

Gypsy Moth Slow The Spread Foundation, Inc.

P.O. Box 58220 - Raleigh, North Carolina 27658
Telephone: 919.877.9392 - Web Site: www.gmsts.org

STS



Minutes of the Board of Directors of The Gypsy Moth Slow the Spread Foundation, Inc.

February 16, 2012

8:00 – 3:30

Hall of Fame Room

Agriculture Building, 2 W. Edenton Street

Raleigh, NC

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

Gene Cross, Vice President and Treasurer, called the meeting to order and the roll was taken.

BOARD MEMBERS

President	vacant
Gene Cross, North Carolina, Vice-President/Treasurer	present
Melody Walker, Wisconsin, Secretary	present
Scott Frank, Illinois	present
Phil Marshall, Indiana	present
Tivon Feeley, Iowa	present
Carl Harper, Kentucky	present
Lucia Hunt, Minnesota	present
Larry Nichols, Virginia	present
Sherrie Hutchinson, West Virginia	present

OTHERS PARTICIPATING IN THE MEETING

Dave Adkins, Ohio
Matt Andresen, Phil Wilson, North Carolina Department of Agriculture
Ed Holloman, Southeastern Association Services
Julie Spaulding, Joe Beckwith, USDA APHIS Eastern Region
Donna Leonard, Patrick Tobin (by phone for presentation, only), Noel Schneeberger,
Mark Buccowich, Zaneta Hammond (by phone for presentation, only), USDA Forest Service

Minnesota Geir Friisoe – President 651-297-7174		North Carolina Gene Cross – Vice President/Treasurer 919-733-6930		Wisconsin Melody Walker – Secretary 608-224-4586	
West Virginia Sherrie Hutchinson 304-558-2212	Illinois Scott Frank 217-785-2427	Indiana Phil Marshall 812-358-3621	Iowa Tivon Feeley 515-242-5966	Virginia Larry Nichols 804-786-3515	Kentucky Carl Harper 859-257-5838

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

TRANSITION OF BOARD MEMBERS

Geir Friisoe, Board president, submitted a letter dated December 20, 2011, stating that he would be leaving the Board after more than 10 years on the board and five years as president. The letter introduced Lucia Hunt as Minnesota's new representative on the Board. Lucy Hunt is officially a voting member of the Board beginning with this meeting. Gene Cross presented a commemorative clock with a thank you to Geir for his service on the Board. Lucia accepted the clock on Geir's behalf.

ELECTION OF OFFICERS

Gene Cross opened the floor for nominations for officers. Scott Frank (IL) made a motion, seconded by Carl Harper (KY), to nominate Larry Nichols (VA) for President. Scott Frank (IL) made a motion, seconded by Carl Harper (KY), to re-elect Gene Cross (NC) for Vice President and Treasurer. Scott Frank (IL) made a motion, seconded by Sherrie Hutchinson (WV), to re-elect Melody Walker (WI) for Secretary. Larry, Gene and Melody were elected by unanimous votes.

APPROVAL OF THE MINUTES

Larry Nichols (VA), made a motion to approve the draft minutes of December 7, 2011. Phil Marshall seconded the motion and the Board members voted unanimously to approve the minutes. Carl Harper made a motion to approve the draft minutes of January 4, 2012, with minor edits. Phil Marshall provided a second to this motion, which the Board approved, unanimously.

QUALITY CONTROL/QUALITY ASSURANCE REPORT

Donna reviewed the key points of the report. This report is important because the decisions on how to spend the \$7 to \$10 million awarded to the states and the additional state and federal dollars spent on this program depend on the moth catch data.

In regards to spatial integrity, 100 % of the nodes were addressed. Operations exceeded the target of 95 % of nodes with placed traps across the project. The trap location standard is 90% of the traps placed inside the target circle; in 2011, we achieved 86% of the target objective. IA, MN & WI have the highest deviation outside of target circle. The high rate of the out of target circle category is a concern and states should discuss with their operations folks to learn why this occurs. It is better to have a trap versus no trap but each state should know, whether this is due to fields or location of roads, why the traps are outside of the target circle. Each state met the target rate of field inspections.

In regards to compliance with recommendations of the Decision Algorithm, the program treated 90 % of the Potential Problem Area's (PPA's) recommended for treatment and delimited 89% of PPA's recommended to be delimited. The remaining 10 % of decisions were mostly on the North Shore near Lake Superior, which limits available data. In addition, three recommended treatments for IA were postponed for one year.

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Gene suggested attaching the QA/QC report to the program narrative to provide the Forest Service with the details. Donna will have the Executive Summary posted on the website. Donna will email the final report to the distribution list for the Board.

Donna said the states did an excellent job, overall.

AUDIT REPORT

Gwen Vass, CPA CFE and Heather Grantham representing Williams Overman Pierce, LLP presented the audit report. Heather passed around copies of the draft financial statements for years ended September 2011 and 2010.

Gwen began by explaining the responsibilities of the auditors. In regards to communications, the auditor's responsibility is to provide reasonable but not absolute assurance that statements are free of material misstatements and fairly presented in accordance with acceptable accounting principles. Reasonable assurance means they don't look at every transaction. They do consider internal controls of organization to determine what tests and procedures to use. They have a responsibility to communicate any significant deficiencies or findings. A deficiency in internal controls means your system or controls aren't set up to correct mistakes in a timely manner. They will also report a material weakness, which is a deficiency or a combination of deficiencies that would lead to a material misstatement in the financials. A significant deficiency is less severe than a material weakness but merits attention.

The accounting policies are detailed in the notes with the financial statements. The auditors are available to consult with the Foundation on policies that need to be considered. Estimates and judgements are integral parts of the financial statement. Disclosures are very important to the financial statement.

There were no difficulties in performing the audit. In audit adjustments there were 6 entries of significance to the financial statement, primarily of cash to accrual basis. There were no disagreements with management during this audit.

The audit report is an unqualified opinion that financial statements were presented fairly and in accordance with acceptable accounting principles. This includes a statement of financial position, which is a snapshot of the end of the fiscal period (September 30) including assets and liabilities and net assets. It also includes statement of activities and changes in net assets, including cash flow for 12 months.

Items of note in this financial statement include an additional paragraph (note no. 3 on page 8) related to sources of supplies, and the three findings on page 16.

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The first finding (11-1) concerns the segregation of duties. We have made improvements, but we are still limited in our ability to separate duties enough to meet the standard. In the area of preparation of financial statements (11-2), we are required to prepare the financial statement with full disclosures. However, the Foundation does not choose to spend resources in this way. These two items are standard comments that are necessary because of the small size of the organization.

Finding 11-3 (page 17) is a requirement, in OMB Circular A133, to review audited financial statements of sub-recipients. The Foundation did not meet this requirement this year. One option would be to have the sub-recipient report back any findings related to this fund.

Phil Marshall (IN) and Scott Frank (IL) are the Audit Committee and need a third person to replace Gary Gibson (WV). Lucia Hunt (MN) volunteered and is now on the Audit Committee.

Melody will send the December minutes to the auditors. Copies of the final financial report will go out to the Board members.

STS PROGRAM ACCOMPLISHMENTS FOR 2011

Donna provided a handout with general information about the program and specific information detailing the 2011 accomplishments. The STS program set about 83,000 traps and treated about 526,000 acres. Nearly 80 % of the treatments were in IA, MN and WI. This was the first year of treatment for IA. Mating disruption accounted for approximately 91% of the 2011 treatments. About ¾ of these were Disrupt II and about 25 % were SPLAT from ISCA Technologies. There were some issues with application systems for SPLAT.

The budget was approved very late (mid-late April). We planned for cuts to \$9 million, but we actually received \$10.5 million from the Forest Service. This was too late for states to add Btk blocks, but the Forest Service could add MD. Together with a contingency of \$50,000, and states contributing \$2,603,965 million the total budget equaled \$13,153,965 million. We were able to implement the entire program with standard grid densities and across the entire 100 km zone.

At present, gypsy moth population spread is on a downward trend. During the period from 2006 to 2008, the rate of spread increased dramatically. This corresponded to a decrease in the budget and an increase in gypsy moth pressure.

About one-half of our money pays for monitoring and treatment accounts for a little more than one-half of expenditures. Less than \$1 million pays for data management at MSU and VA Tech. The Forest Service puts about \$125,000 into technology development. The accomplishments will be posted on the website.

Gene would like to have states provide a short list of organizations that would receive a project summary documenting the work we do to slow the spread of gypsy moth. We can pull together a contact list, draft a letter and include the report that would come from the Foundation. Donna will update the brief to be included with the letter.

STS PLAN OF WORK AND FOREST SERVICE FUNDED BUDGET FOR 2012

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Donna distributed the 2012 Plan of Work and 2012 budgets for the Forest Service and the states. This year, STS will have \$8 million for operations, and \$125 for technology development. We also have about \$700,000 in the 2011 grant that we can use to pay for racemic disparlure. All totaled we have about \$8.8 million. This season, we will be able to treat about 525,000 acres. There will be a delay of the impact of reduced funds because we have supplies on hand. In 2013, we will have used our entire inventory of racemic disparlure and it is unlikely we will have any contingency funds.

This year, we will change trapping grids to prevent taking all cuts from treatment. Changing grid spacing from 2 kilometers to 3 kilometers will cut 38% of the number of traps and save nearly \$1 million. This will be the first year that Michigan will not be setting traps. However, Michigan will still participate in calibrating the aircraft used in the project. We will revisit program standards to be able to trim the program and minimize increase in the spread rate.

At present, we are \$93,000 over budget. We have \$8.813 million, and we need about \$8.906 million. The states may be able to roll funds back into the Foundation, but most cannot de-obligate at this time. Ohio has already de-obligated \$27,000. With the cost of the MD contracts and total de-obligation of funds by the states unknown, the 2012 budget remains in a draft state.

Phil Marshall (IN) made a motion to accept the final draft, planning budget with the existing budget amounts and a few minor date changes. Tivon Feeley (IA) provided a second to the motion, which received unanimous approval. States can begin to submit 424's immediately. The Foundation will be able to send out award letters by mid-April.

Most states have a smooth process for obtaining NPDES permits. Tribal lands in MN require a federal permit from EPA. WV has a problem in that they don't have a state permit so they have submitted an NOI to EPA. The Forest Service will be more diligent about transferring the calibration data and other spray records from the mating disruption contracts to the states before they move on to the next state for inclusion in their Pesticide Discharge Management Plans.

In regards to data management and GIS, Mannin and Steve have been working on a web based application for the Road Show, which will be an improvement over ARC GIS. The new system with a remodeled DA and freshly integrated database will be fully implemented by 2014. The management of the website (GMSTS.org/new) is moving to VA Tech with Denise Dodd at the helm.

TECHNICAL ACCOMPLISHMENTS

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Patrick Tobin provided the STS Technical Committee accomplishments for 2011 and the work planned for 2012. The work on persistence of MD is finished. Patrick feels comfortable using either of the two MD products in the north as well as the south. Phenology and timing of Btk and MD activities are ongoing. In looking at moth dispersal into WI and northern MN, two population peaks have been noted which suggest moth dispersal does occur from the east now and then. Treatments can be prioritized when there is an influx of moth catches that don't seem to be part of a reproducing population, but rather weather induced.

In 2012, the limits of MD will be explored to see how far into the higher population levels MD can be effective. It is cost effective and easy to apply. Historically, we haven't used MD much beyond densities of 30 moths/trap. In addition, we will be looking for ways to optimize the program, by data manipulation with barrier zone widths and trapping grid spacing.

APHIS REGULATORY PROGRAM SUMMARY OF ACCOMPLISHMENTS FOR 2011 AND CHANGES FOR 2012

Julie Spaulding provided a summary of accomplishments and the 2012 work plan and budget. The goals of the STS Regulatory Program are to identify high-risk sites, within the STS program area, use educational campaigns to assist in reducing artificial spread of gypsy moth, use compliance agreements to facilitate commerce, and monitor interstate and intrastate movement of GM articles. There is a plan to standardize compliance agreements by using IPHIS. APHIS can provide a standard template for the states to use. States can also query IPHIS to see other agreements from states.

APHIS has \$171,000 available for STS regulatory activities. The initial request was \$289,560. States were asked to cut to minimal staffing, travel and supplies, which resulted in a requested amount of \$218,804. Additional cuts are still needed to reach the available amount. Gene will do some additional calculations to see what NC and WI can do to bring the total request to \$171,000. This is for regulatory, only. Eradication, delimitation and egg mass survey will pass through the Farm Bill. Farm Bill funds will be available in April.

MANGEMENT OF FEDERAL GRANTS – SUPPORT FOR SALARIES, WAGES AND FRINGE BENEFITS

Noel provide a synopsis of the problem and steps needed to address it. OIG reviewed 17 grants and about 1/3 were compliant, which means 2/3 had no documentation or insufficient documentation showing how grant dollars were spent on salaries, wages or fringe benefits. States must charge time as worked, and cannot pre-plan to charge grant. Some type of time accounting must show that the personnel charged to the grant actually spent the time on the work supported by the grant. The Foundation is sub-granting to states, so states must comply.

Zaneta was available by phone to give the following explanations and answers.

- Keep documentation for at least three years.
- Keep time reports for when or if an audit occurs.
- If one trapper is setting FS and APHIS traps, and the work is similar, splitting time and expenses should be reasonable.
- The main purpose of time reports is to be able to track back to show how the money was spent.

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- Some states have electronic timesheets, and therefore do not have signatures. This is fine, because it is important to have a system to track, and signatures are not required for electronic systems.
- An educational institution has more flexibility than states and nonprofits, and can estimate time. The university sponsored program people should be able to provide documentation for how time is charged.
- All the states must sign a one-time compliance statement (SF-425). These reports are due by April 1st. Ed and Gene may request more time, if needed. The next FSR's are due April 15. Please include the SF-425.

Donna will email the PowerPoint out to everyone.

Miscellaneous Topics

Donna will schedule a meeting with Tennessee this year. We already get their data and Donna would like to include TN in the program boundaries.

Future Meetings

The next conference call will be on March 7, 2012.

Meeting Adjourned

Carl Harper (KY) made a motion to adjourn. Lucia Hunt (MN) seconded the motion and the meeting was adjourned.

2012 STS Conference Call and Meeting Schedule

Conference calls are scheduled for the 1st Wednesday of each month at 9:00 CT/10:00 ET unless otherwise scheduled by the Board President. The call in number for the STS monthly conference calls in 2012 is **404-347-7966**.

January 4	Conference Call	Held
February 1	Conference Call	Canceled
February 16	STS Annual Mtg	Held
March 7	Conference Call	
April 4	Conference Call	
May 2	Conference Call	
June 6	Conference Call	
July 4	Conference Call	

Minnesota		North Carolina		Wisconsin	
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August 1	Conference Call
September 5	Conference Call
October 3	Conference Call
November 7	Conference Call
December 5	Conference Call

The foregoing motions and actions, by unanimous consent are to have full force and effect as of February 16, 2012, unless otherwise indicated by the Board.

Melody Walker, Secretary
STS Foundation