

**Project Summary: CHIPS Phase 2**  
(Chipper Crew Training, Work Experience, and Business Creation component)

The CHIPS (Calaveras Healthy Impact Product Solutions) Project is developing local business solutions to access and utilize small diameter wood and underbrush from private and public lands in northwestern Calaveras County. The goal of CHIPS is to lessen the area's extreme fire threat, create healthy public and private forestland, and protect watersheds within four forks of the Mokelumne River while also building a viable model of socioeconomic revitalization to an economically-depressed area.

CHIPS is a locally- developed and directed collaborative project designed to address environmental and social needs in ways that successfully and sustainably meet stakeholders' needs as well as benefit the land and Mokelumne watershed for the long-term. In its first phase (March 2005-present), CHIPS developed a working organizational structure, produced technical feasibility and initial marketing studies, trained community members in skills as diverse as truck driving, heavy equipment operation, bookkeeping and clerical skills, and began generating revenue from sale of landscape chips through diverting forest products from the local waste stream.

This application for funding will complete funding needs to begin implementation of CHIPS Phase 2. Toward this end, \$96,500 has been awarded from USDA Rural Development as well as substantial in-kind donations pledged from numerous community and regional partners. This grant request will allow Phase 2 to move forward in a timely and successful manner.

In Phase 2 CHIPS will train chipping crews who will provide fire fuel reduction services throughout the project area as well as secure materials for later CHIPS activities such as manufacture of wood pellets, posts and poles, composition fire logs, craftsman woodworking products, and energy generation. Once in motion, Phase 2 will include on-the-job training for participants, resulting in removal of high-density fuel buildup within weeks of project commencement and will also start generating income to eventually provide CHIPS' economic sustainability.

Objectives for Phase 2 over the next year include lessened fire danger, increased watershed protection, and healthier forest conditions accomplished through implementation of a Chipper Crew training program with a multi-faceted educational component and work experience for 18-24 currently unemployed or underemployed local residents, which will lead to jobs for these trainees providing needed vegetative management services. Organizationally, in Phase 2, CHIPS will meet important benchmarks in its business planning and development to assure long-term sustainability and success.

Budget: Phase 2 Total: \$349,205. Other funds: \$179,148. In-kind: \$121,428. Requested from SNC: \$48,629.