



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

**Indianapolis, Indiana
February 21, 2008
8:00 a.m. – 3:30 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.

President Geir Friisoe called the meeting to order and Secretary Frank Fulgham called the roll.

BOARD MEMBERS

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

OTHERS PARTICIPATING IN THE MEETING

David Adkins, Ohio
Ed Holloman, Southeastern Association Services
Billy Newton and Weyman Fussell, USDA APHIS
Donna Leonard, 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 January 9, 2008 were approved and ratified by unanimous vote and shall be filed in the Minute Book.

The minutes of the Gypsy Moth Slow the Spread (STS) Foundation Board of Directors' Conference Call on February 6, 2008 were approved and ratified, with corrections, by unanimous vote and shall be filed in the Minute Book.

ELECTION OF OFFICERS

Gary Gibson (WV) made a motion to nominate the current slate of officers to continue for 2008:

President: Geir Friisoe, Minnesota
Vice-President: Gene Cross, North Carolina
Treasurer: Gene Cross, North Carolina
Secretary: Frank Fulgham, Virginia



The motion was seconded by Melody Walker (WI) and there being no further nominations from the floor, nominations were closed and the motion to elect the current officers for another term was passed unanimously.

REVIEW OF 2007 – Donna Leonard

2007 STS Accomplishments Report

Donna discussed the draft of the 2007 STS Accomplishment Report. It was noted that there will be a separate Accomplishment Report for the Regulatory Program in 2007.

Under SPREAD, Donna noted that there has been an increased rate of spread; however, the 3-year rolling average is still well below the target rate.

Donna noted that she will include a statement in the final report under TREATMENTS that recent work to refine the technology for mating disruption has led to increased spacing between applied swaths. This tactic has proven to be effective, inexpensive and target specific.

Other suggested changes included updating maps to show the latest changes in 2007 quarantine data and correcting the number of STS member states from 10 to 11.

After some discussion, it was decided that the final report will be distributed to the National Plant Board, NASF, USDA/Forest Service - Chief, USDA/APHIS – Rebecca Bech and two Regional Directors, The Nature Conservancy - Frank Lowenstein, Forest Health Protection – Directors.

- **ACTION:** Donna will make all corrections and additions to the draft report, send it electronically to all Board members for approval, and post the final corrected version on the STS web site.
- **NOTE:** The final version of the 2007 STS Accomplishments Report will be entered into the minutes.

2007 APHIS STS Regulatory Report

Thanks went out to JoAnn Cruse for preparing a separate STS Regulatory Accomplishments Report for 2007. Billy Newton discussed the uncertainty of roles of APHIS' gypsy moth leadership. JoAnn Cruse has had her primary job responsibilities transferred to the Emerald Ash Borer Program in Wisconsin. Bill Dickinson is now assigned to the gypsy moth program. It was noted that the frequent changes in APHIS' gypsy moth authority has been problematic in the STS Regulatory Program being able to become focused and operate with any sense of continuity. The Board applauded JoAnn's dedication to the STS Regulatory Program and her attempts to move the program forward. Billy agreed to investigate the possibility of JoAnn continuing to have an ongoing relationship with the STS Regulatory Program.

It was noted that the Regulatory Accomplishments Report currently highlights program goals and individual tasks accomplished toward achieving these goals; however, the document does not specifically address results. A few statements may need to be added to meet the "results" standard mandated for program reports.

Quality Assurance/Quality Control Report

Mike Quesinberry was not present so Donna reported on the draft QA/QC Report. The quality of the data is exceptional. Several states did not meet the target of less than 5% sites omitted in the STS Action Area; however, all of these states have reasonable explanations to account for this. Program-wide the 10% level for QC inspections was met. Some states are cutting the mid-season trapping checks without negatively impacting data.

- **ACTION:** The Board has until March 6, 2008, to respond to Mike Quesinberry with any comments or changes to the draft document.
- **NOTE:** The final version of an Executive Summary of the 2007 QA/QC Report will be posted on the STS web site.

PLANS FOR 2008 – Donna Leonard

Draft Plan of Work

Donna discussed the 2008 Plan of Work and indicated that there will be a change in the project design by narrowing the action area band by 10 km from 2007 to 80 km for 2008 to accommodate reduced funding. There will be an increase in the number of traps from 73,190 in the 90 km 2007 action area to 76,662 in the 80 km 2008 action area. This unexpected increase in the number of traps is due to a significant increase in the number of delimiting traps required for 2008.

Initially, 103 treatment blocks with 429,028 acres were proposed for 2008. The Operations Committee reduced this to 101 treatment blocks with 413,100 acres. Without a major reduction in acreage, the Operations Committee was able to reduce the initial treatment cost by \$2 million through the transfer of treatment blocks to less costly treatment options, such as, redesigning treatment blocks, reducing dosage from 15 to 6 grams in several mating disruption blocks, changing double to single applications of Btk, changing treatment type from Btk to mating disruption, and elimination of several blocks.

Draft Planning Budget

The administration's direction was to drastically reduce funding for all gypsy moth programs in 2008. STS was advised to plan for federal funding of only \$6 million. Despite this advice, the cooperators chose to plan for an \$8 million project with contingency plans to reduce even further if the budget required. Based upon language in the Omnibus Bill for 2008 funding for gypsy moth programs are to remain at or near historic levels during 2008.

Based on the Omnibus Bill the Forest Service Washington Office tentatively allocated just over \$9 million for the STS program in 2008, but this was soon reduced to \$8.508 million to free up some additional funding for suppression. Prior to the Operations Meeting, cooperators estimated state match totaling just over \$2 million which fell short of the target needed to access the FS funds. After the Operations meeting cooperator match increased to \$2,468,948 bringing the total funds available to the project to \$10,976,948. This fits within the FS allocation for FY 2008.

Donna explained the rationale behind the varying amounts of state match funding. State match funding is based upon what a state can afford for each year. It is not intended that the 75%/25%

rule be used by individual states. STS must only show the 25% state funding when applying for the overall grant. Individual state grants should not be restricted to a percentage formula. Each state should contribute the maximum amount that they can in each year.

- **MOTION:** Phil Marshall (IN) made a motion that was seconded by Scott Frank (IL) to accept the 2008 Planning Budget with minor revisions, mindful that any major changes will require further Board approval. The motion passed unanimously.

Data Management

Donna also noted that changes and losses in data management personnel will continue to be problematic until additional personnel are hired. Issues with the decision algorithm involving buffering and GIS communications have been identified and hopefully will be resolved in the near future.

Research Treatments

At the recommendation of the Technical Committee, in addition to the normal flake contracts, STS plans to issue two contracts to treat about 20,000 acres in Virginia and Minnesota with SPLAT to evaluate their application technology prior to consideration of the product for large acreage projects. Also, some mating disruption study plots will be implemented in Wisconsin in 2008 to address the potential effects of climate change from where past study plots have been conducted in Virginia.

Timeline

- **ACTION:** Donna needs the final budget and narrative, but not 424, from states by February 28th or as soon as possible following acceptance of bid prices.
- **ACTION:** States must submit their final 424 by April 7, 2008.
- **ACTION:** Gene will send out Letters of Cost Incurrence as soon as possible after approval of the Foundation grant.

STATUS UPDATES OF GRANT AGREEMENTS – Gene Cross/Ed Holloman

2007 Forest Service Trapping & Treatment Grant

Gene indicated as of 02/21/08 there is a balance of \$748,508.30 in grant funds available to the states out of the total grant award of \$3,596,450.61 for funding to the states. The overall Foundation budget shows a balance of \$1,827,700.90 out of the original grant award of \$6,104,202.00. It was noted that States with high balances should be sure to get in their requests for drawdowns in a timely manner.

Ed indicated that all states are up-to-date on all reporting requirements at this time.

- **ACTION:** Current 2007 T&T Grant state reports that **will be due** are as follows:
04/15/08 FSR Report (10/01/07 thru 03/31/08) All States

2008 APHIS Regulatory Grant

Gene indicated that the Board should ignore the X on the 2008 APHIS Regulatory spreadsheet. This has already been addressed. The Award Letters are now being revised in format and new Award Letters for the second part of this year's grant will be going out soon. The Foundation has now received the approved award for the second round from APHIS.

All states are up-to-date on all reporting requirements at this time.

- **ACTION:** Current 2008 Regulatory Grant state reports that **will be due** are as follows:

04/15/08	FSR Report (10/01/07 thru 03/31/08)	All States
04/15/08	Summary Report (10/01/07 thru 03/31/08)	All States

AUDIT REPORT FOR THE FOUNDATION – Gene Cross

Gene and Ed reported that Williams Overman Pierce, LLP, have completed the Preliminary Draft of the STS audit for the years ended September 30, 2007 and 2006. The draft indicates that three deficiencies were noted. One involved segregation of duties relating to cash disbursements, one involved financial statement preparation expertise, and the third involved the Foundation's lack of review of sub-recipients' audited financial statements. It was noted that the deficiency relating to segregation of duties may be reported as a material weakness due to its significance. However, it is significant that all deficiencies are categorized as internal control issues and no compliance issues were noted. New auditing standards on internal communications and procedures went into effect.

New Audit Review Committee members consisting of Phil Marshall (IN) and Melody Walker (WI) were appointed by the President to oversee the review of member states' audited financial statements.

Frank Fulgham (VA), Secretary, noted that at the same time the Board President established the Audit Review Committee on July 11, 2007, an Operational Review Committee composed of Gary Gibson (WV) and Frank Fulgham (VA) was also established to review written purchasing procedures and written contractor/vendor viability procedures. It was noted that there are currently no written procedures in place.

- **ACTION:** Gene Cross and Ed Holloman will develop initial written protocols and Donna Leonard will assist with development of written procurement and electronic disbursement protocols for submission to the Operational Review Committee.

The Board acknowledged the contributions made by Ed Holloman in the course of the audit procedure.

UPDATE FROM THE TECHNICAL COMMITTEE – Donna Leonard

Donna presented a report submitted by Patrick Tobin (FS), Chair, STS Technical Committee, since he was unable to be present at this year's meeting. The *Summary of Technology Development Projects Funded by the STS Foundation* (Document attached) summarized seven

(7) studies being conducted in FY 2006-07 totaling \$212,000 and seven (7) studies being funded/conducted in FY 2007-08 totaling \$105,000.

It was noted that with recent budget reductions, the maximum funding now provided by STS for these projects has been set at approximately \$100,000/year. Phil Marshall (IN) indicated that the Operations Committee identifies program needs, the STS Board funds justified proposals, and the Technical Committee oversees approved and funded projects. This provides an effective system of checks and balances to ensure that the funded proposals meet the real world needs of the STS Program.

Donna noted that a screening of the projects being finalized shows that the resources provided by STS are proving to provide excellent benefits for the Foundations' investment. Several Board members concurred with this evaluation of the cost/benefit ratio.

ISSUES OF CONCERN TO THE BOARD

Forest Service Policy – No Funding for Gypsy Moth Survey - Geir Frisoe

Geir discussed the Memorandum of Understanding (MOU) between USDA-FS and USDA-APHIS that prohibits the FS from conducting detection surveys on federal lands. APHIS must take over funding detection surveys on federal land while the FS will fund only eradication post-treatment delimiting activities on federal lands. This could be very problematic for states with large expanses of federal lands. Current APHIS gypsy moth funding allocation is not sufficient to cover this extra expense in states, such as MN.

Wayman Fussell (APHIS) indicated that APHIS must pick up this expense in future years, but short term funding is not available.

- **ACTION:** Within two weeks, Billy Newton and Weyman Fussell will check on the feasibility of using APHIS Regulatory funding for this year's survey in MN.
- **ACTION:** A letter will be sent to USDA/APHIS/PPQ (Deputy Administrator Rebecca Bech) and USDA/FS/S&PF (Deputy Chief Jim Hubbard) from the STS Board requesting a review of the FS/APHIS MOU that was last updated in 1989. The updated MOU should provide coordinated FS/APHIS strategies for addressing the gypsy moth.

Calibration Issue – Donna Leonard

For years, all aerial applicators have utilized the facilities of Al Schiffer at Al's Aerial Spraying in Michigan for calibration of their aircraft. Schiffer's facility has the space and equipment to provide for all required calibration of aircraft in the gypsy moth program 1) safely and 2) with necessary technical expertise. Since Michigan no longer has any suppression projects, Forest Service (Washington and NE) is questioning if they should continue to pay for the calibration. Noel Schneeberger is pushing for FS to continue to pick up the cost; however, if they do not,

STS has \$10,000 in their budget that is earmarked for calibration and could pick up this cost considering the significant safety issues. The Foundation had hoped to conduct a training session on the *Basics of Calibration* for member states especially ones that are new to STS, but this has not materialized. Donna indicated that everyone should continue plans to conduct the calibration as usual and she will work to find the funding.

SUMMARY OF NEW ECONOMIC ASSESSMENT FOR STS – Erin Sills

Dr. Erin Sills, Dept of Forestry & Environmental Resources, North Carolina State University, made a presentation to the Board on the preliminary conclusions from her draft document, *Assessment of the Economic Feasibility of the Gypsy Moth Slow the Spread Project*, prepared through a grant funded by the USDA – Forest Service and the Gypsy Moth Slow the Spread Foundation.

The Gypsy Moth Slow the Spread Program (STS) has successfully reduced the rate of spread of the gypsy moth, *Lymantria dispar* (L.), by detecting and eradicating isolated populations that establish outside of the infested zone. The objectives of this study were to:

1. Estimate the incremental benefits of this reduced rate of spread during the full operational phase of STS, 2000 – 2006, and compare to the costs of the program.

The pay back period is 9 years: the benefits of postponing suppression & residential impacts over a 9 yr period are greater than the costs of the first 7 years of the program. The total cost of the program was \$69.5 million. The average annual cost was \$11.17 million, which is within 2% of the lower bound estimate and less than 5% of the upper bound estimate of the annual equivalent of the program benefits as calculated by Leuschner et al. (1996).

2. Project and compare benefits and costs of STS for the next 20 years, 2007 – 2026.

Over a 20 year period, the Benefit-Cost Ratio is 2.5, under conservative assumptions. The total benefits during this 20 year time period are at least \$488 million. This includes \$163 million in postponed suppression costs, and \$325 million in postponed residential impacts.

Slowing the spread of gypsy moth also postpones the imposition of quarantine, and a key remaining objective of this study is to estimate the impacts of quarantine. Erin will work with APHIS and individual states to obtain additional information

Despite numerous technical difficulties and system breakdowns, Erin provided an exceptional overview of the tremendous amount of work she has accomplished on this project. Her PowerPoint presentation is available for those who could use a copy. Erin will prepare an Executive Summary that will be available to the Board in approximately one month. The Executive Summary and the Final Report document will be made available to the Board as soon as they are finalized.

ISSUES OF CONCERN TO THE BOARD (CON'T)

FY 2009 President's Budget – Donna Leonard

The USDA-Forest Service's budget is influenced significantly by the amount of funding needed for combating forest fires. The 2009 projection for funding needed for fires is extremely high. The Fiscal Year (FY) 2009 President's Budget proposes \$109,500,000 for programs under the State and Private Forestry appropriation, a decrease in budget authority of \$153,308,000 from FY 2008. The FY 2009 President's Budget proposes \$10,000,000 for Cooperative Lands Forest Health Management, a decrease in budget authority of \$34,542,000 from FY 2008. This program provides technical and financial assistance to State forestry agencies and territories to detect, evaluate, and suppress forest insects, diseases, and invasive plant pests on non-Federal lands. The President's Budget proposes \$4.5 million for STS out of the \$10 million going to Coop Lands.

In FY 2007, the Forest Service and the National Association of State Foresters agreed to redesign State and Private Forestry. The initial phase of national implementation has begun, including a new competitive process for a portion of S&PF funds. In FY 2009, at least 15 percent of available funds in Forest Health Management – Cooperative Lands and State Fire Assistance – in the State and Private Forestry and Wildland Fire Management appropriations - as well as Forest Stewardship and Urban and Community Forestry will be allocated for projects selected under the redesign themes. The agency will continue to examine ways to more closely correlate the allocation of funds in a risk-based methodology.

The news is not good and has caught the attention of everyone that deals in forest pest management programs. Congress will be considering this budget and it is hoped that beneficial changes can be made. Everyone is encouraged to talk with their cooperators in their state Department of Agriculture, state Department of Natural Resources, and State Department of Forestry to plan for 1) contacts with their Congressional representatives to make our budget needs known and 2) the competitive process of funding under the new redesign format.

2008 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: 404-347-7962

<i>JAN 9</i>	<i>Conference Call</i>	<i>Held at 10:00 a.m. EST</i>
<i>FEB 6</i>	<i>Conference Call</i>	<i>Held at 10:00 a.m. EST</i>
<i>FEB 21</i>	<i>STS Annual Mtg</i>	<i>Held in Indianapolis, IN</i>
<i>MAR 5</i>	<i>Conference Call</i>	<i>Cancelled</i>
<i>APR 2</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EDT</i>
<i>MAY 7</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EDT</i>
<i>JUN 4</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EDT</i>
<i>JUL 9</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EDT</i>
<i>AUG 6</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EDT</i>
<i>SEP 3</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EDT</i>
<i>OCT 1</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EDT</i>
<i>NOV 5</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EST</i>
<i>DEC 3</i>	<i>Conference Call</i>	<i>Scheduled for 10:00 a.m. EST</i>

- **MOTION:** Phil Marshall (IN) made a motion that was seconded by Geir Friisoe (MN) to cancel the currently scheduled March 5th conference call. The motion passed unanimously.

- **MOTION:** Melody Walker (WI) made a motion that was seconded by Phil Marshall (IN) to adjourn the 2008 Annual Meeting of the Board of Directors of the Gypsy Moth Slow the Spread Foundation. The motion passed unanimously.

The foregoing motions and actions, by unanimous consent, are to have full force and effect as of February 21, 2008, unless otherwise indicated by the Board.

The meeting adjourned at 2:45 p.m. Eastern Standard Time.

Frank Fulgham, Secretary
STS Foundation