

MFRP Board of Directors' Meeting
17 October 2019
Walker, Minnesota

Present:

Officers/Executive Committee: Kirk Titus, Chair (*Cass County*), Craig Halla, Vice Chair (*Molpus Woodlands Group*), Kory Cease (*Itasca County*), Quintin Legler (*UPM Blandin*), Bob Milne (*DNR*), Matt Radzak, Treasurer (*MP*), Dennis Thompson (*MFA/Private Landowner*) **Board Members:** Brian Bignall (*PotlatchDeltic*), Rich Courtemanche (*Aitkin County*), Rachel Mason (*Lake County*), Dick Moore (*Beltrami County*)

Staff: Kathleen Preece

Guests: Pete Aube (*Greater Bemidji*), Kristen Bergstrand (*MN DNR*), Keith Karnes (*Leech Lake Forestry*), Tamara Lowney (*Itasca Economic Development Corporation*), Rachael Nicoll (*MN DNR*), Kristina Somes (*Badoura Nursery*)

Chair Kirk Titus called the meeting to order at 10:05 a.m. Kathleen Preece read the Antitrust Statement. Introductions were made around the table. Kathleen Preece then reviewed the contents of the board of directors' packets.

The agenda was approved on a motion by Bob Milne; second by Craig Halla. The motion passed unanimously.

The minutes of the June 20, 2019 Board of Directors' meeting were reviewed and then approved on a motion by Dennis Thompson, second by Dick Moore. The motion passed unanimously.

Financials

Treasurer Matt Radzak gave the financial report as follows:

Oct 2019 Financial Report

Sept activity:

- Starting Sept balance was: \$31,022.73
- Deposits were: None
- Expenses were:
 - \$4,267.00 to Director (salary)
 - \$140.00 Director expenses
- Ending September-Starting October balance is \$26,615.73 (ledger matches bank statement)

Misc. monthly activity to date: None

Kathleen Preece provided a recap of the Future Forest Stewards project that took place during the North Star Logging Expo in September. She expressed appreciation to board members Quintin Legler, Matt Radzak, and Kory Cease for their direct involvement in the planning and execution of the event, as well as to the full board of directors for its financial support. Tamara Lowney, event planner, added her appreciation of the MFRP's support in bringing over 200 high school students to the expo. Both noted the MFRP's commitment to workforce development.

Guest Pete Aube, of Greater Bemidji informed the group of the Governor's Council on Biofuels, urging that the forestry community be engaged. He added that this was an opportunity to get involved, noting that too often the forestry community does not get involved in opportunities like this that allow us to share information about, and comment on Minnesota's forests and forest industries.

PRESENTATIONS

Biomass: An Industry and a Resource Issue – Now and the Future: Brian Bignall (*Wood Procurement Manager - PotlatchDeltic*) and Pete Aube (*Forestry Director, Greater Bemidji Board*)

Brian Bignall stated that markets for residuals are sawmill's greatest challenge in Minnesota. He said the mills cannot make money on lumber alone and that public and private support for initiatives that would incentivize the number and/or diversification of businesses that can consume sawmill residuals.

“We have sawmills that can't run to capacity because there's no place for this stuff. I believe if we don't do something, when lumber downturns, it will take our sawmills. That's the issue.”

Brian discussed the opportunities of:

Biomass heating

Biomass electricity

Pellets: residential or industrial

Value added manufacturing (particle board, MDF)

Biomass based liquid fuels

Pete Aube, of Greater Bemidji, spoke to the subject of a new pellet manufacturer currently considering the Bemidji area as a location for its plant. Highland Pellets wants to expand production, with products going into an Asian market, Pete explained.

Pete discussed the details of the plant, noting it has minor emissions; that it would take potentially less than six months to get it permitted; and that the company was truly a 'viable player' that knows its business.

Other details shared include, that the company:

- would use a mix of hardwood/softwood
- would not use only residuals
- would use materials with an ash component less than 1 percent (can't take too much bark)
- notes that clean sawmill residuals are important

Pete concluded by saying that if the permitting process is successful and incentives are obtained, the company could break ground next year.

Review: EPA Renewable Fuel Standard and the Barriers Identified in Assisting Commercialization Efforts of Wood Cellulosic Fuel and Chemical Companies in Minnesota. Kristen Bergstrand, *Timber Utilization & Marketing Consultant – Minnesota Department of Natural Resources*

Kristen Bergstrand discussed details of the Environmental Protection Agency's renewable fuel standards and the barriers identified in assisting the commercialization efforts of wood cellulosic fuel and chemical companies in Minnesota.

She said the EPA needs to recognize wood as carbon neutral. She said that EPA was worried this would lead to deforestation and this has resulted in restrictive requirements of what woodstock can be used for.

Kristen shared detail on how certified EPA pathways are needed to generate the sought after RIN (Renewable Identification Number) credits. She noted that it was difficult to get approved pathways using woodstocks. She concluded by saying that the barriers were both political and scientific.

Badoura Nursery: Yesterday and Today – Kristina Somes, *Nursery Supervisor – Minnesota State Forest Nursery*

Kristina Somes reviewed plans for the field tour that would be taking place after lunch at the Badoura Nursery.

A motion was made at 11:50 to adjourn, by Craig Halla; second by Kory Cease. The motion passed unanimously.

A field tour was held at the Badoura State Nursery, south of Akeley, from 1:15 p.m. until 3:15 p.m.

Respectfully submitted 23 October 2019 by Kathleen Preece