



**4FRI Stakeholder Group Meeting**

Wednesday, April 24<sup>th</sup>, 2019 9am-12:20pm

Arizona Game & Fish Region 1 Office (Pinetop)

2878 E. White Mountain Blvd., Pinetop, AZ 85935

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

**Attendance:** Art Babbott, Diane Vosick, Allison Jourden, Jim Parks, Jeremy Kruger, Joel Jurgens, Brienne Pettit, Pascal Berlioux, Wendy Jo Haskins, Dick Fleishman, Amy Waltz, Lesley Yen, Greg Smith, Tom Holt, Brad Worsley, Floyd Hardin, Adam Cooley, Steve Best, Randy Fuller, Rochelle Lacapa, Keith Johnson, Trevor Pearson, Chase Kassel, Jay Smith, Trudy Balcom, Tom Torres, Allen Reidhead

Phone: Rob Nelson, Tommie Martin, Aaron Green, Todd Schulke, Steve Rosenstock, Tabi Bolton, Elaine Kohrman, Joe Miller, Henry Provencio, Paul Summerfelt, Kelly Wolff, Keith Brekhus, Travis Wooley

**9:05 Approve minutes from the March 27<sup>th</sup> SHG meeting** — Babbott - Approved

**9:10 Review action items from the March 27<sup>th</sup> SHG meeting** — Babbott

Action Item	Lead	Status
1. Determine upcoming co-chair rotation	Steering Committee	Complete – Diane Vosick, Greg Smith, Pascal Berlioux
2. Develop a draft message to be posted to the ACC docket on behalf of the SHG which states support for the APS initiative as well as the continuation of the ACC’s development of a binding rule on utilities in terms of biomass use	Berlioux	Complete

**9:15 Call to the Public** – None

**9:20 USFS Update** —4FRI Coordinators

- Branding and Chain of Custody Update

Kruger – The Regional Office has issued a new waiver for branding & painting requirements. There are now two: The “east side” waiver requires the branding of only 8-10 logs per load and the newer “west side” waiver requires the branding of 50% of logs per load. The FS is open to feedback on these. The use of a waiver needs to be requested by operators through the contracting officer. The FS is evaluating how well these waivers work. Both waivers are available on any of the Arizona forests.

Rosenstock – Has been using the brand waiver for years and it saves a lot of time, effort and cost.

Berlioux – For more details, contact the operators at the A-S as they’ve been at the forefront of this for years.

Fleishman – Received information from the Washington Office regarding the reauthorization of CFLRP which was sent out on BC. The FS is gathering materials for reauthorization or applying for a new CFLRP initiative. Fleishman wants the stakeholder's perspective on whether or not we want to reauthorize the current project or apply for a new CFLRP initiative.

Berlioux – Requests a cost/benefit discussion on the options to educate the group on how to make this decision. Requests a formal presentation of the two options.

Waltz – There's an opportunity to do an extension on the 2010 projects for up to 5 years to complete the work that's being done. Fleishman thinks the extension could be up to 10 years. Waltz believes the important question is whether or not we want to go for this extension. Some work needs to be done in analyzing the group's annual financial planning.

Berlioux – How do we know which direction is the best to take, whether that's an extension, a reauthorization, or a new application? This is where we require education.

Babbott – The steering committee will have a discussion about the possibility of a reauthorization submission and the development of a letter of support from the SHG.

Fleishman – Applications are anticipated for release in June.

Fleishman – If we don't receive those funds we could experience a 10-15% drop in our ability to lay projects out.

#### **9:45 Remarks from Senator McSally's Office – Kassel, Pearson**

Pearson is based in Sen. McSally's DC office handling energy and natural resources. Chase is here at the state level and handles those issues as well. McSally refers to her meeting in Flagstaff in nearly every recent meeting she's been in. She participates in a lot of education on these issues to share them with officials and to get them on the forefront of various minds. She has a seat on the energy and natural resources committee which is great for Arizona. She is a chairman of the Water & Power sub-committee which helps to bring water issues to the forefront as well. The FS chief was in front of the ENRC where Sen McSally was able to talk with her about the RFP timeline and McSally questioned her about the unique Region 3 guidelines that might not be a great fit for the needs of this region (branding, weight-scaling, etc.). She pressed the Chief to commit to moving those issues forward. They submitted questions to the record requesting more detail regarding the use of NDAs and why these processes are taking so long. She also met with Cal Joyner which was another good chance to bring up these issues. The senator sees her job as education – one is the legislating when policy changes are necessary but the other is using her position to advocate for these issues to make sure they're on public and policy makers' minds. She just finished her 15 county tour learning more about Arizona's specific issues. They appreciate feedback from these stakeholders to inform her understanding of these issues.

[Trevor\\_Pearson@mcsally.senate.gov](mailto:Trevor_Pearson@mcsally.senate.gov)

[Chase\\_Kassel@mcsally.senate.gov](mailto:Chase_Kassel@mcsally.senate.gov)

Worsley – Our two exiting senators were major advocates for forest health. Worsley requested a letter from the senator of support to the ACC mission and received a lukewarm response on

that. Worsley asks that the senators reconsider submitting a letter of support. This could be a good use of office influence.

Pearson – The senator is in support of biomass electricity and her office is looking at the best ways to advocate for that. When it comes in to weighing in on a state level policy, they've been looking at this internally. She has concerns about the voice she uses to make sure it doesn't sound like the US Senator isn't telling the ACC what to do. They reiterate that she supports biomass electricity.

Berlioux – There is no political exposure for the senator to get on the docket because it wouldn't be supporting one technology against another but supporting the disposal of 1.5 million tons of biomass per year. The critical point is to launch the rule making that implements this policy.

Smith (Greg) – Agrees a bipartisan letter from both senators showing their support could be powerful.

**09:50 DEIS Work Group – Waltz**

- Moving forward with the FS

At the last SHG meeting, the SHG asked the FS for more information regarding the DEIS. And the group expressed the need for efficiency in the review of the EIS. In response to this, the FS worked quickly to provide Chapter 2 of the DEIS to the SHG which details the alternatives and they also provided the implementation checklist which includes a lot of important things like the elk management plan, etc. With that information, the DEIS WG now has a couple of new asks for the FS that they will deliver soon. The WG is meeting with the facilitators tomorrow to prioritize those new asks and the issues the WG will focus their work on. Tomorrow they will also solidify their office which will include the process of engaging with the FS.

Berlioux – The current process of figuring out the potential issues is inherently speculative as they do not know exactly what the DEIS will contain.

Waltz – Is there a timeline update for the release of the DEIS? The region has completed their review and the 4FRI team is working to integrate their comments. They hope to make the draft available to the SHG and DEIS WG on May 20<sup>th</sup> for a 3-week review.

Haskins – Hopefully during that three weeks, the FS will be working with the DEIS WG to collaboratively discuss the issues to be solved. She believes we should be working hand in hand on this. The line needs to be involved in talking about these key issues as well.

Reddman – Office hours are still an option for stakeholders to discuss the DEIS. The DEIS won't be available before May 20<sup>th</sup> because there is significant work to be done to respond to the RO comments.

Berlioux – Commends Waltz for the leadership role she has taken in regards to the DEIS WG.

**10:05 Modernization/Innovation Update – Fleishman, Jurgens**

Forest Product modernization Update Presentation posted on BC 4/24/2019

4FRI is leading the way in a lot of FS modernization efforts.

Sale preparation activities include DxP, Virtual Boundaries, LiDAR applications (cruising model, computer based digital marking with field verification), and the Operational and Economic Feasibility Toolset. These are intended to save time and money in terms of personnel costs in time and paint. Last year was the first national training on DxP. 2018 saw approximately 19,200 acres of sales using DxP which was approximately \$750,000 in cost savings. DxP is a necessary tool in getting forest restoration to scale. The FS needs to make sure industry partners are comfortable with using this moving forward. DxP is where they give the cutter a prescription to cut within parameters instead of actually physically marking trees for cut. GEP has a lot of acres with DxP in it.

Virtual Boundaries – Historically, boundaries have been painted but under the Future Forest Project, Parks West was completed using virtual boundaries which allowed them to only mark 11% of the sale. They now have the authority to use discernable boundaries (roads, geo-fence). They don't have cost savings data on this innovation yet but they know it's significant just in paint cost. They should have this data by the end of the summer.

TNC has been looking at utilization of LiDAR for collecting cruising data. They developed a plan in 2018 to conduct a study in regards to this. The cruising for that study will conclude in May and then they will do a check. In approximately September, they will have a final report comparing this form of data collection with historical cruising, to understand the value of LiDAR. LiDAR seems to fill in a lot of gap information – plot data is a sample whereas LiDAR counts every tree which is a great utility to the FS and industry. They hope to have this out in approximately 6 months. Cruising is when the FS conducts a sample study to get a volume estimation in order to inform a sale estimate.

LiDAR based digital prescription marking – Using LiDAR, they can get point data specific to trees which they can use to identify the height of the tree to then get the volume of that tree. They're looking at the canopy height model to pre-mark all of the sites specific to the prescription that's been assigned, all in the office, opposed to having FS personnel in the field doing this work by hand. They will conduct a follow-up field inspection to ensure this data is working as intended.

Heads up Digitizing (HUD) – Utilizing LiDAR to develop digital polygons that align with prescriptions; a field inspection is done to confirm these digitizations. The alternative to this is a person in the field walking the ground counting and grouping trees individually. That's about 45 acres per day per marker but with HUD the potential for 400 acres for day.

Berlioux – The argument from the FS 6 months ago was that they couldn't put an RFP out because information of what was on the ground was unavailable. The White Mountain Apache Tribe has flown LiDAR to test new machinery technology that allows one set of data from LiDAR to be used for every purpose. Is it possible to collect one set of LiDAR data and use it for multiple purposes (aquatic data, tree volume data, forest structure data, etc.)? Is TNC processing the data in order to deliver both a characterization of the resource and the material necessary for prep and if they are, will TNC make it public? Jurgens –The information they're

collecting will be available to those who need it. The FS hopes to have the Parks West project data available as part of TNC FS agreement.

Operational and Economic Feasibility Toolset – This is the industry focused side of the project and is essential for FS: the operational checklist, a field form, is formed to prompt data collection to help with layout and inform the economic spreadsheet. The checklist collects data on the individual unit level during the early stages of the project and then needs to be incorporated into a GIS database. It's important that the database is accessible to all parties working on the project.

The economic spreadsheet is designed to demonstrate the overall viability of an entire project by incorporating information from all individual units and by summarizing that data. It is currently comprised of approx. 50 individual unit tabs. This is almost ready for release and is expected to become available on a small scale. The end game is to determine the economic feasibility of each unit in a sale and to compile all of the information associated with this into one accessible place. This can help inform future contracts.

Low Value Wood (log branding, painting, load accountability) – load counts: The idea is to not have to weigh every truck on a scaled sale but to look at load counts instead. Karen Jones has developed a process to get the process of load counting up and running. She's run her work by other regional measurement specialists and they approved her methods. She's trying to develop an average weight for each load – they don't want an estimate with a lot of overage or underage.

Berlioux – There is ten years of hard data in the White Mountains where every load has been counted and weighed which can be tapped for this analysis.

Cooley – The west side also has this data. They've been told that, effective May 1<sup>st</sup>, this might be implemented.

Fleishman – the tricky part is the tear weight and the truck arrangements.

Merchantability Standards – This is a national level discussion regarding what we define as a "product" in regards to wood (less than 5 inch diameter is biomass, 6-9 is round or pulp wood). They're looking at developing ranges for wood designations. There is a meeting on the 29<sup>th</sup> to finalize this with a regional supplement. The region already has the ability to do this on a case by case basis.

Decking and Drying – This was a request specific to the length of time that wood can sit on a deck to reduce the weight of wood and reduce the number of trucks and free up machinery.

Road Weight Limits – ECO and Coconino have made this happen –Regional transportation engineer has done load resist factor ratings on some of the bridges in the 4FRI area to determine if the bridges can take the higher weight (91,000 lbs.). Blanket waiver is in development in regards to overload weights.

Funding news – the RO has submitted a proposal for road work under the FAST act, asking for \$54 million to improve the roads within the 4FRI footprint.

Berlioux –ADOT has started the technical analysis on all of the routes that were submitted. No ETA. The last issue they face is when the trucks leave the jurisdiction of ADOT and enter the jurisdiction of the towns – ADOT has engaged with the representatives of the cities and towns to try and develop a statewide process for navigating this. ADOT has engaged in discussion with the federal highway authority for the sections of i40 and i17 that are included in this. This is in process.

**Berlioux to distribute the truck configuration that ADOT is looking at.**

### **10:45 RFP Update – Torres**

Torres has been working as a project manager on shepherding the RFP to fruition. Last month, they were in a unique spot of transition from development to review and concurrence with representatives in DC, so they could not share very much information. Currently, the project is in a review, concurrence and approval mode. Once this is finished, the solicitation process can begin. A pre-solicitation will be posted on the Federal Business Opportunities webpage; after that, the actual solicitation will be released to the public. It will include the instructions to the bidder, the detailed description of the performance area and the terms and conditions of future contracts; once the solicitation period is complete, an evaluation of proposals happens, followed by an award. The goal of the RFP is to develop additional capacity to help us collectively meet forest restoration goals and to increase the acres put up for sale by the FS. The design of this RFP specifically is intended to engage and invite additional industry capacity.

Objectives of RFP: to allow the incorporation of innovation and different proposals from industry, to contemplate and use the 20-year stewardship authority, incorporate lessons learned from previous efforts, incorporate input from stakeholders.

The authority for approval of a proposal this large supersedes the forest service and lies at a national level. Much of the time spent in the development of this RFP is the group explaining their reasoning for their requests to folks on the national level. This project might establish precedent and potential policy for other parts of the country. Officials in the FS and DC recognize this project's sense of purpose and are in alignment with the effort but no timelines has been solidified.

The team has spent a bit of time on the need to communicate their efforts with a list of interested parties including the SHG. These communication efforts will kick-in once the RFP is ready.

What is the role of the partners involved in the development of this RFP? (Bur of Rec, Commerce, SRP) Partners are assisting in the development of the requirements of the RFP. They will continue to be engaged through the evaluation of proposals and potentially as part of a larger group (that could include stakeholders) once implementation begins.

Babbott - Stresses the importance of front-loading the focus on efficiencies in the development and implementation of this RFP.

### **11:05 Industry Update – Attending Industry Members**

Cooley – They're in the forest and are working. Garland prairie is operating a little carriage mill, clearing the other parcels of land they purchased and they will be pouring concrete soon. Heber is back operating.

Worsley – Novo continues to run; their spring outage was completed in seven days and they were able to stock pile product in that time. Without fuel, novo would have 4-5 days before they would have to shut down. They've been working with west side folks to try to offer some kind of contract for 4-8 loads for a long term contract and this is taking some time. Their ability to take in fuel is quite high. They continue to focus work on the ACC efforts. They cannot continue to plan for a future in biomass if this effort continues to get little traction. Worsley estimates \$400million required to establish a facility that will use the equivalent of 15mw of biomass. The capital barrier and the fact that some industries cannot use the wood off federal land continues to inhibit the biomass efforts.

Reidhead – They started cutting and producing on the Tonto at the end of March. They've started to deliver logs to Novostar and New Life.

Tom Holt – Wood has dried out and they're getting back to work on the reservation mostly.

Jurgens – Operations are active on Chimney Springs and they are delivering to Phoenix and Snowflake. Ground conditions are improving in Clover Springs, so they hope to get in there in a week or two.

Smith (Jay) – Jay has been meeting with various industries that are starting to show interest now that word of the RFP has travelled. A non-profit called Save Our Resources from Phoenix is looking to bring a soft-tissue manufacturing plant to Flagstaff to utilize biomass. They're looking at an up to \$70m investment. Jay is receiving more inquiries as the RFP release gets closer.

Fleishman – Received a call from a logger in Oregon offering capacity to anyone who needs it.

### **11:15 Working Group Updates**

- DEIS WG (10 min) – Waltz
- Industry WG (10 min) – Worsley
- Communications WG (10 min) – Wolff

Kelly – the CWG is working on five different articles for the coming newsletter. They are also making updates to the website.

- MPMB WG (10 min) – Woolley

Agreements for monitoring projects FY19 are moving forward. They've been working on a process to gather and post all of their data and reports over the last couple of years to stakeholders. They're working to supply Dan with some comments for the draft monitoring plan for the upcoming EIS but they currently don't have a lot of ability to do so until the DEIS comes out. They'll be working more on that this summer, once they have the DEIS.

- Comprehensive Implementation WG (10 min) – Griscomb

Hannah – The CIWG is working through the Spring Stewardship Inst. spring database to develop a list of springs to focus their restoration efforts on, over the next 5 years. The CWIG will take that list to hydrologists for validation and will then be in a position to start working through the compliance processes in regards to archaeology and wildlife, etc. The CIWG is hoping to take folks out to T-Six spring after the SHG meeting in May. Griscom is to discuss and develop a schedule for the t-six spring field trip.

### **12:05 Stakeholder Disclosures – All**

Vosick – Vosick and Colavito were in DC to meet with congressional delegation with the ERI's sister institutes; they participated in very upbeat conversations about 4FRI and the work that is occurring. She believes folks in DC understand the challenges the institutes are facing. She came away from it feeling very optimistic. Also, she recently visited the Sycamore Rim Trail, one of the earliest treatments done by GEP several years ago, and she is happy to report that it looks quite beautiful 3-years post treatment.

Davis – There is bipartisan support for 4FRI projects. It is easier for elected officials to carry the torch on these projects when they know everyone is in synch on the issues. AZ congressional folks are going to be putting out a bipartisan letter in support of the innovation and modernization projects that are occurring. Joyner and the region have stuck their necks out to help this RFP process progress.

Berlioux – There will be 6 individual county letters submitted to the ACC docket by the end of this week to continue putting pressure on the commission. Berlioux calls on everyone in the room to do the same. Rumors of local governments having a conflict of interest in participation of 4FRI have surfaced; Pascal clarifies that it is part of the role of local governments to aid in the economic development and support of initiatives like 4FRI, and so their engagement in the group and the ACC is not a conflict of interest but is their job as local government representatives.

Johnson - Asks donations to help Pinetop-Lakeside purchase Woodland Lake Park. The town is attempting to raise \$1.6m for the project. The council is teaching classes on community emergency response teams (how to prepare and react to emergencies like floods, wildfires, etc.). On May 11<sup>th</sup> there is an emergency preparedness fair at 1520 Church Lane in Lakeside. Various partners will be involved.

Smith – Smith received seven responses to the RFI about Bill Williams Mountain 300 acre project with National Forest Foundation. Smith is reviewing those responses and is looking at following up on those. They will be releasing an RFP in the first or second week of May, with a contract out hopefully in September for those acres.

The air-curtain burner that the county is burning will be shown in a demonstration that is scheduled to take place the first week of June at Camp Navajo. Smith will post an invitation on basecamp.

Prompted by requests from O'Halleran and McSally, Smith is looking at FEMA grants for doing work on federal land through the Pre-Disaster Mitigation Program. He is getting some push back on that through what they call the duplication of programs that says we can't use FEMA funds on federal lands. Because this particular piece of federal land on Bill Williams Mountain



can greatly affect the town of Williams, Smith is attempting to push-back on that and solicits the group for any ideas on how he can do that.

Parks – For industry folks, Parks was at an economic zone opportunities program in DC and learned that capital gains can be used for reinvestment in local business in depressed areas for a tax break on those gains of 15% -100%, depending on how long you leave them invested. The snag is that many of the areas in AZ are not in these opportunity zones. Folks can contact the governor’s office for more information on this and the map of zones.

Babbott - The County has informally built a LIDAR consortium of open source LIDAR data that they are willing to share with folks who can utilize it.

**12:15 Review Action Items**

<b>Action Item</b>	<b>Lead</b>	<b>Status</b>
<b>1.</b> Discuss and develop a schedule/logistics for the t-six spring field trip	Steering Committee	
<b>2.</b> Discuss the possibility of re-authorization submission and what should be included in a letter of SHG support	Steering Committee	
<b>3.</b> Distribute ADOT truck configuration on Basecamp	Berlioux	
<b>4.</b>		
<b>5.</b>		

**12:20 Adjourn**

**05/25/19 SHG meeting information:**

Wednesday, May 22<sup>nd</sup>, 2019, 9am-TBD  
 Coconino National Forest Supervisor’s Office  
 1824 South Thompson St., Flagstaff, AZ 86001  
 Teleconference line: (712) 775-7031, code: 439290611#