



4FRI Stakeholder Group Meeting

Wednesday, February 22nd, 2017, 9AM-12:30
City of Show Low – Deuces Conference Room
180 N. 9th Street Show Low, AZ 85901

Teleconference line: (712) 775-7031, code: 439290611#

Attendance: Bryce Esch, Diane Vosick, Nate Rees, Joe Miller, Travis Bruner, Henry Provencio, Chris Fur, Brad Worsley, Steve Gatewood, Annette Fredette, Patrick Moore, Andy Cuevas, Ann Anderson, Brienne Petit, Bruce Greco, Matt Cole, Patrick Rappold, Randy Fuller, Jami Clark, Steve Reidhead, Lynn Krigbaum, Bob Vahle, Sue Sitko, Chris Pringle, Bruce Hallin, Steve Horner, Jason Whiting, Pascal Berlioux, Paul Watson

Phone-in: Jeff Parks, Paul Summerfelt, Michele Ralston, Art Babbot, Tom Mackin, Steve Rosenstock, Keith Pajkos, Aaron Green, Jim Parks, Jay Smith, Neil Chapman, Travis Woolley, Kelly Wolf-Krauter, Wade Ward, Ann Mottek, Allison Jourden

9:05 Approve minutes from the January 25th SHG meeting — Whiting – Approved

9:10 Review action items from the January 25th SHG meeting — Whiting

Action Item	Lead	Status
1. Send out poll to gauge interest in attendance and involvement in upcoming DC trip	Vosick	Done
2. FS to work with SC to discuss dates and times to hold public workshop on preliminary Alternatives	Fredette	In process
3. AZGFD to provide data layers to ID team	Kelly Wolff-Krauter	In process
4. Post meeting presentations on BC	Jourden	Done
5. Industry round-table discussion on contracting topics for 2 nd EIS	IWG	In process

9:15 Call to the Public

Krigbaum, L. - On June 10th at 10AM at the Nature Center in Pinetop, Lakeside, the White Mountain Nature Center is hosting a "Forest Day," which will present forest products, industry presentations, and 4FRI presentations to all who are interested in attending.

9:20 USFS Update – 4FRI Board, Coordinators

Operations Update: Zero acres were thinned in the month of Feb., due to weather and wet ground, which is standard for this time of year. Dick Fleishman is planning to host an Operator's session between the FS and timber operators, so Dick will be providing updates on that soon, probably via Basecamp.

Provencio, H. – Dick is working on coordinating with grants and contracting folks to put on a stewardship-agreement training, that stakeholders will be invited to attend. Once a date for this training is solidified, stakeholders will be notified. The FS is working with Pascal, the ERI, and other stakeholders to develop a strategy to issue a contract this year. They're trying to meet with innovative members of the agency that can provide advice on creating the best possible requests for proposals and information. They're also in coordination with TNC to get the 20k acre / 4-year stewardship agreement out. Their proposal for this has been recently approved by the regional forester. The master stewardship agreement will hopefully be getting final signatures this week.

Scott has recently met with regional leadership where he shared the 4FRI newsletter, and it was very well received. The Washington office is getting ready to give Representative O'Halleran a briefing on what 4FRI is up to, this week, and they'll be presenting the newsletter there.

Fredette, A. – The planning team is working on further developing the key issues and drafting the preliminary alternatives. April 10th-13th and April 18th-20th appear to be the best dates for the FS to hold their public workshops to develop alternatives. The goal of these workshops is to rally feedback and support on the design and development of the preliminary alternatives, to hopefully determine how well the alternatives address the identified key issues. They're still discussing the key issues with their regional office so there might be changes that occur there.

Sitko – Locations discussed for these PWS are Showlow and Pinetop. The SC agreed that stronger outreach is necessary to garner support and attendance at these public workshops. Sue proposes the idea of working with a 3rd location to hold these workshops but it's decided by the group that two locations is enough.

9:45 SRP Biomass Test Presentation – Hallin & Pringle, SRP

Hallin, B. – Why SRP is working with biomass?

If SRP is able to start utilizing and treating biomass material at the Coronado Generating station, they won't be able to process all of it. This will only be a partial solution to the biomass issue. Other options in processing this material require investigation.

SRP is now heavily focused on implementation of forest restoration. They're looking at burning biomass at the power plant, though biomass is not a fuel of choice and is very expensive, to address at least a part of the biomass supply in an effort to forward the ecological restoration of these forests, and ultimately to protect the watersheds that feed the Phoenix Metropolitan area. Hopefully their work with the biomass supply can speed-up treatments on the first EIS, so that the 50k-acre goal can be met.

SRP controls 7 reservoirs. CC Cragin reservoir is currently at maximum capacity and the Roosevelt reservoir is approaching 80% capacity. These reservoirs provide water for rural AZ and the Salt River Project. The Verde reservoir is also at full capacity. The watershed is currently so full that any rain that falls on it becomes run-off.

To perform this biomass test burn, SRP received biomass from the Flagstaff area. With the help of Campbell Global, they worked on identifying optimal sources of biomass. They were looking for sites with availability and reliability of the material. They estimated needing about 4,000 tons of material with a low-moisture content, and they received this at no cost. Once the material was located, Perkins Timber harvested it and Landstar Trucking performed the transportation. The largest cost for this endeavor is comprised of transportation costs.

Pringle, C. – Implementation of Biomass Test Project

The boilers burning these materials are used to burning finely ground coal that's similar to the consistency of talcum powder. Burning Biomass requires these boilers to burn larger-sized materials, and therefore, to work harder. Processing the biomass materials into pieces that were small enough to burn was a challenge. Pringle was required to develop a specialized machine process to handle these materials.

The unit was successful at burning 2% biomass but could not handle burning 5% biomass. In the end, 2600 tons of biomass was burned in this test.

They would like to better understand the long term costs of an operation like this, as well as exactly how the different elements of the machines processing the material are handling the change. Additional testing is necessary to determine long-term operations and capacity.

Worsley - Consistent output of energy requires a homogeneous fuel source. Novo Power has built a crude fireplace that allows them to deal with this heterogeneous biomass source. It's able to handle the difficulties associated with processing biomass.

Pascal –SRP work with this doesn't make business sense from the perspective of a coal burning station. It makes sense from the idea of helping dispose of the biomass liability. What SRP is doing deserves recognition and appreciation as they're figuring out how to dispose of this waste. They're going above and beyond their mission in Arizona..

10:10 Break

10:20 Self-Assessment Survey, Overview – Esch, ERI

In the past, a 4FRI facilitator has managed the development, analysis and delivery of the self-assessment survey. ERI has taken the role in delivering the data, in the absence of a facilitator. There were 22 participants in the survey this year.

Results - People seem less enthusiastic about the current revolving co-chair system. The survey shows that working groups require more participation and activity. Most people in the group are comfortable voicing their opinions in the group, but some feel that not all voices are often heard and that discussions are sometimes dominated by a few during SHG meetings. The SHG has made significant progress in moving projects forward this last year, according to the survey. A lot of people think our progress and efficiency is currently good but some disagree. Most SHs feel that there's more trust in the group now than there was in previous years, and a large margin of SHG members feel communication from the FS has been satisfactory. Concerning our ability to communicate the need for forest restoration to the public, opinions on effectiveness are mixed.

In summary, the goal of the group for 2017 is to work together efficiently to achieve implementation of the first EIS and to further the development of the 2nd EIS. Summerfelt – This is the 5th survey done since 2011. Has the number of respondents increased? Participation in the first 2 years of the survey were better than it's been since.

10:35 CC Cragin Economic Analysis Presentation – Horner

About a year ago CG was approached by the National Forest Foundation, SRP, and the town of Payson to talk about the proposed alternative that the FS was working on for Cragin watershed, and to do some work that would ultimately aid in implementation of the project.

A central part of the 4FRI region sits the Cragin watershed. CG analyzed the mechanical thinning that was proposed (38,000 acres of mechanical treatment). The objective of their analysis was to establish the economic results of the proposed action. They're looking to forecast the project timing as well as what level of workforce is necessary for its completion, and to figure out the wood-flow possible from this project and determine industry capacity needs. CG worked to determine potential cost savings in implementation and to determine how to facilitate implementation planning. How can we prepare as much as possible in advance so that operations can hit the ground running once these decisions are made?

They lacked information on the base inventory data from the FS. They embarked on an independent inventory effort on the watershed to develop definable metrics for the inventory. They used LiDAR data, collected field plots, conducted stand stratification, and they used that to determine what the yield would be (1.3 million tons, and avg. of 35 tons / acre). The majority of log material was comprised of logs with less than 12 inches in diameter.

They developed a road network to determine what the haul-times were from the Cragin watershed to various potential markets in the area, and developed a map. The time it takes to transport this product to these various locations is between 2-4 hours spent hauling. This can be used to estimate haul costs.

They develop an idea of how the sequencing and harvesting progressed across the watershed. They suggest that perhaps it makes sense to treat those areas in the SW portion of the watershed and progress toward the NE due to prevailing winds.

There's a need to determine what the costs and values are for the various elements of this project: logging side costs, transportation costs, which products will each destination accept, can the existing markets absorb the resulting products from the CC Cragin project?

The project can produce significant jobs in logging, milling, and trucking. There's a max. annual employment of about 100 FTE for the first 3 scenarios, and payroll impacts are about \$20-25 million.

There are not a lot of factors that will move the cost needle. We can potentially move logging costs by 10-15%. When looking at transportation, they've considered the idea of drying the biomass material before it's hauled, which could make transportation more efficient.

Not suggesting we chase cost savings at the expense of treatment objectives. Processing yards have been proven in certain situations to add value and help with forest restoration projects, in small diameters in particular.

Their next steps are to create high-grade data that's required to initiate investment in this project. They think the data sets need improvement before they're made available to potential contractors. There can be more work done in treatment area optimization.

11:05 Working Group Updates – All

- Planning WG (15 min) – Berlioux

SPLYT Field trip – March 3rd. This is on standby until the group knows whether the Center for BioDiversity can attend.

- Industry WG (10 min) – Worsley

The IWG is working to do the round-table discussion with the FS. By March they're planning on presenting a simpler dashboard to the group.

- Communications WG (15 min) – Sitko
 - Ideas for April Newsletter

List: Information on the biomass experiment at Coronado, Write-up on the public workshops, Information on how we're thinking about the next contract with the 1st EIS, Blurb on the upcoming DC visit, Industry round-table information (dashboard?), Optimization work being done, Outline of the proposed draft alternatives tied into the result of the first public meeting, Harvesting methods open-house (calendar item), Forest Day (calendar item). For July – Paul suggests that the entire newsletter be devoted to the idea that various city councils have put together their own lists of objectives. It would be interesting to look at those and determine how 4FRI has inadvertently addressed some of those municipal goals.

- MPMB WG (10 min) – Esch

The group is wrapping-up their work on FY 17 planning. They're analyzing their budget and determining how much money goes to repeated activities and how much extra funds are available to take on some additional water and economic monitoring. They'll reach out to Fish and Wildlife contacts to report back on MSO monitoring.

- Comprehensive Implementation WG (10min) – Bruner

The t-six spring restoration pilot-project is coming together. The Game and Fish Dept. has provided Funding toward the design of the project. The FS has completed the archeological survey. Before the next SHG meeting, Travis hopes to have updates on additional projects.

12:05 Stakeholder Disclosures – All

Worsley – A strategic change occurred at novo power that they're trying to preserve biomass capacity at the facility where they can also procure logs.

Vosick – Reminder that they're meeting at Cattleman's to review the minutes from their recent conference call, to identify which items they would like to work into the fact sheet they'll bring to DC.

Vosick - Received a call from Congressman O'Halleran looking for insights into 4FRI. It was upsetting to find that they've heard rumors of 4FRI's not doing very well. Diane tried to provide information to the Congressman from the ERI perspective, and to paint a picture that this project has had a ton of challenges but that the projects capacity is working through them. We should work to play the cards that show we're a very innovative group, with various strong minds, because that's how we want DC to see us. It's determined in the charter that if a Stakeholder wishes to share a personal opinion of the group, they're required to disclose that it's a personal opinion, and does not represent the ideas of the group as a whole. SHs should take care concerning what image they're painting of 4FRI.

Vosick – ERI will be visiting DC and presenting to representatives a brown-bag of information regarding the optimization work that's been done.

Pascal – Next week is the National County Convention in DC. Every county in the US will be in attendance. They will use the opportunity to hold congressional visits with multiple representatives. Pascal brings up the fact that many identify GEP's current issues as 4FRI issues.

Joe Miller – Thursday, April, 27th, Trout Unlimited is co-sponsoring with the AZ Game and Fish Dept., a Trout Conference at the AZGF headquarters in Phoenix. In the past, there's been representation in some form from 4FRI that attends and gives a presentation.

Michelle Ralston – Does a written communications protocol for congressional outreach exist? Yes, it's stated in the group's charter and can be found online at 4fri.org.

12:10 Review Action Items

Action Item	Lead	Status
1. Sending out preliminary alternatives for the Public Workshops	Fredette	
2. Finalizing the dates and locations and publicizing for the Public Workshops	Fredette	
3. SHG develop ideas to garner stronger attendance at the upcoming public workshops	SHG	

12:20 Adjourn

03/22/17 SHG meeting information:

Wednesday, March 22, 2016, 9AM-TBD
 Coconino National Forest Supervisor's Office
 1824 South Thompson St., Flagstaff, AZ 86001
 Teleconference line: (712) 775-7031, code: 439290611#

Future Agenda Items:

1. Industry Economics around Restoration USFS & AZSF
2. USFWS update on MSO monitoring/planning