

PUGET SOUND RECREATIONAL FISHERIES ENHANCEMENT OVERSIGHT
COMMITTEE MINUTES

February 21, 2013

MEETING CALLED BY	Dave Knutzen
TYPE OF MEETING	Advisory Group
FACILITATOR	Steve Thiesfeld
NOTE TAKER	Colleen Desselle
ATTENDEES	Anderson, Erik; Croonquist, David; Freeman, Don; Gilchrist, Michael; Knutzen, Dave; Muns, Clint; Parnell, Matt; Puki, David; Reinhardt, Norman; Rian, Michael; Schmidt, Michael; Thiesfeld, Steve; Lothrop, Ryan

Agenda Topics		
DISCUSSION	Introductions	
All went around and introduced themselves		
CONCLUSIONS		
N/A		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
N/A	N/A	N/A

DISCUSSION	Review Agenda	
N/A		
CONCLUSIONS		
No changes in agenda		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
N/A	N/A	N/A

DISCUSSION	Review Minutes from January 22, 2013 Meeting	
A motion was made to accept the minutes as written. Seconded.		
CONCLUSIONS		
Accepted with no opposition.		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
N/A	N/A	N/A

DISCUSSION	Goals, Objectives, and Task Planning (PDF)	
After discussion on how to prove performance measures, a motion was made to approve the goals and objectives as written. It was seconded.		
CONCLUSIONS		
Goals and Objectives accepted as written. There were no objections.		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
N/A	N/A	N/A

DISCUSSION	Budget Status Update (Steve Thiesfeld unless otherwise marked)	
<p>For Fiscal Year 13 through January we are sitting at \$524,659 (the sum of the purple column – S. Thiesfeld 1 PDF). And that is about \$20,000 ahead of what Frank had forecast to be at this time. If you recall last fiscal year we were quite a bit under what was forecast so we are thinking we are much more positive a place than we were last fiscal year. We have been on this trend all fiscal year. June 30 is the end of the biennium as well, the 2-year budget, and we are projecting that we are going to bring in \$1.3 million and so far we are \$19,000 above it. In talking to Frank, he saw, as long as we don't have any major changes in the economy or weather or anything, we should still end up maybe 4% ahead of that \$1.3 [million]. Our leanest, darkest months for revenue are coming up, and our expenditures start to ramp up as we go into spring here and the fish are the largest they are going to be and there is going to be heating and all that.</p> <p>If you work your way over to the second set of columns bracketed by the yellow or goldenrod bars there</p>		

(S. Thiesfeld 2 PDF), those are the fiscal year 13, the current numbers we are looking at. The only one that I have any concern of all there is Wallace, I have got a call in to them to find that out. Everyone else there is tracking well. I am not sure what is going on with the Hoodspport that they have so much extra money, whether they just planned something straight across, but they knew they were going to spend heavy in the spring. The coordinator's budget, I know is a little large because Ryan has not charged any of his time so far. And, again, marine fish lingcod, you are going to end up \$45,000 to the positive for the biennium there because that project is terminated. I think we are looking pretty good for the fiscal year, about \$40,000 to the positive right now if we can figure out what is going on at Hoodspport and Wallace, I think we are going to be in pretty good shape. That is Hoodspport yearlings; I assume they are just running on another budget right now for their expenses.

For Lake Washington we know that they have not planned well. I had a conversation with Aaron that he has got to figure out a plan for next year, next biennium. They are going to be over for the year, but I will try to cover that with the coordinator's budget if I can. Hopefully, I will, like I said, charge some of my salary to have a positive in that MI. I told him he has to cover June on his own. Salary will always be behind.

I don't know that revenue in general is up. We are certainly up on the saltwater side from where we were. Ryan put together some license and revenue graphs for you (R. Lothrop 1 PDF) and these are comparing odd fiscal years to odd fiscal years. Recall that the current fiscal year started in July, a non-pink summer, and for all of the licenses combined, temporary, combination, and saltwater, our numbers sold per month was actually exceeded what we have done for the past two fiscal years, July looks like it is right about where it was in 2011, but August, September, October, and November...

So we have \$10 for every one that is sold and it goes to fish in Puget Sound. On the other side, is the saltwater licenses by themselves, and we have talked quite a bit about the spectacular coho year that we had, and you can see what happened in September in terms of just saltwater licenses...selling 7,000 saltwater licenses in the month of September. The Discover Pass for sure is way down, and that is a universal thing for DNR to send us is that the Discover Pass just isn't anywhere near what they thought it was. I think it is a fairly small part of our revenue stream so it is probably not hurting us as much as Parks. Our current license sales, not revenue is a half a percent to maybe a percent above Frank's margin of error so there is as far as license sales go just a slight uptake outside of what he deems there is.

Fishing revenue is approximately 2.7% higher. Revenue came as forecasted for all license types with the exception of stronger than expected sales for shellfish and razor clam licenses. As of December, it was not like everything was going gangbusters, but a few were doing better to help us out.

Dave K – Right now we're from our projected income and our expenditures we are \$40,000 to the good, currently. And you were saying that if we are \$2.00 ahead come July 1, we get to keep that \$2.00.

Steve –On Diane's (S. Thiesfeld 3 PDF), she has us at \$2.3 million (actual) and in the green column (that is the second green column – actual) the sum of fiscal year 12 there is 1.185, 1.186, you see where this thing gets hinky is she's only got a plan for this fiscal year of 1.1 which is in the first green column. And, Frank's forecast which seems to be scoring for fiscal year of 13 is 1.3 million. That is going to be right about at that 2.5 million level that we said that is what we would like to plan for in the next biennium.

Our actual expenditures in fiscal year 12 were the 1.204. Our actual revenue was 1.18. We are \$25,000 in the hole in the last fiscal year, which is a lot better than where we could have been if the hatchery folks had spent at the 1.34 million level.

CONCLUSIONS

I have notified all the hatchery managers that whatever you save this year, makes what we do easier next year, it will lessen the pain of what we have to cut. I have given them that message that if you can save anything this money carries over and will make things easier for us next biennium. Our money rolls over.

I have got a couple months of salary that I put at the end of the fiscal year and if we have extra money in my Puget Sound Management budget, I charge to that instead of this budget because the management

budget is going to zero out whether we spend it or not.

Regarding the budget at Wallace, they were positive \$8,500 last biennium and that positive variance is for both fiscal years.

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Find out what is going on at Wallace and Hoodport	Steve Thiesfeld	Next meeting

DISCUSSION **Next Year's Budget – 2013/15 Planning** (Steve Thiesfeld unless otherwise marked)

Dave K - We saw from Ryan and Steve that they have met with Jim Scott and we should be budgeting toward that \$2.5 million number which is about \$200,000 less than what we have budgeted for in the past. We only have so many options to change the budget, and there is one item where as a committee (even though we are the oversight committee), it is a difficult deal to move, but you know when you only have so much money in the kitty it becomes time to at least make recommendations. For the coded-wire tag data: Last year's budget was \$2.7 million, and you said that you had projections and this and that, and we need to get to closer to \$2.5 million even though license sales trend was looking good so far this year.

Steve – This fiscal year, yes, last fiscal year not so much. The House bill and the Senate bill, at least the budget bills, they are showing a state appropriation of \$2.6 million. This is the maximum spending authority which is actually down a bit from where it was the last biennium. But we don't think we are going to have it in the bank account. What we looked at when we settled on the \$2.5 million is what the trend has been for the last few years, and it has been more downward than upward.

Ryan – Here is 2002 through 2007 (02-07 Ranking PDF), but to help get a clear picture on what is going on at Glenwood, we looked at '06 and '07 (06-07 Ranking PDF) and these are weighted averages. The budget there to what we are currently spending; number produced currently; the cost based on number of fish produced – you see the brood years listed; the survival rate; Puget Sound sport contributions; and then from that is the estimate based on the number of fish produced is the number of fish harvested potentially on what we have released; the cost to put fish in the cooler; and then also the winter (October through April) contributions; and then the green columns are rankings with 1 being the best contribution and 10 being is the worst. If we were to go to 2006 through 2007, there are some additional programs that we couldn't get data on, reducing this evaluation to these eight programs.

Steve – Hupp Springs/White River wasn't a program; it was an emergency or backup plan for the fish that were being raised in the White River, a tributary to the Puyallup. It was trying not to put all of our eggs in one basket strategy, so up until the spring of 2013, those fish were not marked with the adipose fin clip because we were trying to save those, to make sure that we were protecting that recovery program, and the last few years enough fish have made it back to the White River that we did not think that we needed to continue to fund that as a recovery program, but there was great interest by the committee and me personally in bringing this stock into production for the agency to use as a potential sport fish. They return earlier and in better shape, and potentially be a more voracious feeder and fighter that we could catch them. As a recovery program they were unmarked. Beginning this spring, since this program is funding this production now, these fish will be adipose-clipped. I did verify that earlier today so what that means is most of our fisheries in Puget Sound are now mark-selective and you can only keep the clipped hatchery fish. I do understand also that there have been some changes at Hupp Springs in terms of there are some new ponds that are part of the jobs bill package that went through. So they are going to be rebuilding those ponds at Hupp Springs which potentially affects this stock, but also they are going to do the Minter yearlings over the summer up at Hupp Springs too. I know there was some discussion at one of the previous meetings about should we move those over to Garrison. Well the intent right now is not to raise them over the summer at Minter, but to raise them at Hupp Springs. A disease issue was a primary problem at Minter. Once we clip these fish we might find out they contribute considerably better than they have so far. If these production facility changes also improve the health of the fish that are leaving, we can see differences for both, the Garrison, or the Hupp Springs fish as well as the Minter yearlings.

We have already got blackmouth seasons in place, so if they start contributing to the March/April fisheries that are existing right now, and potentially the June fishery in Areas 11 and 13, we'll start getting those tags back in at the end of next summer, so it could be that it would be probably two years from now

before we would have any reasonable data at all as to whether there are any contribution rates.

Clint – I am just kind of placing a marker for North of Falcon discussions that an Area 11 May fishery on those stocks would be a choice opportunity.

Dave K. – One thing that is interesting though, if you look at the table that Ryan put together and you get to Hupp, you know, fish that are unclipped, unavailable for a good chunk of our fisheries, did contribute to our fishery even though they are released in most of our fisheries that are out there.

Michael G. – Can you look at the variance in other double-index tag programs to get an idea; like this is .17. I was looking at Garrison has a double-index of .2% difference so the variance is not quite apples to apples.

Steve – What Michael is getting at is the double-index tag program is a method that we put together to evaluate the effects of the mark selective fisheries on wild stocks. In that certain hatchery programs and in the state are what we call DIT groups or double-index tag which you have for Chinook. I think it is 200,000 that are marked and tagged and 200,000 that are tagged and unmarked, and the idea is that you can compare the rates at which the unmarked fish return to the hatchery versus the marked fish and evaluate whether your mark-selective fisheries are causing higher mortality rates on those wild fish that you are theoretically releasing. Our evaluation, so far, shows that there is no apparent effect on mark-selective fisheries and which ones come back. What that means is that in some cases there is still 100,000 fish that are going out there that are tagged but not adipose clipped and Ryan has had to take that into account when he calculated the survival rates of certain programs like Soos Creek and the Voights and Wallace coho. The unmarked groups have a different contribution rate, a different survival rate. Like he said, everything in here is a weighted average, but we could present some of that for Soos.

Michael S. – I don't think it reflects what we are doing now, so I took out 06 and did just 07 (Schmidt PDF). If you go to the second page and just look at the little yellow highlighted area, our survival rate for brood year 2007 fish is .57%. That is better than any other zero programs for that year. So, basically, our program is doing better and it ranks, if you were just to use that 06/07 table that Ryan did, even with changes I made the ranks stay the same. If you are looking at just one year, we rank a little better, but you know my big concern with the previous information was the cost per fish contributing to harvest for Puget Sound the ceiling high without looking at the newer data, and now when you look at the newer data it's definitely more in the ball park of what you're looking for. Prior to that the 06 was like a 100,000 release, and then and also those were years where we just did not have, again, our releases were about a month later in the year...one year of marking and tagging. We also had the two big problems with that and our CVs which are our co-efficient variations on the size of fish were very, very high. There was a high disparity of the size of the fish going out, and we've got a lot more control over those by the way we feed our fish now. It was changed to increase the zero age release in June, but the program has been there. We've been releasing about 90,000 or so for several years down from about 500,000 in, I think that last time we had done that was around '01 of releases and then several years down to 90,000 or so, or 57,000 or so zero age, and then we finally got back up to 550.

Dave K. – I would say that the one concern I have with the one concern I would have with picking certain years, if you look at Garrison Springs here in South Sound, you are looking at brood year 2002, it had .001% survival. If you look at brood year 2004 and the hatchery there, we'll say they made personnel changes there, it has .01% survival, so you can go through a lot of programs and take a single year and find very nice years and you can take other years where they are not so nice, and I would just caution about only looking at one year's worth of data, but having said that we can, we should look at all these types of programs and look at where we can find dollar savings. A place like Garrison could say the same thing, they didn't have chillers at the time then they went from chillers to not having chillers type of thing, so you just have to be careful about how you look at the data.

Norm – I guess the point I am trying to make for that one here, and yes, it looks nice but we may want to see what another year looks like, or another two years.

Dave K. – Or the one year could be the year that 2007, I bet you if you looked at Samish Hatchery where they have not changed any practices whatsoever, my assumption would be that if you were to look at 2006 and before and then looked at 2007; 2007 was the brood year that we had this great return of Chinook, and ocean survival and I mean the world started looking a lot better in 2007 than it did the previous year so. But, I agree with you. There is only so much data that you can look at trying to make decisions based on either having data or not having data, so somehow or another you have to make those types of decisions.

Steve –If you have ten ponds going in the hatchery and you say we're going to take two of them out of production, you still need the same guy there 24 hours a day for the other eight ponds or whatever your staffing level is. You might just say well we're just going to cut 25% of the production at each hatchery but you don't necessarily have, you can't just take 25% of the staff away and make it work out given that you have to someone there seven days a week, and someone has to be generally on station, for all of these facilities – 24 hours a day on call.

Steve – Even then it is going to be difficult to say what a change you guys recommend results in the hatchery because most of the hatcheries are funded with additional monies, or other sources of monies. The ones that you guys, this program, is funding the vast majority of the production are Wallace since we picked up the coho program there, we doing probably close to a 100% of Garrison, and we are probably doing a really large portion of Minter Creek. So if you go into one of these other facilities, for example, when we added Voights Creek, they were able to provide 1.2 million fish for \$50,000 because they did not add any personnel. They had an empty pond that they just had, they might have had to add some staff, but not much, and fish food, and electricity and you've got quite a bit of production going there. Well, what is nice is up on the top for the actual fund balances and expenditures and revenue for each of the last one, two, three, four, five, six, seven biennia and the balance that we came out of the previous biennium was \$415,000. I am in the far right hand purple column in the row under '09-'11 biennium. So we are \$25,000 in the hole for the first fiscal year and we are \$40,000 ahead for right now. If that means this fiscal year, we come out \$15,000 ahead, you are going to be sitting at \$430,000 in our reserve fund. For Mike and Erik, we do not have a previous example, but I will show you again in the purple column where you are looking at fund balance, if you are looking at February 2012, you see the actual fund balance was \$20,677. That is because our revenue is, we are not selling any licenses at that time of year, but our expenditures are starting to go up. We had to have a balance of about \$400,000 in order to prevent that fund from going negative during that time of the year. You can see in 2012, we just barely stayed positive. So, what Clint is sort of proposing there is that maybe we tap into that a little bit, at least I think I am hearing this.

Clint –I remember when we were worried that we saw the trend line for that reserve was ever shrinking and that if we stayed on that projection it was going to be disastrous for the program. So we started cutting back when cutting was not popular, and it has just been cut, cut, cut every year since then. I mean \$40,000 is the first number that comes up, but as you pointed out we have got to cover that \$25,000 from last year. My concern is how much cover do we get from management budget on the whole line about responsible budget that does not go into the red, when the legislature is sitting over there trying to close holes and they see \$400,000 sitting there?

Steve – Well I would expect quite a reaction from the sport fishing community if that were, I mean you can't tell this group and the Department that you need to hold this kind of a reserve balance to make sure you don't go negative and then, "oh hey look, there's some money. We are going to go get that."

Clint –I am just curious that if it were to dip a little below what our plan is to save some cuts that maybe the signal is there and then if they leave it alone and things start getting better we take it back up a little bit. . Yeah, they would not come out in February and say, "We are proposing to take \$400,000 from PSRFE." Certainly at the last hour, the last minute, they will inject it in the budget if they have to.

Dave K. – So just to recap a little bit. We were at \$200,000 for the biennium, not the annual budget. The \$200,000 is for the biennium. We subtract out the \$45,000 from the lingcod project because that is just gone. Then we are at the \$155,000. We lower our overhead because we are at a little lower budget

number, and then we were closer to \$100,000 or something that we needed.

Steve – Yeah, if you take the \$45,000 from the lingcod and set that aside as a reserve, as a contribution, you would need about \$130,600-\$130,700 to get a zero balance for the biennium, so about \$140,000 would give you about \$3,000 in the bank.

Dave P. – Understanding that we want to try to protect yearling production as much as possible because that is what benefits the winter fisheries the highest, you go right back to this, you know in the hatcheries that we basically fund the majority of the production, we go right back into the target I hate to see the worst as far as taking money out of their budget and that would be Soos Creek. Because if you take money out, it is zeros – number one, it is a high number of production, basically cutting off a pond or two.

Steve – That would put you at \$43,000 in the hole.

Clint – And Soos Creek for the new guys, has been a long-standing sore spot with this oversight committee because there was McAllister Springs was fully funded by PSRFE, and when they closed McAllister that money was shifted to Soos Creek which had no PSRFE production, so there was a disagreement with the then director as to whether that was appropriate use of the money and there has been an ongoing kind of how can we whittle away at some of that money pulling it back out. Originally the vast majority of the money was in yearling production. It is probably not as big a point of contention as it once was, but it still comes up that we are putting a lot of money into Soos Creek for no PSRFE production. My sense was though, that they had some budget issues so they cut general fund funding which my understanding was he was directed to make some general fund cuts. He made that cut, and then back-filled it with PSRFE money. The backlash from the recreational community was to implement another piece of legislation that basically said you cannot use this money to backfill other issues. It also established this oversight committee in statute, so there is a definite linkage there.

Steve – Again, if you refer to Diane's multi-colored sheet look at the 1997-99 and 2001-03 biennia you'll see that the fund balance was \$1.6, \$1.8, \$1.5 million, so you had a situation where we were taking cuts in a lot of places while this fund was sitting there with \$1.5 million of reserve money.

Dave K. – Let's get back to the Soos Creek. The one thing that we, it was almost two years ago we were going through this same exact exercise as to try to figure out how to balance the budget, and Glenwood Springs took a \$50,000 cut at that time.

Michael S. –We kept what was within the brood stock management document which was the 550 release. What we are doing right now is working on increasing it to 100,000.

Dave K. –That was a \$50,000 cut there that we did last time we went through this exercise. We also voiced our concerns about Soos Creek, and they took \$125,000 cut out of Soos Creek and are maintaining those exact same production rates as before.

Michael G. –There was one other piece was just that it was, we were getting a disproportionate number less of those fish than other places because of the way the fisheries were structured. I think the last couple of years it has been just because the fish abundance, the previous year it has been allocation. That has been a Department issue at Soos Creek.

Dave K. –Unfortunately Green River, is not doing as well on its escapement numbers, you know, fish are available for harvest because we have a very good argument why we should be allowed to harvest those fish, but unfortunately biology has a different argument as there is just not enough fish coming back to the river to start with, just to summarize it very quickly. Last time we looked at where these fish were contributing to our fishery was one criteria, another criteria was how much is it costing to put that fish into our fishery, and a third criteria was are they, is that production, is it following HSRG guidelines and now even the hatchery harvest Commission protocol or policy. I would say that is probably a smart way to look at it this year. The last thing I was going to throw in there was I would hope that we - you know I have been on this committee for a while, and I am getting tired of doing this exact same programs and

thinking that we - are going to change something in the world and I guess it is back to that definition of insanity and I would like us to start to do something a little different too. We have some goals out there and we have some very high goals, and I am hoping that we can get to a point where we are not just cutting to make this \$200,000 cut and that is the end of the day and we might as well not meet for another two years. I would like to get it so we have some money in a nest egg to do something. Something different. Whether it is helping Puget Sound anglers put out flyers on how to release rockfish, you know, which would meet one of our goals or changing production someplace or just something. Something different than status quo and I know we can only move the needle so far.

Steve –Somebody at one of the earlier meetings had talked about an add back program that would we set a priority for if revenue came in higher than we expected this spring and we were able to roll some money into the next biennium, would we designate, would you guys, a program that you would add back into the package if you had that money available to you? So, there is that potential. The difficulty is if you say it is production, it is tough to move production on a dime but supporting an effort like what you just mentioned, Dave, the rockfish release you could say, “hey if we get \$20,000 extra we are going to pump that into a program associated with one of our new goals and objectives.”

Steve – I think what the agency would want you to provide is, what your plans would be for cutting in the second year. Very firm plans, not we’ll take a look at it, you know, a year from now. I think they are going to want to know right from the start the plan for \$2.5 million, and you can spend disproportionately in the first fiscal year, but then the cuts you have to make the second fiscal year are going to be even higher.

Clint – Well basically if we push the line just a hair we have got to come up with another \$40,000 cut?

Steve – You need to cut \$125,000, you can probably get by with \$123,000 but...

Norm –If we used his proposal... The \$100,000 at Soos and you take another 16% off that because you would save 16% overhead on that \$100,000...

Steve – Still \$24,000 in the hole. I don’t know what would happen if we went to the region and said we were not going to fund the sockeye counts anymore. I assume that Muckleshoot would still do five days a week, so you would be extrapolating two days a week...Because they are getting coho and Chinook also. So we are only funding a portion of that through this program. There could be some options there where they say, “well we think sockeye are the most important so we are going to put the DFW resources into sockeye only and not worry about coho and Chinook.” We are not managing the lake fisheries based on those counts except maybe the tribal net fishery that the recreational ones aren’t.

? – I would love to make it so if we pulled the entire budget and put as an add back depending upon if they readdress the escapement goal numbers.

Clint – Well the other problem, the other rub on that now that we are on that subject is that we don’t get, for all those who fish in Lake Washington, we don’t get any contribution to this program from a significant portion of people who hold a freshwater [license] only. The PSRFE survey is done on combination and saltwater licenses, not freshwater licenses so they have no way to assess it. Any of the terminal freshwater fisheries we miss out on. I guess I am just looking for some sort of way to rationalize where we are going to make these cuts, why we are going to make these cuts, and Mike brought up a good point that this might be a put back.

Dave K. – I think if we want to increase our angler days of participation, for us to cut the lock counts for as little dollars here that we are talking about...now I do like the idea a little more though that until the Department gets serious about lowering the escapement because we are never going to have a fishery at the 350. We’ll never have a fishery. Not in my lifetime any way so...

Michael R.? – Do we have a way of knowing a rough number of what that \$50,000, what hit that would have on production...? Any way to kind of roughly figure that out?

Dave P. – Yeah, talking about zeros. That would be like almost a million fish.

Dave K. –If you look at it, I don't know why we are so focused so strongly on Soos just because the contribution of Soos Creek is a decent contributor, and I know that Jim Scott is going to find the it, and he is going to find it at one of these other programs.

Dave K. – Soos was funded last year for some capital improvements to the tune of maybe \$8 million, and it is on the list for this year's capital budget improvements for a similar dollar figure. So they are going to start working on the intakes and stuff like that. Weir has not been in the discussions.

Michael S? – Well the Puget Sound Hatchery Advisory Committee was discussing the rebuild and how that relates to trying to meet HSRG guidelines for managing the population at the level desired, and we talked about a secondary population on which meets its, how you are managing the hatchery input and wild population and I was just wondering, and I doubt that this is going to affect the next two years, but if there is still pressure on the Department to manage that population differently, will that reduce the production level because of hatchery strays?

Steve – If we are going to take a chunk out of one of the facilities, sooner because we are going to have to start layoff procedures. Remember when we cut people that is months of effort.

Clint – I am ready to offer up a sacrifice I guess. Hoodsport yearlings: They have a pretty high cost, and I am not necessarily talking about cutting, but converting to zeros. I get nervous when we are converting, we've been converting a lot to zeros. We are losing more and more yearling production but something, and I did not get a chance to go back and read through some of the information that I have got over the last month, but the contribution rate to residualized salmon was out of that facility about equal whether it was zeros or yearling production.

Michael S. –I can summarize the Josh Chamberlain publication looking at whether or not it is releasing, the release size is what drives residualization. He found really a combination of sizes and release locations that influenced residency or contribution to the winter fisheries, so I don't know if Hoodsport comparison to say, but both the farther, the deeper you are in the Sound and the release size.

Clint – Yeah, I think that is exactly what I am remembering, and if I remember right one of the things that caught my attention was that at Hoodsport the fish in that area residualized very similar rates with zeros and yearlings. If that is the case, if we were to make some conversion in the yearling production to zero production, would that fishery not be significantly affected and could we save money because I know that it is hard to get a clear picture in my mind because most of that is feed, but there is also some fish health for that extra twelve months, and I don't know what their scheduling is out there as far as the man-power they have at different times of the year, so are we going to save on labor or is it just going to be a food and health costs?

Steve –So what I have available here tonight with me is the analysis we did two years ago, right? So for Hoodsport for winter marine for, I have 2002-2005 the average was .00086. For Hoodsport fingerling.

Clint – Well what I am looking at here in our probably more recent data, 2002-2007, it is showing it is actually one of the more expensive as far as costs for sport harvest. Survival rate is good, contribution rate they are showing good, I am looking at the 2002-2007. .063 is for the 2007 brood year.

Steve –So, the only data that I have here that is comparable tonight is the analysis I did two years ago which has Hoodsport yearlings at... I don't think this program ever funded Hoodsport zeros. So, your question was, do the Hoodsport zeros survive, contribute to winter fisheries at the same rate as Hoodsport yearlings? I am seeing that for the winter fishery it is about an order of magnitude worse survival for the zeros versus the yearlings. So the contribution rate, this is not the percentage it is the contribution rate, is .0007 for yearlings and for the zeros it was .000086, So you have 10% difference survival or contribution for the winter fisheries, and those would be relatively apples to apples comparison. Just because a fish residualized, does not mean it is going to contribute to the sport fishery.

Michael G. – I have been a pretty big proponent of having yearling populations regionally so they can track them even if they are smaller. I really have not gone through and exercised in my head whether I think Hood Canal is a regional enough thing to be looked at on its own.

Clint – Well, I, without a breakdown of where these fish are taken, my guess would their contribution is probably fairly high at Port Townsend...places like that so they are contributing to northern fisheries, there's very little participation in the south of Hood Canal. There is a fairly robust fishery in mid-Hood Canal.

Dave K. - I remember those Hoodsport fish were caught off of Tacoma even. And, that's obviously, with North of Falcon and every year Hood Canal is a constraining stock because they are caught everywhere.

Dave K. – So are there other ways for us to maximize our dollars where somebody else is helping to contribute to these things? I assume that is more of a long-term thing and that is not going to get settled in a month, so it is not even worth discussing at this point. I was thinking like Hoodsport, you know, the Tacoma Power, they are going to start building the new hatchery in that area, sockeye at Cushman.

Steve – Well that presents an interesting, you asked earlier about an unbalanced budget between the two years. You say you'd fund it fully for the first year and try to get some partnerships to do it the second year.

Dave K. – Then if not, we have to come up with \$125,000 cut in one year rather than two years. I guess I am also thinking to get back to where are these fish being caught, what are the costs, and there is certain areas where back to regionalization, we have to have some coverage regionally then there is going to be some things like coho, for instance Maybe I am speaking out of turn, but I think we only have so many coho projects to start with and it is a huge program, or certain groups and it must be a huge program considering this big spike here in August of this year. There are some definite benefits to the coho program.

Michael G. – Can I play a little bit of the devil's advocate just to that point? Voights Creek has raised coho for ever and ever and ever and we know, generally, what benefit that is going to be. So if you are looking to put money into places that we at least we're trying something different to improve a fishery, I would look at that as a, for instance, a lower priority than something, for instance, the White River spring Chinook fishery that we don't have data on as an example.

Steve – Something that I have not heard any of you guys mention, but it should be at least in the back of your minds for your consideration are the fresh water fisheries that are provided from these facilities. Even though this fund does not generate any revenue from them, there are some significant fisheries that occur in fresh water off the production from this group. Like I said, you should just keep that in the back of your mind like Wallace yearlings produce a reasonable riverine spring Chinook fishery, Puyallup coho are producing a fishery, Green River not so much.

Norm? –We want an increase in our budget, the surveys only take care of saltwater and combination licenses. What will it take to have freshwater licenses included in that survey? Because, I am looking at thirteen hatchery programs and less than 50% of them are designed for – well two are coho programs, four are yearling programs. I see a lot of zero programs in there, so we have got to be – this program is now making a contribution to the riverine fisheries with the zeros program.

Dave C. – But to that end, we have to submit reports to the Legislature, and what is not to say that we should not put in there that we have concerns over continued funding sources and the benefits we are providing to the fisheries and [we could] enhance the program if we get a percentage of freshwater license sales? My guess is we are not going to change freshwater [license contribution]. We ask the director for more money constantly, and I think it is all good discussion, but I am going to move this on because otherwise we are just going to be barking up a tree and that is not going to change the fact that we are looking at \$125,000 in the hole. We have asked for higher percentages, we have asked for bigger group of people to contribute to the pie from the director. We had an opportunity to do that when the legislation changed and we asked them to do that, and I have been told you don't want to go down that

path, so...

Norm – If we are actually very serious about funding, and fairness in funding, I think of the idea that we are including that in a report to the Legislature that our funds are funding freshwater fisheries and we are getting absolutely no return on that, that sets the stage for a future position.

Clint – There are three different programs that I see here that are taking the bulk of our budget and that is Garrison, Soos Creek, and Wallace. Wallace happens to be one of the better surviving stocks out there, contributing at a fairly reasonable cost. Soos Creek took a big hit the last cut, and Garrison...

Dave K. – Garrison is a high performing one so it really gets back to, you know, quite honestly is Glenwood Springs. But then, this is where my argument kind of fails, is because at that point we could really start to look at Glenwood because then we would have another year under our belt of tag recoveries, contributions, all that kind of stuff so we would know then whether or not Glenwood is really benefiting our fisheries or not. The problem with it isn't, well then that makes it easy because there was the \$80,000 cut. If it is benefiting our fisheries, all of a sudden we are in the exact same dilemma and then we will say, "Okay, who are we going to cut for \$80,000?"

Clint – Well I would guess to finish the thought that I was having, there are three programs where you can basically make up \$100,000 without killing an entire program and none of them are palatable. Tell Jim Scott, this is all we could come up with, give us something to work with here because I am kind of getting the sense there is nobody that wants to make any other cuts in here. We have hacked away for so long so many different things that where are the cuts? Where is the agency going to throw something back at us and say this where we think it makes the most sense because I have a lot of respect for the thought process that goes in the upper level folks in the agency. I think Jim Scott is a very thoughtful, analytical individual and personally I am at a point where I am open for having some discussion.

Clint – Well our purpose as the oversight committee is to provide guidance to the agency as to how to manage this fund and I think we have kind of come to a brick wall on what kind of guidance we can throw at them on how to spend this money, or how to cut this money at this point and so if they have some ideas maybe we can chew over that, but I think until we get there I am having a tough time figuring out where else do we make cuts without destroying something?

Michael R – So your rationale then back to the Wallace, Soos, and Garrison, right, is you kind of lean on them to help pay for some of the lower performing hatcheries programs, right? We lean on our really high performing stores within a district to pay for some of the under-performing stores. Right? So maybe not getting the full entire \$125,000 bogey out of those three, getting a portion and then asking if we can defer the rest to the second year and then that \$125,000 is not as risky of pushing that out. Maybe you go for half of that out of the three programs or something, I don't know, but then you defer the remainder to next year and everybody keeps their fingers crossed.

Erik – What I would add to that, and this kind of goes back to what Dave was saying, is it would be extremely helpful for a new person sitting on this committee to have that additional information by program, by hatchery, to be able to break that out and look at a little bit more detail so that I would be better able to understand really what those impacts are going to mean at each one of these locations. I have got to admit there is definitely more production at some of the hatcheries in here than in others, but I can't see it. So you can expand each one of these and say, you know, here is your labor, here is your food, here is your what-have-you, here is your full-time equivalent, etc., etc. Then we really would be able to get a better understanding of what that \$125 means at each one of these locations.

Steve – I don't know if I can get it for you in a timely manner. So one of the goals and objectives we talked about was analyzing the contribution rates and the cost into the ice box for the rest of the programs. For whatever reason the agency has never asked the hatchery programs to analyze themselves in that manner, so we are kind of pushing the rest of the hatchery programs here with what we are doing. Now we have pretty much come, I think Jim Scott has come to the edict that it would be based on pounds of fish produced, and that is how you are going to determine what your costs are in the

hatchery. What Ryan and I are going to have to do with these goals and objectives is push those hatchery guys to tell us, "Okay, based on pounds, how much does this program cost, what does this Chinook program at this hatchery cost? Then we can calculate the contribution rates and the cost into the ice box. We can easily get all the budgets and break them out by salary, salary benefits, goods and services, capital, and probably put that in some kind of spread sheet for all of these facilities that may or may not make sense for you guys, but I think we could try it. If we start breaking it out on fish food out of that, that is what is going to start getting ugly because we have really good package programs that give you those basic categories, and they will give you all of those details, but then someone has got to go in and pick out the fish food, right? Then calculate that separately versus the rest of them and that is where I think it gets time-consuming. If you guys are paying for this on the recreational sector you want those fish going into the recreational catch. I believe that is fair, but as I said, this level of analysis is just way more than what the agency normally looks at.

Dave K. – So what if we play off of what Clint said? Basically put our efforts into providing oversight recommendations, a thought process to Jim Scott and Ron Warren and others who know the nuts and bolts, know whether or not they are going to have to lay somebody off or not. And so if we give...go back to them and say, "We see it as we need to cut this money that is being discussed. We believe we can cut it by a little bit less money because we will say that the lingcod project is gone and that we are willing to dive a little bit into our surplus that we, hopefully, will have and then there are these X number of hatcheries that we would put on the table for the agency to provide a better analysis as to what is the right decision there."

So maybe we can kind of throw that on the table if we can kick it totally to the side but I don't think:

- 1) we have enough information to make a decision tonight;
- 2) I don't think quite honestly we have the capability of making the decision back to not having all the information, and
- 3) We narrow the target for them by saying there are some programs here that we don't want you to think about cutting. Then there is a good chance that Soos Creek, Glenwood Springs, Voights, you know, you think of Gorst Creek, you know, between Long Live the Kings and the various tribes, you have got a lot political clout out there.

Norm – That is it, I mean, putting Gorst Creek on the chopping block, my initial gut feeling is, but the reality of it is, is that is going to be a negotiation between the Suquamish Tribe and the Department. That is where that, it is going to be kind of like Soos Creek where you might not be able to get out from underneath that cost simply because of tribal issues.

Dave K. – Correct. Same thing with Voights with the Puyallup and the Muckleshoot [tribes] as well. That is a bigger cost we have got to figure out somewhere else. I am planting that back to Jim Scott and then Jim Scott says, "Okay." You know, similar to when we went with Glenwood Springs exercise then Jim Scott said, "Okay, I am going to find some money to help pay for Soos Creek." Remember because we said we wanted the money taken out of Soos.

Norm – Earlier on tonight, you were talking about deferring that, I thought the entire amount to year two and be willing to completely cut a program in year two. What I was hoping we could do if we could come another \$25,000 the first year and ask the Department to defer the \$100,000 the second year – the upcoming biennium, and we would be willing – we would have to look at – it would give us time to look at where in year two, in that second budget we would cut the \$100,000.

Dave P. – My only comment on your four choices is that I would highly like not to see Voights Creek zeros go on that because of the cost for production and the contribution and so on and so forth. And the area, you know, of marine area 11 and 13, those anglers are really dependent on those fisheries.

Michael G. – Yeah, that was the only one I kind of questioned the only one piece of the lobby was that all of those would be politically difficult whereas that was the only thing I was thinking about, well they give us Voights Creek zeros as an option, they will take it because we just picked it up so it is not too hard to take it away so...

Dave K. – I think you raised a good point too is those zeros at Voights Creek are very economical fish.

Steve – If I may remind you that last month we talked about – I am not sure we have got a really good estimate of what those fish are costing us. If we go to the pounds produced at each hatchery are we really – I think we are being subsidized there at Voights. The existing program is already doing a lot and we just filled a couple ponds full of fish. If we really get into this breakout of how are we going to estimate the true cost of our program and it is based on pounds, we might find that that program is costing us more than we think it is. More than what we are showing on paper.

Clint – I believe there is a strong resentment to having to pay overhead. The original intent of the program when the recreational fishermen taxed themselves was put this money toward making fish and then when the realities of doing business set in and you realize there are some other associated expenses related with raising fish that it is appropriately paid for, there still is a lot of people saying it is supposed to be for fish.

Michael G. – Another thing they should be telling you is, should we be looking at funding in the first year and not the second year?

Clint – That was one of the questions, one of the reasons I asked the question about when construction would occur at Soos Creek, is that going to affect their normal work schedule there? Is there a time where you could literally remove funds and not have a significant effect? So it will be a new site construction and then tear the old one down after the new one is up and running? The only thing that I am not real comfortable with is leaving Voights on the fence. I am not personally supportive of doing any cuts there. There is not enough money to make up that \$100,000.

Norm – The same thing is true for Gorst when you look at 1.5 million fish which you're getting for \$33,000 a year.

Michael G. – Mike, the unbalanced budget I know what your opinion is on that, I don't need that. I was hoping that you could, from your point of view what that would, can you give me some inside on the impacts to what would be say they were going to pay you this year and not pay you the next year? Is it something where you can just say, "ah no don't worry about that, we will either take it or don't." Can you give me any insight from your point of view on that?

Michael S. – I think you are asking if you delay a potential cut for a year, what the impact that would be? We already operate in the red at Glenwood so, I mean, any cut looks dire, you know, I can't so...

Steve – If you take out Lake Washington, the lingcod, Voights zeros, and Minter Creek/Gorst zeros that is a cut of \$231,000. That puts you over your \$67,000 in the red. Voights Creek zeros would get you there I think.

Don - ...cutting these programs is not going to make it any easier to get license sales. That is what we are tasked to do.

Steve – That is the downward spiral. As I see it our goal for the next couple years is we really got to develop partnerships and start leveraging funds because I don't think we are going to see a response fast enough to see license sales pick up. We have got to try to find a way to tap into the clubs, the businesses, to start helping us with this production. I know one of the folks that applied for the committee and we did not bring him on but, had suggested we hold a derby every year with funds going into this program, and I know some of those derbies are pulling in \$20,000 or \$30,000 that they are putting into their scholarship funds or whatever. Could you imagine if we had a derby that was hey this is all profits going directly back into hatchery production? I think that there are some creative ideas like that. Now where we are going to get enough volunteers to pull that off...

Norm – If you take the bulk of the Northwest derbies seriously and I think that is what Steve is referring to is there is data out there about that. A few of them are very successful, most of them are not generating that kind of money, but from my involvement with it there is an area that is prime for a derby. A salmon derby that no one is touching. I am thinking area 5/6 in the summer.

Dave C. – They had 1,810 that bought tickets for the Olympic Peninsula derby this last weekend.

Norm – Yeah. I mean the players are there and right now there is not a salmon derby one in the Straits. Not in the summer.

Michael G. – If we were going to do a derby I would think that I would be pushing toward investigating going back to the old million dollar fish thing that they ran a couple of years because you're going to get license sales and everybody out there looking for those...

Steve – All of those are the kind of creative tasks that we have got to start flushing out for those kind of objectives, but that kind of leveraging of our funds are where we really need to go.

CONCLUSIONS

Take out the \$20,000 for the sockeye fishery (the sockeye monitoring); take out the \$45,000 for lingcod; hold harmless all the coho programs, the yearling programs, the Hupp Springs program, the Minter zeros and Garrison zeros, and ask the agency to find efficiencies to make up the difference in Glenwood Springs, Soos Creek, Minter/Gorst and to identify options for the committee to evaluate, let Jim know you are willing to chew into the surplus, and ask if you can have an unbalanced budget between the two fiscal years.

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Ask agency to identify cuts between the remaining programs. Identify the options and discuss surplus with Jim. Have Ron Warren talk to us about co-managers. Can we reinstate Lake Washington if removed?	Steve Thiesfeld	Next meeting

DISCUSSION | **Steelhead Recovery in Puget Sound** (Schmidt)

We are being funded \$800,000 to find out why steelhead are dying at abnormally high rates in Puget Sound. \$1.3 million to develop a recovery plan for Puget Sound steelhead. Funding through ALEA. Puget Sound Partnership, us, others, and the Department are involved.

CONCLUSIONS

This collaboration between UW, NOAA, WDFW, tribes, USGS, a little bit of everybody to learn of Salish Sea up into Canada. Unique to Salish Sea. Follow cycle and disconnect. Research majority is juveniles when migrating.

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Please send letters to support this project.		

DISCUSSION | **Next Meeting**

Get information from Jim Scott. Email it out to the committee. Need hatchery staff options based on information from Jim Scott.

CONCLUSIONS

March 11 is our place holder. If that does not work, will Doodle Poll members to identify a date that works. If not a lot to discuss, will do by telephone conference call. Homework: think about tasks for Goals and Objectives. Also talk about leveraging funds and break into work groups.

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Find out if March 11 works.	Ryan Lothrop	March 6, 2013

OBSERVERS	Michael Schmidt
RESOURCE PERSONS	Colleen Desselle and Ryan Lothrop
SPECIAL NOTES	

