



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

**December 6, 2006
10:00 a.m. – 12:00 p.m. EST**

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

Vice-President Gene Cross called the meeting to order and Secretary Frank Fulgham called the roll.

BOARD MEMBERS

Geir Friisoe, Minnesota, President	absent
Gene Cross, North Carolina, Vice-President/Treasurer	present
Frank Fulgham, Virginia, Secretary	present
Scott Frank, Illinois	present
Bob Waltz, Indiana	absent
Mike Philip, Michigan	absent
Gary Gibson, West Virginia	present
Melody Walker, Wisconsin	present

OTHERS PARTICIPATING IN THE MEETING

Clark Haynes, Celestine Irvin and Susan Kuhn, West Virginia
John Walkowiak, Iowa
Carl Harper, Kentucky
Linda Ellefson and Brian Kuhn, Wisconsin
Ed Holloman, Southeastern Association Services
JoAnn Cruise, USDA APHIS
Donna Leonard, Patrick Tobin, Rob Mangold, Mike Connor and John Kyhl, USDA Forest Service

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' Conference Call on October 4, 2006 were approved with corrections and ratified by unanimous vote and shall be filed in the Minute Book.

PLANING FOR 2007 WITH A FLEXIBLE BUDGET

Donna Leonard gave an overview of the normal STS budgeting process which normally begins with a known amount of available funding. This year we are beginning with an unknown funding



base which could be quite variable depending upon Congress. STS has attempted to plan for a range of budgets utilizing the document prepared by Dr. Patrick Tobin titled *Implementation of The Gypsy Moth Slow-The-Spread Project: Technical Considerations And Cost Analyses* which reduces widths of the STS Action Zone to meet available funding. Our initial target was a \$9 million maximum Forest Service budget which would support a 90 kilometer Action Zone. Other alternatives were prepared down to a 65 kilometer Action Zone width at a \$6 million allocation from the Forest Service. Donna's first proposed budget will need to be cut to meet Forest Service budget projections for 2007.

Rob Mangold reported on the status of the 2007 USDA-Forest Service budget in Congress. It is anticipated that federal agencies will be under Continuing Resolutions through at least mid-February unless Congress passes a final budget. The later the final budget is approved, the more difficult it will be to make adjustments in planned STS activities. Once the new Congress is in place, they will have three options: 1) pass a final Budget Bill, 2) pass an Omnibus Bill, or 3) continue to operate under Continuing Resolutions throughout the fiscal year. At the National Plant Board meeting, it appeared that STS may get \$9 million in the final budget. The demand for funding of Gypsy Moth Suppression at \$10 million, a 30-40% funding level, resulted in one-half million dollars being taken from STS and given to Suppression which would leave \$8.5 million for STS.

If option #3 is carried out, the funding level would be at the FY06 budget level or the House FY07 proposed budget level, whichever is less. However, if a final bill is passed by Congress, they may split the difference between the House and Senate proposals (a \$30 million difference) to leave approximately \$8 to \$8.5 million for STS. Total average budget cuts in all Forest Health Protection programs would equal 15%; however, Gypsy Moth Suppression would be cut 70%. Must keep the overall budget situation in perspective. If the \$9 million request for Gypsy Moth Suppression needs drops, then there would be the possibility for some re-programming of funds.

Donna asked if grant budgets will be able to be managed as a lump sum after February 15th for the remainder of the year. Rob thinks this is the case but will check to be sure.

Rob reported that all of the players are changing and will continue to change. It appears that Rachael Taylor will be the new staffer for the Majority party and Chris Topic will now remain as staffer in the Minority party.

Rob noted that projections for the FY08 budget do not look bad for Forest Health at this time. Rob noted that he appreciates the work the Board has done on working towards this year's budget.

Donna has asked for State budgets from STS Operations staff by Friday, December 15, 2006. States are taking a hard look at treatment blocks, especially mating disruption polygon blocks. After these project cuts, if State budgets are still too high, we will have to narrow the band width until we reach \$8.5 million or whatever the final Forest Service budget target becomes.

STATUS UPDATES OF GRANT AGREEMENTS

Ed Holloman discussed the current Grant Reporting Schedule and Donna Leonard discussed pending grant awards and expenditures.

2005 Forest Service Trapping & Treatment Grant

All funding for this grant has been drawn down to \$0.00 and all deobligations have been accomplished; therefore, this grant is ready to be closed out.

- **ACTION:** Current 2005 T&T Grant state reports that are **past due** are as follows:
07/15/06 Final Narrative Reports (10/01/05 thru 06/01/06) KY, IN, NC & PR
- **ACTION:** Need 2005 T&T Grant Final Report from Donna by December 15, 2006

2006 Forest Service Trapping & Treatment Grant

The total award for the 2006 Forest Service T & T grant is \$6,914,331 with \$4,605,084 going to the state participants leaving \$2,312,978 for Foundation expenditures.

Donna commented that with current inventory plus recent purchases of racemic disparlure, she is short 1,000 kilograms of racemic disparlure to conduct current mating disruption treatments for 2007. We can not wait to purchase additional racemic disparlure; therefore, Donna is requesting states to let her know if any grant funding will be returned.

- **ACTION:** If States will have any funds left over in this grant, they should let Donna and Ed know by Wednesday, December 13th.

2006 APHIS Regulatory Grant

This grant is closing down; however, as of 11/29/06, there is a balance of \$1,089 in unclaimed disbursements by Virginia and Minnesota. Since this grant ended on 9/30/06, Ed noted that these balances must be drawn down to \$0 or returned ASAP.

- **ACTION:** 2006 Regulatory Grant state reports are **past due** as follows:
11/01/06 Narrative Summary Report (04/01/06 thru 09/30/06) NC, VA & WV
11/01/06 Final Narrative Report (10/01/05 thru 09/30/06) NC, VA & WV

2007 APHIS Regulatory Grant

USDA is currently operating under a Continuing Resolution. We are currently working under a pre-award letter for costs of 12.6% of last year's grant (\$239,250) for expenditures incurred October 1 - November 17, 2006. APHIS will decide and notify us of what course to take by next Friday. Most likely a Continuing Resolution will be enacted from October 1, 2006 – February 15, 2007 for a percentage of last year's allocation. Draw-downs can not be made under a pre-award letter so no draw-downs are showing for 2007.

2007 STATE IN-KIND SERVICE

Donna noted that she kept all States' in-kind service contributions for the Forest Service at the same level as in 2006. If a state is receiving less funding for 2007, will they be able to maintain the past level of in-kind resources? Wisconsin and Illinois reported that they may have reduced state match amounts due to increases in emerald ash borer commitments in 2007. Since Donna prepared the initial budget with the assumption that total state match would remain the same, a reduction in State match will require additional cuts in the Forest Service funding.

APHIS REGULATORY PROGRAM

Gene introduced JoAnn Cruise who indicated that she has taken over the APHIS coordination of the STS Regulatory Program on a temporary basis. This position was formally held by Leon Bunce who has been reassigned to the Sirex program. A discussion ensued regarding the Regulatory Committee and the status of a 2007 meeting. JoAnn will follow-up with Leon to check on the status of this committee. Several states indicated that this group served a needed function to standardize state regulatory programs.

AUDITOR PROBLEMS

Gene reported that he has experienced problems with the current STS auditing firm of Cherry, Burkholt and Holland. Gene has received a tentative estimate from another firm that is in line with the costs associated with CB&H - \$14,000 to \$16,000 for annual audits.

- **ACTION:** The Board requested that Gene continue to pursue this firm's option and report back to the Board.

MISCELLANEOUS

Aerial Application Safety Council

Donna indicated that Butch Sayers (WV) chair of the Aerial Application Safety Council heard of concerns from applicators regarding STS mating disruption treatments.

- **ACTION:** Donna will investigate the concerns and report to the Board at the next conference call or at the annual meeting in Indianapolis.

Bob Waltz

Following Bob Waltz' promotion to the new State Chemist and Seed Commissioner, the Board has received formal notification from Robert Carter, Director - Indiana Department of Natural Resources, that Phil Marshall has been appointed to fill the Indiana vacancy on the STS Foundation Board of Directors. Congratulations Phil and Welcome to the Board!

Annual Meeting

Donna noted that without an appropriation in place, it will be difficult to effectively conduct the meeting. In order to schedule the meeting on everyone's calendar, we will go ahead with plans to meet and make adjustments if necessary.

- **ACTION:** The Annual Meeting will be set for Wednesday, February 21, 2007 from 8:00 am until 3:30 pm in Indianapolis, Indiana. Phil Marshal will reserve a room for the Board.

2006 STS CONFERENCE CALL & MEETING SCHEDULE

Conference Calls scheduled for 1st Wednesday of each month at 10:00 a.m.

Call-in number for all Conference Calls: 404-347-7966

JAN 4	Conference Call	<i>Cancelled</i>
JAN 23-27	OP/REG Mtg	<i>Held in Savannah, GA</i>
FEB 16	STS Annual Mtg	<i>Held in Indianapolis, IN</i>
MAR 1	Conference Call	<i>Held at 10:00 a.m. EST</i>
APR 5	Conference Call	<i>Cancelled</i>
MAY 3	Conference Call	<i>Held at 10:00 a.m. EDT</i>
JUN 7	Conference Call	<i>Held at 10:00 a.m. EDT</i>
JUL 5	Conference Call	<i>Cancelled</i>
AUG 2	Conference Call	<i>Held at 10:00 a.m. EDT</i>
SEP 6	Conference Call	<i>Cancelled</i>
OCT 4	Conference Call	<i>Held at 10:00 a.m. EDT</i>
NOV 1	Conference Call	<i>Cancelled</i>
DEC 6	Conference Call	<i>Held at 10:00 a.m. EST</i>

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Call-in number for all Conference Calls: 404-347-7966

JAN 3	Conference Call	<i>Cancelled</i>
JAN 23-25	OP/REG Mtg	<i>Held in Memphis, TN</i>
FEB 7	Conference Call	<i>Cancelled</i>
FEB 21	STS Annual Mtg	<i>Scheduled for Indianapolis, IN</i>
MAR 7	Conference Call	<i>Scheduled for 10:00 a.m. EST</i>
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The foregoing motions and actions, by unanimous consent, are to have full force and effect as of December 6, 2006, unless otherwise indicated by the Board.

The meeting adjourned at 11:25 a.m. Eastern Standard Time.

Frank Fulgham, Secretary
STS Foundation