

**Rocky Mountain Restoration Initiative (RMRI)  
November 5, 2021, 9:00 AM - 11:00 AM  
RMRI Biomass Utilization Subcommittee  
Meeting Summary – FINAL**

<b>RMRI BIOMASS UTILIZATION SUBCOMMITTEE</b>	
<b>ATTENDANCE:</b> Angela Boag, Kate McIntire, Molly Pitts, Tim Reader, Jeremy Taylor, Tara Umphries, Nathan Van Schaik, Laura Wolf	
<b>ACTION ITEMS</b>	
<b>Laura Wolf</b>	<ul style="list-style-type: none"> <li>Share the factsheet that outlines the differences between the Wood Innovations and Community Wood Programs and the projects that are eligible for funding.</li> <li>Share the information on the upcoming webinars for the Wood Innovations and Community Wood Programs.</li> </ul>
<b>Nathan Van Schaik</b>	Finalize and upload the “RMRI Biomass Factsheet” to the RMRI website.
<b>MEETING SUMMARY</b>	
<b>PRESENTATION TOPIC:</b> US Forest Service (USFS) Wood Innovations and Community Wood Program, presented by Laura Wolf	
<p><b>Presentation Points:</b></p> <ul style="list-style-type: none"> <li>The USFS has two requests for proposals out for their Wood Innovations Program and their Community Wood Program. Both programs are oriented around increasing the use of biomass.</li> <li>The Community Wood Program is designed to help upgrade and establish innovative wood facilities. Applicants for the Community Wood Program can use the funding to purchase equipment for a new facility. Applicants for the Community Wood Program can request up to \$1.5 million so long as federal funds do not cover more than 35% of the total capital costs. There is no match requirement for the Community Wood Program.</li> <li>The Wood Innovations Program applies to more types of projects than the Community Wood Program, but the funding from the Wood Innovations Program cannot be used to purchase equipment. However, it can be used to scope potential markets and business opportunities. Applicants for the Wood Innovations Program can request funds up to \$250,000. There is a required 1:1 match using non-federal funding for all applications.</li> <li>The goals of these programs are to expand markets and reduce hazardous fuels in the forest. Applicants should draw the connection between how their project will improve forest health.</li> <li>The number of applications for these programs fluctuates annually. The USFS expects more applications than last year when there were only three applications in Region 2.</li> <li>Applications are due in January, and successful applicants will not receive funding for their projects until August 2022. Any funding spent before August 2022 will not count as a match towards the programmatic funding. For the Community Wood Program, any costs incurred after October 1, 2022, can be used towards the project's total capital cost to meet the requirement that Community Wood Program funds do not exceed 35% of the total capital costs.</li> <li>It is usually helpful for non-industry applicants to demonstrate that they are partnering with an industry entity on an application. It is also helpful to get a support letter from a local USFS district; however, it is not required that applicants process wood from National Forest Service land.</li> </ul>	

- According to the new RMRI protocols, the Biomass Utilization Subcommittee can submit letters of support for projects so long as they do so on behalf of the RMRI Biomass Utilization Subcommittee and not the whole partnership.
- Businesses that plan to use the byproduct of biomass utilization can apply for funding. The applicant would need to demonstrate a reliable source of woody material. They would not need to include the financial information from the sourcing business unless that business was also included in the management of the grant.
- The USFS does not generally evaluate whether a new project will over-allocate wood in a system. It is on the applicant and the local USFS district to work through those discussions.
- All applicants have to be registered at [www.sam.gov](http://www.sam.gov) to be eligible to receive an award.
- There are more detailed instructions on how to apply on the Wood Innovations and Community Wood Program websites. Laura Wolf, USFS, can talk to anyone interested in applying to either of these programs.
- Laura Wolf organizes a review committee at the USFS Regional Office to review the applications. They score the proposals and submit a priority list to the regional forester. The applications then go to the Washing DC level for review by technical advisors. The technical advisors review the projects for their technical feasibility.
- The expectation is that the Wood Innovations Program will receive \$8 to \$10 million in funding allocation this year, and the Community Woods Program will receive between \$2 and \$5 million. The review team tries to award at least one project in each region.

**DISCUSSION TOPIC:** USFS Wood Innovations and Community Wood Program

**Discussion Points:**

- The Colorado State Forest Service (CSFS) can help applicants with match this year.
- Colorado State University (CSU) is decommissioning a wood energy facility and offering the equipment at a discounted price. There may be an opportunity for an applicant to apply for funding to purchase the equipment. An applicant would have to go through a bid process to purchase the equipment.
- The USFS should ensure that applicants are aware that the funding is reimbursed, meaning the applicants will have to incur the expense initially for reimbursement later.
- The Biomass Utilization Subcommittee should be thoughtful about what projects they choose to support. Collaboratives need to be careful in showing support for one business over another. If the Subcommittee writes a letter of support, they should do so for all applicants.
- There are generally several grant writing programs with local development centers. Applicants should be encouraged to take advantage of these resources and meet with their local USFS districts to discuss wood supplies for potential proposals.
- *(During the meeting, there was a question about whether applicants need to be vaccinated to receive funding. Following the meeting, Laura Wolf determined*

**Decisions/Action Items:**

- **Laura Wolf:** Share the factsheet that outlines the differences between the Wood Innovations and Community Wood Programs and the projects that are eligible for funding.
- **Laura Wolf:** Share the information on the upcoming webinars for the Wood Innovations and Community Wood Programs.

<i>that there is no vaccine requirement to apply for the program at this time.)</i>	
<b>PRESENTATION TOPIC:</b> CSFS Wildfire Risk Mitigation Loan Fund, presented by Tim Reader	
<b>Presentation Points:</b>	
<ul style="list-style-type: none"> <li>• The CSFS established a loan fund because lenders in Colorado were very risk-averse when loaning money to small businesses in the forestry sector.</li> <li>• The CSFS Wildfire Risk Mitigation Loan Fund does not compete with lenders. CSFS loan administrators always ask applicants if they first tried applying for a loan through their local bank. The CSFS will supply a loan if traditional lenders are not willing to loan funding. Local banks and lenders also can partner with the CSFS to loan funding to a high-risk business.</li> <li>• The bulk of the funding in the loan program comes from loan repayments, with a modest amount coming from severance taxes and legislative allocations.</li> <li>• For-profits with a physical location in Colorado are eligible to receive a loan from the program. Many businesses are eligible for a loan, including timber harvesting businesses, sawmills, furniture makers, and hazardous fuels contractors.</li> <li>• The CSFS will make loans to both existing businesses and startups. They consider startups as equal to existing businesses in loan applications.</li> <li>• The CSFS will lend funds for businesses to purchase used equipment. Traditional lenders tend to only lend funding for new equipment.</li> <li>• To date, the CSFS has loaned \$1.5 million to businesses, leveraging \$2.25 million of external funds. Three loans have been paid off. The CSFS has loaned funds to businesses across the state, including a business in Denver.</li> <li>• Most of the loans are issued in partnership with other lenders. Partnering with the CSFS to issue loans often makes traditional lenders more comfortable.</li> <li>• The process for applying for a loan is straightforward. Applicants must develop a business plan to present to the CSFS. The CSFS will work with side lenders to review the applicant's business. The CSFS will also conduct credit checks and analyze the cash flow and collateral of applicants. The CSFS is available to work with businesses to help put their loan application together.</li> <li>• The CSFS employs an independent loan board composed of professional community-based lenders and small business experts. The CSFS will internally recommend whether to issue a loan and submit that recommendation to the loan board. The independent loan board must also approve the recommendation for the loan to move forward.</li> <li>• The CSFS does not put a cap on what they can loan. The CSFS works closely with all loan recipients once a loan has been granted. The CSFS is also flexible with how they manage the loan repayments; for example, they granted all loan recipients a waiver on repayments at the beginning of COVID.</li> <li>• Most loans have a repayment plan between five to eight years. Ten years is on the high end of the repayment plan. The CSFS has never experienced a default from a loanee. The CSFS may ask for co-signers if there is a lot of risk in a business.</li> </ul>	
<b>DISCUSSION TOPIC:</b> CSFS Wildfire Risk Mitigation Loan Fund	
<b>Discussion Points:</b>	<b>Decision/Action Items</b>
<ul style="list-style-type: none"> <li>• The Colorado State Forest Service is updating its website with information on the CSFS Wildfire Risk Mitigation Loan Fund. Once the website is ready, there may be an opportunity to add a link to the website on the RMRI website.</li> </ul>	None.

<b>DISCUSSION TOPIC: Action Item Updates</b>	
<ul style="list-style-type: none"> <li>• Samuel Wallace distributed the statewide biomass assessment framework developed by Kurt Mackes. The CSFS is currently evaluating applicants to help conduct the assessment. He also distributed information on the Southwest Ecological Restoration Institutes (SWERI) Forest Innovation and Biomass Utilization Conference.</li> <li>• Laura Wolf distributed information on the Wood Innovations Grant Program.</li> </ul>	<p><b>Decisions/Action Items</b> None.</p>
<b>DISCUSSION TOPIC: Partner Updates</b>	
<ul style="list-style-type: none"> <li>• The RMRI Workforce Capacity Subcommittee has been learning more about Economic Development Administration grants. Members of the Subcommittee are now reaching out to Front Range Community College to learn about their forestry equipment simulator. The Subcommittee is also thinking about how to transition members from the Colorado youth corps into forestry-related industries, considering that the corps program will likely receive a large infusion of funding under the Federal Infrastructure Bill.</li> <li>• Members of the Workforce Capacity Subcommittee also attended an economic development conference. The two key takeaways from that conference were that affordable housing and workforce development are the largest challenges facing industries in all sectors across Colorado.</li> <li>• Seasonal hiring in the USFS is also difficult as it requires young college students to apply for a job in November that begins in May. The USFS is exploring alternative hiring models to expedite the hiring process. The USFS is also looking to offer more competitive salaries to meet sector standards.</li> <li>• Organizations and agencies across Colorado are looking at the San Luis Valley and Northwest Colorado as potential options to establish a Bioeconomy Development Opportunity Zone, given the</li> </ul>	<p><b>Decisions/Action Items</b></p> <ul style="list-style-type: none"> <li>• <b>Nathan Van Schaik:</b> Finalize and upload the “RMRI Biomass Factsheet” to the RMRI website.</li> </ul>

<p>amount of feedstock and wood supply are available in the areas.</p> <ul style="list-style-type: none"><li>• The CSFS hopes to hire a new state forester soon.</li><li>• Nathan Van Schaik will post the biomass factsheet to the RMRI website soon. The purpose of the biomass factsheet is to establish a common lexicon among RMRI partners to talk about biomass.</li></ul>	
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**NEXT STEPS**

- Samuel Wallace will distribute a Doodle to schedule the next Biomass Utilization Subcommittee meeting in December.