



**4FRI Stakeholder Group Meeting**  
Wednesday, May 22<sup>nd</sup>, 2019, 9am-12:35pm  
Coconino National Forest Supervisor's Office  
1824 South Thompson Street  
Flagstaff, AZ 86001

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

Attendance: Leslie Yen, Robert Guebard, Michele Ralston, Patrice Horseman, Keith Brekhuis, Jay Smith, Jim Parks, Chase Kassel, Dick Fleishman, Nate Rees, Rob Nelson, Ann Anderson, Brienne Pettit, Laura Jo West, Amy Waltz, Patrick Moore, Wendy Howe, Mark Nigrelli, Justin Schofer, Terry Hatmaker, Adam Cooley, Neil Chapman, Bruce Greco, Stephen Flora, Tom Torres, Brad Worsley, Kelly Wolf, Todd Schulke, Robbin Redman, Greg Smith, Tabi Bolton, Joel Jurgens, Aaron Green, Floyd Hardin, Henry Provencio, Steve Rosenstock, Heather Provencio, Art Babbott, Jeremy Kruger, Diane Vosick, Travis Woolley, Haley Paul, Debbie Kris, Jillian Fahringer, Allison Jourden

**9:05 Approve minutes from the April 24<sup>th</sup> SHG meeting** — Babbott - Approved

**9:10 Review action items from the April 24<sup>th</sup> SHG meeting** — Babbott

Action Item	Lead	Status
1. Discuss and develop a schedule/logistics for the t-six spring field trip	Steering Committee	Complete
2. Discuss the possibility of re-authorization submission and what should be included in a letter of SHG support	Steering Committee	In Process
3. Distribute ADOT truck configuration on Basecamp	Berlioux	Complete –Marjorie Apodaca is working on this as the FS liaison to ADOT in order to achieve alignment with national standards for truck configurations.

**9:15 Call to the Public** - None

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

Kruger – Torres provided an update on the RFP which is still on track for an end-of-June release. Pre-bid events are being scheduled for mid-July, more details to come. The State has signed the NDA and will be brought on as a full partner during the RFP discussions.

Pettit – FS is working to get more information released during the pre-release period, maybe some performance area information, etc. FS is talking with congressional representatives to make sure they're kept up-to-date on the status. As the FS moves forward, they intend to keep the stakeholders up-to-date as well.

Provencio (Henry) – Will post the names of those who responded to the RFI up on the website soon.

Fleishman – Operations – Monthly update was posted to Basecamp on 5/21. There were just over 1300 acres harvested last month. Fire is not as far along as they'd like it to be due to

weather issues. There's the potential this summer to manage more wild fires. The A-S completed one last month with in the Rodeo-Chediski footprint. The FS is looking at bid offerings on deck sales related to FWPP area decks.

Babbott – Regarding deck sales, one of the challenges is valuing the work that went in to accumulating that timber. At some point, the way that cost is analyzed would be an interesting piece of information for the stakeholders. This could be done as a white paper or a post to Basecamp.

Fleishman – There was a discussion about appraisal methodologies at the Industry Round Table. FS can look at that again with Ashton Hargrave, the regional appraisal specialist, and try to schedule a meeting.

West – While they do typically wrap in the cost of helicopter logging into the valuation of the decks, in this case they didn't – they offered a rock-bottom price and still didn't get a bid. They're offer on the street right now is rock-bottom.

Reddman – The DRAFT EIS is on the website and on basecamp. She just got the soils & watershed report in today which has been very recently incorporated. All of the numbers in the DEIS are very preliminary numbers and are subject to change and are a work in progress.

Pettit – The DEIS will be out for public comment in July. In the past, the SHG has helped host those public comment meetings so Brienne asks the SHG to discuss the potential to do that. The FS is thinking about doing a broader meeting that doesn't just focus on the DEIS but also discusses implementation processes with the public. Asks for a discussion within the SC to determine whether or not the SHG will be involved in these public comment meetings this time or not.

Provencio – In regards to increased haul-weights, there's still a process underway to see what can be done regarding interstate regulations. With this increase in truck weight, trucks are now able to transport approx. 9000lbs. of material per load. Provencio thanks the SHG for the number of letters that were sent to the ACC regarding their consideration of making a rule.

Babbott & Fleishman: Questions how we talk about prescribed fire vs. wildfire with resource benefits – having a better idea of what percent of fire has been categorized as "managed for resource benefit" would be help to those who interact with public communities. Fleishman confirms that those numbers can be provided.

The ERI has a white paper and fact sheet on all the steps that go into prescribed burning pre-ignition and ignition, to articulate how thoughtful the process is. This was done at the request of an elected official two years ago. Diane offers to post those to Basecamp. Bruce Greco was the author of those papers.

## **9:50 The Economic Impact of Arizona's Rivers, Lakes, and Streams Presentation –**

Paul

How Water-Based Outdoor Recreation Contributes to Statewide and Local Economies.

Haley Paul is the Policy Manager with Audubon AZ in Phoenix.

Audubon protects birds in the places that require protection and they know they can't find solutions for birds if they can't find solutions for people. There are 8 chapters of Audubon in Arizona. They are local everywhere.

They also engage around policy, do education and conduct scientific research to inform conservation actions. They partner a lot: Trout Unlimited, Arizona Wildlife Federation, AZ Elk Society, Etc. They're partnered with breweries as well as they have significant public outreach capacity. They promote sound water policy that protects rivers and ground water systems. They want to build their coalition.

They wanted to figure out how to quantify the value of water in rivers lakes reservoirs and streams. They've evaluated the amount of economic activity associated with outdoor recreation along Arizona waterways. Without water, most of this economic activity would cease.

Methods: The study was conducted by Southwick Associates who did a 1000-person survey of Arizona residents to see where people were recreating on water ways in Arizona and they compared that data set with another that was taken in 2016. The quantification of these activities is driven by spending which is driven by days of participation. The factors from the study were run through the IMPLAN model.

They found that AZ lakes and streams are a \$13.5 billion industry in Arizona; this ranks higher than mining and golfing in Arizona. It supports 114,000 jobs in the state. \$7.1 billion contributed to the state's GDP; \$1.8 million in taxes is generated by outdoor recreation on water.

Future Collaboration: They would love to continue this conversation in a collaborative way with members of this group. There's a lot of potential for Audubon to help. Audubon wants to maintain the connection between the health of water and the health of forests.

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Rosenstock – The Rim Country EIS has a significant aquatic and riparian component.

Vosick – There are some replicated sites set up in the Sycamore watershed that were included in the part of the first 4FRI, and they have almost an entire set of baseline data before that area was thinned. Hopefully they will be able to measure what is happening on a surface water and ground water standpoint, after the area is thinned.

**10:10 ACC & APS Discussion** – Berlioux, Worsley

Babbott – Asks to hear the economic underpinning in the APS proposal in terms of haul costs and transportation costs that underpin the RFP?

Worsley – APS provided a \$52/bone dry ton leveled price for biomass in their proposal. When APS said they could produce power for \$115 leveled over 20 years, their underlying price for biomass is \$52/bone dry ton. Worsley has been buying it for roughly \$38 per bone dry ton for the last ten years. They're trying to cover the cost to carry industry forward. Brad feels APS is being realistic in their cost for biomass and their cost to haul it.

Timeframe on APS Proposal – APS presented their plan to the ACC and requested a vote in June to allow them to spend \$2.5 million on preliminary engineering and to carry out a Fuels RFP in correlation with the FS RFP. They also requested to be able to come back at the end of the year with firm prices on biomass. The general feel of the meeting was positive.

Worsley highlights Novo's support for this action by APS.

The meeting took a turn when Sandy Barr with the Sierra Club spoke up saying that Worsley and Berlioux were using scare tactics threatening that if biomass is not removed, the forests would burn down. They expressed a lack of trust in APS. They said a tree would have to be planted for each tree removed if the project is to be carbon neutral. Worsley highlighted that the environmental communities should be heard and considered, but their sentiment about planting trees goes against the science determining what makes a healthy forest. Then, Commissioner Kennedy got up and said that it's not fair for APS customers to bear this burden of the cost of biomass which Worsley believes isn't accurate because APS states that other utilities will have to participate as well. There are two commissioners who fall as hard yes's and two that fall as hard no's and commissioner Burns has not showed where his support lies. Worsley believes the environmental communities have sway with Commissioner Kennedy.

If we can't get the commission to vote 3-2 to allow APS to conduct this study to determine what is the best option in the state for energy and forest restoration, then Brad believes there's no way we're getting this things across the finish line. Commissioner Dunn pushed the fact that we need to be ahead of this RFP. What companies are going to bid on the FS RFP without this defined solution to what they will do with biomass?

Provencio – Asked Brad to articulate the opposition to ACC creating a rule or a mandate for 90MW? The cost for APS to produce conventional power is \$30 - \$40 per megawatt; if APS were to start producing power from biomass, it would cost them \$115 per megawatt. This would result in a yearly difference in cost to produce energy of approximately \$20-50 million. 90MW equates to .3% of all power produced in the state. It would account for roughly .6% of APS's total output. Would all regulated utilities bear the burden of the cost and not just APS? Yes. All except SRP as they're not regulated by the ACC.

The SHG has actively advocated for increasing the amount of biomass used for generating electricity by regulated industry. Brad asked that our environmental counter parts clarify to the commissioners that we're not advocating for biomass across the country but that this is what is best for our state. This might help Commissioner Kennedy change her mind.

Smith – There are studies out there that show that a managed forest holds more carbon than a forest that's overgrown.

Woolley – TNC recently submitted for publication a study looking at 4FRI and carbon outcomes over the next century. IT's been accepted with revisions and once it's fully accepted, TNC would like to present those results to the SHG.

Waltz - The ERI has a working paper on carbon sequencing in frequent fire forests. ERI technical papers are not recommended for everybody but there are key messages in them that larger, older trees are more effective in reducing carbon in the atmosphere.

Worsley – The commissioners have not read everything that has been submitted. The work moving forward in the next two months is direct work from environmental institutions with credibility with specific commissioners.

Rosenstock – GCT has been heavily engaged in this. There the need for interaction with Kennedy and Burns.

Worsley – Commissioners Tobin and Dunn are solid 'yes' votes. There's no chance of moving Olsen over because he doesn't want the state to fund this.

Schulke – The Center for Biological Diversity is supportive of biomass utilization in Arizona but whether they'll come out publicly or go directly to Kennedy is still to be determined.

Gitlin – The Sierra Club is against combustion-based energy production. Gitlin assumes that Sandy Barr was trying to make an argument against the carbon release from combustion based energy at the APS/ACC meeting.

Vosick – ERI has a 2008 paper that covers the full-cost accounting of restoration that accounts for the carbon emissions from everything from the equipment used for restoration to the disposition of material. Most carbon is sequestered in the large trees so as we move forward with restoration we will maintain a bias against the removal of large trees. This full-cost accounting analysis also proved that restoration releases less carbon into the atmosphere than wildfire. The policy perspective around this issue is that the environmental groups are concerned about establishing the act of removing trees from public land as an environmental energy policy. We would never have energy production policy driving how the forests are managed.

Reidhead - It's not an energy policy based on biomass but it's a policy based on a need and this is how Reidhead believes it should be viewed. The energy world is very mildly impacted by this policy.

Worsley – The true conventional cost for APS to produce power is \$30-\$40 so it's a \$25-50 million differential, not \$60-80 million.

### **10:30 CFLRP Authorization – Berlioux, Vosick**

Diane distributed the draft CFLRP Working Group charter. During the last few SHG meetings, the group has discussed how new legislation has approved extending the CFLRP program. Congress has decided to reauthorize it. There's an opportunity for us to apply to continue the funding stream that comes to us from CFLRP. We want to create a working group to work with

the FS to put together a request for renewal of 4FRI. The group is still trying to determine if it's more advantageous to apply as a new collaborative or apply as a continuing collaborative. At this time the group is leaning toward applying as a continuing collaborative.

Fleishman – A webinar was held discussing this and the unknown is related to the amount of funds that would be given in the event of a reauthorization. They need this question answered because the application comes out June 7<sup>th</sup> and then groups will have the summer to work on it. There is a waiver to extend the project which could reauthorize the project for up to ten years.

The money we receive from this program is about 10% of our total restoration funding. If this money stops it could decrease our production capacity of 4FRI outputs 10-15% which could directly affect their ability to put out an RFP and monitoring funds would go away.

Waltz – The level of collaboration and success within collaboration within 4FRI has been unprecedented which Waltz hopes to remind the group of.

Fleishman – The application process will be similar to the one in 2010.

Vosick – Vosick calls for volunteers to work with Dick between now and September that are willing to write in support of the development of this application. Berlioux and Green have volunteered to be co-chairs. Rosenstock will help edit. Melanie Colavito will help write. Post the DRAFT CFLRP WG charter on basecamp for folks to vote on and approve.

Fleishman – One of the items in the application will be to provide a Landscape Strategy; Dick anticipates this being our biggest hurdle in submitting this next application as we look at the initial Landscape Strategy and update it appropriately to include dry-mixed conifer discussions.

### **10:50 DEIS Work Group – Waltz**

- Field Trip Cancellation & Next Steps

This group was born from the PWG and a lot of the members are the same. The group has been working on consolidating stakeholder values and to support this, they planned a field trip follow-up to the Little Timber Sale that was cancelled due to some concerning communications from the Alpine District . The SHG is decentralized and quick to action. The messaging that the DEIS WG shared with the FS was that the SHG is getting a lot of mixed messaging from the FS and that there is a lack of institutional knowledge of 4FRI and the CFLRP which has impacts on the DEIS WG and the reauthorization process. Their concerns received an apology from the A-S and the Alpine district and as a result some next steps were suggested by the FS. The FS acknowledged the frequent turn-over of their leadership; there's an interest from the FS to hear the history of this collaborative effort. Moving forward, we should get the SHG engaged in the multiple decision levels of the 4FRI - the SHG co-chairs were invited to the FS Executive Board meeting.

The DEIS WG is working to respond to the DEIS after their review to develop their key list of issues to work through with the FS.

Kruger – Presented some ideas to the group: The SHG could create and host an orientation for new FS employees and stakeholders that come into this project so that new folks can effectively

brush up on what's going on. They also want to have a Mistletoe field workshop to get us back in the field looking at the trees. They thought it worked well to have some folks from the SHG at the FS 4FRI board meeting so they might continue to do that. He also suggested a new carpool for 4FRI meetings and facilitated retreats with FS stakeholders. There's a suite of new trainings that have come out, one which is called crucial conversation and it has a good curriculum so the board has wondered about giving this class to the SHG. It teaches how to have difficult conversations. They also want a leader's intent memo from Joyner that can be sent to all the districts.

Schulke – Stresses the importance of these issues that have grown over the last year. Todd and others have found themselves wondering if 4FRI even qualifies as a CFLR project anymore and if the answer is no then the effort to go toward reauthorization requires analysis.

### **11:15 Industry Update – Attending Industry Members**

Reidhead – They're in full operations moving 20-30 loads of wood per day.

Bolton – The weather is still giving TNC some problems but they are still moving wood from the Chimney springs SPA and bringing it to Phoenix and Snowflake.

Smith – The National Forest Foundation and the Kaibab National Forest had a tour of Bill Williams Mountain. The county is looking to release an RFP for Bill Williams Mountain in order to treat 300 acres this year. Once they get the finalized map, they would give the bidders 21 days to respond.

Worsley – With TriSTAR's grinder being down, they haven't been able to get enough fuel from their partners so they're attempting to get creative to get more fuel coming their way.

Cooley – Struggled through the winter but have been back at it for about a month or so. Finding enough trucks to move product to Brad or their other customers is still a major issue at the moment. They have their own trucking fleet but they need more. Heber sawmill is running and processing their own logs and some logs they've bought from TRiSTAR, the reservation and others. The Garland Prairie Sawmill in Williams has been running since February. The Windfall mill that they're building is in process. Concrete should be poured in June. Equipment for that mill should start arriving in July. They have been providing scaling services on the west side for individuals that need it. Cooley thanks the FS for moving to a load count for some of these lower value loads; they've been using it since the beginning of the month and it has been working great and saving a lot of time and money.

Babbott – At some point the SHG might appreciate a report on that cluster.

### **11:30 Working Group Updates**

- DEIS WG (10 min) – Waltz - None
- Industry WG (10 min) – Worsley - None
- Communications WG (10 min) – Wolff

The CWG is almost ready to present the draft newsletter to the SC at their next meeting. The CWG would like to incorporate the DEIS timeline into the letter. There seems to be a few items in regards to messaging that we might want to circle back to the SC to discuss for the future.

- MPMB WG (10 min) – Woolley

Their work is moving forward in getting their agreements and contracts funded and approved. The group is also looking for new partners and funding to get them further in monitoring efforts.

- Comprehensive Implementation WG (10 min) – Nelson

They're working along the prioritization process of spring restoration. The T-six field trip is occurring after this meeting to check out the restoration that has been implemented there.

**12:20 Stakeholder Disclosures – All**

Smith – Sent out an invitation on Basecamp to the Air-Curtain Burning Demo which will be on June 18 from 9-3pm. Smith welcomes attendees. The email includes a map.

Vosick – Updates the group on a pilot experiment that the ERI is working on with the State of AZ and Camp Navajo regarding the chipping and shipping of wood to South Korea. The ERI is looking to ship 60 containers to the port of Long Beach and then to S. Korea. the chipping will last 72 hours and will happen no later than early July but it's contingent on a few other agreements in process.

Provencio (Heather) – Raised awareness of the need for an aligned message to the public as treatments take place adjacent to private property. Parks is struggling with their treatments for this reason.

Green – DFFM is reengaging with the 5-party RFP party process with the new leadership of Tenney heavily involved. DFFM is working with Coconino County to engage on the Bill Williams project as well. Thanked the FS for helping to facilitate the chip and ship project with the ERI.

Anderson – Recently attended a presentation from a graduate student on exploring opportunities for biomass utilization and her project focused on the struggles of 4FRI and she focused on the use of biomass in agriculture. Ann will share that presentation once it's available to her.

Babbott – The Air-Curtain Burning Demo is designed to help with a small component of the biomass bottleneck. Babbott urges the FS and fire managers to attend because there is opportunity to use that tool when broadcast burning and Rx fire is not the right tool. Babbott recognizes and appreciates McSally staff for being at this meeting.

**12:30 Review Action Items**

Action Item	Lead	Status
1. Dick to post the data on Rx fire vs forest fire to basecamp	Fleishman	
2. Post the DRAFT CFLRP WG charter on basecamp for folks to vote on and approve.	Vosick	Done
3. Post Greco Rx fire white paper and fact sheet to BaseCamp	Vosick	Done



<b>4.</b> SC to discuss SHG involvement in public information meetings with the FS in regards to the upcoming RFP	Steering Committee	
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**12:35 Adjourn**

**06/26/19 SHG meeting information:**

Wednesday, June 26<sup>th</sup>, 2019, 9am-TBD  
Arizona Game & Fish Region 1 Office (Pinetop)  
2878 E. White Mountain Blvd., Pinetop, AZ 85935  
Teleconference line: (712) 775-7031, code: 439290611