



4FRI Stakeholder Group Meeting Minutes

Wednesday, January 27, 2016, 9AM-1:30PM
 Arizona Game and Fish Region 1 Office (Pinetop)
 2878 E. White Mountain Blvd., Pinetop, AZ 85935
 Teleconference line: (712) 775-7031, code: 439290611#

Either of the two current chairs may adjust to shuffle any items on the SHG Agenda to accommodate speakers, address and emerging/critical issues, make better use of the meeting time, or to meet the needs of the stakeholders themselves.

Attendance: Paul Summerfelt, Greg Smith, Pascal Berlioux, Sue Sitko, Ann DeMarco, Steve Horner, Ethan Aumack, Tom Mackin, Steve Gatewood, Kent Apostol, Bruce Greco, Tommie Martin, Rebecca Davidson, Lori Martinek, Mary Lata, Dan Kipervaser, Brie Pettit, Rebecca Davidson, Ron Klawitter, Stephen Flora, Dick Fleishman, Annette Fredette, Patti Turpin, John Buehler, Rob Davis, Andy Cuevas, Tanya Owens, Tom Klimas, David Dorum, Gayle Richardson, Jay Smith, Keith Pajkos, Bob Buchingham, Karen Warnick, Stephen Reidhead, Tom Holl, Randy Fuller, Diane Vosick, Austin Otto, Allen Otto, Tiffany Woods, Jerry Payne, Brad Worsley, Karen Durant, Jason Rosamond, Maya Minkova, Debbie Cress, Lynn Krigbaum, Steve Rosenstock, Travis Woolley

On the Phone: Buck Swaney, Brad Powell, Bob Seidler, Paul Watson, Emery Cohen, Audrey Owens, Amy Waltz, Jessica Gist, Jason Whiting, Todd Schulke, Anne Mottek-Lucas

9:05 Approve minutes from the November 18th SHG meeting — Summerfelt

Wait to approve until next month.

9:10 Review action items from the November 18th SHG meeting — Smith

Action Item	Lead	Status
1. Post revised T&E Presentation	Woods	Complete
2. Post updated recommendation table , including draft strategy for carrying forward 1 st EIS Objection/Resolution agreement	Berlioux	Complete
3. Post future work group meeting (location, time, etc.) information on BASECAMP	All Workgroups	
4. Charter Review Discussion at next SC Call	Steering Committee	Complete
5. Discussion on potential SHG position on Grazing	Steering Committee	February SC Call

9:20 Call to the Public – Summerfelt

No comments, however, the co-chairs introduced the working outline of new guidelines (recommended by the Steering Committee) for the Call to the Public section of the meeting.

1. Please limit presentations to 3 minutes

2. Direct comments to the SHG at large
3. No action would be taken at the current meeting
4. The SHG can elect to address an issue at a future meeting

These guidelines are not intending to stifle the public from commenting and they are still in the process of being revised.

9:30 Good Earth Power Arizona (GEPAZ) Update – Jason Rosamond

Quick snap shot of 2015: GEP began to ramp up the number of acres thinned in the third quarter (Q3) and in Q4 they treated 1349 acres. The total product of 133,000 tons was moved out of the forest in 2015 and the average haul (load per load) was 190 miles. They currently have 6 feller bunchers, 9 skidders, 4 processors, 4 log loaders, and 3 chippers and grinders. 146 people are directly employed by GEP and approximately an additional 59 are indirectly employed by them. The final three major highlights of 2015 including the signing of a multi-year agreement with International Forest Products (IFP), where they have presold all of their products to IFP for the duration of the project, establishing a partnership with Otto Trucking, and the design of the Flagship Mill in Coconino County.

For operations in the forest they have established working circles in Flagstaff, Williams, and Payson. The Payson working circle is running 9 months out of the year and the Flagstaff and Williams working circles are set to run year-round, minus temporary closures as a result of winter weather conditions. These working circles have allowed them to triple their forest capacity.

Some of the challenges they faced in 2015 include: Equipment lead times, staffing challenges, supply chain failures (this won't be a long-term issue), and biomass.

Update on existing mills (Lumberjack and Williams): 2 pole peelers and a plating facility became operational at Lumberjack in 2015, but GEPAZ plans to continue to invest in this facility in 2016. A resaw and slabber are some of the equipment that will be added to Lumberjack this quarter and they forecast that it will increase production by 120% per shift. For Williams they are investing in retrofitting their canter, which is currently geared for 12 inch diameter logs or smaller, and they have put up chip bins. Retrofitting their canter is expected to triple production (based on information provided by other mills) and allow them to take up to 15 inch diameter logs. Total investments in existing mills in 2016 is about 4.3 million, this includes the addition of a bagging(s) line that will be up and running in April.

Forest equipment investment is estimated to be 9.75 million dollars and is targeted to improve their three working circles. They also estimate that an additional 10.7 million will need to be invested in trucking infrastructure, however, the amount GEP invests in this section is dependent on the investments made by their trucking partners.

Flagship Mill: They expect to invest 80 million in the Flagship Mill. They have been working with the mill constructor and the saw configuration is being determined by the forest data provided by the Forest Service. Expected completion date is May 2017 and the mill expected to process 300,000,000 bdf per year with an average tree diameter of 13 inches. This is a long process because it takes about 8 months to manufacture the saws. Once the Flagship Mill is completed it will need 240 loads per day amounting to an additional 27,000 acres treated per year.

Staffing: A primary concern of GEPAZ is being able to obtain skilled employees for their 2016/2017 needs. They are currently working to find ways to invest in programs that would supply them with the needed workforce.

2016 Forecast: GEPAZ provided conservative estimates, especially for Q1 as a result of winter weather conditions. Total they expect to treat 20,000-22,000 acres (based on a run rate of 5,000 acres x 4 quarters) amounting to 823 tons of product. They have a total staff of 366, with 126 indirectly employed by partner trucking industries.

Questions:

Worsely: What are you going to do with all of the biomass that is generated once the large mill is running? Short-term: they plan to bag it then ship it out, by rail, to various destinations. Products will depend on markets, but they are working with IFP on an integrated biomass plan for 2017 onwards.

Warning: Will you make this presentation available to the public? They are going to take important excerpts and integrate it in their newsletter or on their website.

Berlioux: It is the fourth year of the project and only 5,000 acres have been treated. What are your projects for the last few years of the contract that would allow you to thin the 300,000 acres? The run rate for 2016 is 22,000, once the Flagship Mill is running they will increase their run rate by an additional 27,000 acres. They do realize that they would need an additional 6,000 acres per year to be treated and they are working with their partners to ensure that they reach the 316,000 acres listed in the contract.

Payne: The region, historically, (Arizona and New Mexico) managed to process 300,000,000 bdf per year. Are you confident that the supply is going to be there long-term? The 300,000,000 bdf per year is between two shifts. Once the contract is over they would scale down to one shift, if that, but they believe the pay back would be more than sufficient to pay off the mill within 5 years.

Cohen: Current run rate of Williams Mill? 3 logs per minute which is about 40,000 bdf per shift.

Aumack: At what point in the year should we be concerned when your ramp-up isn't happening as projected? Difficult question to answer because they are concerned every day, but they have the capacity to beat that number today.

Berlioux: You plan to thin 16,000 acres in 2016 and until the Flagship mill comes online where will the wood go? All poles and large logs go to Lumberjack, the smaller diameter logs will go to Williams, and they have pre-sold 102 loads of Biomass per day. They aren't worried about the biomass this year because they have already sold it and all logs can be housed between their two facilities.

Allen Otto from Otto Trucking wanted to give some appreciation to Jason Rosamond from GEPAZ. Even though they did not start out on the best-of-terms, he recognizes his dedication. There are constant roadblocks, but Jason does not give up and as a result Otto Trucking is dedicated to this effort as well.

10:00 Stakeholder Disclosures and Announcements – Smith

Berlioux: Eastern Arizona Counties (ECO) has been working with Forest Service to extend the Burro Stewardship Agreement. It is going to be extended for one year, until the end of November 2016.

Davidson: SRP is working with Channel 8 PBS on a documentary that is based on the 14 minute film debuted at the Healthy Forests, Vibrant Economy Conference. It is expected to air in May and they will have screening around Arizona.

Payne: Arizona State Forestry (AZSF). 1. Re-write of Arizona State Forest Action Plan, they will be sending out invitations for input in the near future. 2. On February 15th the PONSI group will be coming in to complete a woodlands harvest demonstration to see if they can efficiently and economically thin sites (Pinyon-Juniper) around the Paulden area. 3. AZSF is working with the Forest Service to develop a significant supply assessment across Northern Arizona. This is to complete a long-term analysis based on questions presented by local industry. 4. EPA Clean Energy Plan, the rule is set to reduce carbon footprint in fossil fuels. AZSF did submit comments to the plan. The comments and upcoming meeting information is available on BASECAMP.

Action Item: Post AZSF comments and upcoming AZDEQ Clean Power Plan Meeting information on BASECAMP

Smith: Last week Greg Smith attended a meeting with all of the mayors and council members from Apache and Navajo Counties, it was also attended by the legislative liaisons for McCain, Flake and Kirkpatrick. Businesses that have been closed down as a result of a lack of timber were discussed, specifically that help is required from the top-down in Washington D.C.

10:10 Charter Revision Update – Swaney

Charter revision group members have gone through the charter individually, but there have been no workgroup meetings. Progress on the charter will continue once a decision has been made concerning the Facilitation Contract with the Forest Service. This will determine if Buck will continue to lead the revisions or assist in a transition to a new facilitator.

10:20 Update on chair rotation and review/time-table of plan moving forward – Summerfelt

Paul Summerfelt will continue to serve as the hot chair co-chair until the end of April. Greg Smith will become the hot chair co-chair in May, he is currently the cold seat co-chair. They plan to build out a rotation at coming SC calls as multiple stakeholders have voiced interest in serving as co-chairs.

10:30 USFS Update – Fredette/Fleishman

- Rim Country EIS Planning update

The Forest Service is working on existing conditions while still gathering data and are in the process of drafting the proposed action. They request to present the proposed action at the April SHG meeting and that the SHG host or co-host a public meeting in April.

- Facilitation Update

The Forest Service is continuing to work through contracting process. They have not, yet, awarded the contract

- Operations update:

They were able to continue operations throughout the winter, but once it starts to thaw they might have to shut down until the spring. Productivity is dependent on ground conditions.

Patti Turpin (on behalf of Heather Provinceo) shared that the Forest Service did receive additional funding from the Washington Office for the ramp-up effort to get restoration on the ground and are currently in the process of hiring to increase capacity. John Buehler added that Scott Russell has been selected as the “lead” person representing the 4 forest supervisors and 3 deputies as they are trying to implement a more efficient business model.

Vosick Question: In the past, there have been some glitches in communication when going from the forest to the region. Will Scott’s position add to this complexity or help smooth the line of communication? The current re-organization is aimed to improve these communication lines and have more regional office involvement with the SHG. Please share any input on potential improvements with the forest supervisors or Scott.

Krigbaum: What is the dollar figure for the additional funds and will it be distributed to all four forests? Yes, the funding will be distributed across all four forests to increase capacity, however, they won’t know the exact dollar figure until they receive it.

Action Item: Continue discussion about hosting/co-hosting public meeting in April for the proposed action

11:00 Presentation on the Preponderance of Large Young Trees – 4FRI ID Team

The presentation and handout on the Preponderance of Large Young Trees (PLYT) are available on BASECAMP. The handout fully covers the history of the Large Tree Retention Strategy, including the objection/resolution process. For the second EIS the Forest Service would like the SHG to reach consensus and they recognize that the modifications in the draft and final records of decision (RODs) were not vetted by the entire SHG for the first EIS. They also believe the criteria used for the first EIS will not apply well to the Rim Country area. This presentation is intended to start that conversation and revisit the formula to see if it could be applied going forward.

Summerfelt: What is the timeframe? This discussion does not affect the analysis conducted by the Forest Service, but they would like to know up-front about areas that could be evaluated for different prescriptions as long as it is within the context of the forest plans.

Vosick: How many acres need to be discussed and can we get a base map so that we know what areas we are talking about? There is about 185,000 acres that fall under this formula. If we establish new rules we can do a search of the dataset and go examine the site.

Waltz: How are you going to use LiDAR data? When you say that you are incorporating things in the second EIS from the first EIS, you are including items that were not collaboratively signed off on? The LTRS focused on ecological objectives, VSS is not based on the ecological description of these stands, are you following GTR 310? LiDAR is an excellent resource and is very good at pulling out canopy cover, but it can’t see species or diameters. It can be used to back up the stand data. Vegetation Structural Stage (VSS) isn’t exactly an ideal metric, coming into the new plan VSS will not be used. This is a discussion we could have. They will be reviewing the ecological objectives and only the items that were agreed upon (by the SHG) and can apply to the new boundary area will be carried forward. Things will be different in the Rim Country EIS from the first EIS.

It was agreed that the Forest Service needs to provide the data (potential GIS presentation) and then get the SHG into the field, in the spirit of adaptive management, because this would be a better field discussion.

Plan for moving forward:

1. Maps and dataset from the Forest Service. Working to pare down dataset down to metrics that we need with shapefiles.
2. Field trip(s) to get on the ground for the end of April or June, dependent on weather conditions.
3. The issue will be addressed by the Planning Workgroup, and they will provide recommendations to the SHG.

Action Item: Plan field trip(s) to view LTRS on the ground

Action Item: Planning group revisit PLYT/LTRS and announce upcoming meetings on BASECAMP

12:00 4FRI Complaint – USFS & 4FRI Speaking Points – Smith

- USFS Update and Approach – Fredette/Pettit

Stephen Dewhurst filed a complaint on the first EIS and the FS cannot comment on items in litigation. The complaint has been served and they are working on a response. Nothing in the current complaint that will prevent them from moving forward. The case file is public record – Case 3:15-cv-08265-NVW. Additional questions need to be directed to the Attorney General.

- SHG Position and Talking Points – Sitko

The SHG reviewed talking points that were drafted by the Communications Working Group. Some minor revisions were suggested and the finalized version is available for view on BASECAMP and 4fri.org.

Action Item: Post revised complaint talking points to BASECAMP and 4fri.org

12:15 Working Group Updates & Reports

- Industry Work Group - Worsley
 - Dashboard Presentation – Present at February SHG meeting.

The Industry Work Group is looking at the acres that are available vs available capacity. They want to determine where acres are and where they are needed. Incorporating non-mechanical thinning is difficult, unless the data is provided it will not be considered in the dashboard. A more in-depth presentation will be given at the February SHG meeting.

- Planning Work Group – Berlioux

The Planning Work Group is working on two tracks, ecological and the socioeconomic. They are working with the Forest Service and will be reaching out to the MPMB and the Industry Work Group for assistance to review these (or develop) desired conditions.

- Communications Work Group – Davidson/Sitko
 - January 2016 Newsletter

The finalized January Newsletter has been posted on BASECAMP and 4fri.org. The next newsletter is set to be released in April. Email ideas to Rebecca and Sue.

- Multi-Party Monitoring Board – Woolley

The MPMB is closing out 2015 pre-treatment monitoring and ramping up planning for 2016 efforts. They will give a 20 minute presentation at the February SHG meeting to review what they have completed to date. They are working with the Grand Canyon Trust on hiring/organizing a citizen science monitoring program

- Coconino County Community Initiative Grant Award

The Coconino County Board of Supervisors awarded GFFP with a community initiative grant (\$3,422.00). They will use the funds to develop contractor reporting forms. They have hired a NAU School of Forestry student and they hope to start collecting data at the beginning of 2017. They will have more details on this in February and would be a good item to highlight in the 4FRI Newsletter. The MPMB will be looking for additional funding in the spring of 2017.

1:15 Review Action Items

Action Item	Lead	Status
1. Distribute Arizona State Forestry comments for the EPA Clean Energy Plan	Payne/Woods	Complete
2. Planning for public meeting in April that is to be hosted or cohosted by the SHG	Fredette/Steering Committee	
3. Plan field trip(s) to view LTRS on the ground	Steering Committee	
4. Planning Work Group revisit PLYT/LTRS and announce upcoming meetings on BASECAMP	Planning Work Group	
5. Post revised complaint talking points to BASECAMP and 4fri.org	Communications Working Group/Woods	Complete
6. Dashboard Presentation at February SHG meeting	Industry Workgroup	In Progress
7. Post January Newsletter to 4FRI public site	Woods	Complete
8. MPMB Presentation at February SHG meeting	MPMB	In Progress
9. PLYT/LTRS dataset on web	FS	