

Public Land Natural Resource Issues in Lincoln County

Presented by
Shelley Hartmann
Lincoln County Planning Coordinator
January 22, 2004

Senator Rhoads, members of the Committee and honored guests. Welcome back to Lincoln County, it is an honor to have you here again. I am Shelley Hartmann, Planning Coordinator for Lincoln County. Commissioner Perkins has touched on many of the issues I would bring to you, my main focal point today will be the pinion juniper woodlands and the threat it is to some of the communities in Lincoln County.

This year and in recent years, we have watched the threat to our communities grow from the pinion juniper woodland. We have nearly lost Pioche 3 times and we have good news and bad news, that doesn't leave much to burn, however there is still a threat from the south east and south west. Nevada Division of Forestry through a grant thinned some of the perimeter of town, however if a fire gets a good wind behind it, it will take more than thinning 60 feet. They have put many man hours into community protection projects this year.

In December 2002, Resource Concepts completed risk assessments for our at risk communities, Pioche was an 89 which is extreme, however Mt. Wilson was at the high end of extreme at 109 with a possible of 115 points maximum. Also in the risk assessments was a fuel's reduction plan which we began implementing thanks to a grant from NDF.

In November we were asked by the Mt. Wilson Community to declare their community a disaster however, we could not because nothing has happened yet. We learned that we could declare a state of emergency once assessments were made. We invited Department of Emergency Management out to do an update on the current risk assessment, we still await the results. The State Fire Marshall came with them to do his analysis, we still await his reports. We also wrote a grant for \$500,000 to FEMA requesting emergency fuel reduction dollars, that is still in the decision making process. And we also developed a pilot project proposal and sent it to Congress, asking their consideration in developing a public private partnership that could be a model for the other western states that are in this same dangerous situation.

In the meantime, Mt. Wilson became a fire safe community, and began organizing the ways they can help themselves, seek help from others and try to improve their survival chances in the event of a catastrophic fire. They know from the risk assessment that if all the conditions are right when that fire strikes, they can face loss of life.

The county has been working for several years to get alternate fire escape routes with all weather surfaces and we expect later this spring to finalize some right of ways with the BLM, hopefully before the fire season is upon us again.

EXHIBIT <u>B</u> Lands	Document consists of <u>22</u> pages
<input checked="" type="checkbox"/> Entire document provided.	
<input type="checkbox"/> Due to size limitations, pages ____ through ____ provided.	
A copy of the complete document is available through the Research Library (775-684-6827 or e-mail library@lcb.state.nv.us).	
Meeting Date <u>01/22/04</u>	

When we began the process we knew we had too many trees. We were hearing it from the grazers and the wildlife people as well. Bureau of Land management had prepared an EA for the Mt. Wilson area to attempt some fuel reductions, but were stopped by law suits from environmental groups from out of state.

We have heard from environmental groups that fire is the only answer, it's natural. It's not able to be natural any longer, the fire at Mt. Wilson could be as hot as 2000 degrees, nothing survives, and the water shed is destroyed. This is because we have suppressed fires for years, there are years of built up debris, and there will be no such thing as a controlled burn in the situations I am talking about today.

I met a man several years ago, named Stan Raddon, you will him meet later he has a private industry solution for this problem, and manufactures products from the biomass that provide a sustainable way to keep the woodland thinned while providing good job bases in rural areas. }

When we took his idea to BLM at the time, noting that their forest management plan described the 10 million acres of woodland to thin in Eastern Nevada; Mr. Raddon was told no, the thinning could not be industry driven. Industry was NOT driving we were responding to a need identified in BLM's plan.

A catastrophic fire is not what any landscape needs. What it needs, is exactly what Mr. Raddon has been proposing for several years now, let private industry partner with land management agencies and local government to thin the trees and put them to use creating local jobs in the process. As I see it, we have a win win proposition. Nevada wins because we don't have to fight costly wild fire, Lincoln County wins because we provide a margin of safety for our residents and gain desperately needed jobs, and the BLM and American taxpayer wins because they are not paying \$600 to \$1200 an acre to cut the trees down leaving them lay in place.

Sometimes simple proposals are the hardest to get off the ground, but with your help and insight we may get this project rolling yet and avoid making CNN news as a news feature in flames similar to California or New Mexico.

I would like to ask this committee to write support letters on our behalf for the efforts we have taken to protect our communities:

- A \$500,000 grant request from FEMA to do emergency clearing around Mt. Wilson
- 2 million dollars in Prehazard Mitigation Flood Mapping we have requested from FEMA. We requested this because if the fires get here before we thin, we will have flooding as California was in December.
- A letter to Congressman Gibbons in support of the Lincoln County Pilot Project.

If the federal agencies do not allow industry to help thin trees the cost to the American Taxpayer is extremely high. We have millions of acres in need of thinning and at the cost of \$600 to \$1200 an acre it would take decades to thin it all. Politics has caused many delays, and we hope that through your political efforts we might win approval for the projects we will be describing to you later.

I drove to Denver in September to the Partnership for the West meeting. I saw miles and miles of what my county and Nevada will look like if we do nothing. I saw many communities in Utah, Colorado and Arizona with 90% and more of their woodlands dead from the drought, beetles, overcrowding and disease. It was alarming.

Only by the grace of God was it California on fire this year instead of Nevada, much needs to be done to improve the situation out on the federally managed lands.

What we need from your committee is support for these kinds of projects, support for the emergency fuel reduction proposals, and support for private industry creating jobs in a sustainable manner from this biomass. Your committee will be in Washington DC soon, you can mention that there is private industry that can answer the need, we have lost much of our ranching and mining to over regulation, it is time to allow the cows to eat the grass, the people to cut the trees and use these renewable resources as they should have been all along.

Another real issue we need your help on is this. Frivolous lawsuits by environmental groups which are endangering much of the west by managing the federal land by court decree. It is not good for the resource, and it has caused loss of life in many states. Land management agencies now don't manage by what is best for the resource but by what direction they'll be forced into by lawsuit. It is a time consuming life endangering problem. Perhaps the Nevada Legislature should declare a state of emergency for the entire state until the woodlands are cleaned up. That would allow a lot of us to get going with projects held up by threats of lawsuit or fear of them.

I provided your staff with copies of the pilot project draft, letters of support from our Lincoln County Commissioners to Congressman Gibbons and copies of the grants we have written. You have many more knowledgeable people following me on this issue today. Thank you for your time and effort to visit rural Nevada.



*Board of County Commissioners
Lincoln County, Nevada*

P.O. Box 685, Pioche, Nevada 89043

Telephone (775) 962-5671

Fax (775) 962-5877

COUNTY COMMISSIONERS

Spencer Hafen

Tim Perkins

Tommy Rowe

Ronda Hornbeck

Hal Keaton

DISTRICT ATTORNEY

Philip H. Dunleavy

COUNTY CLERK

Corrine Hogan

November 17, 2003

Dear Congressman Gibbons:

The Lincoln County Commissioners would like to ask for your support for the Lincoln County, Nevada Pilot Project For The Purpose Of Emergency Fuel Reduction, Public Safety And Environmental Health. You were given a copy of this proposal by fax and in person at the Congressional field hearings in Ely.

We believe that the risk is as real in Nevada as it is in California and our communities face real risk of catastrophic fire because the pinion juniper woodland is heavily overgrown. In addition to that is the stress of 4 years of drought, and infestation of disease and bark beetle.

In 2002, Lincoln County completed risk assessments on 4 of 6 communities located in the wildland urban interface areas of Mt. Wilson, Pioche, Panaca and Caliente. Panaca and Caliente were medium risk, however, Pioche and Mt. Wilson were rated at extreme risk. We have provided your staff with copies of these risk assessments for verification of the threat. In October, the Commissioners asked Frank Sirricusso of State of Nevada Department of Emergency Management to send a team to review and update the risk factors for the Mt. Wilson Community. We await the results of that team's visit to update the risk assessment in response to a request from the community to declare a state of emergency.

We are in the process of reducing fuel loads through a grant from Nevada Division of Forestry, however, this activity has simply widened right of ways, it has not addressed the landscape wide issue of decadant pinion and juniper woodlands.

You asked in the Ely Field hearing if there wasn't a private industry answer, and we believe there is. We are in contact with a company that has proprietary rights on several products as well as their partner that proposes to produce energy by using portions of the biomass. These two companies are already operating successfully in the Carson Valley.

Lincoln County has 6 million acres of over grown pinion juniper woodland, it is a disaster waiting to happen. We propose that a pilot project be allowed to demonstrate that private industry can sustainably thin the woodlands while using the biomass for energy production and produce products as well as jobs in our economically challenged county.

We believe that we can demonstrate to Congress and all opponents of use of the biomass that through a sustainable approach as proposed, private industry can provide for thinning of the woodland, create a sustainable job base and save the tax payers the current costs of between \$695 and \$1220 an acre for thinning which does nothing productive with the biomass in the end of the process. Only so much can be chipped and put back on the ground, and only so much can be hauled off for heating homes. We are faced with millions of dead and dying trees in the west, and we need a reasonable manner in which to thin these millions of acres, there is no reason for the taxpayer to pay for this when private industry stands ready to provide a good solution.)

Our greatest obstacle has been that the BLM has been unable to promise industry steady supply of trees. Thus no industry is willing to commit their resources to a project in our county. BLM knows the trees need to be thinned, however, because of environmental lawsuit, because of years of red tape required to get thinning approved, and then years of lawsuit required to overcome environmental challenges the conditions just grow more dangerous by the month.

Lincoln County cannot demonstrate to Congress the effectiveness of this partnership with private industry, if the industry cannot secure access to a secure supply of the biomass necessary to make that kind of financial commitment. We are all aware that there is a need to thin trees, this is an opportunity to demonstrate a more cost effective way to achieve desired thinning with little cost to the taxpayer.

We are not asking to open up the entire west, but we are asking that in our County we are allowed to facilitate a demonstration project that can produce a model for this problem which exists in every federal land state in the west.

We as a county are in the process of creating a Hazard Mitigation Plan, this is a requirement of FEMA or they won't be able to assist us in future hazards/catastrophes in our communities. Lincoln County is only 2% privately owned lands. One of the biggest threats to our county is the pinion juniper woodland and it is on the 98% federally managed lands. FEMA has been asked to give us emergency thinning funding in a grant request for \$500,000, but it would take millions of dollars to do what needs to be done to protect our communities. We have not yet heard if they will assist us with this request.

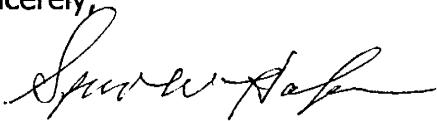
In conclusion Congressman, we are asking for three things:

1. A demonstration-pilot project that would cover all of Lincoln County. This partnership with private industry may need loans to build the stationary power plant necessary here for energy production and for the proper lines for carrying the energy.
2. A secure supply of pinion juniper biomass to this industry so that they can demonstrate the usefulness of this kind of public private partnership.
3. Cooperation from the Department of Interior in developing this sustainable industry by providing timely information on beetle and drought mortality in the woodland, and cooperation in allowing industry to thin this biomass.

Congressman Gibbons, we are ready to begin the project at a moment's notice. The private industry we are working with can be up and running in 40 days. We understand there may be questions that need to be answered, however, we are confident that we can provide satisfactory answers to all of those concerns.

If you need any input, or have any questions please contact staff person, Shelley Hartmann at 775 962 5165 or on her cell 775 962 1752.

Sincerely,



Spencer Hafen, Chairman

Cc: Governor Guinn
Legislative Public Land Study Committee
Rural Development Council



**Draft Proposal
Lincoln County, Nevada Pilot Project**

**For The Purposes Of
Emergency Fuels Reductions, Public Safety And
Environmental Health**

Presented by

**Tim Perkins, Lincoln County Commissioner
Shelley Hartmann, Lincoln County
Planning Coordinator**

**Post Office Box 307
Pioche, Nevada 89043**

**775-962-5165
fax 775 962 5877**

e-mail: planning@lcturbonet.com

October 27, 2003

**Ely, Nevada
White Pine Commissioner's Chambers**

**DRAFT PROPOSAL FOR
LINCOLN COUNTY, NEVADA PILOT PROJECT
FOR THE PURPOSE OF EMERGENCY FUEL REDUCTION, PUBLIC SAFETY AND
ENVIRONMENTAL HEALTH**

COMPONENTS OF PROJECT:

- Congressional designation as a pilot project so that we can move forward without protests appeals and lawsuits from environmental groups
- Fuel's Reductions initially funded by FEMA and Department of Interior for the purpose of emergency fuel reduction, hazard mitigation, and public safety
- Agriculture Department loan to a company committed to setting up of a plant to make wood byproducts, biomass power project and distribution of product
- Department of Interior and Agriculture dollars for restoration of range lands for improvement of watershed, wildlife, and grazing values.
- Water District grant to study the potential improvements in water availability because of the thinning the trees
- Follow up risk assessment to monitor improvements in safety and habitat
- Follow up assessment of the woodland to measure health of thinned trees, the landscape and the NEPA compliance issues

LOCATION OF PROJECT

- Northern Lincoln County to solve the problem of over grown, dead, and decadent pinion- juniper woodland, and to be centrally located to also address forest and rangeland health needs in White Pine County if necessary

BENEFITS OF PROJECT

- Healthy woodland and environment
- Protection of watershed
- Improved wildlife habitat
- Enhancement of natural springs and creeks by thinning woodland
- Restoration of balanced vegetation and biodiversity
- Creation of jobs
- Several Public Safety demands for local, state and federal governments met
- Use, not waste of the biomass through electrical generation, manufacture of wood products, and other viable uses.
- Once initial phase is started should be a self-sustaining industry that will relieve BLM of their \$659 to \$1200 an acre thinning costs, saves them the \$1,000,000 fire fighting would cost in Mt. Wilson area alone, and saves FEMA millions in responding to a catastrophic fire
- Provides a "model" for the rest of the west to deal with drought, disease and insect mortality of the woodland
- Demonstrate to environmental groups that managed and careful thinning makes a healthy forest
- Demonstrate cutting edge technology for landscape restoration

- Avoid risk of control burn attempts in a dangerously overgrown woodland until biomass is reduced to a manageable level.
- Avoid destruction of the watershed by catastrophic wild fire
- Avoid extreme costs of restoration, economic reconstruction and loss of life and property due to catastrophic fire
- Avoid extreme air pollution from out of control catastrophic fire.

COSTS OF PROJECT

- Initially via FEMA Pre Hazard Mitigation grants applied for and being applied for
- Grants or loans or incentives for the private partners to build a power plant and a manufacturing plant to make a sustainable industry locally

TIMELINE

- **IMMEDIATE** A dry winter would allow all winter thinning to avoid the spring dry lightening and other threats. The continued stresses of the drought, bark beetle and the disease factored in are setting this area up for catastrophic fire. Begin with private property and work out in all directions in concentric circles. The sustainable thinning and use of the biomass would begin at 1 mile out.

RESULTS

- Expect increased stream flows, healthier trees that don't have to compete for their 50 gallons of water a day averting the wild land fire cycle of burn, weeds, burn.
- Safety increases by a strong percentage each ring of thinning that happens around the project.

MEASUREMENTS

- Measure the ef mortality of Pinyon- juniper which normally accompanies an extreme drought or over crowding of the tree population.
- Affect on slowing down tree mortality in thinned areas
- Moisture, disease, insect monitoring of woodland
- Rangeland ecological health.

CONCERNS

Lawsuit by Western Watersheds or other environmental groups—This project has to be immune as possible from lawsuit. The county is considering declaring a State of Emergency.

There are attachments available on Request:

Mt. Wilson Risk Assessment

Pioche/Caselton Risk Assessment

Panaca Risk Assessment

Caliente Risk Assessment

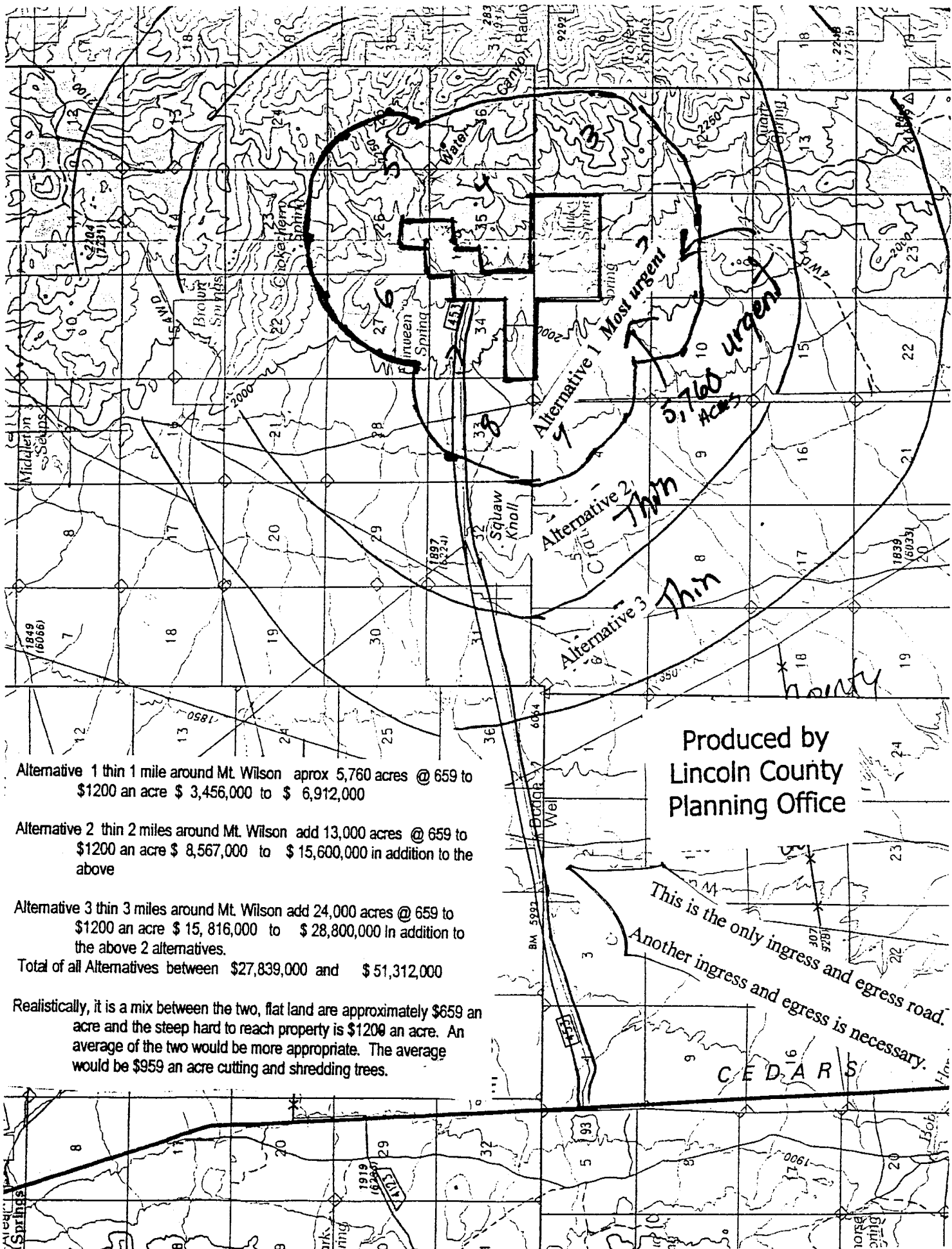
Grant Request to FEMA for Emergency Fuel Reductions for Mt. Wilson Community

Updated Risk Assessment for Mt. Wilson

Petition requesting Emergency

Governor's Drought and Beetle infestation declaration

Photos of dying woodlands for current date ,



Alternative 1 thin 1 mile around Mt. Wilson aprox 5,760 acres @ 659 to \$1200 an acre \$ 3,456,000 to \$ 6,912,000

Alternative 2 thin 2 miles around Mt. Wilson add 13,000 acres @ 659 to \$1200 an acre \$ 8,567,000 to \$ 15,600,000 in addition to the above

Alternative 3 thin 3 miles around Mt. Wilson add 24,000 acres @ 659 to \$1200 an acre \$ 15, 816,000 to \$ 28,800,000 In addition to the above 2 alternatives.

Total of all Alternatives between \$27,839,000 and \$ 51,312,000

Realistically, it is a mix between the two, flat land are approximately \$659 an acre and the steep hard to reach property is \$1200 an acre. An average of the two would be more appropriate. The average would be \$959 an acre cutting and shredding trees.

Produced by
Lincoln County
Planning Office

This is the only ingress and egress road.
Another ingress and egress is necessary.

CEDAR RAPIDS

August 2003

WILDLAND FIRE MANAGEMENT

Additional Actions Required to Better Identify and Prioritize Lands Needing Fuels Reduction



Shelley Hartmann

Box 690 Pioche, Nevada 89043

775-962-5191 fax 775-962-5673 e-mail hartmann@pioche.lincoln-nv.com

Congressman Gibbons

Re: Healthy Forest Initiative, Pilot Project for Lincoln County

Sir,

It was good to see the Healthy Forest Initiative pass, there are problems with it, but it is a beginning. Congressman, attached are comments from Mr. Stan Raddon of Grower's Energy, Inc. and Carson City Energy. Mr. Raddon has invented several products for pinion juniper biomass use. We believe that what we are asking for in Lincoln County is one of the best ways for everyone to win that you have heard about to date.

A win-win situation for:

- a) public safety
- b) healthy woodlands
- c) job creation
- d) healthy watershed
- e) no cost to taxpayers
- f) implementation of necessary thinning identified by the National Fire Plan and the BLM management plan/ no cost to tax payers

We are concerned about not being able to get this project going as soon as possible while we have time to clear out the dead wood. I know the environmental groups don't want any thinning or economic use of the trees. I feel this is a wasteful, socialistic mentality, when the trees can be thinned in the way identified by the federal agency, the biomass can be put to good use and create energy, products and jobs. Again, Congressman Gibbons, everyone wins and the taxpayer doesn't end up paying for years of failed management practices as they are now with the BLM and it's contractors paying \$695 to \$1295 an acre to clean up dead wood, and NO ONE IS USING the biomass it is stacking up. Actually in the RMP process the BLM has stated that it would like to use the biomass to close off roads it does not favor, a move we cannot support.

If nothing is done in answer to your question to the panel in Ely, we will see destruction of the watershed, loss of jobs, loss of habitat, loss of life and possessions. All for unrealistic ideals that cannot accomplish the goals stated by the environmental groups.

Congressman Gibbons, we are not asking you for money as everyone else has been asking for, I can get a Department of Agriculture loan to get Growers Energy, Inc. here. I simply need the trees, and the environmental groups off our backs long enough, say 15 to 25 years to prove the project is working. BLM has time and again refused to promise us a reliable supply of trees. I hate to see millions poured into the fuel reductions when companies such as Mr. Raddon's can solve the problem without huge cost to the taxpayer who is already strained by the current economic condition of the country.

Congressman, I will be fleshing out the proposal to show you how this could all work, the main difficulty up until now is that BLM is so afraid of the green movement, they don't do anything! They don't thin, they don't do anything, but fight fires because now they have no choice.

Nevada is not on fire just by the grace of God, nothing more. Mt. Wilson is at risk every day, so is Pioche. We can solve this problem if allowed to have the biomass as soon as possible before the summer fire season starts. If we have the predicted dry winter, we can get a good start on protecting our rural communities from catastrophic fire.

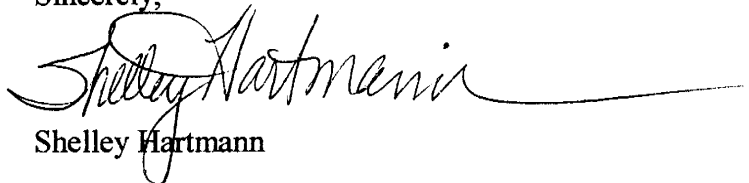
Mr. Hiatt of ENLC claimed, wrongfully, that there is no beneficial use of the pinion juniper biomass, he is incorrect and uninformed. Mr. Raddon has an extremely successful project going in Carson City which I know you may visit at any time you desire.

Again, Congressman Gibbons, the time is so perfect for a pilot project such as we have proposed. Let private industry solve the problem instead of another government group which just burns up more and more tax payer dollars not creating any product, jobs or energy.

You may reach me any time at 775 962 5165, or at home 775 962 5191, or by fax 775 962 5877, or by cell 775 962 1752. You may reach Mr. Stan Raddon 626 705 7318 or fax 626 395 7764.

Lincoln County has lives and property at risk. We have one of the poorest counties in the state, and we have a large number of our residents who have been unemployed for longer than there are benefits for them. We are offering a way to solve many existing and potential risks by allowing private industry handle the built up biomass. It seems like a real solid way to solve this long term problem.

Sincerely,

A handwritten signature in cursive script, reading "Shelley Hartmann". The signature is written in black ink and is positioned above the printed name.

Shelley Hartmann

Attachments:

GROWERS ENERGY, INC./CARSON CITY ENERGY
300 West 2nd Street, Carson City, Nevada 89703
(626) 705-7318

Response to statements made by panel members at the U. S. Congressional Subcommittee Field Hearing Meeting on Forests and Forest Health at the White Pine Commissioner's Chambers in Ely, Nevada on October 27, 2003 at 10:30 a.m.:

Approximate statement by John Haitt (ENLC):

"There is no economic benefit to be derived from removed Pinion/Juniper".

Growers Energy, Inc. response:

"We have manufactured added value, high demand, environmentally friendly consumer products from pinion/juniper with the following results":

- | | | |
|----------------|---|--|
| Pellet Fuel: | - | Less than 1% Ash |
| | - | High BTU, 8,000/lb. |
| | - | Less than 1% fines |
| | - | Qualified as premium grade fuel |
| | - | See attached lab test and value added |
| Water Saver | - | Out performs competition |
| | - | See attached end user testimonial and order |
| | - | Added value profit margin \$94.00 per ton (See attached breakdown). |
| Soil Amendment | - | Has been tested and purchased by large nationwide Distributors to Walmart, Home Depot, etc. (See added Value profit attached). |
| Seedlink | - | Part of Pinion/Juniper waste is remanufactured into ground cover mulch -- when distributed over thinned Pinion/Juniper area it promotes germination and growth of native forbes, grasses and grains. These species provide habitat for propagation of sage grouse, deer, elk, etc., retain ground moisture and curtails erosion. |
| Co-generation: | - | Electricity can be produced from pinion/juniper and sold providing an economic benefit to Lincoln and White Pine counties. |

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Page 1

Statement by John Haitt (ENLC)

"Fire can be a good tool for mitigating Pinion/Juniper."

Response by GEI:

Whenever fire is used the dormant seed bank is destroyed. Planned, appropriate, mechanical thinning minimally stirs top soil and stimulates seed germination and growth of native forbes, shrubs, and grasses. Fire should not be used; it not only is unpredictable, but destroys the native seed bank.

Statement by John Haitt (ENLC):

"Portable co-gens could be used to generate electricity".

GEI Response:

"All known portable co-gen applications have proven to be unprofitable and unreliable. Only state-of-the-art, fixed locations provide economic benefits to the community".

Statement by Rose Strickland, Sierra Club:

"The fuels for school's program may be able to utilize some of this Pinion/Juniper".

Growers Energy, Inc. Response:

The only environmentally sound, cost effective and sustainable way for a school to use Pinion/Juniper as a fuel is after it has been altered in size, density, silica and moisture content. GEI can remanufacture Pinion/Juniper into pellet form, for use by a school in any quantity they desire. There is a long, successful history of school's converting from coal and other fuels to wood pellet fuel in Idaho and Oregon.

GROWERS ENERGY, INC.
100% Natural Pellet Fuel

December 31, 2002

COST ANALYSIS

<u>Raw Materials</u>	<u>Unit Cost (Unit = 40 lb. Bag)</u>
<u>Pine and Almond Wood</u> \$.015 per pound (\$30.00 per ton)	\$.60
<u>Drying, Sizing, Cleaning</u> \$.10 per pound (\$20.00 per ton)	\$.40
<u>Milling</u> (\$15.00 per ton)	\$.30
<u>Labor</u> Five Workers Per Shift @ average \$10.00/per hour x 3 shifts = 8,800 bags	\$.14
<u>Bag Cost</u>	\$.20
<u>Stretch Wrap</u>	\$.02
<u>Pallet at \$10.00 each (50-40# bags on a pallet)</u>	\$.02
<u>Repair and Maintenance</u>	\$.06
<u>Depreciation</u>	\$.04
<u>Insurance and Accounting</u>	\$.04
<u>Management</u>	\$.06
<u>Total cost Per Bag</u>	\$ 1.88 (\$ 94.00 per ton)
<u>Wholesale Price Per Bag</u>	\$ 3.00 (\$150.00 per ton)
<u>Retail Price Per Bag</u>	\$ 3.98 (\$199.00 per ton)

WOOD WASTE CONVERSION FACILITY
PROJECT ECONOMICS - CASHFLOW FROM OPERATIONS
ESTIMATED PROJECTION - YEAR 1

WOOD WASTE FACILITIES

	<u>Pellet</u>	<u>Water Saver</u>	<u>Soil Amendment</u>
Capital Cost	\$ 3,000,000	\$ 180,000	\$ 400,000
Developing, Financing, & Permitting Costs	\$ 625,000		
Operation Date	May-04	Oct-03	Oct-03

REVENUE

Sales:	Period	May-04-Apr-05	Oct-03-Sep-04	Oct-03-Sep-04
	Tons/Yr.	57,000	10,800	36,000
	\$/Yr.	\$ 9,204,000	\$ 1,620,000	\$ 1,170,000

EXPENSES

Mat'ls., Maint.	\$ 5,391,000	\$ 432,000	\$ 365,000
Labor	\$ 414,000	\$ 72,000	\$ 144,000
Gen'l & Admin.	\$ 239,000	\$ 92,400	\$ 44,400
Subtotal	\$ 6,044,000	\$ 596,400	\$ 553,400
Cash Flow from Operations	\$ 3,160,000	\$ 1,023,600	\$ 616,600

Note:

Cash flow from operations does not include debt service, insurance, and property tax.

CARSON CITY ENERGY
100% Natural Briquet
Cost Analysis

Raw Materials:		<u>Unit Cost</u> <u>(Unit – 10 Lb. Bag)</u>
Mesquite Wood \$.20/Lb.	25% of bag in weight 50% of bag in volume	\$.50
Almond Shell \$.15/Lb.	75% of bag in weight 50% of bag in volume	.11
Drying, Sizing, Cleaning	\$.01/Lb. \$20.00/Ton	.08
Milling \$30.00/Ton		.15
Labor: 5 Workers Per Shift @ average \$10.00/Hr.		.14
Bags		.20
Stretch Wrap		.01
Pallets at \$10.00 @ 200 Bags on a Pallet		.02
Repairs and Maintenance		.02
Depreciation		.01
Insurance and Accounting		.01
Management		.02
Total Cost Per Bag		1.27
Wholesale Price Per Bag		2.57
Pre Tax Profit Per Ton		260.00

Southern San Joaquin Municipal Utility District
11281 Garzoli Avenue, Delano, CA 93215

September 20, 2003

Mr. Gary Fanks
Vice President-Manufacturing
Growers Energy Inc.
P.O. Box 451
McFarland, CA 93250

Dear Mr. Franks,

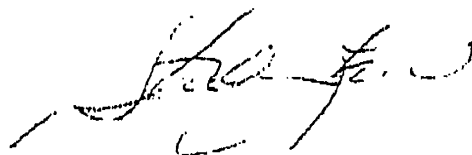
This letter is to express appreciation for the Water Saver saver product we purchased from Growers Energy. We found water saver to be superior to all other products we have tried and found your pricing to be very favorable.

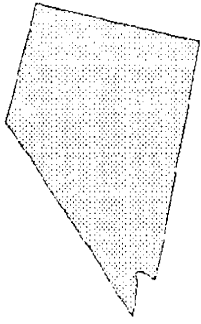
We would like to begin purchasing more Water Saver as soon as it becomes available and believe the other water districts in California will order as well.

We plan on purchasing four tons of Water Saver in your two cubic foot bags per year.

Sincerely,

Steve Law
Maintenance supervisor





United States Congressman
JIM GIBBONS

Second Congressional District of Nevada

"Fighting for Nevadans in the nation's Capitol"



P R E S S R E L E A S E

FOR IMMEDIATE RELEASE
January 13, 2004

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Gibbons Announces Rural Development Funding Award for Nevada Wildland Seed

Washington, DC — Dedicated to aiding Nevada's ranchers, farmers, and rural communities, Congressman Jim Gibbons (R-Nev.) today announced that over \$57,000 will be awarded to the Nevada Wildland Seed Producers Association for Value-Added Agricultural Product Market Development.

"Returning more federal tax dollars to programs in Nevada remains one of my top priorities," stated Gibbons. "This program will assist seed producers in the Silver State as well as further reclamation efforts of mine sites and lands ravaged by wildfire."

Rural Development funds are made available to independent commodity producers in order to increase the value of these products to customers/users. The Nevada Wildland Seed Producers Association will receive \$57,312 as a planning grant to assess the business feasibility for seed producers to grow, process, and package native Nevada wildland seed and native plant seed used for reclamation of wildland fire, mine sites, and landscaping.

Return to the referring page.

Las Vegas SUN

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BLM chief chides agency's undisciplined, freelancing bureaucrats

By SCOTT SONNER

ASSOCIATED PRESS

RENO, Nev. (AP) - The head of the U.S. Bureau of Land Management says she's demanding more accountability of her field managers to try to rein in an agency that lacked discipline under the Clinton administration.

In criticizing "freelancing" bureaucrats who she says pursued "personal interests" and agendas under President Clinton, BLM Director Kathleen Clarke told an oil and gas industry group that she's initiating "quality assurance reviews" of field offices to ensure uniform enforcement of regulations.

Clarke apologized to industry leaders for "unacceptable" delays in approving drilling permits on federal land in the West and pledged to send out a "team to look at some of our more problematic field offices."

"I'm dealing with an agency that I think lost some discipline, lost some accountability, did a lot of freelancing," Clarke said in a speech to the Interstate Oil and Gas Compact Commission at its annual meeting this week in Reno.

"Individual priorities were pursued. Individual agendas maybe were allowed to take hold and personal interpretation of how things should be done became an issue," she said late Monday.

The BLM coordinates oil and gas mining, timber harvesting, cattle grazing and conservation on 261 million acres of federal land, primarily in the West.

Clarke, former director of the Utah Department of Natural Resources who was appointed by President Bush in January 2002, spoke to a crowd of about 20. Her comments came in response to an industry report that suggested natural gas production in the Intermountain West would increase significantly if bureaucratic delays were eliminated.

The report by IHS Energy said there was a backlog of more than 1,700 federal applications for permits to drill in four of the region's basins under the jurisdiction of BLM field offices in Buffalo, Wyo.; Pinedale, Wyo.; Farmington, N.M., and Vernal, Utah.