

# *Puget Sound Recreational Oversight Committee*

June 3, 2009

5:00-9:00 p.m.



~~NMFS~~-NMT Office, Tumwater

| <b>Members in Attendance</b>   |  |
|--|--|
| Clint Muns<br>Jon Lee<br>Mike Gilchrist                              | Polly Fischer<br>Dave Knutzen<br>Dave Croonquist |
| <b>WDFW Staff in Attendance:</b>                                     |  |
| Steve Thiesfeld<br>Colleen Desselle<br>Andy Appleby<br>Greg Bargmann | Jason Rothermel<br>Rich Eltrich<br>Jim Jenkins   |
| <b>Members Absent:</b>   |  |
| Les Johnson  | Bruce Arnold                                     |

**Clint Muns Convened the meeting at 5:13 p.m.**

**Agenda items approved – will try to get through all items, but if further discussion needed, we may schedule a meeting in July.**

**March Meeting Minutes Reviewed and Approved.**

## **New Business**

- Clint Muns – Hatchery and Fishery Reform Policy – will testify at Commission meeting on Friday re: our comments. Want to be sure I know what I am talking about, but do not want to be too specific as far as Dungeness. Just want to stay focused on policy issues. Dave has sent in recommendations and I will reiterate the points. I also want to indicate that best possible science is a key to guide the timeline and accountability.
- Looking for a way to provide better public access to our meetings – can we provide access online? Steve will pursue providing a web page, talk with the Department regarding this. It will provide better communication. Also, do we need to blind copy the communications? Are there concerns about not being blind copied?
- Andy Appleby – Commission Policy on Hatchery and Fishery Reform (C3616) – Three documents to share – people kept asking the Commission things like what is your

position on Hatchery Reform [and](#) mark-selective fisheries; so the policy was developed by request. The first document is a Power Point on the policy presented to Commission in May. Pay attention to the Director's goals and objectives. He agrees that this is what we want to accomplish in the next two years, and we have drawn from that document. Definition, intent, purpose were all drawn from the policy itself. Language is verbatim from the steelhead management plan adopted by the Commission in January 08 for familiarity. Policy guidelines and highlights...the Department shall...principles standards and recommendations of HSRG management of hatcheries. Broodstock management is included as this is important. In the public comment there were several people asking when we were going to get all the fish marked. It was suggested on how to state ~~phrasing of~~ the percentage of fish that are marked for harvest intent and to note that the tribes are also marking fish. There were also concerns about anglers being upset about not being allowed to harvest wild salmon, especially in light of less stocking and more cut-backs in the Department. Andy noted these concerns. Environmental compliance is second priority of HSRG, schedules for implementation for 21<sup>st</sup> century salmon and steelhead and the need to have places where we can move quickly. Want to explain a little bit about 4(d) – gives us a little wiggle room to try to hold onto the genetic material. Trying to [prevent](#) PNI from being a hurdle.

Walking through different items the group points out: implement the principles – policy could use the principles – general thought that policy is supposed to be a guiding document; want more directives – PHOS comment is outstanding and we should include it; implement immediately – look at [Columbia River](#) ~~R~~ and keep abreast of what is happening at Willapa - not enough natural-origin fish in some areas to implement so these take more time to work through the transition; ensure marking protocols are being covered.

This is a watershed event, not as much on the hatchery reform, but it is how the policy deals with mark-selective fisheries. This policy basically states that mark-selective fisheries are where we start the process. If there is a driving factor biologically to not use ~~as~~ a mark-selective [fishery](#), it will be considered. Or if there is a better technique for the population or associated non-targeted species ~~if~~ [it](#) will be considered.

Much discussion followed regarding Dungeness spring Chinook natural-origin fish are between 10-40K smolts each year. With program of 25K 5/lb steelhead are being released below most of the spawning area but in the migration spawning area. If each angler were to take one smolt, there would be no natural-origin left. The only ones that count are natural-origin recovery. For four years, we pumped eggs out of the gravel to enable having natural-origin fish. Goal was to take 20-30 redds each year to produce natural-origin fish in the Dungeness. There are both, natural-origin fish or hatchery-produced fish. We have phased out the captive brood and went to smaller, more manageable stocks. The Dungeness has natural-origin Chinook that look distinct.

Genetic samples from 200, 100, 50 years ago, they will not be exactly the same, but the species are distinct to the watersheds.

HR Policy will discontinue haul and dump steelhead programs. If the fish cannot be maintained in the regional water supplies, they will not be brought in from other locations. There is concern about the ESA listings on steelhead, especially Dungeness. Would like NOAA to re-examine the situation. Would like to see the Director add timelines on the plan. A 5-year plan would be better, but want to see no longer than a 10-year plan.

We need to have annual benchmarks/reviews regarding the timelines, which would explain why we did not reach any goals within the stated framework. Benchmarks are targets! Was it to keep fish from extinction? Because of something that happened that is out of your jurisdiction? Could not reach because of road blocks? Set your goals high, but if you don't get there, we will know why.

Clint said that he wants to have a sense that the policy driving the state is to follow HSRG. It is the science. Rich Eltrich stated that there are some tribes [that](#) have issues with HSRG. If we have to follow HSRG and cannot reach a decision, then there is no negotiating room. If no agreement can be reached, there will be nothing we can do. The tribes feel that that there is very little that ESA drives in this. Rich Eltrich commented that this language is there to be able to work with certain tribes. Clint indicated that [constituents](#), [tax-payers](#), [and users](#) spent a lot of money to come up with the best possible science to bring about the HSRG – is it possible to change the language to “this is what we should...”? This would allow a little wiggle room. Tribes need to know this is our guiding principle. Push benchmarks and use of HSRG to establish wild salmon management. How to state if this is a goal in the broader sense? How about a need to establish wild salmon management zones? There would be a potential loss of recreational opportunity. Invested a lot in HSRG and unless there is other science indicating not to use the HSRG, we should keep using it. Until someone shows a better way, this should be our guiding principles. Let it be known there are federal agencies accepting the guidelines.

If we keep pouring money [into hatcheries](#) and not producing results, it would be pretty easy to take more cuts. It is about priorities. You need to understand that if I take this in its strictest sense and I have to implement this policy given the budget that means I might have to close hatcheries so that I can spend the money on other hatcheries to properly integrate the program. Or restrict fisheries so that the fisheries I have [include](#) the required mark-selective fisheries monitoring required to meet NOAA or co-manager standards. That literally is what it is. We have to be prepared for those realities.

Let's go back to wild salmon/steelhead areas – if we have wild salmon areas, those will get no hatchery production in those drainages. How will the department respond? Will there be subsequent cuts if you cannot move the fish? Andy responded ~~with~~ that it does not mean you can't ever, but it just means that it would not follow as a normal custom. We have a couple streams where we don't put fish. Where do you draw the line between natural-origin and hatchery-produced fish? Fall Chinook in Puget Sound look very similar to Green River Chinook, but they are not the same. Some sent to other areas in the U. S., look different, but still look similar to their ancestors. These have become locally adaptive and need to become better in a specific watershed. Dave indicated he does not mind hatchery fish as long as they are allowed to stay in that water for production, and seeing the same subset?? that is being applied to marine protected areas. Let's not see reductions in production. Andy stated the key is to be able to control hatchery adults by restructuring those programs and increase production by using selective fisheries. We have to have viable commercial fisheries to harvest the fish that cannot be harvested by recreational fishing. Have to manage gene-flow on an annual basis. Clint stated that wild salmon management zones needs to be science-based. If its done in a scientific framework like HSRG, says this is a naturally spawning sustainable population we need to phase the hatchery out. Stay away from political framework, potential for abuse of this type of program.

Andy said the Skagit River – we have spring, summer, and fall Chinook program, the springers are the only ones that produce enough to run the program, the summer and fall Chinook only produce enough to get a CWT group out. Mid-Hood Canal ~~HC~~ certainly, Dosewallips, Duck, Hamma Hamma, would be ones that don't produce any hatchery Chinook anyway. Cost may not be as high as worst fears. ~~Judiscous~~ Judicious looking of which ones to use would be the would be a pretty short pick list. These programs meet HSRG standards for integration – summer/fall Chinook could be expanded and still fall under HSRG guidelines. How to sustain the run without hatchery interactions? Their biggest fear is that if we change harvest and hatchery production enough, and we are delisting these fish, then we lose funding for future habitat work. Tribes believe we will be successful, what will it cost to do other specific river/s, improvements with hatchery and harvest, and then someone will believe that it is enough? This is why the tribes want to drag out the timeline. Improvements can be shown with hatchery and harvest and someone may say that's enough. It was suggested that we should establish a baseline and that becomes the driving factor. Andy indicated we want the work to continue. Harvest rates are down. NOAA still tells us it is okay to ~~eat~~ kill 40% of the listed fall Chinook swimming in the Columbia and 50% in Puget Sound. It was indicated that we should look at expanding where there is potential for hatchery escapements, there should be recreational opportunity to take any hatchery fish found. Clint will reinforce the groups reasons for the suggestions to the Hatchery Reform.

## Old Business

- Audit Update – Steve – called Harriet on Monday. No guarantee on the timeline. Their priorities have changed. They are working on the draft, and they are close. It is her opinion that all will be happy with the product.
- Lingcod Research – Greg Bargmann – Recall that in June 2007 we had a tour of the Manchester facility and their techniques to raise ling cod. Committee decided to invest in this activity, and recommends spending 30K/year for two years to develop cultural techniques and tag and release lingcod in Puget Sound for studying them to see if they move very far, if they survive, and how they impact other fish. Started in winter 2007/spring of 2008. We have raised and released. Winter 2009 gathering more research data. Shall we continue this activity in the future?

Jon Lee – We are seeing better retention of the bigger fish. We are learning about the black box period. We have discovered that we probably want to release off-shore. Study results indicate that Itsami is a better site than Day Island for lingcod. On the day of release lingcod were detected at 100%, 40%, then 20%, under 20%, and in February about 5%. Seventeen more receivers were purchased by SCORE and NOAA. Due to tight budgets, we probably will have no 2010 egg collections. Hopefully, we will be able to apply for more funding using this data after a hiatus for a year or two. Do not want to start and then find out there is no funding to finish. We do share data from the other receivers. Some receivers are NOAAs, some are on loan from others, plus we purchased some. We have enough receivers to track those that are going to be released. Release same numbers as we did in 2008 or release fish at Day Island and focus on them. Both scenarios would come out of upcoming fiscal year. There is a lack of habitat in South Puget Sound, but the habitat there does not seem to be fully utilized. It is possible to obtain use of Alaska Way viaduct materials for habitats.

- Roles and Responsibilities of the Advisory Group per Clint's request – Steve Thiesfeld – how we fit as advisory to PSRFE funding and the agency. Would like to talk about this when all the new members are present. Copy of both pieces of legislation need to be provided to the new members. We need to see if they need updating.
- Budget Status and Spending Priorities – Steve Thiesfeld - 07/09 is the total biennium update. This report was run a couple weeks ago. Left-hand column is the specific project budget code, three columns for the FY1 expenditures, three columns for FY2 allotments and expenditures, three columns for biennial based (if you carry forward your savings or losses from your first FY equals how much you would have to spend in FY2), and finally the three columns of where are you for the total biennial . What you see is a lot of programs that are pushing right up against their biennial allotment. Real note are Icy [Creek](#) and Soos Creeks. Far right projected through end of biennium. Projecting 25K

deficit for the ~~year~~biennium at Soos Creek & Icy Creek. Savings at ~~Salmon~~Samish will help us there. Everything in South Sound and Hood Canal (HC) are scraping to get by at zero balance at end of year. Fair savings in the coordinator's budget. No bill yet for Rick's Pond. Significant savings in the ~~marketing~~marking budget. ~~This~~The projected variance is about 375K positive. Why is there such a high positive variance in the marking budget? The only change that will happen to this projection is that McKernan (due to the loss of Percival Cove net pens) will stop production and is moving it to Minter Creek to raise yearling Chinook. Minter Creek will do a much better job because of better water and type of ponds there.

- ~~09/11~~FY 2009 projections table – in this projection, we are seeing about 400K positive variance for the ~~marketing~~ budget. Revenue has been bouncing between 1.2 and 1.6M for last 5-6 years, expenditures have been about 1.5 – 1.8M. Steve stated that surplus is declining rapidly (far right column). Some was intentional. Appropriate PSRFE balance should be 400-500K. Need to study the ~~marketing~~marking fund balance, something is not adding up. Some credits were put into the balance.
- Fund balance - Negative balances in March were -\$130K. Every March we ~~go negative with this balance~~reach the low point of the fund balance. This cycle has existed since inception and is based on license sales. Green is expenditure, red is revenue, and blue is ending balance. Trend over last seven years is that we have been spending that surplus. We have made some cuts, but costs and inflation takes it toll. Overhead rate has been 12.5%, but looks like it has been 10% - some things have not been charged to it. Going up to 20.5% next biennium to go to Business Services for keeping the ~~checks~~books, writing the checks, processing the ~~checks~~bills, etc., to cover overhead costs. If we have to deal with 130K in the hole, and we have to plan ~~and~~for an additional 8% for the overhead, ~~which~~that sets our spending level to \$1.255 for next year. Clint asked why there is such a huge charge to overhead. This money is to enhance recreational opportunity, not to pay for office workers, but for biologists and technicians to enhance the recreational fisheries. We need an explanation from the department as to why this is happening. Is this overhead paying for another overhead? How is this overhead assigned? Steve will look into getting answers, and he indicated there is a potential to rearrange expenditures to hold off through March/April to keep the funds on a more even curb. Fish food has not been charged ~~to~~ overhead. We can look to the director for a waiver on the overhead. We may be able to adjust the fund balance by spending PSRFE funds heavier in May-Aug, and saving the state funds for March/April expenses. This might help us from dipping below during that March/April time frame. License sales most likely will go down due to the new surcharge, and this group won't benefit from the surcharge. Is the agency ~~is~~ getting a good license sales count with new license vendor? We used to be able to track the license sales and the income from those. Do we need to move to 365 day/year license sales? Steve stated that Ron Warren has asked Mark

Kimbel to look at the PSRFE [funding-performance](#) as he did with hatcheries to see how it relates. Look at his data to see if it helps formulate ideas if we want to take any cuts, where they would go. It would be a good idea to provide input to the agency before the August/September budget. Dave Knutzen would like us to ask for an exemption on the indirect costs/raise for a couple years due to X, Y, and Z. Clint asked if the administrative costs are part of the matching funds. If administrative costs go up and they don't fund them, the [matching](#) funds go down. If original budget is 100K and 20% goes to administrative costs, then 80% matching funds would be \$160K rather than \$200K. Steve asked how much we have from matching funds and where they go. Greg suggested that we can work on a contract to minimize our overhead and maximize matching funds. There is a concern that we would have to tell tribes that we have further cuts after telling them we had already told them we had the final cuts. Don't want to have to tell people they are spending more and getting less. We need to fund [coded wire tag](#) marking and monitoring. Hatching, rearing, feeding – that is what we are intended to do. Rich stated that we should look to getting an exemption on the indirect and question why we pay [adipose fin](#) marking and science. Think the revenue we receive is \$10 for each person fishing in saltwater or salmon fishing in Lake Washington. We have been integrated into a lot of different aspects, but not charged for the marking and monitoring. Dave Knutzen indicated that he would rather see the indirect go to [coded wire tag](#) marking instead of administrative overhead if possible. We will discuss further in July, when we have better information. We need to look at what works and what doesn't. If you look at even/year expenses, you can definitely see a bump in the odd years. If we don't get the exemption, what are we looking at as far as reduction? \$250K. I want to be proactive on this, and not wait until September. We need to look at what we are going to do? Would like to know from hatchery folks what is easiest to live without.

- Question of whether we were still supporting the [sportmens-Pacific Northwests Sportsmen's show](#) Show in Portland. Told [Region 5](#) ~~them~~ we could not do the funding as requested [since it is difficult to justify Puget Sound expenditures in Portland area](#). They asked for [small partial amount of total funding needed](#), and I agreed to that request.

## Conclusion

- **Scheduling of the next meeting:** July 29 in Port Townsend – includes a field trip study.

## Requested Action Items:

- Budget issues.

## Topics for Future Discussion:

- Oversight Committee roles and responsibilities.

**Next Meeting:**

- September 2, 2009, 5:00 p.m., Fish and Wildlife Director's Conference Room, NRB room 537, Olympia.