



4FRI Stakeholder Group Meeting

Wednesday, November 20th, 2019, 9am – 12:15pm

Coconino National Forest Supervisor’s Office

1824 South Thompson Street Flagstaff, AZ 86001

Online Meeting and Call-in Number: Call-in 669-900-6833 Meeting ID: 848 498 354

On computer, you can join Zoom Meeting: <https://nau.zoom.us/j/848498354>

(you may have to install a Zoom extension for your browser)

Attendance: Diane Vosick, Greg Smith, Dick Fleishman, Pascal Berlioux, Art Babbott, Jay Smith, Neil Chapman, Paul Summerfelt, Rob Nelson, Steve R, Tom Mackin, Marty Wicklund, John Souther, Scott Buffon, Michelle Ralston, Samantha Flores, Josh Bawling, Leslie Yen, Mark Nigrelli, Patrick Moore, Travis Woolley, Heather Provencio, Tabi Bolton, Jeremy Kruger, Henry Provencio, Joel Jurgens, Joel Miller, John Hammil, Todd Schulke, Melanie Colavito, Steve Best, Amy Waltz, Chip Davis, Nathan Reese, Tom Osderday, Brian Bates, Robbin Redman, Brad Worsley, Allen Reidhead, Adam Coolley, Alycin Gitlin, Chris ? (on phone), Kelly Wolff

Approve minutes from the September 25th SHG meeting — Vosick

Accepted

Review action items from the September 25th SHG meeting — Vosick

Action Item	Lead	Status
1. Post updated FS contact list to Basecamp	Kruger	Complete
2. Distribute information to individual contact lists in regards to the DEIS	SHG	Complete
3. Post RFP presentation on BC	Torres	Check
4. Send Sam Flores answers to the following questions: What has been the biggest 4FRI accomplishment in 2019? What has been each organization’s biggest accomplishment in regards to 4FRI in 2019?	SHG	In-progress
5. Send Match and Leverage information to Samantha Flores	SHG	In-progress

CFLRP Greatest Accomplishment in 2019 – Fleishman

The Stakeholder Group went around the room and individuals expressed what they considered the greatest accomplishment of 2019.

- Eastern AZ Counties: RFP.
- Coconino County: West-side industry discussion around RFP, progress of private capital investment on west-side around Garland Prairie, Bill Williams Mountain steep-slope thinning, air curtain burner pilot on Chimney Springs.
- City of Flag: sent to Dick already.
- Game and Fish: Continued involvement in planning and group consensus.

- GCT: DEIS progress and cohesive, functional SHG, working with FS planning team.
- Tom Mackin: Continued involvement by stakeholders in SHG, support from ERI.
- New Life: Cleaning up task orders, close out one task order, about to close out another, working on three other task orders, capital expenditures to purchase mill.
- CBD: Impressed with cohesion around planning and DEIS.
- Trout Unlimited: Echo comment about cohesion around DEIS and working with FS.
- TNC: working on Chimney Springs and all the learning, FS modernization effort, doing more monitoring and future adaptive management.
- FS (Henry): modernization workshop, permanent 4FRI executive.
- FS (Patrick): acknowledge open minds around planning process.
- ERI: all 4FRI accomplishments, especially as learning lab, Chip and Ship project, DEIS work group progress experience.
- Novo Power: challenges with ACC, RFP release is great, industry meeting.
- TriStar: survival, better knowledge of what can be done in their facilities, working towards more stable environment.
- NewLife: ADOT road weight increase, FS move to load counts, progress on west side.
- Chip Davis on behalf of Congressman O'Halleran: impressed with pursuit of modernization and efficiencies, impressed with progress of FS to help industry.

Call to the Public - None

USFS Update –4FRI Coordinators

Kruger: Henry and Jeremy attended conservation finance boot camp last week, may be of interest to folks, will do write up.

Redman: The DEIS comment period ends January 16 and the work group has been diligent in working on comments. Content analysis will occur after January 16 – important to remember that discussions with the work group and SHG will continue. In March, the FS will start getting busy with creating the FEIS. If a new alternative is developed from comments, they will start working through that in March and they will do their best to continue collaboration.

Timeline:

~October 2020: FEIS and draft ROD for RO review.

~early-mid December 2020: likely published FEIS and draft ROD.

~May 2021: hope to have final ROD.

The public meeting last week in Payson was well attended, and Dick shared information about what has been implemented.

RFP Updates

Berlioux: RFP participants under NDA can't disclose much, but they can share the public data, which was released about a week ago. There was concern about the 8-year review of the contract, even with commitment of 20 years. It did not effectively take advantage of the new 20-year authority. Therefore, in early November, the Forest Service published Amendment #2, which communicates the intent of the FS to modify the current RFP in order to make it a legally binding 20-year contract. Technicalities of how this will be articulated not yet available and will be the subject of Amendment 3 as stated by USFS.

Fleishman: Need to update links to RFP.

Worsley: Need to keep progress moving, can't keep creating delays. Need FS to understand that delays

with the RFP impact work on extending his PPAs. They will be in trouble by the middle of next year. Brad Worsley shared that he is in contact with OSB promoter John Godfrey and that he is specifically authorized by John Godfrey to share the information that there will be a Godfrey/Novo Power bid in which the Novo Power facility will be the biomass solution for an OSB plant. John Godfrey does not want anything to do with biomass and will not provide an independent biomass solution. Worsley also shared that the existing industry (Novo Power, Novo Star, NewLife, etc.) will put together a joint bid that will also use Novo Power as the biomass solution. Worsley emphasized that people need to realize that Novo Power is the only biomass solution for either the existing industry continuing Bridge the Gap; or an OSB plant bid; or a joint existing industry bid. This means that the RFP is not likely to bring additional biomass capacity but simply to displace biomass capacity. Novo Power can likely optimize a little bit what they burn if the industry can work together to use the clean chips from Novo Star so that Novo Power does not need to burn them. Novo Power could also burn less PJ in winter if there is sufficient PIPO fuel stored at the plant. This would allow Novo Power to dispose of restoration logging slash only and would likely allow them to support a little more than the 15,000 acres/year of restoration they currently support. Whether Novo Power could support 20,000 or maybe 25,000 acres annually remains to be seen, but people need to realize that if Novo Power supports 30,000 acres/year for an OSB plant, this means that they will not be able to support the 15,000 acres that existing industry is doing. Therefore, in these conditions, log utilization itself would not be increased by the RFP but simply displaced. Worsley also stated that people need to realize that all bids involving Novo Power will be contingent on new PPA(s) as currently his PPAs with APS and SRP will expire in less than 3 years. Worsley further expressed great concerns about RFP delays as SRP and APS want to wait until the RFP outcome to make new PPAs decisions. This could come too late for the Novo Power Board and investors as there is considerable Board pressure on Brad to stop investing in Novo Power as the economic cost opportunity of using money in Novo Power keeps increasing if there is no future in it after 3 years.

Wicklund: Concur with Worsley. Need to be able to tell investors when the next contract will be awarded or they start to back away.

Provencio: FS cannot really respond to these comments at this time. Please contact a CO with concerns/questions.

Berlioux: If you have concerns, questions, comments, suggestions about RFP, email CO (Peggy Cook and copy Elaine Kohrman).

Vosick: The first extension was given in response to Coconino County's concern that the time window for industry to put together a proposal was too short. The second extension was given because of concerns about the lack of a 20-year contract. The FS is responding to complaints.

Smith: On the website and Amendment 1 is there, but not seeing Amendment 2 there.

Berlioux: The notification that an amendment is coming is technically the announcement. And Amendment 3 will include details of 20-year contract.

Rosenstock: Would like update on open house for RFP. Save for disclosures.

CFLRP Tier 2 Renewal Proposal Presentation (Colavito and Fleishman)

Five Items to cover:

A. Overview

- Authorization lapses in 2019. Farm Bill provided a re-authorization process for CFLRP

- Can apply as new or as a renewal. 4FRI is applying for 10-year extension.
 - Tier One application was approved by the region.
 - Posted Tier Two on BASECAMP. Group had 7 days to reply.
 - CFLRP Extension Team: Berlioux, Schulke, Fleishman, Green, Colavito, Flores, Rosenstock.
 - Berlioux: Sam, Melanie and Dick did most of the work
 - FS provided a specific template for the proposal.
- B. Comments
- Only one comment from Patrick Rappold
 - Are there other comments? No
 - Mackin: Are there other projects seeking renewal or start-up. Yes. Several in this region. E.G. Southwest Jemez (4 year). We are asking for 10 years because of the timeline for implementation.
- C. Attachments
- Attachment A: is a project map.
- Attachment B: Spreadsheet of treatments.
- Attachment C: Where biomass will be processed.
- Attachment D: Stakeholders in Good standing.
- Attachment E: Co-chair letter of commitment.
- Attachment F: Funding scenarios.
- Attachment G: Forest Supervisor commitment to CFLRP principals.
- D. Timeline
- a. Submit by Jan 1 to region.
- E. Finalizing the process
- Organizations in good standing will be assigned categories of engagement by Melanie (Attachment D), and this will be sent with the final draft to Basecamp for approval.
 - The working group will draft the letter of support for the co-chairs. (Attachment E)
 - Final document with attachments will be shared in early December (by December 10 or so) for approval by stakeholders on Basecamp.

Summary of the Holbrook Industry WG Meeting (Worsley)

- Meeting held 9/26.
- Focused on developing knowledge about what supply and utilization is occurring right now.
- 220MBF milling capacity is needed at goal of 50K per year. We need another 120 MBF capacity. 125M GT of biomass will be developed. Looking at needed.
- .5 M GT of capacity needed.
- What can we do. How do we use current capacity? What is needed? How do we fill the gap?
- Recognition that industry can be more efficient by working together.
- Stepping back. Worsley is working with both OSB promoter and is part of the East meets West discussion. Outcome:
 - Group felt that the Governor should be involved to declare a state of emergency like California that would open up some funding avenues.
 - Pressure needed on utilities.
 - ACC. Pressure needed to motivate action.
 - Legislature. This would be a hard group initiative.
 - How about federal subsidy? How about an initiative? Public/Private funding.

- Alternative conservation funding scenarios.
- Conclusion: Need to maximize current industry and see if there is an external industry that can come in. Meeting occurred at Novo Power to discuss possibilities of working together.
- Concerns:
 - Will take millions of dollars of investment. Is that money real?
 - Current industry is struggling. How does starving industry feed starving industry?
 - Worried that past performance may have toxicity that won't allow the FS to select certain industry.
 - Brad has only 3 years left on his PPA.
 - Brad will bid with both groups.
 - OSB will displace all of the current industry.
 - Big disclaimer—PPA must be renewed for Novo Power to be a viable biomass work
- Worsley: Godfrey does not have a biomass solution other than Novo Power.
- Berlioux: One ACC commissioner (Leah Marquez) has notified via docket that she will put biomass on the December public meeting agenda.
- Worsley: she is already an advocate.
- Smith: Should we mobilize industry to get down to ACC meeting?
- Worsley. Utilities have to pay more for their biomass.

Rim Country DEIS Stakeholder Comment Process, Drafts and Next Steps (Rosenstock and Waltz)

Rosenstock gave presentation (see PDF from Basecamp for more details).

- Background: using process from 1st DEIS; chartered a new DEIS work group; working closely with FS planning team, 4FRI CE, and 4FRI board.
- Process: goal of FEIS and ROD that reflects best available science, agreements, and facilitates work on the ground; focus today on key areas of interest for SHG; improvement on comment process from 1st DEIS (more social license); work group will produce consensus comments; entities in group who wish to produce other comments will do so under auspices of their organization not SHG.
- Efforts to Date: used Southwest Decision Resources to facilitate early meetings but now self-facilitated but will use them again for last endeavor; identified 7 primary issue categories and 1 misc. items category; significant changes were put to SHG and 4FRI board who rendered a decision (1 formal decision made by 4FRI board); lots of progress in office hours; co-chairs have attended 4FRI board meetings, which has been helpful.
- Key Issues
 - 1 – Flexible Toolbox
 - Potential controversy around conditions-based management (e.g., flexible toolbox) and need to better track activities spatially and temporally.
 - Stakeholders support flexible management but want better articulation and tracking.
 - Aquatic/ watershed flexible toolbox small group working on specific comments for that topic.
 - Mechanical flexible toolbox has been analyzed by work group and much work remains to better understand it.
 - 2 – Degree of openness pre- and post-treatment.
 - Small group working with FS planning team on this, and more work is still needed moving forward.
 - 3 – Old growth protection and large tree retention.
 - SHG came up with this on 1st EIS, which FS implemented; those recommendations have been translated effectively, but more work to be done within mixed conifer areas.

- 4 – Management of PiPO mistletoe.
 - Concerns that many treatments are too strongly driven by managing mistletoe; SHG asked for them to be removed and they were.
 - There is still a mistletoe component which is an ongoing part of discussion.
- 5 – Description of pre-treatment conditions.
 - Small group working on this to produce an online interactive GIS tool.
 - Online tool now available and accessible (below); was presented at public meeting.
 - Link:
 - <https://usfs.maps.arcgis.com/apps/MapSeries/index.html?appid=9e7e32e414344fce8591eb165f1f2b58>
 - Work still needed on SPLYT to implement on ground
- 6 – Collaborative role in implementation.
 - Most of collaboration has been on planning side; keen interest in developing a mechanism in FEIS that memorializes stakeholder engagement moving forward; example from an EIS in Colorado that could provide a starting framework.
 - Stakeholders want to have a real voice in the implementation process.
- 7 – Adaptive management and monitoring
 - 4FRI Multi-Party Monitoring board producing comments on monitoring; identified gaps on monitoring table; interest in getting better match in scale on monitoring plan and DEIS; also a need to update references for more up-to-date science; interest in more fully fleshed out adaptive management process.
- 8 – Misc. items (largely resolved in published DEIS)
 - Concern about drift from CFLRP intent – CFLRP language was better incorporate and improved by 4FRI board.
 - Clarification needed on terms from 1st EIS – changes incorporated in DEIS.
- Timeline:
 - Contact Waltz or Rosenstock with follow-up.
 - December 18: draft comments on Basecamp for SHG review.
 - May need to schedule an additional meeting depending on feedback.
 - January 8: special stakeholder meeting facilitated by Southwest Decision Resources to finalize comments and approve them by SHG.

Woolley and Berlioux: thanks to the group.

Berlioux: please consider the PPT posted on Basecamp, as it is essentially an outline of the comments that the work group will develop and submit to the larger SHG for approval; please review and make comments as needed (as soon as possible).

Miller: reminder than individual stakeholder group members can provide their own comments separately from the SHG; Trout Unlimited wants to make sure that projects and proposed treatments relevant to watersheds are fully considered as much as fire and mechanical thinning treatments; concern that RFP also not as focused on water restoration treatments

Vosick: do we drop our meeting reservation for SO for December 18?

Rosenstock: yes, drop the reservation.

Miller: concerned about not meeting.

Rosenstock: start sending us your feedback now, let's discuss this before Dec. 18.

Working Group Updates

- DEIS WG (5 min) – Waltz
 - Presented earlier in the agenda.
- Industry WG (5 min) – Worsley
 - NovoPower: plant running well; have built winter inventory; thanks to NewLife for stepping up deliveries; need to keep moving to support industry.
 - TriStar: Doing well and cutting consistently; wish they had a bigger deck going into winter; but overall going well; also reiterates need to keep moving quickly to preserve industry.
 - Coconino County: Bill Williams Mountain 300 acres completed on Phase 1; helicopter has removed 60+ acres and pulling out; hoped to be done with helicopter by Xmas but not sure; costs about 10K per acre; still concern on the Kaibab about whether enough dead and down is coming out; Coconino County would like to reintroduce fire back to that mountain.
 - NewLife: cannot afford to remove biomass from this area, always losing money; they are moving quickly with multiple loads to Novo and Grow Well; also producing logs for Williams and Heber sawmills; also purchasing logs from Canyon Creek and TriStar; west-side logs may look clean but are not the same quality as east-side logs; continuing to move mill over from Georgia (approximately 15 truckloads delivered thus far, ready for construction, foundation finished)
 - Campbell Global: almost done with saw log delivery on Chimney Springs; removal of pulp wood is ongoing; getting ready to move to next SPA location where they hope to operate through winter (Parks West).
- Communications WG (5 min) – Wolff
 - Fall 2019 newsletter is out.
 - Start thinking about topics for next newsletter.
 - Newsletter includes info about DEIS open houses.
- MPMB WG (5 min) – Woolley
 - Working on developing comments on DEIS monitoring plan for the different Rim Country landscape.
 - Working on getting agreements extended and doing new agreements.
 - Working on transition to new FS monitoring coordinator.
- Comprehensive Implementation WG (5 min) – Griscom
 - Mackin: continued visits to several spring sites in 1st EIS area to build a portfolio of sites that could be restored when funding becomes available.

Stakeholder Disclosures

Smith: Coconino, Navajo, Apache counties, and others held a meeting for the RFP following the FS meeting. About 65 people attended (Smith has list and will put on Basecamp).

Babbott: Advocated for the 20-year contract on the RFP; recognizes FS for being responsive to that.

Fleishman: Last Thursday, Summerfelt, Smith, and Fleishman presented on 4FRI to Northern AZ Leadership Alliance. President of Coconino Community College had question about workforce needs, and Fleishman sent 2015 document on needs, and CCC interested in working more on this. Fleishman will follow up on Basecamp to gauge interest in participation when this is farther along.

Miller: Payson Roundup and White Mountain Independent have run articles on 4FRI and DEIS in last few weeks. He proposes that he post them on Basecamp for the group.

Bates: Candidate for Coconino County District 4 Board of Supervisors. Excited about progress on 4FRI. Please share your feelings with him as potential future County Supervisor.

Vosick: Note 2020 meeting schedule at bottom of agenda, also on SHG website. Also, ERI was in DC last week to represent work on 4FRI to delegation and re-iterated biomass issues. Learned that there is interest from Energy and Natural Resource Committee (Senate) and Senator McSally’s office to address biomass issues. Also, Interior appropriations bills do have an attempt to make biomass carbon neutral. With regard to operations and training, that is something Han-Sup Han at ERI has in his program development and should be involved in CCC discussion.

Action Items

Action Item	Lead	Status
1. Summary of conservation finance course on Basecamp	Kruger	
2. CFLRP re-authorization work group will post final document with attachments (including stakeholder list of members and letter of support) for review on Basecamp in mid December	Fleishman/ Colavito	
3. Read and review CFLRP re-authorization proposal and provide feedback to work group ASAP	Everyone	
4. Read and review PPT of DEIS work group comments outlined and provide feedback ASAP	Everyone	
5. Send newsletter ideas	Wolff	
6. List of RFP meeting attendees on Basecamp	Smith	
7. Post Payson Roundup and White Mountain Independent articles on Basecamp	Miller	

2020 Meeting Schedule – these dates are posted on the 4FRI website.

- i. AZGFD Pinetop - 1/22, 3/25, 5/27, 7/22, 9/23, 11/18
- ii. Coconino NF Supervisor’s office - 2/26, 4/22, 6/24, 8/26, 10/28