

Custer County Commissioners
Special Meeting
Timber Feasibility/Bio-mass Workshop

April 12, 2022

The meeting/workshop was called to order at 9:00 AM by Commissioner Chairman Wayne Butts at the Challis Community Events Center. Those attending were Tom Coates, Tom Kealey, Wayne Butts, Randy Corgatelli, Sherry Maestas, JD Bennetts, Dave Rosenkrance, Chuck Mark, Clayton Collins, Wm. Ebberts, Ken Dizes, Mary D'Aversa, Josh Sorensen, Jolie Turek, Karma Bragg, David Hilliard, Amy Taylor, Kathryn Hitch and Tina Hawkins.

Commissioner Chairman Wayne Butts reviewed the purpose of this gathering. Everyone attending needs to look at the grant funding possibilities that are currently available through ARPA and BBB. He has had Custer Economic Development Assoc. look into a co-generation plant and cultivate great ideas. The feasibility study that was done by Dr. Dennis Becker with the University of Idaho on the project created great enthusiasm and then big disappointment. It was discovered how great the need for an "Anchor Point" project was. Many suggestions have been made and as a group we need to sort them out and find the best one. Wayne asked, "can we all agree that there is timber that needs to be harvested?" Projects using such harvests to heat schools are currently being used in Garden Valley, Idaho and Darby, Montana. Would it be better to put in some type of dimensional lumber mill? Perhaps produce pallet type boards. I need anchor ideas from YOU!

Ken Dizes/Salmon River Electric Manager spoke on the diversity within our confined geographic area and the need and desire to preserve our custom and culture. We have many benefits, and affordable electric power from the Bonneville Power Administration is a big one. I have looked into local generation of electricity and they are all more expensive BPA power. I have researched bio-mass generation, small hydro generation, wind generation and solar power generation. Each method has its own risks, economics and technology. There isn't one that can compete with BPA on cost. Wayne responded "This brings a strong dose of reality to our plans!" Any project we eventually decide upon will require electrical power.

Karma Bragg/Custer Soil & Water Conservation District Administrator was then introduced. Karma has assisted Custer County with many projects. She is very proficient from finding funding on to the implementation of the proposal.

Randy Corgatelli/County Commissioner & Rancher spoke from his personal experience in the logging, cattle and mining industries. During his lifetime the cattle numbers in Custer County have changed from over 25,000 head to barely 10,000 head currently. The logging industry has been totally decimated and shut down. The mining industry is the only one showing any growth. Because of the large number of cattle this region has produced historically and the long distance to markets he suggested a "beef processing facility" be built in the tri-county area.

Dave Rosenkrance/District 4 USFS spoke about the ability of the local forests to provide a supply of materials for wood reliant projects. The feasibility of the bio-mass generator project is not proven as yet. Wayne went over the current logging sales amounts and the new FS policy of removing roads when an area is harvested. Ken brought up the study that promoted the highest return products be produced and concentrated upon for a plan to succeed. Chuck spoke on the assumptions that were made about building roads and the costs of logging/harvesting that weren't accurate. He worked to get a bio-mass heating unit set up for a school in N Idaho that wasn't able to persist. Don't take anything for granted, as transporting the materials quickly becomes the largest expense. Be sure to consider the federal lands tied up in roadless and wilderness that are not accessible. Wayne reminded all that the U of I Feasibility Study still has a Phase II to complete. Dave was asked about available funding, but had no hard answers. Ken spoke on the "carbon footprint" that is a big black cloud on the horizon. Dave turned the conversation to small unique processors which could be viable projects. It depends on the scope and scale of the project if the supply of raw materials is adequate. The Forest Service is tasked with huge wildfire adjustments. There is a need for masticator work to be completed under power lines and near the urban interface to remove underbrush.

David Hilliard/BLM deferred to Mary D'Aversa/BLM Regional Manager for comment. Mary worked hard on fuel reduction projects in Nevada before coming to Idaho, and now they are in direct competition for the funding required. Mary has researched the BLM property near the sub-station, and has found it can be sold or RPP'd to another government entity. It will require a \$1,500.00 per year right-of-way payment as well as a net gain on sage grouse habitat. There are many options available and she would pursue them on our behalf.

Tom Coates/Custer Economic Development Assoc. recounted the bio-mass generation project he was able to research in Nebraska 20 years ago. They resorted to planting fast growing trees in the unproductive pivot corners for fuel production. He reminded everyone that the threat of removing dams in the BPA system is real. If they are breached then a bio-mass generation project would become feasible very quickly. There are other forest products that could be produced, such as moldings, pellets, chips or even paper.

JD Bennetts/Custer Telephone Cooperative agreed that transportation is the largest expense involved in any project in Custer County. Garbage is becoming a large expense for our area also. The current method of disposing of garbage makes no economic sense. The high environmental risk, personnel safety risk and ever increasing fuel costs are foolish. Driving big trucks loaded with garbage along the Salmon River all year long makes no sense. Wayne spoke on the subsidizing of a garbage disposal plan with the bio-mass generator. Ken reminded everyone that this to is a project of scope and scale.

10-minute break was taken for refreshments.

Tom Keeley/Idaho Dept. of Commerce Director provided his insights on Custer County. He works in the Business Retention/Attraction and Business Expansion areas, as well as Tourism and Recreation. He handles Commerce Development Block Grants and Economic Development. His office handles Broadband Commerce and Mapping as well as the Cyber Security task force. Sources of funding come from ARPA, Broadband, EDA, Gem Grants as well as the Budget. He sees that Custer County has many pluses; affordable power, good quality water, low cost of living, broadband availability and great recreation opportunities. Some of the minus' he sees are high transportation costs, limited private property, and limited housing sources. Historically the local economy was built on mining, grazing and logging, but it could support remote working opportunities such as consulting and cyber security systems. There is a huge need for the "Private Sector" to be represented at these workshops. JD Bennetts verified that workforce housing is a huge problem in our area, as is child care availability. Tom reported that housing is problem throughout Idaho for all industries, from ski resorts, fire crews, hospitals, mines and private sector workers. Broadband Grants were discussed. Custer County received 1 million in 2021 for broadband work. Idaho is currently working on their State Plan, and Tom suggested getting your oar in the water with your application. JD requested the Dept of Commerce remove the permitting barriers and some of the many deadlines involved. Starlink was then discussed. Tom felt it was the easiest way to stay connected if you are off the grid. It has a \$600 start up cost and \$100 per month service fee. This is a global network and a for profit system.

Commissioner Wayne Butts then asked the group about any state-wide issues we need to be aware of.

Amy Grant/Senator Rish's Office spoke on her understanding that millennials are wanting to live in small rural communities. She felt they would bring more unique hand-crafted products forward. Of the many Idaho State employees, 25% are continuing to work remotely, which enables them to live in rural areas. She offered her assistance with grant applications through Rish's office.

Josh Sorenson/Representative Simpson's Office brought up the possibility of pursuing funding for "courthouse with holding facilities" rather than a jail.

Kathryn Hitch/Senator Crapo's Office suggested getting ahead of the growth rural areas are experiencing. The INL has a bio-fuels program and will partner with rural communities for economic development. They also offer Technical deployment through the Department of Energy and the Idaho Nuclear Laboratory.

Josh encouraged forward planning to get ahead of problems. The funding they offer is for shovel ready projects.

Sherry Maestas/Challis Chamber of Commerce spoke on the issue of so many small business owners are "one man shows" and have no spare time to volunteer or plan ahead. The local business' are struggling with mandated closures and being unable to find hired help.

Ken Dizes reported his finding on how the demographics of our area is changing because of the low cost of living. We are a predominantly “retired population” or a “destitute population” now. What a growing economy needs is enterprising workers. Katherine inquired about any outdoor recreation bringing in recruitment. Ken responded that “Covid” shot us in the foot and we need to start all over again. Challis has had some great success’, as the CEDA office began in a single wide trailer. Now that we have this facility, our Manager Jolie Turek has been able to operate it in the black each year. Sherry Maestas reported that the Chamber of Commerce does have a map of the local trail systems for bikes, OHV’s, hikers and horses. Clayton Collins reported that mountain biking is the latest big recreation trend. Bike trails are being built in parks for kids now. The poor reputation of “Rally in the Pines” ATV group was then discussed. It was decided that a Community Review needs to be done to get the true pulse of our area.

Lunch break for 30 minutes.

Chairman Wayne Butts thanked everyone for participating and felt he learned a lot. He sees the need to invite the “private sector” to our next workshop. Dave Rosenkrance shared his opinion that it will not be easy, as there is no quick solution. Private sector groups to invite were listed: Jervois Cobalt Mining Co., Parma Post and Pole, Glen Elzinga and Thompson Cr. Mine.

Clayton Collins felt the main issues to address were transportation, housing and garbage issues. Once those are solved the rest of the puzzle will be easier to complete. Ken Dizes will work on strategic planning and youth encouragement. Perhaps an Entrepreneur Challenge contest to get the group away from spinning. JD would like to see private enterprise encouraged and supported with communications, affordable power and possible expansion space.

Dave Rosenkrance stressed the wildfire crisis that is coming. They cannot hire enough crew members. The needed mastication work is well funded for hand crews and special equipment. The Good Neighbor Authority will be looked into for the Salmon River corridor. Building a “man camp” in the area that could be utilized by more than one entity. (ie: fire crews, mine crews, recreation groups, etc.) Amy suggested contacting the Small Business Development Corp. for quarterly visits. The next Idaho Economic Development Conference is May 11th.

The meeting was adjourned at 1:25 P.M.

Wayne F. Butts, Chairman
Custer County Commissioner

Attest:

Lura H. Baker, Clerk