidance from us for the STS data management folks to get this effort underway and this could be one of the outcomes of the proposed regulatory meeting. Bob Waltz interjected that he felt the National Agricultural Pest Information System was a logical place to house this data.

Following further general comment on the regulatory component effort, it was concluded that there is a clear need to organize to push for more funds for the regulatory component for 2005 and beyond. Donna asked if the National Plant Board could assist with this and Charlie said he would look into it.

APHIS Plans for 2004 Regulatory Meeting

Phillip reported progress on plans for the regulatory meeting. A recent conference call established several key issues that need to be addressed (U-Hauls, inconsistent compliance agreements and standardization of data) to facilitate accomplishment reporting for the STS

regulatory component. It was decided to hold the regulatory meeting on February 9-10, 2004 in conjunction with the next Foundation Board meeting. Phillip will make the appropriate contacts regarding this meeting and work in conjunction with Phil Marshall for hotel arrangements.

Miscellaneous

1. Data sharing: The members gave unanimous consent to share data for a collaborative project between Dr. James Clark of Duke University, who has done research on movement of organisms of economic significance, and Dr. Sandy Liebhold, STS Technical Committee.
2. Authority for Signing Foundation Checks: A motion to authorize Ed Holloman as a signatory on Foundation checks was passed unanimously after it was noted the Bylaws cover the situation. Gene Cross will take care of the paperwork needed to finalize the authority.
3. Grants to stipulate out-of-state travel: States can stipulate mandatory attendance at out-of-state meetings (two Operations and one Foundation Board meeting) in their grant narratives starting with the 2004 grants for trapping and treatment. This may facilitate state approval of out-of state travel requests.
4. NEPA Training: The FS is sponsoring a 3-day custom training session for state cooperators who conduct environmental analyses for gypsy moth cooperative projects. The training is scheduled for the week of December 8, 2003 in the Cincinnati area. Amy Onken (304.285.1565 or aonken@fs.fed.us) is the primary contact for the training. Every state involved in STS should make this a high priority for attendance.
5. Directors Liability Insurance: The 2004 premium, which had increased by about \$200, came due in August and was paid.
6. Operations Meeting, August 2003: Significant changes in plans for future development of the trapper gadget were reviewed.
7. Hercon Disrupt II Purchase for 2004: Up to now, the active ingredient (racemic disarflure) used in the Hercon flakes has been purchased by either the FS or the Foundation and provided to Hercon for toll formulation. Plans to change the purchase arrangements to allow Hercon to acquire their own active ingredient were initiated by Donna in August of 2003, because of erroneous concerns regarding EPA and state pesticide regulations. Despite the fact that it is completely legal for a third party such as the Foundation to warehouse technical grade pesticide active ingredients, Hercon would still prefer to pursue a "full-service" formulation in 2004. Therefore, the Foundation issued a Request for Quote to Hercon on September 19 for a full-service formulation, i.e. including the active ingredient. An award will be made only if we can determine that we are not paying a premium for the service. If the quote indicates a substantial increase in cost, we will go back to our former purchasing arrangement.

Upcoming Calls or Meetings

Board Conference Calls: The next two calls are scheduled for 10:00 a.m. EDT on Tuesday, October 28, 2003 and for 10 a.m. EST on Tuesday, November 18, 2003.

Board Meeting: The Annual Board meeting is scheduled for 8:00 a.m. until 3:00 p.m. on Tuesday, February 10, 2004 in Indianapolis, IN.

Operations Committee Meeting: The next meeting is scheduled for January 21-23, 2004 in Lexington, KY.

The foregoing resolutions and actions, by unanimous consent, are to have full force and effect and are approved as of September 9, 2003.

Conference call adjourned at 12:30 p.m.

Charles Coffman, Secretary
STS Foundation