



**Slow the Spread
of the Gypsy Moth**
Slow the Spread Foundation, Inc.

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

**February 17, 2016
8:00 AM - 3:30 PM**

Hall of Fame Room, Agriculture Building, 2 East Edenton St., 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.

Larry Nichols called the meeting to order and the roll was taken.

BOARD MEMBERS

Larry Nichols, Virginia, President	present
Phil Wilson, North Carolina, Vice-President/Treasurer	present
Melody Walker, Wisconsin, Secretary	present
Scott Frank, Illinois	present
Phil Marshall, Indiana	by phone
Tivon Feeley, Iowa	present
Carl Harper, Kentucky	present
Lucia Hunt, Minnesota	present
Eric Ewing, West Virginia	present

OTHERS PARTICIPATING IN THE MEETING

Dave Adkins, Ohio
Tim Brown, West Virginia
Chris Elder, North Carolina
Ed Holloman, Southeastern Association Services
Paul Chaloux, Anthony Man-Son-Hing, USDA APHIS
Donna Leonard, Noel Schneeberger, USDA Forest Service

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

Virginia Larry Nichols - President 804-786-3515		North Carolina Phil Wilson – Vice President/Treasurer 919-707-3753		Wisconsin Melody Walker - Secretary 608-224-4586	
Illinois Scott Frank 217-785-2427	Indiana Phil Marshall 812-358-3621	Iowa Tivon Feeley 515-281-4915	Kentucky Carl Harper 859-257-5838	Minnesota Kimberly Thielen Cremers 651-201-6329	West Virginia Eric Ewing 304-558-2212

Approval of the Minutes

The Board voted on a motion made by Carl Harper (KY) and seconded by Phil Marshall (IN) to approve the minutes of the January 6, 2016 meeting. The minutes were approved.

Elect New Slate of Officers

Scott Frank nominated the current slate of officers (Larry Nichols as president, Phil Wilson as Vice President and Treasurer, and Melody Walker as Secretary) to serve for another term. Eric Ewing (WV) seconded the motion and the motion carried.

Audit Report

Phil Marshall submitted the Audit Committee Report. All states replied with links to state audits including Michigan and Tennessee. Indiana and Ohio submitted full reports, which can be found in the appendix. Most states are involved in an A133 audit. There were no state audits specific to STS funds. Michigan State and Virginia Tech have not yet been asked for information. Donna said Michigan State and Virginia Tech get their funds directly from the Forest Service and therefore do not require an audit from the Foundation. Phil will remove Michigan State and Virginia Tech and send the final audit report out to everyone.

Ed introduced the auditors, Gwen Bass and Hannah Maluski, formerly Hannah Grantham, (Williams Overman Pierce, LLP). They presented the following report.

Hannah Maluski reviewed the draft financial statements for years ending in September 30, 2014 and 2015. There were no new findings of deficiencies in internal control on financial compliance. She reported no issues of noncompliance. The basis for qualified opinion included a note explaining the exclusion of inventory (disparlure) on the financials because it was difficult to calculate its value.

Office of Management and Budget (OMB) Circular A133 has been replaced by a new document for evaluating grant related procedures called "Uniform Guidance", however the audit portion is not entirely in place. Therefore, some of our grant related activities in this review were evaluated using Circular A133 and others were under Uniform Guidance. After this year, our review will fall completely under Uniform Guidance.

Gwen Bass reported on standard communications. No new accounting policies were adopted and there were no difficulties in completing the audit. All transactions had appropriate documentation. There were no disagreements with management and there was no second opinion that would impact the audit. Adjustments will include record receivables and record payables.

Anytime we obligate funds of \$25,000 or more we are required to report it. We have not always done that as timely as we should have. This is for sub-awards (grants to states), not for expenditures. This is now brought to our attention because of the new Uniform Guidance. When the Award Letter is signed it should be reported. In addition, there is additional information that Ed should report to sub-recipients. He does pass on what he receives from the Forest Service. The new guidance document has rules for information that were not provided to Ed. Gwen will be talking with Ed about how to resolve this.

Some confusion with grants has occurred as Donna explained the HHS electronic drawn down system allows for money to be taken from one grant and then returned and charged to the other grant. Our reports show the money was removed but do not show that the money was returned, although the HHS reports do. Although we can justify the proper use of funds, we are no longer doing this because we understand that it is not accepted practice. The practice of having overlapping grants has its benefits, but occasionally there have been a few instances with charging expenses to one grant when perhaps they should have been charged

to the other grant. This has led to consideration of having one grant open and making revisions to continue the grant, add funds and extend the ending date for a year rather than having two active grants at one time. This process of continuing a grant could extend to cover a period of five years before closing out the grant. There would be no confusion on which grant to charge with only one grant active. The award would account for the new money that has been requested.

Our significant deficiency is our lack of segregation of duties which relate to the size of our organization and the fact that the Foundation has a limited number of people involved in the accounting process. We also do not have additional staff to prepare financial statements, all disclosures, statements and reports. However, this is not considered a material weakness because we do have oversight.

The Forest Service reviewed the STS Foundation financial activities last spring. The review is considered to be “open” by the auditors until they receive the report. Both the auditors and the Foundation are still waiting for the report. The auditors would like to have a conversation with the reviewers if the report is not forthcoming.

Moving ahead, the Foundation must get quotes from potential competitors in regards to Ed and the auditors or it will be found to be out of compliance. Required information includes costs for Ed’s services and audit services to be sure they are comparable with other similar available services. The Foundation is in compliance with the 2016 grant.

Recommendations include:

- Perform a detailed review of the ledger every month or so to make sure amounts are in the right place. This applies to receivables and record payables that were not recorded in the correct grant.
- Send a list of recent checks to payees to the Bank to crosscheck with checks that Bank has to make sure all checks are verified.
- Use a credit card instead of a debit card for better security.

Gwen expressed her appreciation for the assistance and cooperation working with Ed and Donna.

Phil Marshall raised the question about who would authorize and verify credit card expenditures. This has not yet been determined.

Quality Control/Quality Assurance Report

Donna reported that the program as a whole met every QA/QC target (percent traps placed vs omits, appropriate trap location, timing of trap placement and removal, quality control checks on trap sites) for the first time in a long time even though some individual states may not have met some of the individual targets. Overall the QA/QC report shows the program as a whole is doing really well.

Compliance with DA recommendations were included as a quality control measure for the first time. There are no QA/QC targets for the DA recommendations as there are for trapping. Although the DA is based on science, it was developed using three to four years of actions in the pilot project. While there are not QA/QC targets, it is valid to look at the level of agreement with the recommendations. Eighty-six percent of the time the DA recommended treatment, treatment was implemented. A delimit grid was set 84 percent of the time that delimit was recommended. If meets or exceed standards threshold were used with treatment added to the delimit decision there was agreement 98 percent of the time. When the DA said to do nothing, only 15 % of time did we do nothing. This occurs in the Action Zone where egg mass

surveys indicate treatment and in the eradication area where a three catch is delimited. Although exceeding the DA recommendation has been beneficial to the program, in the future we may consider following the DA more strictly to save money if the budget becomes more restrictive.

Trap density is essential for treatment evaluation of the spray blocks. Although post treatment delimits are used to determine the success or failure of treatment, a block smaller than 500 acres cannot be evaluated by the method we use because it kriegs the data. The graph on page 21 shows the blocks that did not have enough traps to be evaluated. Whether we use T-values or not, program managers know if their treatments were successful.

Last year, there was some concern about the quality of the trapping data. As a result, APHIS, Oregon and Minnesota all tested lures for pheromone strength. Lot numbers are sometimes reported as ineffective so it is a good idea for states to keep track of the lot numbers of the lures that they use. Paul Chaloux will send out a summary paper on lures, quality control during and after production and storage recommendations.

FS Report - 2015 STS Program Accomplishments

Donna Leonard reviewed the 2015 Accomplishment Report. The Forest Service allocation of \$8.125 million plus \$2.5 million from state partners totaled \$10.625 million. The action zone was split in half for trapping with the distal area in front of the action zone trapped at a base grid of 3 km and the area proximal to the quarantine trapped at a 2 km grid. Trap numbers were at 63,000 to 64,000 for the entire project. In 2015, 181 blocks were treated totaling 516,000 acres (490,000 mating disruption). The success rate of Btk and Gypchek treatments was 82 %. The 2014 mating disrupting blocks evaluated in 2015 had a success rate of 87%. Although moth captures increased in 2015, spread rates were below 3 km per year across the entire project area.

A new map of projected spread was developed that more accurately represents the variability in spread rates across the leading edge. Since the project began, spread has been reduced in the north by 35%, more than 100 % in the central region and about 82 % in the south. The spread on the map overlays the quarantine area which is out-of-date on this map. It would perhaps make more sense to use the STS Project Area rather than the quarantine areas. Donna will have the map changed.

In regards to federal and state spending, about ½ was spent on treatment and about ½ on survey. Monitoring cost about \$4.5 million, treatment \$4.9 million, and data management shows a cost of about \$1 million, but is much less with the very large match. Technology development cost \$125,000 which mostly goes into mating disruption. Patrick has been the Chair of the Technology Committee and now will move on to his duties in Washington. It is anticipated that Patrick's position will be filled. The Forest Service has been provided some funding for this position, but may not do so for the long term.

Donna will give everyone a week to look for typos and other edits in this report. This was submitted as the annual performance report for the 2015 grant.

2016 Plan of Work & Budget/ Timing of Funds for 2016

Donna reviewed the budget and the Plan of Work (POW) for 2016. Forest Health Protection received a \$5 million cut this year. FHP is now at the same budget level as the late 80's to early 90's. The estimated STS funds have gone from \$8.125 mill in 2015 to \$7.753 million for 2016.

Meanwhile, populations are increasing. North central IL has the largest increase of the overall project near Starved Rock State Park. A MD treatment occurred in this area in 2014 but there was some push back and not all the infested area was treated. Gypsy moth can easily move from the infested area along a water corridor, the Illinois River, to reach Missouri. The planned STS treatments for IL totaled \$360,000; with Nancy Johnson on medical leave there will be trapping in 2016 but not as much treatment as planned. A 6 gm 25,000 acre MD treatment block (about 67,000 polygon acres) will be reinstated near Starved Rock State Park. This treatment effort should slow the gypsy moth infestation down in this area, although more treatment may be needed in 2017. Scott Schirmer and John Kyhl are working on the NEPA process. APHIS and STS trapping will continue in the same general areas as before.

The final POW for STS in 2016 includes treatment of 174 blocks totaling 442,040 acres as shown in Table 4 and 64,678 planned traps as shown in Table 2. The potential allocation of \$7.573 million from Forest Service will cover all of the planned work and still leave a small balance for contingencies (\$16,889). Additional savings were found in the form of about \$25,000 worth of MD product stored at the contractor's site and an estimated \$20,000 in fuel adjustments that will be recovered from the contractor.

The funding authority that comes to the regions should arrive any day. Noel will try to speed up the process. Donna and Ed will get the 424 to the Forest Service next week. Tell Ed if you need a letter of cost incurrence. States should submit their 424's as soon as they have their final numbers or they can submit them now, but they will have to revise them if they don't have final spray contract prices. Eradication and suppression funds were withheld from program planning documents. However, once the regions know they have money they will fund the projects.

Motion to accept the 2016 budget made by Phil Wilson and seconded by Phil Marshall. The motion carried.

APHIS REPORT 2015 Program Accomplishments 2016 Plan of work and Budget – Group Discussion

Anthony presented the Gypsy Moth STS Regulatory Program Accomplishments that he compiled. He asked the assembled group to provide feedback. If states choose to include non-funded work in their narratives, they should identify the work as outside of the funded work. Anthony would like the reports from the states to contain bullet points with clear factual information.

A new agreement specialist will be working with Ed on the APHIS Regulatory grants. Anthony will invite her to join the next conference call. We can expect to apply for about the same level of funding in March.

American Moving and Storage Association has received a Farm Bill grant of \$75,000 to help APHIS with gypsy moth outreach. This will hopefully prevent moving gypsy moth across the country and prevent costly treatments.

New State Plant Health Directors (SPHDS) are now in place all along the leading edge. Anthony would like to leverage their support by talking to them about LOI's (Letter of Information), pre-enforcement letters. The purpose of this letter is to get the intended recipient's attention for a first time low level infestation. Paul said about 150 have been issued so far this year. Typically about 400-500 are issued per year.

APHIS funding is spread across both European and Asian gypsy moth (AGM). There have been detections in the Pacific Northwest. There are five states (Washington, Oregon, Oklahoma, South Carolina and Georgia) with AGM work planned. In addition Ohio has an eradication treatment block in a heavily populated area. North Carolina also has a big eradication project that will be funded by Forest Service. The Tree and Wood Pest line item was funded flat last year. It covers EAB, ALB and gypsy moth. The overall funding for this line item will likely be flat for this year as well. The order of priorities for funding is eradication and delimitation first and survey and regulatory secondary. There are one or two more years of delimiting in Oklahoma. Savannah is new and Oregon and Washington are huge. The Pacific Northwest projects are so big that they completely overwhelm the budget, so they will be funded differently.

Paul said we can expect about \$100,000 for the 2016-2017 timeline. The STS states will need to decide how this money is shared. Kimberly will organize a meeting with the five states to talk about funding priorities.

MISCELLANEOUS

Future Meetings

The next Board conference call will be held on Wednesday, April 6, 2016.

Meeting Adjourned

Carl Harper moved to adjourn the meeting. Phil Wilson seconded the motion and the meeting was adjourned at 3:15 pm.

2016 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 2015 is **888-844-9904 with access code 658 3639**.

January 6	Conference Call	Held
February 3	Conference Call	
February 17	STS Annual MT	
March 2	Conference Call	
April 6	Conference Call	
May 4	Conference Call	
June 1	Conference Call	
July 6	Conference Call	

August 3	Conference Call
September 7	Conference Call
October 5	Conference Call
November 2	Conference Call
December 7	Conference Call

The foregoing motions and actions, by unanimous consent are to have full force and effect as of February 17, 2016, unless otherwise indicated by the Board.

Melody Walker, Secretary