



**4FRI Stakeholder Group Meeting Minutes Wednesday, February 27, 2013  
Winslow Chamber of Commerce, Hubbell Building, 523 W. 2nd St., 86047  
Call-in Number: 877-686-0400 ~ Passcode: 774-7488-215**

**Next Steps, Action Items and Key Decisions Made at this Meeting:**

<ul style="list-style-type: none"> <li>• Coordinate Forest Service-SH public involvement               <ul style="list-style-type: none"> <li>- Include press releases</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• TNC Technical Presentation in March</li> </ul>
<ul style="list-style-type: none"> <li>• Media Messages (DEIS)</li> </ul>
<ul style="list-style-type: none"> <li>• SHG press release</li> </ul>
<ul style="list-style-type: none"> <li>• Don Walters presentation</li> </ul>
<ul style="list-style-type: none"> <li>• Start dialogue about defining boundary for next EIS (A-S can lay out plans for 2<sup>nd</sup> EIS &amp; rationale @ Tonto &amp; Mogollon Rim)</li> </ul>
<ul style="list-style-type: none"> <li>• Revise &amp; post March messages</li> </ul>
<ul style="list-style-type: none"> <li>• Accept changes &amp; post adopted Charter</li> </ul>
<ul style="list-style-type: none"> <li>• Group relationships/ process</li> </ul>
<ul style="list-style-type: none"> <li>• Invite ADOT to discuss roads</li> </ul>

**Meeting Chaired by Edward Smith and Diane Vosick; facilitated by Buck Swaney.**

**Attending by Phone:** R.H. Davis, Dorothy Holosick, Billie Hughes, Hunter Moore, Russell Winn

**In attendance :** Jacqueline C. Banks, Anastasia Begley, Ken Berkhoff, Pascal Berlioux, Don Berry Kevin Boness, Richard Bowen, Roberta Buskirk, Steve Campbell, David Dorum, Angela Elam, Dick Fleishman, Steve Gatewood, Scott Harger. Marlin Johnson, Royce Kincannon, Tom Mackin, Sharon Masek Lopez, Tom Osen, Jerry Payne, Yvonne Reinink, Todd Schulke, Tim Skarupa, M. Earl Stewart, Buck Swaney, Dave Tenney, Rich VanDemark

**Approval of January 23, 2013 meeting minutes**

**Call to the Public: No one requested to speak**

**1. Forest Service Updates - Dick Fleishman**

- DEIS has been released online: <http://www.fs.usda.gov/main/4fri/planning>
  - This release of the DEIS is about 30 days prior to the official publication in the Federal Register, which is estimated to be in late March. Comments will not be received until the official 60-day comment period which commences upon its publication.
  - Timing of the final EIS depends upon return of responses
  - See the reader's guide for the DEIS to help with review and comments
  - Thanks to SHG for input! Round of applause for the planning team on completing the DEIS.
- Status of work under the continuing resolution

- There is no clarity offered at this point; however this project is important enough that work will move forward to bring resiliency back to the forest
- On behalf of SHG the Forest Service is encouraged to release the DEIS between the 23rd and the 29th because that will give the SHG an opportunity to meet after the 23rd; Earl: “good to know”--Due to SHG comments, the comment period has been extended from 45 to 60 days

## 2. Stakeholder Updates

- DEIS review process update- Buck Swaney
  - The DEIS Review subcommittee put together a four-page guide. They will review nine key issues.
  - The subcommittee plans to have about two times per months, which gives opportunities to work on reports and present to SHG
  - 3/12 & 3/26 (see 4FRI First Analysis Area DEIS: Proposed Stakeholder DEIS Review Process for meeting dates outlined)
  - Around 4/1/13 DEIS will come out, which starts the 60 day comment period when all can participate
  - 5/22/13 SHG meeting – very important to discuss level of agreement; 5/15 contingency meeting for SHG – date for stakeholders meeting in case NOA comes out prior to regular meeting date, to give more meetings for decision-making
- DEIS process facilitation- Diane Vosick
 

In order to meet the deadlines of the DEIS process the stakeholder group will need facilitation services above and beyond what is in the current contract between Logan Simpson and the Forest Service. We will need at least an additional \$5,000 from partners. The following groups were asked for or volunteered that they would look into providing funding.

  - ERI: \$1000 (committed)  
Possibly:
  - Eastern Counties: up to \$2500? If not, will ask Navajo County for \$1000
  - GFFP: \$500-\$1000
  - State Forestry: ?
  - TNC: \$500-\$1000
  - Rich Bowen (ECONA): \$1000
- Forest Planning Rule Update – Diane Vosick
  - Wally Covington serves on the FACA committee for the new planning rule.
  - The guidelines for implementation of the new rule are now out and available for comment (this is not required by law). There is a 60 day comment period (publish date was February 20). The Rule has been challenged by user groups on the issue of science and planning. Some members of the environmental community have intervened on behalf of Forest Service.
  - There are four early adopter forests including the Cibola. Special attention is being given to the Native American communities and engaging youth.
- CFLR Workshop and New Investment Strategies for Restoration-Diane Vosick
  - There is a group of individuals planning a workshop for the first week of October that will be called “Investment Strategies to Restore Arizona’s Forests and Watersheds.” The workshop will be begin at 1pm on the first day and at noon the second. The goal will be to showcase and discuss alternative funding strategies for accomplishing restoration. Following the Investment workshop there may be a Region 2 and 3 Collaborative Forest Landscape Restoration Program (CFLRP) workshop.
- Flagstaff Watershed Protection Program

- Agreements have been signed with the Forest Service. Discussions are underway regarding an agreement with the State Land Department and State Forestry.
- One agreement will be between the City and GFFP for outreach services.
- The first activity pertaining to NEPA and the proposed EIS for Dry Lake Hills and Mormon Mountain will begin in April.
- Joint meeting with the Uncompahgre CLFRP- Diane Vosick
  - May 21, 2013 Uncompahgre CFLRP is holding a learning trip to the North Kaibab Ranger District in order to visit the Warm Fire & and to see managed fire in mixed conifer– flyer will be put on back table
- Press Release for DEIS- Tayloe Dubay
  - The SHG decided to put together a press release regarding the publication of the first DEIS in the federal register. The release will encourage public to comment in 60 day period. The focus should be more general in nature, discuss the large scale of analysis, focus on restoration of wildlife habitat, etc., and less about SHG’s comments. The SHG may produce a press release later with positions on the DEIS.
  - The SHG has been asked by the Forest Service to assist in outreach particularly at the public meetings
  - Public information meetings will work in regular framework. Stakeholders asked what the 4FRI representation should be? Should there be talking points for value-based questions? How will the process be managed in order to manage expectations?
  - The Communication group under the direction of Tayloe will assemble a press release for stakeholder review at next SHG Meeting
- Update on National Forest Foundation’s Treasured Landscapes, Unforgettable Experience selection process – Ed Smith
  - Ed met with Mary Mitsos last week, and they have officially selected the Greater San Francisco Peaks area, with funding and projects going more toward “ancillary restoration” than mechanical thinning – seeps, springs, exotic plant mapping and control, aspen fencing, and trail maintenance. See <https://www.nationalforests.org/conservation/programs/conservation/coconino-national-forest-restoration>
  - Earl Stewart said that planning for the San Francisco Peaks Treasured Landscape may proceed slowly because Forest Service capacity is limited due to 4FRI and City of Flagstaff Bond 405 planning.
- Update on TNC Technology in the Woods project – Ed Smith
  - Two touchscreen tablets with GPS/GIS technology were installed last week, and they are up & running to help thinning contractors know where they are in relation to boundaries, map trees cut, tree gathers for skidding, and roads within units. They track how many trees have been cut with direct feedback results; meeting/ presentation next month to show how units can be translated into implementation monitoring and contractor performance.
- Don Walters of Arizona Forest Restoration Partners has expressed interest in participating in the Stakeholders group, and wants to provide a brief presentation at next month’s stakeholder meeting.

### **3. Contractor Update (Pioneer) – Marlin Johnson**

- Finances: They are continuing to talk to Oppenheimer, however a second company that cannot be disclosed is also interested in working with Pioneer.

- Over the next weeks, the new company will do “due diligence” for financial analysis & also work on building a partnership with Oppenheimer and look into bringing in others like a construction company to build buildings.
- Marlin will know more in April. Pioneer is encouraged and hopeful of having funding established in early spring.
- Renewable energy – It will take longer than anticipated (1-2 months) to build the renewable energy facility. It will come on line about the same time as the mill.

**4. Forest Service response to questions raised by the contracting subgroup – Steve Gatewood & Roberta Buskirk, Region 3 Director of Acquisition Management**

- Ground rules were reviewed prior to the discussion: respect one another & don’t repeat the same question
- Don’t lose track in how far we’ve come. Where we are today takes into recognition of everyone’s continued interest in this movement to restore the forest into a healthy state to prevent catastrophic fires; Pioneer is an instrument in getting to that goal. Forest Service will respond the best they can but confidentiality limits what can be said.
- Roberta may attend future meetings to answer questions
- Gilbert Massiatt is the contracting officer
- FAR (Federal Acquisition Regulation) governs contract execution

*The contract extension is a negotiated process*

- Pioneer made a request for extension (because financing is slower than anticipated)
  - Right now the contract extension is in negotiations and are not public
  - If there is an extension then a modification occurs to the contract. Parts of it may be made available to the public
- The contract modification & new timeline should be completed in early spring
- The current plan is to issue the first task order under the contract in April 2013

*How will the government ensure that Pioneer performs in a timely manner?*

- The original contract estimated milestones; set milestones are being inserted into the contract modification
  - Timelines will be binding
- Milestones will be established in the task orders
- Once a task order is issued a contractor is assessed for performance
  - Task order performance is based on end dates to remove wood
- The Forest Service may assign 1-yr performance times but most will be within 3 years

*When will Pioneer be considered in default on the contract?*

- It is inaccurate to focus on default because within a contract, there many opportunities to address challenges and perform on the contract
  - The Forest Service has timelines and will do diligence
  - Performance on the contract is based solely on execution of the task orders (no task orders have been issued yet)
  - Performance is generally the tangible accomplishment of task, but can include hiring personnel to carry out the task
- Once a task order is issued (through a “notice to proceed”) the contractor has 10 days to start work. This can be defined in many ways but can be as simple as hiring loggers. A task order includes a timeline for action and may have a 1, 3, or 5 year completion deadline.

- If work does not proceed consistent with Forest Service regulations then the Forest Service follows a set protocol: 1. Issues a “cure” notice; 2. Issues a “letter of warning”; and then, 3. the contract is in default. In reality it can take several years before a contractor is determined to have defaulted on the contract. To cancel a contract will require additional steps.

#### *Financing*

- No milestones are being set for the financing
- The performance of the contract is based on completion of task orders, which is the removal of wood, not on financing
- Mezzanine or bridge funding is coming much later than expected
- Mill construction will come in the second part of financing
- Final financing will be for building

#### *Can Pioneer transfer work to someone else?*

- Yes. But Pioneer will have to get government approval

#### *What is the projected size of the first task orders?*

- FY 13 task orders: Approximately 1000 acres on A-S “Ranch” project; Kaibab in July; then Coconino NF in August, then more in September to total around 15,000 acres with 10 task orders by Oct 1, 2013

#### *Task orders need to be issued or completed as treatment?*

- Period of performance is measured in years, not months
- Task orders will continue to be issued based on expected mill capacity

#### *What is the time window between issuing a task order and when a tree is cut?*

- Based on the capacity of Pioneer’s operators, assume a quick around time based on the operator
- Example: Mountaineer sold 3 years ago and they were in within 6 months
- Example: Timeliness in the White Mountain Stewardship is usually quick but because it is a mature contract

#### *How soon does Pioneer plan on getting on task orders?*

- Finding loggers & get scheduling going will follow task orders
- Pioneer reported that they will start task work when the 1st level funding (mezzanine or bridge financing) comes in

### **5. Review, finalize and adopt charter amendments – Buck Swaney**

All highlighted changes (as Buck discussed) adopted as the new Charter (no need to re-sign Charter)

Additionally (Russ Winn):

- V. (The Steering Committee) omit “selected”
- VII. B. 3. B. “agreement by acquiescence,”
- IX. 2. “agreement by acquiescence,”
- X. A. 6. Replace “may” with “shall” be submitted...
- X. C. 5. Replace “may” with “shall” be submitted...

No one objected to the Charter changes

Do we have anything in place about membership & attendance?

- Spreadsheet of attendance on file at the ERI

Steve Gatewood asked what happens if there’s a flagrant violation of the charter?

- Steering committee will weigh the situation & decide to make final determinations and recommendations.

- The group accepted the charter revisions with exception/note below (AGFD):  
“Agreement with Reservations” from the Arizona Game and Fish Department:  
The Department has reservations about “Communication of Disagreement” (Table 2). Providing different messages to the general public and the U.S. Forest Service could be seen as a lack of openness and transparency by the 4FRI collaborative. Since the group includes agencies subject to Freedom of Information and Public records requests, deliberative materials will be readily available regardless.

## 6. Roads – Don Berry

- ADOT website tells of pounds per square inch (PSI) weight limits on certain roads and bridges & places allowing high weight limits
- PSI managed with more wheels (more trailers but less tractors)
- Next step: ADOT sending representative to Forest Health Council to discuss further
- Coconino County also concerned about roads; can anyone describe what different roads will be utilized and the various jurisdictions? What about water quality and other factors for a better understanding? It’s a fundamental discussion in various places.
- Suggest SHG ask ADOT to present to answer questions; this topic is a very important issue to address
- Example: Show Low member of Chamber of Commerce with Forest Energy & Sen. Crandall interested in signing bill; ADOT says it’s not possible because since 1990, states are no longer able to increase weight limit on roads. Communities were trying to get exceptions by a “grandfathered” clause, which would allow states to increase weight limits until a certain date (unclear). There was a missed opportunity recently to introduce state legislation to change weight limits. ADOT said they were willing to work with pellet plants, but were not heard of since.
- Example: Colorado has higher weight limits on roads, which makes it difficult for Arizona companies to compete with larger Colorado haulers for that market
- Federal regulation says highway money will be lost if freeway limits are increased; a detailed look is necessary to see what’s possible
- TNC will not likely take a position on this issue, but rather would be interested in the assessment of costs & benefits
- How will counties accept this and be willing to pay for increased use? There is concern about county roads and costs to counties for maintenance. This could be a barrier to public acceptance of the project. If roads become barrier, then that’s a problem. We need to help cities and counties to get around this. Note: each county will be different Navajo County is on board to have forests cleaned
- Identification of county roads and issues will be addressed in the EIS for the next analysis area.
- Design a future learning session with ADOT, Industry, and County Reps, others to give a balanced picture. Intent is not for 4FRI stakeholders to develop an official position, but rather for stakeholders to be better informed of the facts pertinent to the issue of roads, their use and maintenance costs.

## 7. Review, finalize and adopt 4FRI Status Messages – Buck Swaney

- Messages: first effort for folks going to DC soon & beyond to have clear messages at all meetings on behalf of SHG; use the handout as a guide
- Draft EIS needs media points as well; not today
- Third paragraph: costs of large fires & projection of drier years for supporting information for conversations
- Funding & milestones:
  - Unsure about actual amount: accurate \$4 mil + 13-15 mil = \$19 (?)
  - Crucial that Congress funds for 4FRI success

- FY12 accomplishments: Bullets came out of CFLRP report; acres treated from Annual Report to put in (Dick Fleishman will provide, but also on Forest Service & CFLR websites)
- NAU Franke School of Business #s don't match Pioneer's numbers. Pioneer estimates 500 jobs at the mill and hauling/harvest at 200
- Diane will correct errors on jobs
- Alert CEQ and ask if they can provide something back like more field trips??
- Conclusion – success depends on fed funding, NEPA collaboration, develop Wood Utilization Capacity & extension of Stewardship Contracting Authority
- Whole goal is 50,000 acres (30k from P + 15-20k from Forest Service existing program)
- Send to Paul Summerfelt because he's going to DC also to represent City of Flagstaff
- Ed: Seeking clarification that these speaking points are not new, we are updating them for the trip to DC next week; (no objections but is this official?) To be clear, the draft Status was posted on Basecamp on 2/26/13, and the agenda item for today was described as "Review, finalize, and adopt 4FRI Status Messages."
- Roads closed & denying access may raise flags for some folks (e.g. recreationists)
- Change name by taking out "Update" from title of form
- Approved as discussed and amended and agreed to go onto Basecamp 2/28/13

## 8. Stakeholder Disclosures

- March 19th 10 a.m. - 1 p.m. – Natural Resources Working Group, Pioneer Conference Center, Show Low – Coalescing ideas about the next analysis area.
- Before the next stakeholder meeting the Landscape Assessment and Monitoring Group needs to look at forest plan amendments
  - Significant changes or not?
  - Criteria?
  - Bring relevant questions to next stakeholder meeting
- Conflict between new Contract Working Group and the Steering Committee. Process issue to addressed?

### Next Meetings:

3/27 – Flagstaff  
 4/24 – Pinetop  
 5/22 – Winslow  
 6/26 - Flagstaff