



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

**Indianapolis, Indiana
February 18, 2009
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
Tivon, Feeley, Iowa	present
Mike Philip, Michigan	present
Gary Gibson, West Virginia	present
Melody Walker, Wisconsin	present

OTHERS PARTICIPATING IN THE MEETING

Scott Kinzie, Indiana
Carl Harper, Kentucky
David Adkins, Ohio
Ed Holloman, Southeastern Association Services
Lloyd Garcia, USDA APHIS
Donna Leonard, Noel Schneeberger and Amos Ziegler, 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 14, 2009 were approved and ratified 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 2009:

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 2008 – Donna Leonard

2008 STS Accomplishments Report

Donna discussed the draft of the 2008 STS Accomplishment Report. It was noted that there will be a separate Accomplishment Report for the Regulatory Program in 2008. Highlights of the report include:

- Forest Service STS funding reduced to \$8.5 million from historical total of \$10 million.
- Acres treated in 2008 totaled just over 413,500 acres at a cost of \$4.94 million (\$11.94 per acre).
- Unusually low success rate with Btk treatments (64%) apparently due to moth blow.
- Trap deployment at 96% and trapping costs totaled \$4.96 million (\$65/trap).
- Action zone narrowed to 80 km and monitoring zone widened to 90 km in response to decrease in funding.
- Benefit to cost ratio of 2.5 to 1 increased to 3 to 1 based upon updated analysis data.

Phil Marshall suggested several changes to the draft for clarification purposes.

- **MOTION:** The Board voted unanimously to approve the report with recommended changes to be made by Donna.
- **ACTION:** Donna will make all corrections and additions to the draft report and post the final corrected version on the STS web site.
- **NOTE:** The final version of the 2008 STS Accomplishments Report will be entered into the minutes and President Friisoe will distribute the final report to interested parties.

After some discussion, Frank Fulgham noted that the Board previously approved distribution of the annual Accomplishment Report to the National Plant Board, NASF, USDA/Forest Service - Chief, USDA/APHIS – Rebecca Bach and two Regional Directors, The Nature Conservancy - Frank Lowenstein, Forest Health Protection – Directors.

- **ACTION:** President Geir Friisoe will distribute the final report to the agencies, organizations, and individuals listed above in an attempt to share the STS Accomplishments Report to a wider audience.

PLANS FOR 2009 – Donna Leonard

Draft Plan of Work

Donna discussed the 2009 Plan of Work and indicated that although the current 170 km wide STS project area cannot be substantially reduced without sacrificing critical data, the relative widths of the action area and evaluation area can be adjusted to respond to budget levels. The

2009 action area band will remain at 80 km for 2009 to accommodate a continued reduced funding at the 2008 level. There will be a 7% increase in the number of traps from 76,662 in the 80 km 2008 action area to 81,969 in the 80 km 2009 action area. This unexpected increase in the number of traps is due to a significant increase in the number of delimiting traps required for 2009. The estimated trapping cost for 2009 is \$5.42 million

Initially, 121 treatment blocks with 460,145 acres were proposed for 2009. The Operations Committee reduced this to 119 treatment blocks with 399,287 acres. With this major reduction in acreage, the Operations Committee was able to reduce the treatment cost to \$4.44 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.

With a total 2009 budget of \$10.7 million (\$8.1 Forest Service and \$2.6 Cooperator match), trapping costs account for 49.3 % and treatment costs account for 40.4% of the total budget. In addition, data management and analysis will cost \$930,500 (8.5%) and technology development will cost \$200,000 (1.8%) of the overall budget. This includes the trapper gadget, STS website, along with \$112,000 in funding of seven projects mostly dealing with mating disruption.

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.

Timeline

- **ACTION:** Donna needs the final budget and narrative, but not 424, from states by February 27, 2009 or as soon as possible following acceptance of bid prices.
- **ACTION:** States must submit their final 424 by May 1, 2009.
- **ACTION:** Grants to states should be issued in April or May once the federal budget is finalized.
- **ACTION:** The Forest Service does not issue Letters of Cost Incurrence any longer; therefore, if a state absolutely needs a Letter of Cost Incurrence, contact Gene or Ed as soon as possible.

Planning Budget

Donna explained and discussed the 2009 STS Budget spreadsheet totaling \$10.99 million.

The Forest Service has allocated \$8.1 million in federal funding for 2009 STS activities which results in a very tight STS budget for 2009. The Forest Service has moved \$18,000 in travel funds from the Forest Service budget to the STS budget for personnel travel. States are encouraged to include language in their award letters covering meeting attendance to assist with approval of travel requests.

Many aspects of the budget are still changeable until all contracts have been awarded. States are requested to update budgets once trapping and treatment contracts are awarded.

Cooperator cost share (in-kind service) for 2009 looks good at about \$2.89 million. This currently would give us a surplus of approximately \$687,000 in state funds; however, states should not reduce their cost share amount if at all possible.

Racemic disparlure for 2010 projects is currently budgeted at \$735,000 for replenishment of inventory. If budget cuts are needed due to higher than anticipated contract costs, this amount can be drawn down. Once contract prices are set, Donna will adjust racemic disparlure line item to balance the budget at the allocated \$10.99 million.

Donna indicated that there does appear to be any opportunity to receive additional funding from the Forest Service this year. Noel is working to get an additional \$500,000 from the Forest Service for STS activities from available carry-over funds.

Noel also informed the Board that he had requested \$1 million from the President's Economic Stimulus Package. If approved, these funds could be received within 30 days. This funding would be focused on additional jobs – not additional work. This year treatment and contractor jobs would be targeted with this \$1 million, but in 2010, another \$1 million is being requested for a large number of gypsy moth trapping jobs.

- **MOTION:** Gene Cross (NC) made a motion that was seconded by Phil Marshall (IN) to accept the 2009 Planning Budget with minor revisions, mindful that any major changes will require further Board approval. The motion passed unanimously.

AUDIT REPORT FOR THE FOUNDATION – Gene Cross

The two auditors (Gwen and Tracey) with Williams Overman Pierce, LLP, who worked with Ed Holloman and Gene Cross in completing the STS audit for the years ended September 30, 2008 and 2007, joined the Board meeting via telephone. They indicated that only 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 was reported as a material weakness due to its significance. However, it is significant that all deficiencies were categorized as internal control issues and no compliance issues were noted. Tracey and Gwen reported that a total of 180 reportable hours were documented during the course of this audit.

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

President Friisoe appointed Phil Marshall (IN), Scott Frank (IL), and Gary Gibson (WV) to serve on the 2009 STS Audit Committee to review member states' audited financial statements.

- **ACTION:** Once finalized, member states should ensure that their annual state audits are submitted promptly to the STS Audit Committee for review.

QUALITY ASSURANCE/QUALITY CONTROL REPORT – Donna Leonard

Mike Quesinberry was not present so Donna reported on the QC Report. The quality of the data continues to be exceptional. The 2008 trapping season was completed with overall compliance to established trapping protocols. Traps were placed at more than 95% of the targeted sites. The project met or exceeded the standards on all but one of the measures - The measure for trap placement was missed by less than 0.5%. The numbers in this report indicate that there is essentially no risk that the Project is making faulty decisions based upon the quality of data.

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

APHIS PROPOSAL TO EXPAND STS RESPONSIBILITIES/FUNDING – Lloyd Garcia

Lloyd indicated that he had spoken to Billy Newton (USDA-APHIS) but was not sure how any expanded funding could be realized under the current budget situation. Gene indicated that Billy had contacted him and asked if there were ways that the STS Board could expand their level of activity in cooperating with APHIS. Billy indicated that he was interested in how the STS Board could utilize their infrastructure to address other pest issues, such as emerald ash borer. It was concluded that Billy was interested in seeing how the successes of the STS program structure could be used as a model in addressing other pest issues.

A discussion ensued on how the APHIS/STS Regulatory Program could be enhanced and how to overcome the past problems that have prevented the program from expanding and becoming more focused. It was noted that the lack of consistent APHIS regulatory leadership has been a major obstacle in the development and improvement of an effective and efficient regulatory effort.

- **ACTION:** Lloyd and Gene will contact Billy Newton and solicit addition direction for this proposal.

DEMONSTRATION OF ON-LINE REGULATORY REPORTING – Amos Ziegler

Amos gave an overview of the development of a proposed basic spreadsheet for use by all state STS regulatory personnel for use in reporting regulatory data on-line. This would greatly enhance the consistency of data handling and reporting by various member states. An on-line reporting template would provide data in a consistent format to allow for development of more effective program wide reporting.

- **ACTION:** Lloyd and Amos will solicit additional input from the Regulatory Group to encourage consensus on development of the format for a regulatory on-line reporting system.

ECONOMIC ASSESSMENT SUMMARY – Donna Leonard

In Patrick Tobin's absence, Donna presented a new one page summary or overview of the Economic Assessment prepared by Erin Sills at NC State and asked for the Board's approval.

- **MOTION:** Geir Friisoe (MN) made a motion, seconded by Gene Cross (NC), and unanimously approved by the Board to approve the one page summary and place it on the STS web page.

MISCELLANEOUS ITEMS

Clean Water Act and Aquatic Pesticide Use – Phil Marshall

Phil introduced Lee Ann Haun (FIFRA IN/EPA Grant) who presented an overview of the 6th Circuit Court of Appeals decision to vacate EPA's rule allowing mosquito control operators, agricultural pesticide users, state pest controllers and other to spray pesticides on or near water under certain circumstances in accordance with FIFRA without having to obtain a National Pollutant Discharge Elimination System (NPDES) permit. Unless an appeal is successful, pesticide applications that could result in "excess pesticides or lasting residuals" in waters of the U.S. will constitute discharges of "chemical wastes" to the water, and therefore will require Clean Water Act permits. At this time, EPA is considering its options.

Date for 2010 STS Meeting – Donna Leonard

To facilitate meeting arrangements for 2010, the STS Board of Directors Meeting will be scheduled during the week of February 15, 2010. The target date for the actual meeting will be Wednesday, February 17, 2010.

Status Updates of Grant Agreements – Donna Leonard

Ed Holloman (SAS) distributed the current Grant Reporting Schedule and grant award balances and expenditures. To the delight of everyone present, there were no X's for any state on any grant indicating that everyone was up to date on all grant documents and reports.

In the interest of time, no further discussion was conducted on the grant updates.

Southeastern Association Services Review – Melody Walker and Phil Marshall

During the morning break, the Board met in private session to hear the recommendation of the Review Committee (Walker and Marshall) appointed by the Board President to review the personal services contract for Ed Holloman. The Committee interviewed Board members for feedback on Mr. Holloman's work. The Committee recommended continuing to contract with Mr. Holloman and Southeastern Association Services based on Mr. Holloman's overall work quality and stellar work ethic. The Board concurred with the Committee's recommendation. The Board's unanimous reply was, "***Bless Your Heart, Ed Holloman!***"

2009 STS CONFERENCE CALL & MEETING SCHEDULE

Conference Calls scheduled for 1st Wednesday of each month at 10:00 a.m. unless otherwise scheduled by the Board President.

Call-in number for all 2009 Conference Calls: 404-347-7962

JAN 14	Conference Call	Held at 10:00 a.m. EST
FEB 4	Conference Call	Held at 10:00 a.m. EST
FEB 18	STS Annual Mtg	Held in Indianapolis, IN
MAR 4	Conference Call	Cancelled
APR 1	Conference Call	Cancelled
MAY 6	Conference Call	<i>Scheduled for 10:00 a.m. EDT</i>
JUN 3	Conference Call	<i>Scheduled for 10:00 a.m. EDT</i>
JUL 1	Conference Call	<i>Scheduled for 10:00 a.m. EDT</i>
AUG 5	Conference Call	<i>Scheduled for 10:00 a.m. EDT</i>
SEP 2	Conference Call	<i>Scheduled for 10:00 a.m. EDT</i>
OCT 7	Conference Call	<i>Scheduled for 10:00 a.m. EDT</i>
NOV 4	Conference Call	<i>Scheduled for 10:00 a.m. EST</i>
DEC 2	Conference Call	<i>Scheduled for 10:00 a.m. EST</i>

The foregoing motions and actions, by unanimous consent, are to have full force and effect as of February 18, 2009, unless otherwise indicated by the Board.

The meeting adjourned at 3:30 p.m. Eastern Standard Time.

Frank Fulgham, Secretary
STS Foundation