GEODUCK AQUACULTURE TEAM
MAY 24th 2005 MEETING NOTES
Fife Workstation

Present:

Celia Barton
Steve Jennison
Jeanne Koenings
Todd Palzer
Jeff Schreck
Derrick Toba
Sarah Wilson

Main Issues Raised: We need decisions on the following questions before we can move forward:

Q1 Can scientific monitoring be paid for directly by our lessees?

attorney-client exempt communication, RCW 42.56.290, RCW 5.60.060 (2)(a)

Q2 RFPs or Leases?

Group consensus is we should go with leases, but do we wait for growers to come to us with proposals, or vice versa. We are concerned about a 'gold rush' mentality taking over; one suggestion was that we would place acres with more than one proposal against them to the bottom of the pile, or use a point scoring system to identify the actual lessee. We need a decision on whether we should go with this model, as opposed to auctioning acres under an RFP system.

Q3 Scientific Research—piecemeal or one big study?

Do we break the study up into smaller 'bite-sized' pieces or keep it as one large study? The Team was split on which option is best.

- Piecemeal
  - *Advantages*: tribes could be involved
  - *Disadvantages*: lose economies of scale; probably lose UW; would need contract oversight at DNR (larger FTE requirement); would need a DNR person and lot of input from team to pull pieces of the study together at the end, including creating a database—a huge undertaking

- One large study
    - *Advantages*: project management would be handled outside of DNR, apart from our input on scopes etc; continuity between the various parts of the study; parts of the study pulled together externally, by scientists with subject-specific expertise; database could be part of the study;
    - *Disadvantages*: tribes would probably not be able to participate to a large degree in the research if we use this model

Q4 **Rent Structure**

Based on the answer to Q2, we need to create a payment structure that allows adequate funding to pay for the research. Derrick and Steve will work on this and give us a proposal. *(Starting point-- $7500/acre/year = $187,000 per year, based on 25 acres)*

- How would UW collect fees—we were concerned that they would have no interest in entering into this study if they had to pursue a number of payments from tens of individual growers. The group decided it would be a good idea to have a lease requirement that money is paid to UW for the study at the time of signing the lease; for successive years, payments will be made on that anniversary date. That way, UW would have the money up-front at the beginning of each study year. In addition, this format would allow money at the very beginning for baseline survey work.

Q5 **Sub-tidal?**

Do we lease subtidal acres during the preliminary leasing phase, or do we just limit it to intertidal?

- Advantages: Growers want this option
- Disadvantages: much more difficult to conduct scientific monitoring and research; compliance issues;

- Could we do this in tandem with an intertidal lease, purely as a feasibility study? Derrick suggested adding a subtidal portion to the intertidal lease, allowing the Grower to conduct a feasibility study; propose limiting it to this, not allowing harvest. (Right of Entry?)

Q6 **Tribal contracts**

We are waiting for a proposal on this from Jim Peters. At that time, we will need to decide whether we move forward with this option in this initial phase of the study. The Team feels this decision is closely linked to our decision on the mode of study we employ for the scientific monitoring/research.

DECISIONS MADE, May 24th 2005

1. Team Roles

Team Member	Contact Number -office *-cell*	Roles
Jeff Schreck	(360) *(360) 374-6131*	• Main point of contact for the project, with: *growers, tribes, members of public, out-of-state parties* • Coordination with Districts on day to day issues • Leases (w/ Steve) • Team participation, all issues
Steve Jennison	(360)	• Leases (w/ Jeff) • Team participation, all issues o tribal coordination w/Celia o science
Celia Barton	(360) 902-1025	• Tribal coordination (w/ Steve) • Public outreach • Team participation, all issues o science
Derrick Toba	(360)	• SEPA issues • Team participation, all issues o science
Tom Mumford	(360) 902-1079	• Science issues (w/ Derrick/Steve/Sarah/Celia; Team input) o monitoring/research o eelgrass buffers o BMPs
Sarah Wilson	(360) 902-1584 *(360) 480-4802*	• Team coordination o meeting schedules, agendas, notes o policy coordination w/ Mgt Team o web maintenance o legal correspondence (LSRs etc) • Team participation, all issues o science
Todd Palzer	(360) 902-1864 *(360) 280-9153*	• Team participation, all issues o cross-over with wild stock fishery
Unresolved		• *UW/PSI coordination. Decision at June 7th meeting* • *Tribal contracts, if go ahead with this option*

2. Geoduck Aquaculture Team Meetings

Planning and operations meetings will be held every month on Tuesday afternoons, from 13:00-16:00 hrs at the Fife Workstation. The first meeting has been set for Tuesday June 7th 2005. Meeting notes will be circulated to the wider group of interested Aquatic Resources personnel after each meeting.

BUSINESS PLAN

The following items were highlighted as vital unresolved pieces of the project. The Geoduck Aquaculture Team will work on these issues, to move the project forward.

1. Leases/RFPs?
    a. Site selection method
        i. DNR selects sites
        ii. growers select sites
        iii. combination
    b. Rent structure
        i. $? to DNR
        ii. $? direct to research study
        iii. Deferred rent payment to DNR based on start-up costs—eg no rent for 4 years during the main scientific monitoring phase
    c. Acres
        i. All intertidal
        ii. Some subtidal (split?)
        iii. 20 or 25 acres
        iv. Are these 'productive' acres?
            - lease more than one acre to a grower; they bring additional acres online each year
            - total lease area/planted area: which counts against our 20-25 acre total?
        v. (Lease all 50 acres for biennium in first year?)
    d. Lease format
        i. Current oyster lease with Plan of Ops?
        ii. LSR to build on 'Consideration' language, to incorporate scientific research funding. Also for language that lays out requirements for monitoring
    e. Lease management

2. Create project budget

3. Tribal contracts
    a. Proposal from Jim Peters
    b. Meet with Fran, Loren, wider group to make decision
    c. Meet with individual tribes
        i. Tribal framework?

4. Plans of Operation
    a. What do we expect to see?
        i. Operational
        ii. BMPs
        iii. Scientific research (or do we set this and they incorporate?)

5. Scientific research and monitoring
    a. Prioritize pieces

b. Create budget
c. Meet with Fran, Loren, wider group to finalize study design
d. Meet with UW/PSI to propose study design
e. Coordinate with UW/PSI
f. SoW
g. Contract oversight
    i. who at DNR—team sub-section?
    ii. how do we track progress if we aren't paying for it? MOU?
h. Tribal bio input
    i. genetics/bird impact studies?

6. Eelgrass issues
    a. What constitutes a bed? (PSI BMPs—4 blades/m^2)
    b. Buffers
    c. Baseline survey (DNR?)

7. Biological tribal surveys for Rafeedie

8. Control plots. Ideas:
    a. Lease 1.25 acres, plant and pay rent on just 1.0 acre, let remainder lay fallow as control?
    b. DNR controls separate offsite control plots? *(How do these get incorporated into larger study; do all lessees pay for these offsite plots?)*

9. Website maintenance

10. Public outreach
    a. Local governments
        i. see J:/ for outreach to date.
        ii. Done already: Thurston, Mason, Jefferson, Island, Kitsap, Pierce. Revisit and update
    b. Public meetings
        i. Focus on time-sensitive areas: Kitsap, Thurston, Mason?
    c. Legislative updates
    d. Media articles
        i. Jeanne started a Longlines article; we need to revise this based on recent developments and decisions as we move forward

OTHER BUSINESS DISCUSSED

- Electronic files are located on the Division's J:/drive at: J:/AQR/DATA/Shared/Program Operations Section/Shellfish Program/Geoduck Aquaculture
- Manila project folders are located in Jeanne's old cube *(LSRs, public contacts etc)*
- Shellfish Growers database (Access file), with mailing list and labels

GEODUCK AQUACULTURE TEAM

MEETING AGENDA

June 7th 2005
13:00-16:00
Fife Workstation

1. Did we get decisions on Q1 through Q6?
    a. Implications of decisions

2. Business Plan—what did we miss?

3. Rent structure

4. Lease agreement structure
    a. Oyster lease?
    b. Plan of Ops?
    c. Language (LSR questions)
    d. Individuality of leases

5. Tribal contracts
    a. Proposal from Jim Peters yet?

6. Competing applications for the same parcel
    a. How to assess
    b. How to deal with—bottom of pile or RFP-style bid review

7. Next steps—meetings:
    a. Schedule and agenda items for WDFW meeting (Lisa Veneroso, Morris Barker)
    b. UW meeting
    c. Growers meeting

8. Public outreach issues
    a. Sheri L's e-mail and Jeff's visit
    b. Press release?

9. Best contact numbers for Team members

10. J:/ drive access

11. Other legal questions for LSRs?

12. AOB

13. Agenda for next meeting

GEODUCK AQUACULTURE TEAM
June 7th 2005 MEETING NOTES
Fife Workstation

Present:

Celia Barton	Jeff Schreck
Steve Jennison	Derrick Toba
Tom Mumford	Sarah Wilson

Answers to Questions, from Fran and Loren. Implications of decisions and general discussion by team:

Q1 **Can scientific monitoring be paid for directly by our lessees?**

LSR almost complete; waiting to meet with ESA team and AG's Office on a similar LSR before finalizing questions. (Note, SLW, June 12th—additional questions have been raised, ~~such~~ attorney-client exempt communication, RCW 42.56.290 RCW 5.60.060 (2)(a)

Q2 **RFPs or Leases?**

Fran and Loren preferred the RFP approach, because it gives DNR more control over what lands are leased. Sarah to contact Milt Johnson at Dept of Agriculture, because they have used a similar method for leasing agricultural lands. Problem team sees—growers will want to add their own preferred plots. Can we facilitate this, by meeting with them before we release an RFP, so we can incorporate plots if we agree?

Q3 **Scientific Research—piecemeal or one big study?**

Fran and Loren preferred the one big study approach, but were not totally averse to the piecemeal approach as long as DNR workload is not affected to badly. Tom is going to break down the scientific monitoring deliverable to prioritized pieces, with costs. In summary, the pieces were

1) Community effects
2) Reproduction issues (gametogenesis, capability)
3) Baseline disease
4) Triploid

We're most likely to fund (1). Tom remembered that UW was most interested in working on (2) through (4), but Celia remembers they turned around on that. Problem team sees—if we can only get growers money to fund (1), will UW even want to be a player?

Q4 **Rent Structure**
Based on Tom's scientific monitoring breakdown, Derrick, Jeff and Steve will work on rent structure options.

Q5 **Sub-tidal?**
Fran and Loren wanted us to limit to intertidal for this first release. Team talked about making it intertidal for the first 2 years, unless we get a proposal for a subtidal feasibility study. (This would be outside of RFP process, but no geoduck could actually be harvested.)

Q6 **Tribal contracts**
We are waiting for a proposal on this from Jim Peters and other tribes. Celia was going to contact Jim/Tony Forsman. (Note, SLW—we met with the Squaxin Island Tribe and Tony Forsman on June 10th. They were going to remind Jim. We also extended the offer for proposals from all interested tribes.) Acres would count against totals? Would be outside of the RFP process.

Actions

#	Action	On whom	Done
1	Finalize LSR	Sarah	✓
2	Break down sci mon into pieces and price out. Pass to Derrick, Steve, Jeff	Tom	
3	Propose rent structure, based on $75,000 per acre per entirety of lease, and on options presented by Tom from (2) above.	Derrick, Steve, Jeff	
4	Pull together all current acres that could be leased, as per research and site visits. Provide to Sarah.	Jeff	
5	Conceptual RFP, to include Jeff's sites (Sarah)	Sarah	
6	Talk with Jeanne: are deliverables on J:/drive? *Answer: probably not, but no reason why we can't do that now*	Sarah	✓
7	Look at deliverables and format study questions	Tom, Sarah, Celia, all	
8	Update business plan, put in more detail and timeline	Sarah	
9	Traverse PC software for Jeff	Steve, Jeff	✓
10	Maptech software—move from Sarah's PC to Jeff	Sarah	
11	Charts—can Ronda put bathy on current ones? Can we get them at smaller larger scale with geog grid overlaid? We need to calc dist from comm beds	Jeff, Sarah	

12	Set up a meeting with WDFW to provide a status update and ask burning questions (Sarah)	Sarah	
13	Invite Carol Piening and Michal Rechner to next Geoduck Aquaculture Team Meeting on July 19th—this will be the science meeting	Sarah	
14	Set up a meeting with DOH in August—after sites are selected, so we can check certs, sampling etc		
15	Set up meeting with UW, Aug/Early Sept		
16	Set up meeting with growers, early Sept		

Preliminary Agenda for WDFW Meeting

1. Update of progress/status, update on site selection process (issues?)

2. Scientific Monitoring, DFW input:
   a. Proposed scheme, piecemeal/big study
   b. Control plots
   c. Plans of Operation, BMPs
   d. Intertidal/subtidal

3. Buffer distance to commercial geoduck beds

4. Bio surveys prior to leasing (for Rafeedie)—protocols? Different survey to oyster

5. Eelgrass issues:
   a. Buffer distance
   b. What constitutes a bed
   c. *Z. japonica* too?

6. Sand dollars (impacts, protection measures)

7. Emerging fishery tie-in

8. Hood Canal. Anything we can tie into/use

9. Update on tribal contracts

Finalized Contacts List

Team Member	Contact Number -office *-cell*	Roles
Jeff Schreck	(360) 732-7411 *(360) 301-0422*	• Main point of contact for the project, with: *growers, tribes, members of public, out-of-state parties* • Coordination with Districts on day to day issues • Leases (w/ Steve) • Team participation, all issues
Steve Jennison	(360) 854-2833 *(360) 708-7133*	• Leases (w/ Jeff) • Team participation, all issues o tribal coordination w/Celia o science
Celia Barton	(360) 902-1025	• Tribal coordination (w/ Steve) • Public outreach • Team participation, all issues o science
Derrick Toba	(360) 802-7017	• SEPA issues • Team participation, all issues o science
Tom Mumford	(360) 902-1079	• Science issues (w/ Derrick/Steve/Sarah/Celia; Team input) o monitoring/research o eelgrass buffers o BMPs
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Unresolved		• *UW/PSI coordination. Decision at July 19th meeting* • *Tribal contracts, if go ahead with this option*

OTHER BUSINESS DISCUSSED

- **Control plots**: right next to lease might not be a good idea (excreta); one per waterbody/set of representative sites?; size of plot depends on what measuring.

BUSINESS PLAN

The following items were highlighted as vital unresolved pieces of the project. The Geoduck Aquaculture Team will work on these issues, to move the project forward. (Note, SLW, to be improved: tabulate, add time-frame, people, detail where resolved, record of decisions)

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    d. Lease format
        i. Current oyster lease with Plan of Ops?
        ii. LSR to build on 'Consideration' language, to incorporate scientific research funding. Also for language that lays out requirements for monitoring
        iii. Brand tubes with farm name and phone number? BMPs—update as growers evolve
    e. Lease management

2. Create project budget

3. Tribal contracts
    a. Proposal from Jim Peters
    b. Meet with Fran, Loren, wider group to make decision
    c. Meet with individual tribes
        i. Tribal framework?

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    a. Local governments
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    b. Public meetings
        i. Focus on time-sensitive areas: Kitsap, Thurston, Mason?
    c. Legislative updates
    d. Media articles
        i. Jeanne started a Longlines article; we need to revise this based on recent developments and decisions as we move forward

GEODUCK AQUACULTURE TEAM

MEETING AGENDA

July 19th 2005
13:00-16:00
Fife Workstation

1. Update from WDFW meeting
2. Tom's breakdown of scientific monitoring deliverable and recommendations
3. Study questions—what are we trying to achieve?
4. Baseline surveys, SoW, protocols
5. Buffer from commercial beds
6. Eelgrass issues
   a. Buffer distance
   b. What constitutes a bed
   c. *Z. japonica* too?
7. No net loss—from baseline conditions, or on changed conditions at end of growing cycle?
8. Control plots: what are we measuring? One per waterbody/ representative number of sites?
9. Recovery after harvest
   a. Fallow years?
   b. Keep impact on site, or move leases around?
10. Plans of Operation and BMPs
11. Tribal contracts
    a. Proposal from Jim Peters yet?
    b. Meetings with Jamestown, Squaxin Is, Lummi and ? WHO WILL SET UP MEETINGS?
12. Updates on next steps—meetings:
    a. DOH meeting
    b. UW meeting
    c. Growers meeting

d. Public outreach
   - County visits
   - Press release
   - Public meetings
   -

13.UW/PSI proposal

14.AOB

15.Agenda for next meeting

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UPDATE ON GEODUCK AQUACULTURE LEASING PROJECT Decisions and Projections

Phase I of the Geoduck Aquaculture Pilot Project was completed successfully, delivering all of the reports identified for the 03-05 biennium. A budget request was submitted to move the Pilot Project into Phase II (to include implementation) during the 03-05 biennium, but no funding was appropriated by the legislature for either the project lead FTE or the project itself.

DNR decided to move ahead with the project, splitting the duties of the project lead out amongst a team of land managers, scientists, shellfish experts and project managers. The team of seven people is currently working on finalizing the decisions that will craft the leasing program. Although not all the decisions are final at this time, an adequate number of the big picture questions have been answered to provide an update and estimated time line here.

1. Scientific Monitoring and Research

In its primary decision to move forward with the project, DNR had embedded the requirement that scientific monitoring was vital. This new use of publicly owned lands cannot move forward without some checks, measures and balances. However, DNR has no dedicated funding source to conduct the scientific monitoring directly. As such, the following scenario has been adopted: lessees will pay directly for scientific monitoring as a requirement under the lease. The data will be submitted to DNR as a lease requirement. DNR is still trying to finalize the format—can DNR specify a contractor for the scientific monitoring, or can we pre-qualify a pool of contractors? Another question raised was whether the study could be piecemeal—that is, certain acres studying certain parameters. A preliminary decision was made to conduct one, all encompassing study.

The initial monitoring will consist of a baseline survey, which will include, among other things, a biological survey to assess standing stocks of geoduck and other commercially important shellfish for tribal sharing rights. DNR's intent is to only lease lands with no existing stocks for the immediate future, but we wish to discuss this issue further with the Tribes to clarify all the parties' interests and concerns. Please see Section 6. of this report for more details.

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Monitoring will be a requirement for at least the first four years of the project, with a requirement for post-harvest surveys. The duration of monitoring is still under discussion, and will be driven by the final decision on the monitoring requirements. (Note. Phase I of the Pilot Project laid out scientific monitoring requirements as community effects, reproduction issues (gametogenesis, capability), baseline disease and triploidy.)

2. Lease Letting Format

Two options were open to DNR: invite potential lessees to approach the state with proposals for leasing state-owned aquatic lands, or release a set of acres each year under a Request for Proposals (RFP) scheme. DNR decided that the RFP process would be a fairer method, both to the potential lessees competing for acreage and also to the citizens of the state with respect to maximizing financial return. The geoduck aquaculture team is in the process of finalizing the RFP and lease template.

3. Rent Structure

The rent structure (that is, how much a lessee pays each year) will be driven by the requirement that the lessee pay for the scientific research component. Prior to the unsuccessful 05-07 budget request, it was expected that the rent would be approximately $1000/acre/year, with a per-pound return to the state on sale of geoduck at the end of the growing cycle. In order to allow payment of the scientific research, the rent structure will need to be equalized across a five to seven year growing cycle, depending on location. DNR is predicting rent to be approximately $7500/acre/year, based on a seven-year cycle. In the initial years of the project, most of these lease fees would probably be diverted to pay for scientific monitoring.

4. Lands

DNR plans to lease between 20 and 25 acres of state-owned lands per year. DNR has identified adequate acreage for the first two years of leasing. Lands will be scattered throughout Puget Sound, including Hood Canal. The minimum acreage for lease has not been finalized; a quarter acre minimum is under consideration to accommodate smaller growers, although DNR may require lease of a whole acre, of which only one quarter is planted. The first round of acreage for release was located using a number of prime directives, including no existing stock of naturally occurring geoduck, greater than 200 yards from wild stock beds, no close proximity to upland development, no eelgrass presence and within counties favorable to aquaculture.

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Only intertidal lands will be leased in the immediate future, with potential for subtidal lands after year two of the leasing project.

5. Time Line

There are still a number of important parameters to tie down, but DNR is making a conservative prediction that the first leases will be signed with private entities by May 2006.

6. Tribal Input to the Leasing Project

DNR will soon mail a letter to all Tribes in order to facilitate discussions on the leasing project. We wish to meet with Tribes individually to focus on each Tribe's own framework, ideas and questions. DNR wishes to focus on three primary topics:

a. Input to the leasing project with regard to leases with private entities. We would specifically appreciate input on the scientific monitoring part of the project.
b. State-tribal shellfish sharing issues and biological survey requirements.
c. Agreements with individual Tribes to conduct tribal geoduck aquaculture on state-owned aquatic lands. These agreements would be outside of the leasing program with private entities. DNR seeks proposals from Tribes interested in partnering with the state for geoduck aquaculture.

7. Issues Still Under Discussion within DNR

There are still a number of issues that need final decisions before the project can be implemented, such as eelgrass buffer distance, scientific monitoring deliverables, BMPs, Plans of Operation, completion of the RFP and lease templates.

* * * * * ** * * * *

Please feel free to contact Celia Barton at (360) 902-1025, Jeff Schreck at (360) 732-7411, or Sarah Dzinbal at (360) 902-1584 if you have any immediate questions.