

PUGET SOUND RECREATIONAL FISHERIES ENHANCEMENT OVERSIGHT
COMMITTEE MINUTES

June 4, 2014

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| MEETING CALLED BY | Dave Knutzen |
| TYPE OF MEETING | Advisory Group |
| FACILITATOR | Ryan Lothrop |
| NOTE TAKER | Colleen Desselle |
| ATTENDEES | Dave Croonquist, Don Freeman, Mike Gilchrist, Dave Knutzen, Michael Schmidt (LLTK), Rich Eltrich, Jim Jenkins, Rahmi Aiken, Norman Reinhardt, Dorothy Reinhardt, Erik Anderson, Laurie Peterson, Ryan Lothrop, Colleen Desselle, Mike Colito, Jerry Henderson, Frank Baker, Art Tachell, and Lenny Leach. |

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| Agenda Topics | |
| DISCUSSION | Introductions and Approval of the Previous Minutes |
| | After touring this and another facility we gathered for our meeting. Dave Knutzen thanked Norm for acting on his behalf for the last two meetings. A motion was made to accept the previous minutes as written. There was a second. |
| CONCLUSIONS | |
| | Since we had several members of the public in attendance, introductions were made. The previous minutes were accepted as read. No opposition. |

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| DISCUSSION | Budget Update |
| | To describe the data summary from the 2013-14 <u>dedicated funds telephone survey of anglers licensed in Washington</u> , Ryan provided a five-page handout. The first two pages contain a written summary of survey results, the third page presents tables showing fund participation rates and a comparison of 2013-14 versus 2012-13 participation by fund, and the last page presents a graph of proportion participation by license year for different license types. (See attachment) |
| | <u>13/15 Biennium and History</u> . See the budget update handout (multi-colored table from Diane Hagen), updated through March 2014. Revenues through March 2014 were roughly \$20,000 over forecast. The remaining available balance is approximately \$500,000 after expenditures per calculation of all PSRFE costs (not hatcheries, etc.). The next handout (the table titled "FY14 Dedicated Funds updates through April 2014", from Licensing) does not align with previous difference because of the timing difference it takes the sale of licenses to get into the account. Mostly there were sales of combination licenses, which is good, but sales of saltwater license provides the most bang for the buck. Dave K. asked about the available balance of ~\$500,000 and why we've been told we don't have money to spend on extra projects. Available balance is the balance less encumbered minus capital reserve. The balance less encumbered is basically the \$843,000 (shown in the purple Fund Balance column, under Actual) minus the encumbrance of \$130,000. Dave K. would like some clarification on this, especially after the biennium if it still remains. (See attachments) |
| | <u>Current Expenditures</u> – See handout table titled "FY14 Expenditures through 06/04/2014". Planned versus actual expenditures for the PSRFE budget are shown for the current fiscal year, through June 4, 2014. Pointing out some key issues: Icy Creek yearlings (fish food) purchase – we bought extra fish food prior to the rise in the price eleven months ago, but this expense just recently showed on the expenditure report. We will distribute the food purchase in the correct proportions per facility, with 20% to Icy Creek Hatchery and 80% to Soos Creek Hatchery. Jim Jenkins stated the food purchase fund was reduced. We needed to see what that meant. Dingell-Johnson (DJ) fund (dedicated fish feed funds) took major hits. Then the Legislature created a supplemental budget to try to compensate for pieces of that. Garrison Springs (positive variance of \$13,000), it did not have a positive variance. Basically the supplemental dollars for fish food were put into that account because the DJ dedicated fish food dollars were eliminated. We have sources we can go to for fish food money so PSRFE does not need to take the full hit for this. We did have those resources but they took a serious beating in the last fiscal year. The Legislature responded to that with a supplemental piece to its budget and injected some funds in the |

Department and some of those appear in the PSRE funds because they did not have anywhere else to put the money, so you have more money than you would have however the facility has less feed dollars than it would have and in the aggregate it is a negative. They did not compensate 100%. They just took a guess and it came up short.

Actually this supplemental budget was put together for the price increase, not for budget reduction. This creates more problems coming up. State did not compensate for DJ loss, but for the feed cost increases. Legislators will have to make a decision to supplement the budget, or the agency needs to decide where to reduce to cover the costs. We did not lose 100%, but for me in my programs from Puyallup to Hood Canal, I lost \$50,000 in DJ funds. PSRFE pays more for labor than for fish feed.

Icy/Soos – looking back this \$300,000 is in the wrong budget. Jim Jenkins stated that a lot of this is budget reserves and comes in at the last minute.

Glenwood is resolved. Back to where we should be.

Lake Washington locks – verified with Bosworth. They are planning to cover expenditures for June and July and into the future (end date unknown at this time). Dave K stated that unless the escapement numbers in Lake WA get lowered, we should not be funding. Where are we with this? Why are we supporting? Ryan stated that this is supported by tribes, about 200,000 based on that not likely to have a fishery this year. MOU back and forth several times. Getting closer to completion. Tribe has more changes. This year's anomaly with which fish are coming back, it is not the Cedar River fish, so I think that is an issue of us not to cross that threshold when it is not a potentially good year to have a fishery and will be fishing on naturally spawning fish versus hatchery fish production fish. We are looking for a long-term document and do not want something that is switched on and off. I do not think it is going to be signed in June or July, but to wait until we can make some good decisions. Discussion is ongoing. Dave K asked if it can be made into a high priority to make it happen this coming year. Ryan stated that we only get funded from the combination licenses for people that fish Lake WA, not those who buy freshwater licenses. Eric stated that overall it is a small piece of the pie. Dave C stated he thought that we ought to get some credit off the freshwater license sales.

Ryan stated that for the coordinator funding he anticipated getting changed in the next biennium. Laurie stated that it is a two-stage process to get proposed decision packages through the Department before going to Legislation. We put in to get \$331,000 biennial increase in spending authority and that is based, we worked with budget staff, and it is based on actual variance. Stage 1 got the green light. We are working on stage 2. Need input for proposal which is due this Friday to our internal managers. Wanted to get through the FY of this biennium, but unable to so we have move to this coming biennium. Ryan stated the money is there, but not the authority to spend the extra amount based on Legislative action. Laurie stated there was a negative \$25,000 which was posted to coordinator instead of spreading through the different PSRFE MIs. Dave K asked how the \$331,000 was derived. Laurie stated that this is just looking at the difference between needs and the 3% salary increase statewide and fish food costs and increases and then the allotments or actual amounts we got to spend or use and this is the estimate. We are also trying to get revenue projections for next biennium to keep aligned with it because we want to be able to spend it and align it with revenue. Dave K stated that we cannot show it as a new project. Jim J stated that we can add another MI for spending.

This is something that Laurie and I found out Monday. On the 2010 angler preference survey, on the form they used, there was an error. They gave us too much money. They will pull ~\$130,000 out in the near future. There are still a lot of unknown details. Not in the sheet, but wanted to give you a heads up on this. Warmwater budget was hit by 1/3. All enhancement groups hit. Nothing specified as to where it is going, how it will affect us, etc. I have questions and need more information. We have asked to see the spreadsheet and get proof of errors. Will keep you posted and will send information out as it is received.

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| DISCUSSION | Broodstock Update (attachment) |
| Hatchery Program Evaluation – Kept 2006 in since we are not up to speed, and the 09 data is very | |

preliminary, so the brood year 06-09 is what I used and whatever data was available within this time frame. Year-round percentage was released that were caught in Puget Sound by our anglers in marine waters and then Puget Sound sport harvest is that contribution rate x the number produced. Rich E asked how they have a stock in in there when it is not tagged. Ryan stated that they are still being picked up and they still contribute. Rich stated that most of them are mark selective and it seems unfair to have them in there. Ryan stated that he has asterisked this program to watch and it this is not quite apples to apples. It is hard to look at funding. Icy Creek yearling budget is \$1,540, not \$15,000. Did not get all programs updated through '09. Will update you as I get. This is what we have used in the past. The last year was 2006/07 and we did not have a data point. This will improve as we work on the budget, Gary Marston has not had time but I will get him to help catch up.

Wallace River loss is pretty much resolved. Capital funding from another project to get it up and running. This is pretty preliminary. There will be more data soon. Freshwater fishers, tribes, and Canadians are benefitting from this production. Predation is not factored in. Art Tachell is concerned that not having predation factored in this drives the cost of fish up, and if you are looking at the cost per fish, you need to look at the big picture. Dave K stated that you definitely need to look where the fish are contributing, but you also need to look at who is paying for this program, and primarily the sport fishers are paying for this so if a fish is caught in a tribal fishery or...for survival or whatever the reason and wherever those fish might get caught and then it might beg the question of whether it is appropriate to use this funding. Ryan stated that we have tag groups at basically every facility, and that we may not fund them every year, but we do in fact fund them. Garrison zeroes have not been tagged since '07. Who makes that decision? Combination of Ryan and other WDFW staff. We do not pay for double index tagging. Some of the programs are being tagged, but not being paid for by PSRFE. This may be part of the template Jim J is working on so I will let him walk through the template handout and then I will come back and walk you through what we are paying through PSRFE.

Jim – this is a stab at standardizing to communicate to you with a snapshot of where we are now. This is a draft and we welcome input and changes. The date shows what is happening now. Program (not sure we want this) but whether segregated or integrated and that takes off into how the broodstock is collected and managed and reared. The type, whether they are yearlings or zeroes. The facility where they are at. Brood code may be different than the brood (Garrison comes to mind with Chambers stock). Target is actually what is on the brood document, what is attempted to produce. Release is what we are releasing or what we are rearing presently. The size at release or where they are presently, pounds at release or what they are presently on station. The CV presently and so on. Whether or not they are tagged. What the population tag group is out of the number so in the first row it is 120,000, 71,000 of those are tagged, and then if they are ad-clipped or not. We can add columns to this. There are actually two discussions really: this template - if this is what you would like to see, or if you have another idea; then actually what is in the template, because this is currently the status of these programs.

Garrison (as shown here) is not correct. The real number is 575k and the weight is almost 12,000 pounds. The reason is that a portion of those are acclimated and released at Chambers and that did not show up when a search was done and then we found the rest of the fish later. We lost a large amount of fish this year. First of all we barely met program in our a-tag so we are right on the edge, then we had a rough incubation, normally 3-5 and we were up around 7 or 8, and then we had a bad run of diet that took another 20% out of the population. When we ad clip them, we usually hit with them with a shot formalin and they were going through this transition and that bumped a tiny portion. They hadn't recovered from the diet issue and the handling. They just didn't handle very well at all and then the formalin kind of zapped them, so when you put it altogether about 30% out of whack there. And before anyone gets to it, there is another one that is fairly significantly out of whack, and that is Voights. The program goal was 1,600,000 and the release was 600,000. That is like one million short. In the 2008 brood year that was lost to a flood so those are our returning adults. The two consecutive years we cut production severely at this facility that has since been lobbied by the tribe and the Legislature has restored our funding and we are back out with the brood document reflecting that we want to get back to that 1.6 million, but our adult return was very small. We had 87 pair to spawn last year. If you don't put anything out, it is going to take a little bit of time to get it back up. It should respond fairly quickly, if it does not respond fairly quickly I think there is another layer of issues to deal with about what is going on with the system. We are greatly

limited because of the way our broodstock management plan works, and we are greatly limited on infusing it from somewhere else. My optimism is driven by [the fact that] Voights Creek is being rebuilt and has a tremendous vulnerability that is there that will only be there for one more year is a flood that wipes everything out like it did in '08. If not flooding for one more year, we will be good to go. A question was asked about Soos Creek loss. The answer was that he was only aware of what was going on in his section of the program. We need to understand where we are and why. We need to communicate and get that communication to you. We might have a little spasm here as we get going. Dave K stated he thought this is great because it is something we have been missing.

Q: Program – segregated, integrated. You say we may or may not want that. How does it relate to hatchery reform? Do both terms relate to hatchery reform or does integrated mean they are in line with hatchery reform and does segregated mean we have more work to do on hatchery reform? By species each stock is listed as a primary stabilizing or contributing population that is either integrated or segregated. Species through variable through two variables, then that sets into motion the ratios for natural origin returned or hatchery origin spawners, but what is on the spawning ground, the hatchery fish or the natural origin returns, (remark) PHAS, okay. Natural origin brood out into your mix in the hatchery which is integration or your PHAS, your hatchery origin spawners on the spawning ground for segregation or even integration. You cannot cross a certain threshold of numbers and it just depends on two categories between the three population types and what those ratios are and you kind of get locked into that. This could bring up other discussions of how each one of the broods you are paying for, how are they managed and that is another topic. You could have this in a column as a reminder or just strike the column. Dave K stated that segregated you want the population to be very different than the wild, integrated they could mix a little bit, not a lot but a little bit, it gets down to how many strays you are allowed to have pass the hatchery, and how many wild fish you bring into the hatchery broodstock as well. JJ: The only reason I bring this up is as an indicator of how we are doing with hatchery reform is in past discussions with this committee we had talked about what programs should we continue to fund, what programs should we have a hard look at, we have used one of the criteria – hatchery reform and that is the only reason I bring this up. Dave K: Yeah, hatchery reform would have different standards for whether it is a segregated stock or an integrated stock. Jim J: Both are part, hatchery reform is just how you manage the hatchery and have it not impact wild stock, so it brings up a different definitions within hatchery reform, and yeah, you are dead on that in the past we have used that whether they are meeting the standards of hatchery reform or moving in that direction how that ranks as a funding priority to be concerned with. We have different standards as to whether we have segregation/integration, and we could put this on an agenda for further explanation of what it is and grab one of the stocks or the dynamics of a couple different stocks and show you what the challenges are and what that is about. Our hatchery management plans are slowly going to public comment right now in Puget Sound so that is out there too. Everyone will have access soon with hatchery management plan so that is the driver of what that is about.

Dave K stated that Voights Creek target was 1.6 and we are 1 million shy. Soos Creek is outside our control, but we released a lot fish about three months earlier than we were supposed to. Somewhere fish feed is in a warehouse that we paid for. Why do we not get adjustments when things do not meet production even considering that there is personnel costs and everything else? Jim J stated that there are thresholds. We do not have budget segregated by percentages within facilities. Very rarely is the budget from PSRFE driving the facility in its entirety. It is a component of the operation of the facility. So it is very difficult to take a piece, 20% or something like that out of it and continue to operate the facility at 100% even though somebody got shorted a million fish. The likelihood though is that the 1 million fish were not funded. If we were at 1.6 million, that is a facility in my section, I would be scrambling because we are not getting there now, we are marginally getting there. If I had that production, I would have to rally the troops and find money because in the aggregate PSRFE is not funding its production in my section. We solve budget shortfalls via PSRFE from other sources as do other facilities. Do we make bank on some and take a dive on others? That is pretty much how it is happening. Is it proportionately working out well for all parties? I think at Hoodspout, the contribution, contribution to budget, production – that is a place where everybody is happy. That all seems to work really well. Hupp, it is pretty lopsided. It is not paying for the production. We have got to recoup the money in other places. And then, really, the Voights and the Garrisons and those places are kind of in

the middle, see-sawing. Rahmi stated that he would think that the see-saw would throw off the cost per fish per money spent. You might be thinking that it only cost \$49,000 dollars and that would only cost \$.12/fish, but it actually cost \$128,000. Jim J responded it is how you look at the value of the fish. Is it the value of the fish that contributed to the sport angler in general, to recovery, it all plays out in different ways. We have the Joint Legislative Audit Review Committee (JLARC), if we had to have a cost per fish, we would probably have this exact programs and present a number to the Legislature is a completely different number because if I do the Garrison, the Voights, the Hupp I am taking in all the budgets and it is going to go up, whereas the Hupp is going to be very efficient because it is being subsidized. Rahmi stated that for example on Hupp, the budget is \$49,000 per fiscal year, and it cost \$65,000 just to do the ad/CWT alone. That is without feed, without staff, without utilities, and that is just one example. Jim J stated just for clarity, we are not moving monies around. The money stays at the facility. Jim asked Dave K. his thoughts on the answer, and Dave K stated that he understood. Jim stated that he cannot speak to Soos. Voights Creek never got to the 1.6. It takes more support to get there than PSRFE funding. The PSRFE portion is 1.2 million of the 1.6, but there are other things in place as they recover. Dave K stated that perhaps for this sheet rather than showing the full numbers, just show the PSRFE numbers. Jim stated that it is up to the committee how much detail to include. Ryan though that ideally to obtain more details, but hide the details other than what is important to PSRFE until it is needed. Jim J stated that this would be cost per fish released and Dave K felt that was a good start.

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| DISCUSSION | Salish Sea Project Update – Michael Schmidt | | |
| | Power Point presentation. No written or audio notes taken. | | |
| CONCLUSIONS | | | |
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| ACTION ITEMS | PERSON RESPONSIBLE | DEADLINE | |
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| DISCUSSION | South Sound Discussion – Colito, Leach, and Tachell | | |
| | We want to help rebuild the SS fishery. We had a meeting with SS fishers and others. A big portion to achieve was to inform fishers. They learned a lot. After meeting many attended North of Falcon (NoF) meeting and solicited fishers to help fund. Selected a group to take ideas to see what works. Thinned to thirteen revenue producing ideas which would help all fisheries in Puget Sound. We had twenty minutes to talk. We want to bring those ideas for discussion. We do not have them now, but want to schedule time with you. It is just revenue-producing, not how we think it should be spent. There are stipulations in our ideas. I am not sure we had a certain time of year in mind, but blackmouth would be a big part of it. We just have ideas to supplement [funding], and you will have the say on how to use it best. This is about improving the experience for all. | | |
| CONCLUSIONS | | | |
| | Blackmouth is a concern. The concern is if a year-round thing a lot of drop is during the summer. Should we go there? Do we have any meaningful viable input? | | |
| ACTION ITEMS | PERSON RESPONSIBLE | DEADLINE | |
| Schedule time for the group to explain their ideas. | Ryan Lothrop | | |

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| DISCUSSION | Sub-Committees Updates | | |
| | Alternative Funding (attachment) – Dave Croonquist – Worked over some objects to build an external fund for enhancement work. Would like to officially change the name to Puget Sound Fisheries Enhancement Fund. We should include various representatives (including one WDFW), but we don't want a big board, but need people with vested interest on ...way to solicit... potential funding source. | | |
| | Hatchery Evaluation – Nothing to report. The previous discussion will help. Laurie Peterson stated that we have to expand on the template as a requirement. | | |
| | We, PSRFE, do have one immediate goal and that is that we have to have a report in 2014 that | | |

calculates and summarizes survival rates, contribution rates, and cost per fish, in addition to identifying new rearing release strategies, etc. We will need to more than just our programs. It was asked what we can do, as the committee members, to help with that. Ryan will be working with you on that because it is what we use to make future recommendations.

Legislative – Norm Reinhardt – We have nothing to report because the Legislature is not in session. Do not want to jump start with requests that would be harmful to the Department’s needs. Best to keep options open with local legislators. Would like to get in touch with Senator Ranker. He has been an advocate not just for the Department, but for recreational in general. He could help back us up, what to accomplish, help with efforts, etc. Laurie stated that Jim [Scott] has said they are going through the process now and have three areas where we can help: 1) maintain and preserve hatcheries (1.5 million request for all recreational and commercial fees; 2) maintain the lower Columbia acoustical fisheries; and 3) sustainable fisheries. We will keep you posted as they are in the very early stages. Norm stated that the lower Columbia would not do much for our purposes and the Puget Sound is what is germane to us.

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| DISCUSSION | | Wrap-Up | |
| We have stated that we want to meet more often, but less often throughout the summer as it is hard to coordinate schedules. The sub-committees should continue to meet as often as possible. | | | |
| CONCLUSIONS | | | |
| Norm has a concern about getting caught up in backlash with splash back with what is going to happen in July and August. Given what happened at NOF and what I consider the curtailment of the king season, by reducing our quota by 60%; we are going to see a truncated (with the numbers that are being predicted by the Department) king season. Backlash potential on sales of licenses, but ultimately we may also see it as backlash toward the Department (i.e., what good is the Department if we can’t go fishing, what good are these committees because they won’t take our message or they won’t listen to what we are saying). For myself, I will be listening to the recreational community out there and any feedback that may be germane, I intend to bring back. We may potentially have to deal with again, with that being in the purview of our charter, we may have deal with it on a practical basis because it is in our face and we might be looking at that in September. We need to push educating and put a positive message to the recreational community. Show what positive actions are being done. Put that as part of the program on a faster track. Laurie stated that getting out to various Puget Sound angler clubs, the communities, and educating and answering questions is on our horizon. | | | |
| ACTION ITEMS | | PERSON RESPONSIBLE | DEADLINE |
| Will put out a Doodle Poll for a meeting in September (third or fourth week). | | Ryan Lothrop | Early August |
| OBSERVERS | Michael Schmidt, Mike Colito, Jerry Henderson, Frank Baker, Art Tachell, and Lenny Leach. | | |
| RESOURCE PERSONS | Colleen Desselle and Ryan Lothrop | | |
| SPECIAL NOTES | Lenny stated that he has nothing but the highest regard and respect for the PSRFE and that his eyes have been opened for all the work that the Department and the committee does. Thank you. | | |