

Tanana Valley State Forest  
Citizens Advisory Committee Meeting  
September 27, 2012  
Fairbanks DNR Large Conference Room  
6:00 – 9:00 pm

Welcome and Introductions: Mark Eliot, Regional Forester.

CAC Members Present/Representation

Brad Cox, Value-Added Processing  
Tom Malone, Forest Science Chair  
Thomas Nerbonne, Regional Representative – Upper Tanana Valley  
Al Pagh, Forest Industry  
Dan Rees, Private Forest Users  
Jim Sackett, Regional Representative – Lower Tanana Valley  
Chris Stark, Environmental Interests

CAC Members Absent

Jack DiMarchi, Mining Interests  
Paul Karzmarcyk, Fish and Wildlife Interests  
Kathy Morgan, Alaska Native Community

Division of Forestry (DOF) Staff

Mark Eliot, DOF Northern Regional Forester  
Mike Curran, DOF Coastal Regional Forester  
Al Edgren, DOF Delta Area Forester  
Jeff Hermanns, DOF Tok Area Forester  
Doug Hanson, DOF Statewide Inventory Forester  
Kathryn “KT” Pyne, DOF Fairbanks Area Forester  
Mike Reggear, Delta Area Resource Forester  
Jim Schwarber, DOF Forest Planner  
Brian Young, DOF Fairbanks Area Resource Forester  
Julie Smith, DNR Public Information Center, scribe

Guests

Joan Hardesty, Department of Environmental Conservation Division of Air Quality  
David James, Alaska Department of Fish & Game (ADF&G)  
Julie Hagelin, ADF&G  
John Yarie, UAF Forestry  
Glen Holt, UAF Cooperative Extension Service  
Chad Schumacher, Superior Pellet Fuels  
Loraine Navarro  
Thomas Deerfield, Dalson Energy, Inc.  
Jim Durst, ADF&G  
Lissa Hughes, Northern Alaska Environmental Center  
Paul Costello, Fairbanks North Star Borough

Amanda Byrd, Alaska Center for Energy and Power  
Daisy Huang, Alaska Center for Energy and Power  
Dale Rich, Superior Pellet Fuels  
Tom Grant, UAF Forestry  
Glenn Juday, UAF Forestry  
Jan Dawe, UAF Forestry  
Tom Paragi, ADF&G  
David Valentine, UAF Forestry  
Clare Doig, Forest & Land Management, Inc.  
Ed Packee, Young's Timber, Inc.  
Al Cavallo, Division of Homeland Security & Emergency Management  
Tim Koehler, Dry Creek

## Old Business

### 1. September Windstorm

#### A. Dry Creek

Al Edgren reported the Interior had a major windstorm September 16 – 17 with 40 – 70 mph winds. Unofficial data showed gusts up to 114 mph. The biggest problems were in the channeled areas. The high winds threw a wrench in what they had been doing. The event happened after the fire season, so they had no crew. Fires cropped up. Al showed photos of the Dry Creek blow-down. Aspen are more susceptible to wind. In Delta, most of the fires were associated with aspen.

This was a very unusual event with significant windblown areas. There are possible future impacts on culverts and infrastructure in addition to possible increased fire danger and increase in insects. The question now is how to deal with the mess?

There is a community associated within the perimeter of the impacted area. People are traumatized even though no one was hurt. This event has resulted in a permanent change to the community. The community doesn't know what to do, and they need help. It will be a monumental task to clean up the downed timber. Dry Creek has opened an area to dump the slash. It will be a monumental task to clean up the downed timber. Dry Creek is just one community.

There was also significant wind damage along the road fringe of Pogo Road for 7 miles. It isn't clear how this will get cleaned up. There is a fire risk from the blow-down.

## B. Tanacross

Jeff Hermann reported that Tanacross was hammered by the wind storm. 95% of trees are down, broken, or damaged. One concern is forest health related to insects, especially the bark beetle. Big events like this often result in beetle epidemics. We don't know the extent of the damage yet, but it looks like at least 50,000 acres have been impacted. The extent of the damage remains a huge unknown. Mike Reggear agreed. It's critical to get the paperwork process started. Black spruce stands were also severely hit.

Jeff said he's working on a damage assessment that will be part of formulating a plan to respond to the damage. Part of the plan will likely include salvage sales.

Tom Malone said there is too much blown down wood to salvage and asked about other aspects of the plan. Jeff said they would be looking at treating the forest around the communities to decrease fire and insect risk in those locations.

Mark Eliot said DNR authority is limited to state lands. On the federal side, Homeland Security is already working in Southcentral and will be coming to the Interior next week. Mark introduced Mr. Cavallo, participating via phone, from the Department of Homeland Security. Mr. Cavallo said his role is to provide assistance for public infrastructure including roads, bridges, emergency access, trails, and roads. Individual assistance folks work with disaster assistance centers (DACs) related to private personal loss. Part of the current effort is to get the information needed to move forward, to move money to these areas. There has already been a state disaster area designation. They are still ascertaining the level of the disaster and the money needed. They will seek a presidential declaration. The goal is to get individuals taken care of. There will be an individual assistance hotline opening October 3. The contact number is 855-445-7131.

Chris Stark asked whether there is actual help, or only money? Mr. Cavallo said money and advice is provided. They can also attempt to mitigate future harm by assisting with relocation when that is voluntary and helpful.

Jeff Hermanns asked if Homeland Security was intending to work with the Division of Forestry in doing the assessment. Mr Cavallo said yes, DOF is a potential applicant under the program and they will rely on DOF to provide information. They will be looking at areas that have suffered a high impact. They want to capture as much information as they can to meet every threshold for every element. Debris across structures tends to be fundable, unlike blow-down in the forest.

Thomas Deerfield asked how long we have to salvage saw logs so they are still viable for a saw mill. Al Pagh said 2 – 3 years maximum. Jeff noted that if the bark is blown off then this impacts the shelf life of the logs.

K.T. Pyne and Brian Young said Fairbanks was impacted by the wind but the damage was much more isolated.

Al Edgren said DOF has authority to salvage. One question is whether to issue a broad based FLUP or use an approach specific to each drainage. He provided a handout for two potential sales in Dry Creek and Johnson Slough.

Chad Schumacher asked how DOF will incentivize these sales. Jeff said they would target stands with higher percentages of saw logs. Chad asked how DOF would make this economical for private industry to participate.

Jan Dawe asked how much of this wood would have been cut without this event? In the past, DOF offered 200 – 400 acres for timber sales in a year. The salvage acreage in Dry Creek alone from this event is 3,000 acres.

Al Edgren said there is the possibility for a prolific hardwood stand as an outcome of all this.

Thomas Deerfield said this is a game changer. The conversation has changed. How are we going to move fast enough to salvage these logs? Jeff agreed. The change in volume is tremendous. Chris Stark said the other possibility is the wood rots and we don't have the stands to count on in future years.

Al said the trick is utilization. With biomass, we can stretch utilization to 4 – 5+ years, where saw logs are limited to about 2 years.

Paul Karzmarcyk said we need to cooperate and not get caught up in conflict with the environmental community. Chris Stark said environmental groups support biomass, as long as that use is balanced with habitat and other concerns. Chris said we're all in the same boat.

Glen Holt said we need plans to mitigate increased risk for both fire and insects. The trees are tipped over and a mangled mess. There is mineral soil exposure. Early harvest around infrastructure areas to create safety zones may be important.

Glenn Juday said he would like to work with DOF to develop a research plan with a longer term view in mind. This will require an accurate assessment as a foundation for long-term research. Jeff said others are looking at the decay rate of the timber. Glenn said he can work on the legislative side in addition to coordinating with DOF.

## 2. Back to top of the Agenda

### CAC Open Seats

Mark Eliot reported that the CAC recreation seat and tourism seats are open. There will also be four seats expiring on December 31, 2012: private forest user (Dan Rees), tourism industry (vacant), mining industry (Jack DiMarchi), and the regional representative for the Lower Tanana Valley (Jim Sackett). DOF will advertise these seats to see if there is any interest. Mark hopes the people who currently occupy the seats will still be interested. Chris Maisch will make the final decision for CAC appointments.

Mark noted that Chris Stark was recently appointed to the Board of Forestry.

## 3. Old Business

### Review of minutes from May 17, 2012 CAC meeting

Chris Stark asked if DOF has met with the tribes. Jeff said he hopes to in the next few weeks. Jim Sackett said it would be worthwhile to redouble efforts to have consultation with the tribes.

Chad noted an error on page 4 of the May 17 minutes. The seventh paragraph indicates Superior Pellets has a 10 year contract with DOF. That is inaccurate. Superior Pellets does not have a contract with DOF at this time.

BREAK: 7:30

RESUME: 7:40

## 4. New Business

### A. Rescission of Preliminary Finding Document

Mike Curran reported (via phone) on the rescission of the Preliminary Finding document included in the meeting packet. After reviewing public comments, DOF determined the preliminary best interest finding should be changed to provide for a competitive bid sale. The Preliminary Finding will be rewritten and subject to public comment for a 30 day review period. Mike is hoping to have the new document available to the public on October 26 to be back out for review. Put together a project team with staff in the Division of Forestry to assist areas in developing long term timber sale based on their expertise.

Chris Stark commented that the last Best Interest Finding (BIF) had many flaws. The CAC opened the conversation about that Finding. For that reason,

would it make sense to run the new BIF to the CAC before going to the public? Jim Schwarber said he hopes the joint CAC/BOF meeting November 8 will be an opportunity to share the BIF. Chris said he's worried about timeline being too short to get enough public input on something that will last 25 years. The recent wind storm event has added a gigantic unknown. The CAC and public needs more time.

Mike asked whether it is the CAC's recommendation to give CAC a copy for review before going to public at large? KT Pyne noted that in the past, the CAC did review material in advance. Jan Dawe said the CAC was enlarged during the revision of the TVSF management plan. Dan Rees said he would support CAC review before going to the public. Chris Stark said the CAC isn't a slow body. It would be possible to provide feedback in a matter of days. Mike said October 26<sup>th</sup> is an internal date for the project team to get their work done. He said its fine with him if the CAC wants to review the document before it is submitted for public review. Chris asked if the CAC could have a week to review the document. Mike said they could have more time if needed. His goal was a timeline for the project team.

Ed Packee said his concern is related to missing the allowable cut. He would like the new DOF decision to separate Tok area from the sale area. He also noted that everything is done on the basis of acres, but doesn't include other factors like rotation age, habitat, browse production, and biomass. It's important to know acres as well as volume, because of variability on the site. Mike said the more information the better. Jeff said DOF needs to have a detailed view of 25 years of harvest. DOF will be looking at extensive planning. They will need to do an appraisal in order to put out a bid and enter into a contract.

#### B. Overview of Siemens Request for Ft. Greely Biomass CHP Facility

Al Edgren started his report with an update of the Delta Area. He noted that the biomass facility for the Delta school has resulted in a savings of 100,000 gallons of heating fuel per year. The Delta school spent \$27,000 to heat the school last year, a significant savings over prior years. With the savings they were able to add two teachers and purchase lots of remodeling of the school. The project has been very successful, a great project. Oil is too expensive, and this is an option.

Siemens came to them with a similar proposal. These stoves burn much hotter. They burn the volatiles, and are very efficient. There is no issue with ash. There are no problems because of the way the system works. These are not woodstoves. Ash filters into 55 gallon drums. The ash is offered to gardeners for pot ash.

Siemens proposal is summarized in the letter in the packet. The question is whether the volume is there. DOF has prepared a document titled State Forest Biomass Inventory Availability, included in the CAC packet. Siemens is requesting 110,000 green tons of woody biomass. This is approximately ~~10~~ ~~—12~~ ~~three~~ times the size of the Tok biomass project. Right now, Ft. Greely burns 1.3 million gallons of diesel fuel per year. There is no determination yet about whether to move forward with the request. This is simply a proposal on the table. The caveat is a 2 hour or less transportation window.

DOF is looking at whether there is sufficient volume of material to support the facility. It looks like it is doable if they can figure out how to use small diameter trees, but this is far from a done deal. The public process has not started. But looking at the resource, it looks like the potential is there.

Mike Reggear said a system of this scale there are different approaches for harvesting material.

Tom Malone asked what would they pay as a stumpage rate, and what happens to the price for other existing buyers? Al said the farther you get away from hard surface, the higher the cost. Wood near the road is appraised higher and is more expensive.

Glenn Juday said there are some research areas at Johnson Slough and Volkmar Lake and said he hopes those areas are excluded. DOF responded that yes, those areas are excluded for consideration.

Glenn said he has just started a state funded project to address what will regenerate after disturbance, to determine the best techniques for achieving regeneration, and to determine the rate of growth.

Ed Packee noted the biomass is green, which would hurt the small operations involved in timber sale salvage. Al said DOF will need to figure on a dry tonnage basis.

#### C. Request for Increase in Volume for Superior Pellet Fuels

KT Pyne and Brian Young reported that Superior Pellet Fuels has asked for 30,000 tons of biomass fiber annually, or 750 acres. There are currently about 4,000 acres total in active timber sales. This includes 16 current timber sales totaling 2,140 acres and 12 new sales proposed for 2013. DOF will also have the Hastings Salvage for 2013 from the Hastings burn area 20 miles north of Fairbanks. Once access is developed there will be 13,600 acres of timber. The Hastings burn is already included in the 5 year plan, and because it is salvage DOF could meet the tonnage requested with what is currently available. The proposed route is through Himalaya Road and then through Fairbanks North Star Borough land. DOF has completed the

necessary paperwork which will be heard by the Borough Assembly. No meetings have been held yet. None of this has been formalized.

An additional request for 150,000 tons annually for the next 20 years has been submitted from Randy Hammer, Norpac Trading Company, Ltd. to be used for biomass bricks.

Chad Schumacher from Superior Pellet Fuels said the business has grown every year. Last year had tremendous amount of material from railroad expansion. That is no longer available. Need to lean more toward timber harvest side of things. Also need to look at species. Need 75%+ spruce. Remaining 25% can be small birch. Didn't know that when started. Sales need to focus on species and size they need. They can't afford to use saw logs and don't want to. They can't afford to take that higher quality product. They only want stuff that isn't saw log grade. Would like lower grade product for lower cost. Very current need. Anticipate 10,000 tons of pellets this year. Large distribution contracts with local box stores. Seeing tremendous growth in the industry. Already residential growth. Hoping to see commercial growth.

Chris Stark said there is a tremendous lack of firewood. Question is how to combine firewood with pellet needs. Larger material for firewood, smaller for pellets. Chad noted that Superior Pellet Fuels also sells hardwood for firewood. Their supply of dry wood is already gone.

#### D. Division of Forestry Reorganization

Mark Eliot reported the DOF is reorganizing in an effort to be more responsive and effective in serving the public and managing the forest. The change is also in response to the influx of large projects. Project teams are being designated for large timber areas. Area managers will focus on existing demand. A lot is still open for consideration and review. This is the resources side. The fire side is looking at whether they might reorganize. This is an ongoing consideration that may result in changing how DOF looks.

Next meeting of the CAC will be November 8 in a larger venue.  
The Board of Forestry will meet in Fairbanks November 8 – 9.

Adjourned at 9:30 pm.