



4FRI Stakeholder Group Meeting Notes
 June 27, 2012
 Pinetop, Arizona

**AZ Game & Fish Department Office, 2878 East White Mountain Blvd., Pinetop, AZ, Call In Number: 877/686-0400 ~
 Passcode: 774-7488-215 Attending by phone: Jacki Banks, Forest Service (USFS)**

I. Key Decisions Made at this Meeting

<p>1. Approved minutes of May 16, 2012 4FRI Stakeholder Group meeting (as amended correcting the number of 4FRI approved projects from 143 to 142).</p>
<p>2. Decisions regarding a Lessons Learned Session on the First Analysis Area:</p> <ul style="list-style-type: none"> • The Landscape Assessment and Monitoring Work Group (LAM) will develop and administer a survey to get stakeholder feedback (expanded). • The LAM will develop separate questions for the USFS Interdisciplinary (ID) team and the stakeholder group. • The LAM will then collect the survey results and analyze for emerging themes and issues. • The LAM and 4FRI ID Team will meet to discuss results. • The outcomes will be presented to the larger stakeholder group at a monthly 4FRI meeting for further discussion.
<p>3. Decisions regarding CFLRP Letter:</p> <ul style="list-style-type: none"> • Since there is new information regarding the McCracken project, the letter will be revised to remove McCracken so the letter can be sent to Corbin Newman, Regional Forester. Diane will post the letter by Friday (6/29) on Basecamp and it will remain up for one week for review. • The McCracken project will be revisited in July by the stakeholder group. • Rob will send Diane language regarding the Timber Mesa project economics concern.
<p>4. Decisions regarding Rim Lakes Letter:</p> <ul style="list-style-type: none"> • Marcus will revise the letter with the suggestions offered by the 4FRI group during this meeting. • The Steering Committee will post the letter on Basecamp by Friday (6/29) for one week for stakeholder review and comments. This is <i>very</i> time sensitive.
<p>5. Decisions regarding revisions to the Charter:</p> <ul style="list-style-type: none"> • All revisions that have been made will be accepted. • Windy will be the coordinator of changes to the Charter. Please send revisions for stakeholder review and approval prior to the October stakeholder meeting. • Windy will review the decision rules matrix as part of the Charter revisions and will develop a proposal for the July stakeholder meeting.
<p>6. Decisions regarding Contractor Selection</p> <ul style="list-style-type: none"> • Pioneer will look into releasing the contract to the public. • Add “Pioneer Update” to monthly 4FRI stakeholder meeting.

II. **Call to the Public:** none

III. **Updates from Stakeholders**

- **Payment for Watershed Services Activities**

- There have been meetings with city staff members and a presentation was given last night to city council for consideration of putting watershed services on the ballot for July 17. This would help to get additional funding for difficult acres around Flagstaff that are currently not slated under 4FRI. There's now room in the bonding authority to designate some funds for treatment of those acres as a water issue. The city council was very responsive to this information. The city council will be voting on July 17 to determine if this goes to the voters on the public ballot.

- **Arizona Forest and Watershed Restoration Fund**

- This is an effort by collaborators from across the state that are working on various restoration projects to work with the National Forest Foundation (NFF) and partner with utilities and other businesses across the state to develop a statewide restoration fund. A draft Request for Proposals (RFP) has been developed to distribute money to projects out of this fund once it is developed. This group is also working toward to securing inputs for the fund. Salt River project (SRP) has been the forefront of the effort and Arizona Public Service (APS) utility company has been contacted to get their participation.

- **Treasured Landscapes**

- NFF took stakeholder recommendations on which part of the 4FRI landscape should be considered to become part of their treasured landscapes program, but have not completely determined if they are working with the national forests yet. However, they are honing in on Hart Prairie as the potential treasured landscape. They are going to begin seeking funds from larger industries in the state to build funding (1.4 million) to move forward with this effort.

- **Stakeholder Disclosures**

- Sue Sitko, The Nature Conservancy (TNC), has been evaluating what TNC can do to help move 4FRI forward. The director, Pat Graham, has put together a concept for workforce training and has begun an outreach effort to gain momentum. They are at the point now of convening a workshop on Thursday, August 2nd in Flagstaff to get all interested parties involved. Details will be forthcoming.
- Diane Vosick, Ecological Restoration Institute (ERI), points out that the Center for Biological Diversity (CBD) has issued a Freedom of Information Act (FOIA) request to the USFS regarding all communications between ERI and the USFS. Diane requests that CBD remove their FOIA request.
 - Taylor McKinnon, CBD, states that the FOIA request will not be removed as this request has no bearing on 4FRI. It is focused on Forest Plan Revisions to seek information about four projects in Region 3 that are potentially going to log Old Growth.
 - Steve Gatewood, Greater Flagstaff Forest Partnership (GFFP), states that issues relating to forest planning directly affect 4FRI. This conversation will be more fitting under the Charter accountability discussion later in the agenda where the group will discuss these types of requests and if they should be made known to the stakeholder group before they are released.
- Taylor McKinnon, CBD, has also issued a FOIA request to the USFS regarding the contract that was awarded to Pioneer for thinning activity on 4FRI, including the bidding process and the analysis and evaluation of proposals that led to the contractor award.

- Sarah Reif, Arizona Game and Fish (AZGF), Diane Vosick (ERI) and Henry Provencio (USFS) recently presented at the lunchtime speaker series at AZGF. The presentation was to a crowd of people who did not know about 4FRI and they were very receptive to the information.
- Marcus Selig Grand Canyon Trust (GCT) has been working with a group of students who will be hosting a workshop on August 1st at Northern Arizona University (NAU) to discuss carbon credits in forest restoration to build funding.

IV. Update from the Forest Service - Henry Provencio

- **Canopy Cover Discussions:** There was a meeting with AZGF, CBD, Sierra Club, Grand Canyon Trust (GCT), the USFS ID Team and USFS Region 3 to get clarification on canopy cover issues. The Draft Environmental Impact Statement (DEIS) will have more detail incorporated into it regarding canopy cover based on the discussion of this meeting, including how and where measurement of canopy cover would occur, legal sideboards, implementation strategies, metrics being used, etc. The notes have been published on the USFS website and will be posted on Basecamp.
- **DEIS Status:** The USFS is trying to compile the chapters of the document right now to get the chapters ready for Region 3 office review as standard procedure. There have been a series of delays that involve aligning all of the reports with all the numbers; ensuring the Best Management Practices (BMPs) for all resource areas are not conflicting. Once these reports are sent to the Regional Office they will be available for anyone to see on the USFS website including:
 - Modified Large Tree Retention Strategy, Alternative C
 - Scoping Content Analysis Report
 The DEIS will not be released in July. The USFS is not sure when it will be released. Updates will follow.
- **4FRI Facilitation:** The RFP for potential facilitators will be issued by the USFS, rather than the U.S. Institute for Environmental Conflict Resolution (USIECR) in order to reach individuals who are not qualified to be on the USIECR roster of practitioners. The USFS expects the process will be mostly the same as it was in the past. The USFS will be working with the steering committee and facilitator selection will be considered a consultative decision, with the USFS having the ultimate decision making authority. The USFS would like to continue to revise the RFP developed by USIECR and intends to issue it in July. On the next Steering Committee call, the group will discuss how the Stakeholders will contribute funding for facilitation of the upcoming year.
- **Post Contract Award issues:** The USFS website will post documents that have been the subject of FOIA requests. There have been more requests than just those by CBD so the USFS is placing as much information as possible on the website for everyone to see. However, many of these documents will be highly redacted and it may be worth exploring other entities, such as Pioneer, releasing this information.

V. Pioneer Associates Presentation & Discussion – Herman Hauck, Marlin Johnson, Mike Cooley

Pioneer Associates gave a presentation on the company to the 4FRI group. The following questions were asked as follow up:

- *What kind of water usage to you expect?*
 - Water usage needs for the facility will be mostly for domestic employee use and for steam boilers (very little). There may be a requirement from the town of Winslow for a standalone water tower in case of emergency. There is no water used in production of the product.
- *Is everything going to chips and is it separated into clean/dirty?*
 - It will not be separated; slash will be road side chipped and logs will be bucked in the woods. There is not a market for clean chips.
- *Biomass is a concern in that if it fails and slash is left in the woods it would increase fire danger even more. How are you dealing with biomass and the removal of slash?*

- Pioneer has developed a plan with USFS that if biomass fails, Pioneer will eat the cost of piling the slash and the USFS will have to revisit the sites for removal. Pioneer will make every effort to get it out of there.
- Pioneer anticipates partnering with Snowflake power for removal.
- Backup plans for biomass technology failure include a cogeneration facility.
- *What happens to the wood used for biofuel? Does anything else come of it?*
 - Bio-char is sold to the market which is used for mixing with soils to retain moisture. The bio-char market is good right now.
- *What is the timeline?*
 - 6 month pre-prep period to get organized financially (5 months left)
 - End of the year, we start activity-development of the site
 - Month 8 is when the sawmill will start
 - Month 11 kiln drying
 - Month 13 first phase of finger joining operation
 - Biodiesel will be about 4 months behind our schedule (month 17-18)(2 years from now)
 - We expect to be fully operational in 17 months
- *Where will you recruit 600 employees?*
 - It will be a ramp up. Month number one we will need approximately 30 employees. Pioneer on-site construction company will employ 10-20 people. Larger employment will be drawn from the prison, and in the general area (Flagstaff). There will be trade fairs and a shuttle service available from nearby areas. Housing is a concern in Winslow; shuttle service could alleviate this or new construction is possible.

VI. Work Group Updates

- **Landscape Assessment and Monitoring (LAM)** –*Sarah Reif reporting for Amy Waltz*
 - Monitoring Discussion & Monitoring Coordinator – *Sarah Reif, Henry Provencio*
 - Lesson Learned First Analysis Area-Sarah Reif
 - The LAM would like to conduct a process with the 4FRI stakeholder group to capture lessons learned from stakeholders regarding the process of getting the DEIS completed for the first analysis area of the 4FRI project. This will help the group reflect on the process over the last couple years and then carry those lessons forward into the next analysis area. If this turns out to be an informative process, this report could be posted to the 4FRI website for other CFLR projects.
 - The LAM posed several options the stakeholder group on how to collect this information. Possibilities included a survey, an-in person meeting, or a combo of the two.
 - **DECISION:** The group agreed:
 - The Landscape Assessment and Monitoring Work Group (LAM) will develop and administer a survey to get stakeholder feedback (expanded).
 - The LAM will develop separate questions for the USFS Interdisciplinary (ID) team and the stakeholder group.
 - The LAM will then collect the survey results and analyze for emerging themes and issues
 - The LAM and 4FRI ID Team will meet to discuss results.
 - The outcomes will be presented to the larger stakeholder group at a monthly 4FRI meeting for further discussion.

Social & Economic Prioritization –*Russ Winn*

- Dr. Egan met with the group prioritizing goals and objectives using the Delphi technique.
- Marlin was at the meeting and engaged in a fair amount of economics discussion.
- The work group is in the process of developing a list of data needs.
- The next step is the development of the NFF contract.

- **Natural Resources**— *Larry Stephenson*
 - The group has been working on the Moving East with 4FRI project. The group is still trying to identify what areas are left, what needs to be done with those areas, and the second NEPA process will be implemented in the context of the east side. There is an existing infrastructure in the White Mountains so these questions will need to be placed in the context of that infrastructure.
 - The 4FRI stakeholder group will continue to be a sounding board for this work group as they continue to work on this project.

- **Fiscal** – *Marcus Selig*
 - This work group is working on developing the process for distribution of 4Fri funds for NFF monitoring. 10K is being held by Navajo County, and a procurement policy is needed for how to distribute those monies.
 - Amy Waltz has developed a draft policy/process based on experience with other projects. Marcus sent that out to other fiscal working group members but has not received any responses. There is a goal for having this set up in the next week. it will be approved by the Steering Committee and posted to basecamp.

- **Communications** – *Marcus Selig*
 - There have been a number of 4FRI outreach efforts including:
 - GCT and ERI recently hosted a community learning series that had about 30 participants.
 - Marcus, Henry, Charlie, and Jackie had a booth at the Mormon Lake Outdoor Festival.
 - USFS, AZGF, and ERI presented at the AZGF lunchtime speaker series.
 - Horizon show with Mary Lata.
 - There has been recent press coverage from Shaun McKinnon.
 - If there are any ideas that people would like to offer, please bring them to the communications group.

- **Economics and Utilization Working Group:** This group has not been an active group for a while, but there was a proposal to reinstate it since 4FRI is entering a new phase with Pioneer and the DEIS will be released soon. Steve Gatewood will touch base with Bill from Northern Arizona Wood Products Association (NAWPA), who was previously active in the working group, to determine if there's an interest in this.

VII. CFLRP Match Letter Approval – *Diane Vosick*

This letter summarizes outcomes of the last stakeholder meeting regarding identified potential problems with remaining CFLRP projects that were not identified as collaboratively developed projects (2 out of 144, Rim Lakes and McCracken).

- **Conveying levels of agreement to outside entities**
 - Some feel that when names of organizations that had levels of disagreement are included in outside correspondence it can appear like voting.
 - It says in the charter that reasons for disagreements should be clearly articulated in 4Fri notes, but it is not clear how to handle outside correspondence.
 - In this case, McCracken now has significant changes since the group last discussed the project, including more acres of sanitation logging.
 - **DECISION:**
 - Since there is now new information regarding the McCracken project, the letter will be revised to remove McCracken so it can be sent to Corbin Newman, Regional Forester, as is. Diane will post the letter by Friday (6/29) on Basecamp and it will remain up for one week for review.
 - The McCracken project will be revisited in July by the stakeholder group.
 - Rob will send Diane language regarding the Timber Mesa economics concern.
 - The issue of how 4FRI conveys level of agreement in outside correspondence will be revisited in the charter revision discussion.

VIII. Rim Lakes Project Collaboration Letter Approval – Marcus Selig

A draft letter regarding this project has been written to the Regional Office to indicate that the 4FRI stakeholder group is in agreement that 1) Rim Lakes should not be funded with CFLRP dollars, and 2) The project should not appear on the list of CFLRP projects approved by the 4FRI stakeholder group. The letter also requests that 4FRI members be involved in the collaborative process for this project going forward. The 4FRI stakeholder group had a discussion regarding suggested revisions to the letter:

- It is unclear in the letter what “meaningful” means in the context of collaboration. There should be more concrete and tangible suggestions in the letter to convey what the 4FRI stakeholder group is requesting. For example:
 - “...Request for responsive collaboration through regular meetings with two-way communication.”
 - Include the quote from CEQ handbook: “Collaborative approaches often work best when there is sufficient decision space among alternatives — room for parties to mold the solution that meets their needs” (p8).
- The letter should also include a list of the specific issues that have been raised by the 4FRI stakeholder group on Rim Lakes.
- The letter should state the group would like to participate in finding solutions to these issues and assist in problem-solving.
- **DECISION:** Marcus will revise the letter with these suggestions. The Steering Committee will post on Basecamp by Friday for one week for stakeholder review and comments. This is *very* time sensitive.

IX. Charter Revision Approval, October Review & Using the Charter to Maintain Accountability – Marcus Selig, Diane Vosick

There was a discussion regarding recent changes to the charter as well as preparation for the annual charter review in October.

- Recent changes:
 - Organizational structure language that the stakeholder group voted to have revised was the only substantive revision. All other revisions were strictly grammatical.
 - **DECISION:** All revisions that have been made will be accepted. Further revisions will be made in October.
- Annual October Review:
 - The “good standing” number needs to be fixed in the charter.
 - A main finding from Windy’s thesis is the stakeholder group needs to read the charter and use it. There is a shared responsibility among all stakeholders to read and become familiar with the charter. This will enable the group to hold themselves and others accountable to the collaboratively developed goals, visions, and objectives of the stakeholder group.
 - **DECISION:** Windy will be the coordinator of changes to the charter. Please send revisions for stakeholder review and approval prior to the October stakeholder meeting.
- Revision of decision rules:
 - The decision process creates a lot of confusion among the group in terms of how to present levels of agreement externally, as well as how to utilize the level of agreements when one person has no clear agreement.
 - The current interpretation that’s on the table does not represent the intent of attempting to gain consensus or the highest level of agreement.
 - **DECISION:** Windy will review the decision rules matrix as part of the Charter revisions. Windy will send an email out to stakeholders to solicit engagement on revisions to the matrix and will develop a proposal for the July stakeholder meeting.

X. Discussion of Responses to Contractor Selection – Debra Drechsel

There was a facilitated discussion regarding responses to Pioneer being awarded the contract for 4FRI, focusing on what interests groups had behind issuing press releases and what the perceived impacts were from these responses:

- GCT
 - Our main objective was to get more information regarding Pioneer. Pioneer is essential to the success of 4FRI so we have an interest in their success. We had a collaborative relationship with Arizona Forest products (AZFP) and we want the same with Pioneer.
 - Interests:
 - Success of 4FRI
 - Information
 - Collaboration
- Navajo County
 - Our interest was to gain information. We need more information than has been provided from USFS.
 - We were concerned about money for monitoring. The other proposal had \$500k a year for monitoring.
 - Interests:
 - Information
 - Success of 4FRI
 - Workforce
 - Revenue
 - Address uncertainty
 - Monitoring
 - Social license
- Greenlee County
 - We had many of the same concerns. We were asked to deliver three things when we were invited to participate in 4FRI: social license, funding, and industry. We have delivered these and without industry we cannot be successful.
 - Interests:
 - Social license
 - Funding
 - Industry
 - Change/improvement
 - Profit/economy
 - Success of 4FRI
 - Reputation
- Gila County
 - The USFS was not offering enough information.
 - This project is a truly economic profitable venture. It needs to stand alone and create jobs without being subsidized.
 - We need to focus on restoration. There were concerns about the money that was passed up for monitoring.
 - Economy/profitability
 - Jobs (added value to the economy)
 - Self-supporting industry
 - Accountability to the environment in a profitable way
 - Truthfulness
 - Comfort level
 - Outcome
 - Success of 4FRI
 - Restoration (measurable, functional forest health)
 - Monitoring
 - Political capital on the line

- CBD
 - CBD has confidence in the AZFRP business plan that would use tried and true technology. We think some of Pioneer’s technology is experimental which causes concern.
 - We are concerned about the Regional Office’s approach to certain projects like Rim Lakes and their possible effect on environmental groups.
 - This selection felt political to us as was our response.
 - CBD has concerns over Marlin’s history with the USFS and how that may affect the EIS and implementation of the project.
 - Interests:
 - Contractor viability
 - Environment
 - Substantive (not political) basis
- AZGF
 - We applaud the USFS for issuing a contract and looking forward to what it means toward getting implementation going. A lot of questions AZGF had are now being answered and their concerns are being settled.
 - Interests:
 - Progress (toward work on the ground)
 - Restoration
 - Celebration of progress
- GFFP
 - GFFP’s statements were intended to be supportive of a contractor being selected. GFFP was also responding to multiple press releases from organizations within 4FRI to demonstrate that 4FRI is a diverse group with diverse opinions.
 - We also had concerns over the viability of the business plan but felt the USFS did their due diligence in selecting this contract.
 - Interests:
 - Survival of 4FRI
 - Range of diversity of groups and opinions
 - Viability of business
 - Utilization
 - Support of USFS
 - Industry partner

Perceived Impacts of Responses

Participants discussed what they perceive as impacts of some of the responses to the contractor selection. Those include:

- Perception that 4FRI is going to cut old-growth
- Personal attacks
- Lack of trust and communication in the group
- Other motives beyond contract criteria
- 4FRI members surprised by reactions; unclear expectations
- Funding sources will hesitate to invest if the collaborative does not demonstrate unity
- Perception that 4FRI was going to break up

Next Steps:

Participants generated the following next steps related to the contractor selection:

Immediate:

- Pioneer will look into releasing the contract to the public
- Add “Pioneer Update” to monthly 4FRI stakeholder meeting

Other:

- Give Pioneer time to respond to concerns and answer questions
- Develop clear messaging: We are working together to address issues carefully
- Address old growth concerns in the 4FRI landscape
- Separate ongoing issues from Pioneer and the contract
- Treat Pioneer as a partner
- Continue discussions with Region 3
- Better understand the USFS process for selecting the contractor
- Develop more clear expectations within the group for situations like this
- Correct impressions for funding sources
- Have Pioneer/USFS monthly conference calls
- Mike and Marlin participate on local level
- Do not lose focus on the project
- Seek support to move forward together
- More information sharing
- Give Pioneer the opportunity to succeed

XI. Roundtable – Debra Drecksel

- The Roundtable did not occur and the group suggested it will be better to do roundtables earlier in the agenda in the future.
- Suggestion that the 4FRI group needs to revisit the format of the monthly meetings since many people leave throughout the afternoon session. Critical topics can't be discussed without key individuals present.

XII. Adjourn