



## 4FRI Stakeholder Group Meeting

### Minutes

Wednesday, January 27, 2021, 9 am – Noon

ZOOM Audio Meeting

<https://nau.zoom.us/j/92771192452> password: 341419

MEETING WAS RECORDED

#### ZOOM meeting protocols:

- **PLEASE ANNOUNCE YOURSELF IN CHAT BOX OR ON THE PHONE**
- Co-chairs will manage participant engagement
- No video please
- Keep speaker on MUTE
- Use chat box to communicate your questions or comments to the group.
- Please refrain from private messaging as it becomes part of the official transcript.

**In attendance:** Kelly Wolff, Amy Waltz, Gary Mack, Pascal Berlioux, Tracy Bazelman, Patrice Horstman, Robbin Bundrock, Jay Smith, Steve Rosenstok, Melanie Colavito, Adam Cooley, Heather Provencio, Elvy Barton, Justin Schofer, Anne Mottek, Jeremy Kruger, Patrick Moore, Alicyn Gitlyn, Brad Worsley, Rochelle Lacapa, Tayloe Dubay, Greg Smith, Tabi Bolton, David Dorum, Steve Reiter, Jeff Hays, Susan Lamb, Eli Jensen, Rob Nelson, Keith Brekhus, Mark Nigrelli, Robert Vane, Mark Bellis, Mike Martinez, Cerissa Hoglander, Paul Chapman, Tom Mackin, Art Babbott, Tom Osterday, Rob Davis, Wade Ward, Joe Miller, Stephen Flora, Tom Holl, Shaula Hedwall, Laura Jo West, Wendy Jo Haskins, Jesse Hohlt, Neil Chapman, John Souther, Rob Seidler, Evan Lautzenheizer, Floyd Hardin, Hiroshi Morihara, Mary McSwain, and Carol Covington taking minutes.

**Approve minutes from the November 18, 2020 Stakeholder Group meeting** — Jay Smith – approved as presented.

**Review action items from the November 18, 2020 Stakeholder Group meeting** — Jay Smith

Action Item	Lead	Status
1. USDA Rural Development – Summary of Loan Initiative program	Henry Provencio	Complete
2. Potential Work Group regarding ACC	Anne Mottek	Complete

**Call to the Public** – Jay Smith - none

#### USFS Update – Jeremy Kruger

- *RFP* – The USFS has moved into more detailed discussion with offerors. Following these negotiations, the contract officer will ask for final clarifications.
- *USFS analysis of cost avoidance generated by forest management* – He summarized the efforts to date to quantify the monetary benefits of forest restoration, and to identify those who benefit from these efforts. They are exploring what kind of earned value can be realized. Work on this effort is ongoing.
- *Personnel* - reported on current searches and a new position being advertised, Project Manager for USFS 4FRI.
- *Rim Country Update* – Robbin Bundrock reported that updates are being completed which will then be

woven into the Final Environmental Impact Statement.

**Impacts of AZ Election Results on 4FRI** – Jay Smith announced the election of two new County Supervisors Judy Begay, District 4 and Patrice Horstman, District 1. He introduced Patrice Horstman, who introduced herself briefly. Jay then reported on a zoom meeting with Senator Mark Kelley to introduce the work of 4FRI and forest restoration generally. Pascal Berlioux reported on various county election results and engagement of elected officials with forest restoration. He then reported on the Arizona Corporation Commission election results. He noted that the new Chair is supportive of bio energy which is likely to reactivate the discussion at ACC level of energy from biomass. In summary, he indicated that he would anticipate continuity of support for forest restoration efforts, with perhaps increased support from the Arizona Corporation Commission.

Elvy Barton weighed in on the status of bills under consideration regarding who establishes energy policy. There are both House (#2248) and Senate (#1175) versions of this bill. She expects that these bills will be controversial.

**USDA Rural Development Loan Initiative Program** – Jeremy Kruger introduced Jeff Hays and Gary Mack from USDA Rural Development. Jeff Hays described some rural development business grant monies that are available through the USDA, as well as a guaranteed loan program. Gary Mack offered more detail on the grant program and noted that February 26 is the deadline for applications. They are hoping this will be extended. There are two parts to the grant, the enterprise grant component and opportunity grant component. Enterprise is structured to support small businesses in planning, training, counseling, market research etc. There is discussion of creating a co-op or collaborative within this group. Many of costs associated with a collaboration could be funded by this grant. Average size of these grants is generally in the 50-75k range.

On the opportunity side, the emphasis is on supporting non-profit groups in economic development efforts. They then summarized the guaranteed loan initiative, and noted that it was initiated October 1, combining four loan programs into one. The business and industry guaranteed loan program is by far the largest across the country. Gary Mack suggested that they could reach out to known lenders to ascertain what type of loans they are seeking to support. They do work with tribal communities, which are generally considered to be “rural”. They urged those interested in learning more to contact [jeff.hays@usda.gov](mailto:jeff.hays@usda.gov) or [gary.mack@usda.gov](mailto:gary.mack@usda.gov). They would like to assist applicants in the grant application process. For more information on the loan program: <https://www.rd.usda.gov/onerdguarantee>

**Healthy Forest Production Tax Credit** – Elvy Barton reported on a new legislative proposal developed by the Salt River Project, involving a tax credit designed to attract forest product industries and to grow existing industry. She outlined details of the plan. Program will kick off Jan 1, 2022. They anticipate a hearing on the bill next week. Pascal Berlioux acknowledged that the tax credit could be a very meaningful impact on the profitability of a forest restoration business. For additional information people were urged to look up HB 2247 or SB 1177. <https://www.azcommerce.com/incentives/healthy-forest>  
[https://www.azleg.gov/legtext/55leg/1R/summary/H.HB2247\\_011421\\_NREW.pdf](https://www.azleg.gov/legtext/55leg/1R/summary/H.HB2247_011421_NREW.pdf)

#### **Industry Updates** – Jay Smith

*Brad Worsley*, Novo Power – Biomass plant is running very well. They are sitting on about 50 days of inventory and are looking to make investments to carry them through the next 10-15 years.

*Adam Cooley*, New Life – Heber facility is running at the highest production rate ever. Market prices are high as well. Williams facility continues to produce fiber. The new Bellemont facility, dubbed “Windfall”, is steadily receiving new equipment and preparing to produce. Incremental progress is being made quickly.

*Tabi Bolton*, TNC - They are active in the shadow of Bill Williams Mountain on the Clover SPA and near Parks, AZ on the Parks West SPA. Perkins Timber Harvesting is working in challenging conditions in the Clover SPA. Suarez Forestry was able to dig out and ship loads this morning from Parks West. They are currently cutting on the second of two

DXP+ units in Parks West. Biomass markets are challenging. Other markets remain strong. TNC shipped 38 logging truck loads of dry wood to Tuba City that was cut, split, and delivered by volunteers in Tuba City to the surrounding areas. Firewood was delivered to elders, COVID-19 families, and many more. This is part of the Wood for Life program.

**Working Group Updates – Jay Smith**

- *Final Environmental Impact Statement WG* – Amy Waltz and Steve Rosenstock reported that the final environmental impact statement continues to be refined. Updates are provided regularly to the USFS. They reported that there has been a great deal of successful collaboration with the Forest Service.
- *Industry/Biomass WG* – Brad Worsley indicated that there is no update beyond the need for new leadership of the working group.
- *Communication WG* – Tayloe Dubay asked for newsletter ideas for the spring edition. Deadline is Friday, Feb 26.
- *Multi-Party Monitoring Board WG* – Stephen Flora noted that this working group met last week and discussed budgets for projects for the coming year. He indicated that there are monitoring efforts for the Rim Country EIS, and coordination with Stakeholder Engagement Working Group. Since the SHG provided a letter of support for the waiver request which was initially rejected - USGS was recently able to get a waiver to fly a drone to collect post-treatment imagery at Chimney Springs sometime this spring.
- *Stakeholder Engagement WG* – Melanie Colavito and Steve Rosenstock offered an update on the group’s scoping efforts to date. They have been successful in building a foundation of knowledge and resources for future work.
- *Comprehensive Implementation WG* – None

**Stakeholder Disclosures – All**

*Joe Miller, Trout Unlimited* – He reported on work he is engaged in with the Town of Payson regarding the Craigin Watershed Protection Program. This reservoir is the source of water for the Town, thus, there is a great deal of interest in protection of this watershed. At a recent meeting convened in December, there was discussion of readopting the MOU between Forest Service, Bureau of Reclamation, Salt River Project, National Forest Foundation, and Town of Payson.

*Anne Mottek* – is participating in a large landscape peer learning session working group. The working group includes Southern Oregon, Northern Blues, Front Range Roundtable, and 4FRI. Their focus is helping new CFLRs get their efforts off the ground.

**Review Action Items**

Action Item	Lead	Status
1. Stakeholder Engagement WG update (February)	Colavito	

**Adjourn** – Meeting adjourned at 10:35 am

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

- Zoom - 2/24/2021, 3/24/2021, 5/26/2021, 6/23/2021, 8/25/2021, 9/22/2021, 11/17/2021
- Coconino NF Supervisor's office - 4/28/2021, 7/28/2021, 10/27/2021

	<i>Hot Chair</i>	<i>Cold Chair</i>
February	Jay Smith	A Mottek
March	A Mottek	M Colavito
April	A Mottek	M Colavito
May	A Mottek	M Colavito
June	M Colavito	P Berlioux
July	M Colavito	P Berlioux
August	M Colavito	P Berlioux