



Fire Suppression Interim Committee 60th Montana Legislature

SENATE MEMBERS

JOHN COBB
KEN HANSEN
RICK LAIBLE
DAVE LEWIS
GERALD PEASE
CAROL WILLIAMS

HOUSE MEMBERS

STEVE BOLSTAD
JIM KEANE
KRAYTON KERNS
RICK RIPLEY
CHAS VINCENT
BILL WILSON

COMMITTEE STAFF

LEANNE HEISEL, Lead Staff
TODD EVERTS, Staff Attorney
BARBARA SMITH, Fiscal Analyst

MINUTES

November 26, 2007

Montana Association of Counties Building
Helena, Montana

Please note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.**

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities.

An electronic copy of these minutes may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee. To view the minutes, locate the meeting date and click on minutes.

COMMITTEE MEMBERS PRESENT

SEN. JOHN COBB
SEN. KEN HANSEN
SEN. RICK LAIBLE
SEN. DAVE LEWIS
SEN. GERALD PEASE
SEN. CAROL WILLIAMS

REP. STEVE BOLSTAD
REP. JIM KEANE
REP. KRAYTON KERNS
REP. RICK RIPLEY
REP. BILL WILSON

MEMBERS ABSENT

REP. CHAS VINCENT

STAFF PRESENT

LEANNE HEISEL, Lead Staff
TODD EVERTS, Staff Attorney
BARBARA SMITH, Fiscal Analyst
DAWN FIELD, Committee Secretary

AGENDA & VISITORS' LIST

Agenda, Attachment #1.
Visitors' list, Attachment #2.

COMMITTEE ACTION

The Fire Suppression Interim Committee approved the proposed work plan, including discussed changes for subcommittee meeting dates.

TAPE 1 - SIDE A

CALL TO ORDER AND ROLL CALL

SEN. COBB called the meeting to order at 8 a.m. He announced that REP. KOOPMAN has resigned from the Committee. The secretary took roll, REP. VINCENT was excused (ATTACHMENT #3).

FSIC ADMINISTRATIVE MATTERS

SEN. COBB discussed the subcommittee assignments. He said that SEN. WILLIAMS, SEN. LEWIS, SEN. LAIBLE, REP. RIPLEY, and REP. WILSON, and REP. BOLSTAD will serve on the Wildland Urban Interface Subcommittee, with REP. WILSON serving as Chair and REP. RIPLEY as Vice Chair. He said the Infrastructure Subcommittee will be comprised of several small subcommittees:

- private contractor issues: SEN. HANSEN and REP. KEANE;
- funding issues: SEN. LEWIS, SEN. COBB, SEN. WILLIAMS, and REP. RIPLEY; and
- tribal and federal issues: SEN. LAIBLE, SEN. PEASE, and REP. VINCENT.

Leanne Heisel, Research Staff, Legislative Services Division (LSD), discussed the proposed work plan and meeting dates (EXHIBIT #1).

SEN. COBB said that SEN. WILLIAMS will arrange the Seeley Lake meeting and REP. VINCENT will make the arrangements for the Libby-Thompson Falls meetings.

REP. KEANE asked to change the February 15, 2008, meeting to the first week of March. SEN. COBB suggested that SEN. HANSEN and REP. KEANE to work with Todd Everts, Staff Attorney, to choose a date that will work for the Contractors Subcommittee meeting.

SEN. COBB **moved** to adopt proposed work schedule with the meeting date changes needed by SEN. HANSEN and REP. KEANE. The **motion passed** on a unanimous voice vote.

COMMENT - DNRC DIRECTOR MARY SEXTON

Mary Sexton, Director, Department of Natural Resources and Conservation (DNRC), said that things have changed significantly since 2000 and that it is startling to see the huge areas that have burned. The size, intensity, cost, resources needed, and rehabilitation demands have far surpassed available resources. In the 1990s, the amount of acres burned averaged 150,000, with about \$3.5 million in costs. Since 2000, the average number of acres burned per year is over 700,000 acres; with the cost averaging \$20 million.

Director Sexton thanked the Committee, LSD and LFD staff, and public and private agencies involved with studying this issue. She also extended thanks to all those who worked to make it a successful fire season, saying that the efforts were very much appreciated and that she is thankful that no lives have been lost.

Director Sexton said that cooperative partnerships are essential to successful fire suppression efforts. There has been a shift in demands and resources needed, such as the increased need for aviation resources, and for GIS and business management software, training opportunities, and the increased demands placed on people, and the toll that a difficult fire season takes on everyone.

Director Sexton said SB 51 was a good first step but that more needs to be done. She said she met last week with Harold Blattie, Executive Director, Montana Association of Counties, to consider additional options for addressing the fire season, such as creating or updating fire statutes, wildland urban interface solutions, cost management options, and county and local jurisdiction issues. She said a working group was established and she encouraged the Committee to work with that group in developing solutions.

REP. BOLSTAD asked if the working group will be communicating with the FSIC. Director Sexton said she has spoken with Leanne Heisel, Research Staff, and that there will be coordination between the groups.

REP. KEANE asked if DNRC is projecting costs that take into consideration the rising cost of fuels. He said he would like to see projections that include this factor. Director Sexton said the rising cost of fuel is included in the EPP process but that it is difficult to forecast what a fire season will be like. REP. KEANE said he would like a definitive graph or chart of projected fuel costs and that it would be valuable information to present to legislators during the 2009 session.

WILDLAND FIRE MANAGEMENT IN MONTANA: PANEL DISCUSSION

- **Fire Protection - all agencies**

Ted Mead, Chief of Fire and Aviation Management, DNRC, discussed a PowerPoint presentation, "*MONTANA DNRC FIRE PROGRAM*" (EXHIBIT #2). Topics included a mission statement, guiding principles, state fire policy, a map depicting state, federal, and tribal fire jurisdiction, direct and county coop fire protection, DNRC resources, budget information, and interagency efforts.

SEN. COBB asked how state policy conflicts with federal and or tribal policy. Mr. Mead said there is divergence with some federal policy but that are areas of convergence. He said efforts are made to try to work around those areas as best as possible. SEN. COBB said he would like, in writing, a list of areas of divergence and convergence. Mr. Mead said he would provide a list to Committee members.

TAPE 1 - SIDE B

SEN. LEWIS asked, regarding direct fire protection costs, how assessment costs change as land use changes. Mr. Mead said that when land is subdivided into separate parcels, each parcel is billed separately. He said ownership titles are updated, assessment costs are updated as well.

Regarding mutual aid agreements, SEN. HANSEN asked if the DNRC participates in Montana mutual aid agreements. Mr. Mead said yes, but not as broadly as he would like. He explained what Montana mutual aid agreements are and how the agreements work within county governments. He said the agreements work well and that the DNRC considers them an important tool in fire suppression efforts.

SEN. LAIBLE asked how many firefighters are full time, versus seasonal. Mr. Mead said that a quarter to one-third are full time employees, and that seasonal employees are employed for about three months of the year. SEN. LAIBLE asked what the full time employees do during the off season. Mr. Mead said most engage in training opportunities, administrative work, equipment repair, inventory replacement, and review of the previous season. SEN. LAIBLE asked if off season activities include outreach to locals for training also. Mr. Mead said efforts are made to try to get them back every year and that off season training is offered. Despite these efforts, there is a 33% turnover rate in seasonal employees. He said training is an issue and may be a topic that should be explored.

REP. RIPLEY asked why mobile kitchens are needed. Mr. Mead said they work very well for small crews in particular because they are more efficient and save money.

TAPE 2 - SIDE A

SEN. LAIBLE said, in looking at interagency coordination efforts, that it is important that the Committee members know what does and does not work, in order to make meaningful changes. Mr. Mead said that the interagency dispatch center is an example of what works well. He said a challenge is providing adequate staffing and that DNRC requested additional support for dispatch staff in the 2007 legislative session.

SEN. LAIBLE asked how private contractors fit into the picture and how the current system for hiring contractors is working. He said he has been told of instances in which Montana contractors and equipment are sent home, while out-of-state contractors work. Mr. Mead said the current process works fairly well but improvements could be made. Contracting is a key element to getting work done, but the administrative costs are huge, and the DNRC's ability to manage contractors is stretched. Having up front resources to handle issues such as contractors would result in long-term cost savings.

SEN. COBB asked for specific suggestions on how to improve the dispatch and contractor issues.

Bob Gilman, Northern Rockies Coordinating Group (NRCG), discussed interagency efforts and the work done by NRCG. He said the NRCG covers northern Idaho, Montana, and North Dakota; and is a progressive group comprised of various agencies. All of the agencies involved are aware of agency policies, and work around them to the degree possible.

Mr. Gilman explained that the United States is broken into nine geographical areas, each with its own coordinating group. Each group has multiple dispatch centers and resources are assigned according to the level of fire activity.

The NRCG has planning levels that are used to determine the amount of resources needed and from what agency to call them. Incident management teams communicate to share resources. The number one priority is initial attack in order to prevent large fires.

SEN. LAIBLE asked Mr. Gilman to explain the structure of the NRCG. Mr. Gilman said there is a chair and vice chair, committees, a board of directors, and an administrative assistant.

SEN. LAIBLE asked if the number of hot shot crews has changed over the years. Mr. Gilman said the NRCG has six Type 1 hot shot crews and that the number has not changed.

SEN. LAIBLE asked how assets are procured during off season, how it is decided which ones are dispatched, and if there is a price schedule. **TAPE 2 - SIDE B** Mr. Gilman said contractors put in bid, an equipment inspection is performed, they are ranked on past performance, condition of equipment, and price. Regional and local rankings are made. SEN. LAIBLE asked who makes the determination if a contractor is listed. Mr. Gilman said there have been instances in which a contractor did not get a bid, based on the condition of his equipment or because he was late in completing the process. He said that there have not been restrictions on numbers at this point.

REP. RIPLEY asked if the best buy procurement process has, in essence, restricted the number of eligible contractors. Mr. Gilman said that may be the case in a limited fire season. He said all of the contractors that signed up in the last two years got to work.

SEN. LEWIS said he attended the post fire review for the Jocko Lake fire. He said there were disputes between the state and the tribes, and asked if the NRCG has the authority to analyze the situation and put in place a corrective action plan. Mr. Gilman said the NRCG can encourage entities to work together, but does not have the authority to force corrective action.

REP. KEANE asked who has the authority to hire contractors. Mr. Gilman said the procurement officers from the different agencies and the dispatch office usually handle the hiring of contractors and the person hiring must have contract authority. REP. KEANE asked if the contracting officer has to go by a list, or if the officer can hire anyone.

Chuck Stanich, Lolo National Forest, said, as a national incident commander, that he has dealt with this issue many times. He explained that if the incident commander has a contracting officer and procurement authority, if a local contractor is on site with equipment, and there is a need for that resource on the fire, then the individual can be hired on the spot. He said he tries not to circumvent the best value procurement process but that it can happen, under certain circumstances.

REP. BOLSTAD asked if EERA engines are dismissed before best value engines, once the initial attack is over. Mr. Stanich said that can happen under certain circumstances. He said he works for whomever is hosting and that he manages fires to their needs. If asked to manage costs, cheaper engines will be hired. REP. BOLSTAD asked if cost, rather than best buy or location, is the most important factor. Mr. Stanich said cost is not the only factor. Mismanagement of finances is a very serious mistake and Mr. Stanich said he takes that very seriously, second only to personal safety.

SEN. WILLIAMS asked Mr. Mead to explain how Montana got to the position of using so many contractors and if there is a way to determine if some of these jobs should become state FTE jobs. Mr. Mead said two factors caused this situation - the magnitude of the fire seasons and decreases in federal funding.

SEN. HANSEN asked if agencies follow set standards to determine the qualifications of contractors and if the requirements are the same for all agencies. Mr. Gilman said this has been an issue over the years. Different levels of training are needed for different positions, which makes it difficult to have a single set of standards. There is a set of national standards but local qualifications are also considered.

TAPE 3 - SIDE A

SEN. LAIBLE asked if NRCG is involved with restoration efforts. Mr. Gilman said it is up to the agency with jurisdictional authority to develop restoration.

REP. RIPLEY asked if funding is available for restoration. Mr. Gilman said some funding is available for restoration.

Mr. Mead said restoration efforts include removing dozer lines, grass seeding, rebuilding of fences, and replanting of vegetation and trees. Mr. Mead said that private landowners are typically responsible for restoring their lands and can access some assistance through DNRC and local entities. Federal lands are restored through federal programs.

SEN. WILLIAMS said she would like federal and state agency people involved with restoration efforts, as well as the University of Montana Forestry School, to discuss restoration with the Committee. SEN. LAIBLE asked staff to arrange this.

REP. KEANE said he wanted a list of contractors who worked in the 2007 fire season, how much they were paid, and what fires they worked on. He said he also wanted a list of contractors who got certified, but did not get to work. Mr. Gilman said he was not sure he had that information. REP. KEANE said this is information that needs to be tracked.

REP. RIPLEY asked Mr. Gilman if NRCG dispatchers are full-time. Mr. Gilman said he has about five FTE dispatchers in the coordination center. REP. RIPLEY asked what the difference in salary is between DNRC and NRCG dispatchers. Mr. Gilman said he did not know. Mr. Mead said he thought the difference was about 40%.

SEN. COBB asked for recommendations or policy changes that could improve the situation. Mr. Gilman said there is a great deal of competition for resources in WUI areas and he would like to see changes made there. He said he did not have specific recommendations to present to the Committee at this time. SEN. COBB asked the NRCG has a written policy manual for dispatching resources. Mr. Gilman said NRCG has a guide that has a break down of resources. Mr. Cobb asked that the guide be provided to the Committee. Mr. Gilman said he would do that.

SEN. LEWIS said Missoula County had two major fires burning at the same time last summer and that Sheriff McMeekin would discuss several interesting observations from that experience.

Sheriff Richard McMeekin, Missoula County, NRCG Board of Directors, provided copies of his observations, which addressed four main issues:

- population protection functions, authorities, and implementation;
- local government and wildland fire response;
- 2007 Montana fires illustrating evacuations; and
- Missoula County Sheriff's Department illustration of staffing challenges (EXHIBIT #3).

SEN. LEWIS asked if it is known how much Missoula County spent on fires. Sheriff McMeekin said that information would not be available for several months. He said at one point, in addition to his full staff and the National Guard, he also had one-third to one-half of the Missoula City Police Department on duty also. He said it was his department's responsibility to pay everyone.

SEN. COBB said the FSIC intends to look at local government issues also and asked that suggestions and recommendations be submitted by local governments struggling with these same issues. He said the Committee will work to facilitate changes and improvements.

REP. BOLSTAD asked if the Missoula County charges impact fees for subdivisions for public safety. Sheriff McMeekin said no, and added that he wasn't sure they would have made a difference in this type of situation.

BREAK

TAPE 3 - SIDE B

• Incident Management Teams

Wally Bennet, Fire and Aviation Specialist, DNRC, Kalispell, gave a brief history of how fire fighting teams came about:

- 1960s - a few teams existed for fighting larger fires
- 1970s - organized agency teams of 8-10 members began forming at the state and federal level, and a very limited amount of training was available;
- 1980s and 1990s - interagency teams began to form in Montana;
- 2007 Montana fire season - there were two Type I teams, five Type II teams, two fire use teams, and several pre-established Type III teams.

Chuck Stanich, Forest Service, discussed characteristics of fire teams and how they are formed. He referred to the Interagency Standards for Fire and Aviation Operations book, Appendix F, and said it illustrates the complexity analysis of a fire team, which is what determines what type of team is ordered for a particular fire.

Mr. Bennett discussed training requirements and said that National Wildfire Coordinating Group standards are followed by most agencies, but that volunteer fire fighter training does not. He explained the application and training process, saying that by February of 2008, he would have a good idea of the amount and type of teams that would be available for the 2008 fire season.

Mr. Stanich asked the FSIC to attend the spring meeting of incident commanders and said it would provide a much clearer picture of incident management teams. He said it takes a great deal of time and a high level of commitment to become an incident commander, for instance, in order to be a Type I incident commander, the commander must have 25 years of training and experience in fighting fires.

Mr. Bennett said he would try to get copies of the Interagency Standards book for all committee members. He said the book contains good definitions of each type of team. He said the difference between a Type I team and a Type II is not significant. Most Type II teams involve from 300-600 people, Type I teams have managed upwards of 2,000 assigned to a fire. Type III teams typically may be 10-12 people and are the unsung heroes, because their efforts save a lot of money for taxpayers.

SEN. LAIBLE asked Mr. Bennett to discuss what changes he would make, if he could. Mr. Bennett said it would be difficult for him to say, because of the constantly changing environment. He said the decrease in the federal work force has made a big difference and that it is much more difficult to put teams together. Increased training requirements also have made it more difficult to build teams. He said WUI areas are definitely a problem, as are persistent drought conditions and fire conditions. He said he is convinced that other state agencies will

have to allow employees to be trained to fight fires, so that an adequate work force will be available when needed.

TAPE 4 - SIDE A

SEN. LAIBLE said fire suppression should be treated as a full-time job, which would keep incident teams trained and prepared year round. He said there would be more than enough work to keep teams busy through out the year and that this approach would save money in the long run, because prevention strategies would be strengthened.

REP. WILSON asked what the biggest problem is. Mr. Bennett said it is a combination of a lack of money and a lack of people, and that it takes years to get fully qualified.

Mr. Bennet discussed staffing issues and said it takes almost an entire career to become qualified for the highest levels. He also discussed strategies and tactics for fighting fire and said that each agency has it own land and fire management plan. He said other jurisdictions are involved immediately and all become part of initial attack. He said the competition for resources is great and that the availability of aircraft, equipment, and firefighters determine how a fire is attacked.

- **Agency Policies Missions and Management Strategies**

Mike Dannenberg, BLM, said federal agency policies are also driven by dollars and cents. He said the BLM deals with a checkerboard land holding, so it has to approach land use issues differently. He said BLM:

- has a full suppression approach and participates in mutual aid;
- wants to be a good neighbor and recognizes that fire that moved to private lands will be devastating to neighboring private land holders;
- recognizes that local resources play a big role in BLM fire suppression activities, so BLM provides training opportunities for rural fire departments whenever possible;
- budgets are as constrained as others and that increases in fuel has resulted in changes in aviation contracts.

Mr. Dannenberg said it is important to remember that every agency that works through the NRCG brings an important component to the process.

Bob Rebarchik, Fish & Wildlife Service, said his service has only 8 funded staff and that his agency manages lands for habitat specifically for wildlife. TAPE 4 - SIDE B He said his agency does a significant amount of prescribed burning and has expertise is in using fire for wildlife resource management and using fires to fight fires.

SEN. LAIBLE asked when prescribed burns are conducted. Mr. Rebarchik said it depends on the objectives of each plan, but that burns are conducted all year round.

REP. RIPLEY asked if there is support on alert, in the event a prescribed burn goes awry. Mr. Rebarchik said yes, that interagency support is available and is on standby.

Kevin Riordan, United States Forest Service (USFS), said it is difficult to manage federal forest land because there are 300 million constituents with many different opinions on what is the best management practice. He said the goal is to manage the forest resources for current and future generations.

Mr. Riordan said there is a myriad of activities and resources in national forests and that fire is a natural and inevitable occurrence in forests. He agreed that the fire environment has changed in the last 20 years and said the change is due to a combination of factors. He agreed that the 2007 fire season was indicative of what is to come in the future.

Mr. Riordan clarified that the USFS does not have a "let it burn" policy, but does believe fire plays a natural role in forest management. He said a decision matrix is used to determine what action will be taken, and that cost effectiveness and probability of success are factored in to the decision. Mr. Riordan said the USFS has had good success on initial attack efforts and said the fires not caught often end up being the large and expensive fires.

REP. RIPLEY asked what "initial attack" means. Mr. Riordan said initial attack can mean several different things, from simply flying over a fire to observe, to on the ground aggressive attack efforts.

Mr. Dannenberg said the standard is 10 acres or less, and gave an example of federal policy regarding fire on federal land: If BLM flies over a small fire, but sees a snow storm approaching which puts out the fire, that is considered a success. He said an appropriate response is based on a combination of criteria.

Mr. Riordan said fuel reduction programs and prescribed burns are examples of investing in advance. Fire can be used as an intentional activity that may prevent or lessen fire activity in the future, thus impacting suppression costs.

Tom Corbin, Regional Fire Manager, Bureau of Indian Affairs (BIA), Billings, said the BIA has oversight of all of the reservations in Montana, except the Flathead Reservation. He said the reservations cover about five million acres of the state and said there is a checkerboard land pattern within reservations due to trust, fee, and privately owned lands. He discussed the tribal-BIA relationship regarding compacts, saying that the tribes have the opportunity to compact any federal service. He explained that under a compact agreement, the tribe administers programs, rather than the BIA, and is bound by the same rules and guidelines as the BIA. He said tribes may also contract for individual services, such as fire suppression; and said that the Fort Belknap Tribe has contracted to do its own fire suppression.

Mr. Corbin said there is initial attack capability on each reservation and there are 31 BIA engines located through out the state. The BIA has 208 FTE for fire management activities, of which there are only 105 positions filled, due to budget constraints.

Mr. Corbin said the BIA operates the Indian crew program and that at one time, there were over 100 BIA-trained crews but that number has declined to about 35 crews today. He said the interest level is not the same as it used to be.

TAPE 5 - SIDE A

SEN. LAIBLE asked if the BIA conducts fuels reduction activities on reservations and if federal funding is used. Mr. Corbin said yes.

SEN. HANSEN asked, in the event of a fire on a reservation, if a fire crew can be called in from another reservation. Mr. Corbin said when a fire occurs on a reservation, that tribe does the initial attack, but that additional resources are called in through the dispatch center. What ever entity is at the top of the board at the center is who is called in to fight the fire.

REP. KEANE asked who manages the board at the dispatch center. Mr. Corbin said it is done by a rotation schedule. REP. KEANE asked who manages the rotation schedule. Mr. Corbin said dispatch out of Billings and Great Falls, and the Geographic Coordination Center, manage the schedule.

Dave Mason, Local Fire Chief & Volunteer firefighter, said his department has 24 volunteers and eight engines, and an annual budget of about \$60,000. Mr. Mason said the working relationships between agencies is critical and spoke very highly of the DNRC's work with his department. He said it is a true mutual aid effort and things are working very well. He said the aviation program is outstanding, as is the fire training school. He said that anything that can be done to assist firefighters on the ground would be much appreciated.

Mr. Mason said areas that need help are retention and recruitment; liability issues, subdivisions and WUI areas. Regarding subdivisions and WUI areas, Mr. Mason said structures are being built in very inappropriate places and that it is very difficult to protect these structures. He said his firefighters have risked a lot to save structures, but that they can't keep doing that because the risk keeps getting bigger.

Ken Mergenthaler, President, Montana Fire Chiefs' Association, Eastgate Fire Department, and DNRC employee, talked about different types of fire departments, saying that all types are truly at risk and that fire season lasts the entire year for local fire departments because they are on call 24 hours a day, 365 days a year.

Mr. Mergenthaler said departments have different ranges of authority and responsibilities for wildland and structure fires. Local governments are usually the first ones on the scene and that the first twenty-four hours of a fire are critical. Mutual aid is a very important component of local fire departments because of the difficulty of staffing volunteer fire departments.

Mr. Mergenthaler said he has been involved with Montana mutual aid since its inception 11 years ago. It is being used more for wildland fires than anything and is initiated to save lives and property, and without expectation of payment. The biggest help to local fire departments would be to address WUI issues. There are rules and regulations for building in flood plains, for example, but not for WUI areas, which are much more likely to face disaster.

Mr. Mergenthaler said he is very aware of the lawsuits filed over subdivision and building regulations that would help fire departments out. Any changes must occur in statute, in order to make a difference.

Mr. Mergenthaler said mutual aid with DNRC has become a very strong and usable way of doing business because DNRC understands that mutual aid goes both ways, which makes a great difference in success. He said the least expensive fires are those put out in initial attack.

Garry Williams, Central Land Office, DNRC, distributed a packet of three maps (EXHIBIT #4). He said the first map illustrates 2007 fire activity in the central part of the state. He discussed the fire protection his office provides for the various types of lands in his district, including the acreage and staff involved. He explained that the second map illustrates just the Helena unit of the district and shows all of the different agencies involved in fire protection. The third map outlines just a portion of the Helena area, and said the different colors represent the different direct protection districts. He said it is difficult, in a fire situation, to determine who is legally

responsible for direct protection on a specific piece of land; and that the strong mutual aid agreements alleviate much of the difficulty. He said there are also mutual aid agreements in place with surrounding counties. Mr. Williams said the real difficulty arises when fires go beyond initial attack.

TAPE 5 - SIDE B

Mr. Williams suggested adjusting the length of season that seasonal employees are allowed to work, and to increase the number of permanent DNRC staff. He said he has shifted employees around to maximize available manpower.

Ms. Heisel said the meeting would move to the DNRC hangar for a working lunch presentation on fire business management.

SEN. COBB asked all Committee members to provide their email address to Ms. Heisel.

LUNCH/FIRE BUSINESS MANAGEMENT PRESENTATION

- **Fire Business Management: cost recovery and agency to agency billing, cost share agreements, FEMA, and contracting**

Ann Bauchman, DNRC, discussed cost recovery and agency-to-agency billing. She said that in the past, there has been no budget for suppression, so fire costs have to be paid out of the department budget. If that amount is exceeded, the department looks to other departments or borrows from the next year's budget. A supplemental is requested when all other sources are exhausted.

Ms. Bauchman said the state will spend close to \$50 million dollars on fire suppression for the 2007 fire season, but that the total bill amount was over \$106 million. She explained how the special session funding would be allocated to cover the costs. She noted that the federal government may take up to a year to pay its share, and that the Federal Emergency Management Agency (FEMA) may take up to two years to pay.

Sue Clark, Forestry Division, DNRC, explained how cost estimates for suppression efforts are created, saying that cost estimates have been done only since 2000. She said it is very challenging to create accurate cost estimates, and that estimates are fine tuned as the fire season progresses. She said she has to project costs of fire teams and break down costs that must be shared between jurisdictions. She said many different elements are needed to balance out costs and staff is very short, so she has had to spend many weekends and evenings gathering information.

Ms. Clark said current costs total just under \$50 million, but that the amount fluctuates because cost negotiations with state and federal agencies are still ongoing.

Ms. Clark explained how her role has changed under the new cost apportionment system. She also explained how cost share agreements are used, and said that line officers do the negotiating. Costs are documented and there be rationale for decisions. Guidelines are used and reviewed throughout the incident duration, to ensure as much accuracy as possible.

Ms. Clark emphasized that costs do change as the incident changes; and that costs apportioned are documented and shared costs are sorted out. She said that six months after the 2007 fire season, costs are still being sorted.

SEN. WILLIAMS said she would like to discuss the issue of overtime at a later meeting.

SEN. COBB asked how allocation of values is assigned. Ms. Clark said the line officer decides that. SEN. COBB asked if values are determined in advance or after the fact.

Kevin Riordan gave a review of the process used to determine Forest Service costs and DNRC costs incurred by the Meriwether fire. He said, after discussing strategies and tactics, the decision was made to use a cost share formula, in order to keep it as simple as possible between the state and federal entities involved. Mr. Williams said when the fire burned in wilderness areas, the costs were allocated to the federal government, and that the DNRC was billed for state ground. He said the ICAR system was used to develop true costs.

Mr. Riordan said structure costs are another issue and it was decided to split costs on a percentage basis. SEN. LAIBLE asked what the percentage was. Mr. Riordan said it was based on the acreage that burned per day, during the cost share period. He said he strives to make it fair for all taxpayers and that while templates exist, a "cookie cutter" approach can't be used on every level and region.

REP. BOLSTAD asked what happens if the various agencies can't agree on costs. Mr. Riordan said a higher level would take over to reach agreement.

SEN. COBB asked if the initial attack definition was taken into consideration. Mr. Williams said yes, and that the definition came into play when the federal government stated that it would not suppress the fire, so the local government asked them to pay the full cost, since they refused to suppress. He said the federal agency agreed.

REP. KEANE asked if personalities affect the cost negotiations process. Mr. Williams said yes.

REP. RIPLEY asked about the aftermath of a fire, and what role local governments play. Mr. Williams said that local governments are not a major player in the negotiations process.

Pam Okon, DNRC & Jane Haker, Forest Service, said they work closely on cost sharing, and that their goal is to make the process work for everybody. They said their work continues long after the fire season because they try to analyze what needs to be changed to make next fire season more successful. They said they worked on a template for cost shares for the 2007 season and that the template had standard language, to ensure that everyone started on the same page. They said they realize that one template won't work for every situation but that it is another tool. Ms. Okon said there are three main ways to pay - you order, you pay; by acres burned; and by cost apportionment.

Ms. Haker said much progress was made this year in streamlining cost accounting methods used to bill out fires. She said she hopes, through the NRCG, to offer education about cost share methodology, and said the goal is to create equitable cost shares, and to be able to document rationale for the cost allocations.

SEN. HANSEN asked if foreign resources can be used. Ms. Okon said Canadian resources can be utilized through a compact agreement.

REP. KEANE said the contracting costs from each state are different. He asked if the same piece of equipment from differing states could be paid different rates. Ms. Okon said yes. Ms. Haker said the actual costs aren't paid until after a fire, Ms. Okon said that bids are sent out, inspections are done, and if a contractor is still in the queue, references and records are checked. Contractors that qualify are placed on a priority list and that contractors are called in the listed order by Incident Commanders.

SEN. LAIBLE asked what the percentage of contractors is from out-of-state, as opposed to in-state. Ms. Haker said she has the information and would provide it to Ms. Heisal.

Immediately following the lunch break, the Fire Suppression Interim Committee toured: the DNRC aviation facility and the Helena Interagency Dispatch Center.

The Committee reconvened at the MACo Building when the tours were completed.

PUBLIC COMMENT

Mike Dannenberg, BLM, said it is important that the Committee understand that the agency will not be able to sustain its \$3.5 million grant contribution for private lands in the future and the grant money that is available will be concentrated near BLM boundaries. The national guidelines indicate the limit will be within five miles of BLM jurisdiction.

Patty Lovaas, Beaverhead County, said Beaverhead County has set up a non profit trust account for fuel mitigation and that the organization works with landowners and others to clean up forests. She reviewed the background information relating to the trust and discussed details of how the account is administered (EXHIBIT #7).

SEN. LAIBLE asked if restoration was done on private land. Ms. Lovass said yes. SEN. LAIBLE asked why a trust was established, as opposed to other avenues. Ms. Lovaas said that a trust was the best way to manage and market the product and provided the highest level of satisfaction to those involved.

SEN. LEWIS asked about the cost per acre to do fuel reduction. Ms. Lovaas said that the merchantable timber on the land pays for the removal of the slash and burn. She said the formula is based on the dollar and that everyone involved receives a percentage of each dollar: the landowner gets 20%, the trucker and the logger get 75%, and the trust retains 5% for administrative costs. Five percent of any excess is donated to local charities and any additional remainder goes back to the landowner and trucker/logger.

SEN. LAIBLE asked what roadblocks have been encountered. Ms. Lovass said the Forest Service and BLM have been difficult to work with because the trust is bidding on projects on public lands.

REP. RIPLEY asked for the official name of the trust. Ms. Lovass said it is the Beaverhead County Public Lands Management Trust, established in 2000.

COMMITTEE BUSINESS

Ms. Heisel reminded members that subcommittee meetings will be held on January 11, 2008.

Barb Smith, Fiscal Analyst, Legislative Fiscal Division (LFD), commented that four of the five fires in cost negotiations have not yet been settled. She said would have updated numbers by the end of the week and would send them out via email when available.

Bob Harrington, DNRC, invited the Committee to attend the area managers meeting scheduled for the Colonial Hotel at 12 p.m., tomorrow (Nov. 27).

ADJOURNMENT

With no further business before the Committee, SEN. COBB adjourned the meeting. The next meeting of the Fire Suppression Interim Committee will be on January 11, 2008, in Helena.

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