



4FRI Stakeholder Group Meeting
 Wednesday, September 27th, 2017 9am-TBD
 Coconino National Forest Supervisor's Office
 1824 South Thompson Street
 Flagstaff, AZ 86001

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

9:00 Attendance: Art Babbott, Travis Bruner, Neil Chapman, Jami Clark, Emery Cohen, Melanie Colavito, Matt Cole, Adam Cooley, Brad Cooper, Kenneth Cox, Chip Davis, Dick Fleishman, Stephen Flora, Annette Fredette, Wendy Jo Haskins, Evan Hjerpe, Gary Jennings, Allison Jourden, Dan Kipervaser, Tom Mackin, Joe Miller, Patrick Moore, Anne Mottek Lucas, Mark Nigrelli, Kay Peterson, Heather Provencio, Michele Ralston, Patrick Rappold, Nate Reese, Stephen Reidhead, Todd Schulke, Bob Seidler, Sue Sitko, Greg Smith, Jay Smith, John Souther, Paul Summerfelt, Andrew Volkmer, Rodney Wade, Amy Waltz, Kelly Wolff-Krauter, Travis Woolley, Brad Worsley

9:05 Approve minutes from the August 23rd SHG meeting — Sitko - Approved

9:10 Review action items from the August 23rd SHG meeting — Sitko

Action Item	Lead	Status
1. Formal language/ document on SPLYT from SHG to FS	Sitko/Vosick	Complete
2. Send data to Dick for leverage match info for 4FRI reports by end of Oct.	SHG/Fleishman	Ongoing
3. Help with stop logistics for stakeholder meetings during WO Field Visit/ map and information on stops and times	Steering Committee / Fleishman	Complete
4. Provide edits to first 7-pages of Strategic Plan by Friday, August 25 to get decision on the front end of the document	SHG / Souther	Complete
5. Update will be made on the Rim Country schedule at the next SHG meeting	Russell	In Process
6. Send ideas for October newsletter to Sue Sitko	SHG / Sitko	Complete
7. Edits on communication brochure to Sue Sitko by next Communication WG meeting	SHG / Sitko	Complete

9:15 Call to the Public - None

9:20 SPLYT Update – Fredette

The original letter from the SHG on the SPLYT issue stated that using acres that fell in Site Class 1 would receive treatment but after the PWG received numbers from the FS regarding how many acres fall within Site Classes 2 and 3, the group recommends including all site

classes in the project, or to do away with site class designations as a form of criteria altogether. The SHG accepts the PWG recommendation to expand the scope of the SPLYT decision to include more acres and the co-chairs will update the SHG recommendation on SPLYT to remove the site class filter altogether.

Schulke comments that the acreage increase will be in the neighborhood of 12-13,000 acres if we are to get rid of the site class criteria. He supports the removal of the site class filter as well.

A site class is a measure of site productivity in terms of size index. Site Class 1 designates the most productive sites while site classes two and three are less productive respectively. It makes sense to include these less productive site classes because old-growth stands grow across the board.

9:35 USFS Update – 4FRI Board, Coordinators

Planning Update – Fredette: The planning team is currently detailing out the alternatives. They are working with the board of directors on the timeline for the alternatives. They anticipate having a new timeline on the alternatives to present to the SHG at the October meeting. They hope to have detailed alternatives ready to present to the SHG at the November SHG meeting. The board is discussing a plan of action on responding to the input they've received to reinstate one of the dropped alternatives and they hope to work with the SHG to determine how best to accomplish that.

Michael Teague with the FS region 9 office is conducting research on the role of conflict within collaborations and they're interested in interviewing members of the 4FRI SHG. Annette asked for two stakeholder volunteers to be interviewed for this purpose and obtained names to pass along to Michael Teague.

Operations Update – Fleishman: The operations update went out yesterday – it was a very productive month for operations as over 2,000 acres were harvested and approximately 16 sales have been active this month. There wasn't much prescribed fire activity happening in the last month because all of the FS fire people were in other parts of the country fighting wildfire so they expect prescribed fire to start picking up in the next couple months, so public should start to expect smoke in their neighborhoods soon.

Monitoring Update – Kipervaser: The Spring Stewardship Institute has completed a number of surveys on all known springs on the Mogollon Rim and they are currently working on quality control and compiling and analyzing that data so it can be used to identify possible spring restoration projects. The GCT has finished up some monitoring on the springs on the Coconino as well.

Youth volunteers from the Hopi tribe as part of the Southwest Conservation Corp. worked on the West Elk Spring which had a cracked well and a pipe that was diverting water unsuccessfully. The group of volunteers did a tremendous amount of digging to restore the spring and were very successful at accomplishing this.

Provencio – FS team members recently met with the new FS chief to provide him a brief on 4FRI. His name is Tony Tooke and he is from Region 8. He was extremely interested in helping

with efficiencies and identifying antiquated regulations which was a major theme of their meeting. He expressed his support for 4FRI's needs. Tony plans to hold the FS more accountable for the amount of offerings they make. He's very interested in places that are using innovation and making offerings earlier in the year.

Mottek-Lucas – What kind of actionable items will be taken in addressing those antiquated regulations? Fleishman – The FS has been working with both a national Efficiencies Work group as well as with the ERI and TNC. They're looking at a different way of valuing product, for example. The acres of restoration is important but so is the volume of restoration. Dick welcomes suggestions on this issue and expresses the emphasis there is on creating stronger efficiency within FS regulations and operations.

RFI Update – The RFI is closed and the team is looking at getting an analysis of it together. The FS is looking into the option of including non-FS partners in the analysis of the RFI. They hope to have a broad sense of people involved in the process.

9:55 4FRI Strategic Plan Update – Souther, Sitko, Bruner, Colavito

John distributes the Strategic Plan briefing document pull-out that the team developed with the language that had been approved at the August SHG meeting. The document has been a real collaborative effort. This portion of the strategic plan can be pulled out as a stand-alone type of document and serve as a handout briefing to interested parties. It is three pages front and back. It is also part of the bigger strategic plan document. They are sending out the document to the SHG for review and comments on the document need to be submitted to John by October 13th. By the 20th of October the group will post an updated draft of the document to basecamp and they will ask for stakeholder approval for adoption at the October SHG meeting.

10:15 4FRI Economic Monitoring Project Update – Hjerpe

Evan Hjerpe is an environmental economist and a founder of the Conservation Economics Institute which is a non-profit organization that aims to apply economics to the sustainable management of our natural resources, the development of healthy communities, and the conservation of nature. He's here today to introduce the SHG to the research project they're working on looking at the economic impacts and contributions of 4FRI restoration activities.

The impetus of the project comes from the CFLR program's requirements necessitating social and economic monitoring. Everyone understands the need for ecological baseline understandings concerning these projects but it's also important to have an understanding of the baseline economic impacts of these current project activities. Restoration activities have ripple effects on the economy in terms of employment, income and output. Throughout this project the plan to collaborate heavily with 4FRI, the MPMB, the FS, and with industry.

Hjerpe's findings on the economics of forest restoration have been that really they're fundamentally different than traditional timber production and it seems that 4FRI understands this well but the public doesn't. There is a lot of biomass a woody supply being produced by restoration activities which can help offset costs but it can also increase costs – there is a thin line distinction. Transportation increases treatment costs heavily. Regardless of if these restoration activities offsets costs or increases costs, they do result in economic impact to

adjacent communities in terms of jobs, output and the economic impacts ripple and recirculate through these regional economies.

This project is focused strictly on the economic impacts and contributions that are the market indicators: how many jobs are being created, how many secondary jobs are being created, and what sort of income, output and taxes are being generated. Forest restoration has been known to increase property values as well. There are tons of disaster avoidance costs associated with this issue. One time that is also ignored is the idea of what kind of forests are we leaving to future generations and how profitable will those forests be? This issue is often pushed to the side because we're too focused on the here and now.

Economic impact analysis and economic contribution analysis are very similar terms but have some differences in terms of whether or not it's new activity or a loss of activity, or whether or not there's ongoing treatments. Economic impact analysis is looking at overall employment and/or output and simulating that on a regional economy. It will be looking at a lot of market indicators such as employment, output and value added. You can trace this activity through regional economies. They're conducted within an input/output model. The input/output matrices balance all production coefficients among different industry sectors. From that you can determine the direct effects of how many expenditures are being used to conduct sawmill activity.

The study will be working heavily with the FS to understand all of the 4FRI activities. They will cast a wide net and look at formal 4FRI activities but will also include all restoration activities on the four forests, looking strictly at the 2017 calendar year. They will survey the contractors which will be important to get all industry participation because there is a limited sample size of contractors here. They really want to get as close to a census as possible. Jamie Busey, a graduate student working on this project, will be contacting contractors to collect these surveys.

Overall they will build a comprehensive model of all these impacts and will then they will be able to run the phase 2 analysis of doing the actual impact and contribution analysis.

They will use a software called Implan that will allow them to input and track all the different production coefficients from each industry sector and it will be able to calculate and quantify these impacts more quickly. It's the same model that is used in the TREAT model, which is the FS model for all the CFLR projects.

Application of results will include a full economic blueprint detailing all economic impacts of these projects. It will be important to illustrate the substantial economic impacts and how important they are to regional economies. It will also give a very real picture of this and can also highlight some of the deficiencies and areas where we could stand for improvement.

They will be conducting surveys primarily in October/November 2017. They will do the analysis over the winter and should have a final report available by spring 2018.

Worsley – What will this analysis be used for? This is a CFLRP requirement but will also lay the groundwork for an economic baseline. It will help us look back later to be able to tell how far we've progressed or how little we've progressed once these restoration treatments really take off.

10:55 New Life Update – Smith

They've finished up the Heber Mill upgrade so they are now working on getting the first shift maximized and then they will start on the second shift so they will be building winter decks for that mill. The older kiln there is in operation and the currently have another kiln being built for the site which should be in operation by the end of October. This will nearly triple their kiln capacity. Concerning logging, they've brought in Derek Smith with Smith Forestry Services out of Oregon in June and at the end of July they signed a contract with the North American Procurement Co. which is a successful and long-running company in timber production from Texas. More than just experience in logging, New Life is looking to these companies for assistance in this type of large-scale operations.

The onboarding of these partner organizations is an effort to ramp-up this project and start to increase productivity from industry. The crews these companies have brought to Arizona puts New Life capacity at 4-5 crews at the moment and they hope to increase that even further, to 10 crews, next spring. Jay comments that the word lately has been that nothing has been getting done but that that will soon flip and they will start getting complaints that too many operations are taking place. They are anticipating these complaints and are working with the Communications Work Group to help mitigate these complaints.

Mackin – We've heard of plans for a new mill coming to the region. Is this new mill still part of the plan? Smith replies that there are still decisions to be made on location because there isn't much industrial zoned properties available. They've purchased a designated small log mill out of Canada that will be coming into the state this winter and will look for an early 2018 start date. They have a location chosen but they're not disclosing this information at this time.

Babbott – How is the soil amendment discussion coming along in terms of low-value biomass and chipping and where do they think they will be on the issue a year from now? They have contracts through their offtake agreements with different companies. It's not an issue of where they will sell it but is an issue of where they will store it and bag it to do the processing of the sales. They've purchased bagging lines already. They expect that by next year these processes will be up and running.

11:10 CFLRP Field Review/Tour SHG Roundtable Planning

- Capture key issues/discussion during tour to continue
- Provide time for visitors to ask SHG questions

The CFLRP Washington Office visit is taking place next week from Thursday-Friday. Dick requests from Stakeholders ideas on the format in which they want the FS round table with the Washington Office officials to occur Friday morning. Sue suggests that questions on the CFLRP will be the backbone of the round table. She suggests stakeholders in attendance give a brief overview of 4FRI and the various working groups and that they come prepared with specific questions on CFLRP that they have for the Washington office officials.

Mackin – States that he would like feedback from the Washington Officials on how other CFLR projects are coming along in other parts of the country. He would like to know if they run in to any of the same issues that we do.

Stakeholders can send questions they have for the WO to Dick and he will forward them to the participants.

Waltz – In the last roundtable, they went around the room and let everyone speak their thoughts which made for a very involved conversation.

The WO will arrive Wednesday morning and they will receive a brief Wednesday afternoon and then dinner at Porter Mountain Steakhouse Wednesday night. Thursday morning they will be heading to the Rim overlook on 260 on the Apache-Sitgreaves as a NEPA overview. This will be mainly FS overview with SH support. After the overview will be time for discussion with the WO. Implementation planning will take place after this and will be a short piece of the day. Amy Waltz will cover the Alan Ager Economics piece at this time. Next will be a 4FRI fire overview of the entire area. Next is a discussion on the complexities of fire on the Mogollon Rim. Thursday afternoon will be lunch with Payson legislators. Comprehensive Restoration will take place after that. This is where the overview of the CIWG will take place. Friday morning from 7:30-10:00 am is the roundtable with the SHG. Afterwards they will take a trip to the Chimney Springs SPA with TNC. They will look at mechanical thinning there and this will show the difference between east-side and west-side capacity. Friday afternoon will also include GEP, Bill Williams Mountain, and FWPP updates. These will all be very short presentations designed around the strategic plan. The full event schedule can be viewed on BaseCamp.com.

11:40 Working Group Updates – All

- Planning WG (5 min) – Fredette

See SPLYT update above.

- Industry WG (5 min) – Worsley

No update at this time.

- Communications WG (5 min) – Sitko

At this point in time the newsletter is virtually empty. The top story will be the CFLRP team visit. Sue would like some information on the ACC for the second page and Brad Worsley suggests Sue work with ECO for an update on this. They would like to reiterate summary points on the New Life activities. Page three can be a continuation of the CFLRP visit. Page four may show an update of the Eco state legislative tour in October. Neil Chapman suggested a brief article on the meeting with the USFS Technology and Development lab staff. There will be a strategic plan update in the newsletter as well as a review of the Mexican Spotted Owl symposium that recently took place. They're considering a brief on the efficiencies workshop.

Ann presents the idea for a potential story which is the FWPP 5-year celebration at Flagstaff Brewing Company.

Sue distributes the latest iteration of the public brochure so that SHs can review the latest texts and verbiage included. They've gone through 2-3 iterations of input reviews and they feel they're now at the point that they can move forward with a draft of graphic design. The cost of

the brochure is looking to be about \$1500 including printing (10,000 copies) and graphic design. The more money they can collect from stakeholders, the more copies they will be able to print. They've secured commitments from TNC, ERI, GCT, ECO, and TU and they're looking to work with Game and Fish, Coconino County, and Flagstaff Fire as well. They're looking for \$250 block contributions. They're hoping that by the next meeting they will have a draft graphically designed brochure ready to present for review.

The CWG worked with Heath Norton at ERI to develop a site on the 4FRI.org website at 4FRI.org/getinvolved where people can go to view potential volunteer opportunities in their communities. On this page they're providing a list of different organizations' volunteer webpages.

The monitoring board and CWG are in communications about providing a webpage on 4FRI.org that will provide monitoring updates to the public.

- MPMB WG (5 min) – MPMB Representative

They're working on creating a system for tracking projects and sharing information that will be more accessible to the FS and the SHs. Different monitoring projects taking place are songbirds, mso, and ground plats and some new projects they're developing are water and aquatic monitoring, and pronghorn habitat productivity.

- Comprehensive Implementation WG (5 min) – Bruner

The T-6 pilot project should hit the ground Oct/Nov headed up by Game and Fish. They're focusing on spring restoration projects right now but may expand in the future to things like rod commissioning.

- Fiesta Working Group (5 min) – Vosick

No update at this time.

12:10 Stakeholder Disclosures – All

Fleishman – There were a total of 4 responses to the RFI.

Mottek-Lucas – The GFFP has acquired two grants for the Economic Monitoring project. One is through the Coconino County Community initiative grant and the other is from the department of forestry and fire management.

12:15 Review Action Items

Action Item	Lead	Status
1. Diane and Sue to revise the SHG SPLYT recommendation to dis-include site classes as a decision criteria	Co-Chairs	
2. Updated draft of the Strategic plan will be posted on BC by October 6 th for SH review	SHG	

3. Send notice on BC with updated agenda with participants for the CFLRP meeting and signup sheets for dinner participations	Fleishman	
4. Send Dick Questions for the roundtable meeting	SHG	

12:20 Adjourn

10/25/17 SHG meeting information:

Wednesday, October 25th, 2017 9am-TBD

Arizona Game & Fish Region 1 Office (Pinetop)

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