

Maryland Aquaculture Coordinating Council Minutes – March 8, 2018

Members Attending

Donald Webster
Colby Ferguson
Karl Roscher
Don Meritt
Eric Wisner
Stuart Dawson
Lt. Catherine Medellin

Kim Coulbourne
Kathy Brohawn
J.D. Blackwell
Jim Mullin
Stephan Abel
Reggie Harrell
Terry Witt

Guests Attending

Chris Aiken (Industry)
Larry Jennings (CCA)
Steve Schneider (DNR)
Rebecca Thur (DNR)
Alyssa Cranska (DNR)
Nicole Cook (UMES)
Jon Farrington (Industry)
Heather Merritt (MDE)
Nat Warning (DNR)

John Barnette (Industry)
Steve McHenry (MARBIDCO)
T.J. Himmelman (PWEC)
Amy Hontz (MDH)
Andrew Rubin
John Walker (Industry)
Bill Anderson (DNR)
George O'Donnell (DNR)
Rebekah Borgert (MSU)

Amber DeMarr (MSU)
Trystan Sill (DNR)
Matt Teffeau (MDA)
Adriane Michaelis (UMD)
Diana Muller (Bay Savers)
Fred Millhiser (Breton Bay MGO)
Ron Williams (MFMA)

Call to Order

Chairman Webster called the meeting to order at 6:32pm.

Administrative

Approve January Minutes

The January 11, 2018 meeting minutes were approved as submitted to the Council.

Announcements

Chairman Webster announced the following upcoming events:

- 70th annual ISS in Rehoboth Beach, DE: March 27-29, 2018
- HACCP for Shellfish Shippers at the Wye Research & Education Center in Queenstown, MD: April 25, 2018 from 9am to 3pm
- Cultchless Seed Setting/Nursery Operation Training at Horn Point on May 30, 2018

Presentation

Work2Live WELL Program (Trystan Sill, DNR)

The Work2Live WELL Program is a personal and professional development program with a fast-track entry into the important career world of the environment and natural resources that combines technical skills and training to ensure a solid foundation for employment and success. A total of 30 trainees will be selected to participate, with 20 working in Baltimore (land resources) and 10 in Cambridge (water resources). The first course runs from March 26 thru May 23. Training partners include: Wor-Wic Community College, Richardson Maritime Museum, Maryland Dept. of Natural Resources, UMD Extension, and Horn Point Hatchery. The goal of the program is to help trainees find employment in the fields of natural resources/the environment and partners have promised to offer interviews at the time of

graduation. The program is still looking for mentors to participate; Ms. Sill encouraged interested persons to contact her.

Chairman Webster asked members and guests to introduce themselves.

Reports

Aquaculture and Industry Enhancement Division Report (Mr. Roscher, DNR)

The division currently has 133 lease applications in process and has received 13 new shellfish lease applications since the last meeting. Five new Shellfish Lease Agreements have been executed since the January meeting. There are currently 412 active leases, 337 SLL and 75 WC, covering 6,619 acres. There are currently 402 discrete individuals permitted to work on Maryland aquaculture leases.

There has been strong interest from leaseholders to import wild seed from Virginia in the spring, fall and after May 1st. Since the *Vibrio* season starts on May 1st in Virginia, the department is considering different planting/harvesting restrictions which would allow the import of wild seed during this time of year. The department is hopeful that leaseholders will have the ability to import wild seed from Virginia, after May 1st, later in 2018.

There have been requests from industry members to install onboard refrigeration/icing on their vessels. This would give them the ability to cool product while out on their leases and hopefully extend the number of hours they are able to harvest. The department is currently looking at developing a pilot program and then possibly drafting regulations for next year.

Mr. Roscher, George O'Donnell, Chris Judy and Bill Anderson attended the Watermen's Caucus on Feb. 26, 2018. Weekly meetings are held by watermen and legislators during the entire session. Issues related to Aquaculture and the leasing program were discussed at the meeting:

- Leasing on productive bottom
- Lease clamming conflicts
- Fees associated with leasing
- Public notification of new applications and ability to protest

Mr. Roscher also attended a meeting with the St. Mary's County Commissioners where he had the opportunity to give a presentation about the lease review process. He also discussed the public notice process and the economic value of aquaculture in St. Mary's County. During the meeting, Commissioners requested that the department notify them of all future lease applications for St. Mary's County; the department agreed to this request.

Assistant Secretary Bill Anderson recognized the growing aquaculture industry and the conflicts that have arisen with it. He hopes to combat these issues with three new initiatives at the department:

1. Conducting a Listening Tour – meeting with watermen, community leaders, and elected officials from all around the Bay
2. Engage in an Internal Review of Leasing Process – determine what improvements are able to be made
3. Creation of a Tiger Team – a small group from within the department to consolidate the concerns of constituents and address issues/conflicts

Shellfish Aquaculture Financing Programs (Mr. McHenry, MARBIDCO)

MARBIDCO recently instituted 40% loan principal forgiveness for first time borrowers up to \$100k. Participation and interest in the program has dropped off in the past few years. They are hoping that this incentive will help entice new borrowers to participate in the program. MARBIDCO is currently advertising in the Watermen's Gazette.

Mr. McHenry was excited to say that business has picked up in 2018; they've approved three loans in the regular program, one loan in the remote setting program, and there are three applications in process. He expects that they will get even more business once news of the decision to increase in the loan forgiveness rate from 25% to 40% spreads amongst leaseholders and lease applicants.

MARBIDCO is currently managing a new program for the Southern Maryland Agricultural Development Commission. The program is a small livestock financing program, funded by SMADC, available to business owners in southern Maryland. The program allows borrowers to obtain \$10k to \$20k to buy equipment for their business and make interest only payments for the first 18 months. It is an easy way for someone new to the industry to try out aquaculture on a very small scale. Mr. Blackwell said that he already had three people who have expressed an interest in the program.

Tidal Fisheries & Oyster Advisory Commissions (Mr. Blackwell, 38° North Oysters)

There was no new information to share about the TFAC.

Mr. Blackwell said that the OAC meetings are now held every quarter instead of every month. Since the primary work of choosing the restoration sites, for which the OAC was formed, has been completed, the Commission decided that it was appropriate to meet less frequently.

Natural Resources Police (NRP) Patrol & Enforcement Activities (Lieutenant Medellin, NRP)

Lieutenant Medellin reported that there were aquaculture related enforcement activities on the lower shore related to missing lease corner markers for which warnings were given to leaseholders by NRP Officers.

2018 Legislative Update and Future Review (Sen. Klausmeier, Del. Mautz, Mr. Ferguson)

Sen. Klausmeier and Del. Mautz were unable to attend the meeting. Mr. Roscher and Mr. Ferguson provided the Council with an overview of several bills in the current session:

- Senate Bill 777- This bill requires the department to notify any homeowners association that governs property directly in front of a proposed submerged land or water column lease of the application for the proposed lease.
- Senate Bill 926 – This bill establishes that the department may plant or allow to be planted native oyster shell only. An alternative substrate may be used only after approval is obtained through a very lengthy and thorough process.
- Senate Bill 1237 – This bill requires the department to establish areas in the Chesapeake Bay as part of the PSFA if the areas have an oyster density of at least one oyster per square meter; and requiring the department to establish natural oyster bars as part of the PSFA that have been planted with oyster shell, planted with spat, or where the density of oysters is at least one oyster per square meter.
- House Bill 1426 – This bill requires that the department be unable to issue a lease within 1000ft of a Yates Bar. This would prohibit leasing in a large amount of area in the Chesapeake Bay.

- House Bill 1485 – This bill would expand the area around a riparian owners dock from 5ft to 10ft in several counties. The department has concerns about the potential impact this change could have to public health associated with more oysters being grown in unclassified waters.

Continuing Business

Theft from Shellfish Leases, Workgroup Formation (Chairman Webster)

At the January ACC meeting there was a proposal reviewed that would have made theft from an aquaculture lease a felony charge. A quick workgroup was formed to provide additional information to Sen. Klausmeier and Del. Mautz. They later requested that the Council form another workgroup to take a more in-depth look at penalties and other issues associated with theft from private leases. Chairman Webster indicated that a workgroup was being formed and several potential members have been identified. The workgroup will be expected to provide an update to Council members at the October 2018 meeting.

MDE Permits, Nursery Operations (Mr. Blackwell, 38° North Oysters)

When the laws and regulations for shellfish nursery operations were revised several years ago there were issues with the MD Dept. of the Environment (MDE) Tidal Wetlands Licenses that were not addressed. According to Mr. Blackwell, MDE Tidal Wetlands Division has taken a position that every pipe used to carry water in or out of a shellfish nursery has to have an MDE license which can only be granted by joint action between MDE and the Board of Public Works (BPW). The approval process involves a \$1500 fee and a public notification process. Mr. Blackwell reports bringing this issue to the attention of MDE Secretary Grumbles in late 2016, noting that not much has happened since then. While there are no actions being taken to shut aquaculture nurseries down, this issue needs to be addressed. Mr. Blackwell believes that the only solution is to take legislative action.

Mr. Roscher recently met with the MDE Tidal Wetlands Division Chief, Andy May, to discuss ongoing activities. MDE is currently working with the BPW to foster a working agreement. He noted that DNR has some authority to issue permits for nursery activities on a limited scale but any structures that are on existing docks or piers, that are not considered to be water dependent, have to go to the BPW and it is very difficult to get approval for these structures. He agreed that legislative change will be needed to address this issue.

Motion: Webster/Blackwell

The Council voted to send a letter to the Board of Public Works, supporting the position that Maryland Dept. of the Environment is trying to streamline the permitting process.

Shellfish Leases and Waterfowl Hunting Blinds (Mr. Blackwell, 38° North Oysters)

According to Mr. Blackwell, duck blinds are being weaponized to shut down aquaculture. Mr. Blackwell reports having experience with landowners, adjacent to his aquaculture leases, who want to build duck blinds for the purpose of shutting down his aquaculture operations for a significant portion of the year. Currently, landowners have the ability to go to MDE to request a permit and get permission to build a structure right in the middle of a lease. Mr. Blackwell wants a better understanding of the laws related to both aquaculture and duck blinds so this issue can be properly addressed by the Council.

Motion: Blackwell/Ferguson

The Council voted to ask the Office of the Attorney General for a legal opinion on the subject of duck blinds and aquaculture leases.

Chairman Webster requested that Mr. Blackwell send him some background information on this issue as well as a list of questions for submittal to the Office of the Attorney General.

New Business

Maryland Dept. of Agriculture is hosting an inbound Canadian Seafood Trade Mission on June 7-8. Industry members interested in participating are encouraged to contact Ron Buckhault.

Shellfish Harvester Tag Update (Karl Roscher, DNR)

When the new leasing program was implemented the department was looking at ways to stimulate growth and decided to produce shellfish harvester tags for the harvesters to use, at no cost to the industry.

Maryland Aquaculture has grown tremendously since 2010 and the department is currently looking at the potential of having harvesters pay for those tags. A number of leaseholders that are dealers don't use these tags but use dealer tags instead. The tags cost the department about \$5k a year.

2018 Coordinating Council Annual Report (Chairman Webster)

Chairman Webster reminded the Council that the Annual Report is due on July 1, 2018. He asked Council members to think about suggestions and be prepared to discuss them at the May ACC meeting.

Public Comments

Mr. Farrington is working with University of Maryland engineering students on a theft prevention project. Students have developed a few concepts; one will be chosen to develop into a prototype. He will be soliciting input from industry members to see which concept is most applicable.

Mr. Barnette expressed concern about *Vibrio* and imported seed from Virginia and warnings for unmarked aquaculture leases.

T.J. Himmelman from the Philips Wharf Environmental Center provided an update about their Aquaculture Training Program. The free class meets twice a week for a few hours with the goal of providing the skills necessary to get involved in the industry. They are currently considering the possibility of certificating the program next year. Mr. Himmelman asked that anyone interested in participating in or helping with the program please contact him.

Adjourn

The meeting was adjourned at 8:41pm. The next regularly scheduled meeting to be held on Thursday, May 10, 2018 at 6:30pm in the Maryland Department of Natural Resources, C-1 Conference Room.