

COMMITTEE REPORTS



ROY COOPER
Governor

MICHAEL S. REGAN
Secretary

STEPHEN W. MURPHEY
Director

Dec 20, 2019

MEMORANDUM

TO: N.C. Marine Fisheries Commission

FROM: Anne Deaton, Habitat Program Manager
Katy West, Northern District Manager

SUBJECT: Habitat and Water Quality Advisory Committee Meeting December 11, 2019

The Habitat and Water Quality Advisory Committee Meeting met at 1 p.m. Wednesday December 11, 2019 at the Department of Environmental Quality Regional Office, 948 Washington Square Mall, Washington, NC. The following attended:

Advisors: Pete Kornegay, Martin Posey, Brian Boutin, Joel Fodrie, Chris Moore, Mike Street, Samuel Boyce

Absent: Bob Christian, David Glenn, Nathan Hall

Staff: Anne Deaton, Chris Stewart, Katy West, Kathy Rawls, Jason Rock, Dan Zapf, Kim Harding, Tina Moore, Jimmy Johnson (APNEP), David May (DWR)

Public: Katy Warnell, Chris Baillie, Stacy Trackenberg, David Sneed

Chairman Martin Posey called the meeting to order at 1:00 p.m.

MODIFICATIONS TO THE AGENDA

The agenda was passed by consensus with no changes.

APPROVAL OF MINUTES

Anne Deaton pointed out a change to the October 15, 2019 minutes requested by Nathan Hall regarding eutrophication in Albemarle Sound. Joel Fodrie and Mike Street pointed out two other changes needed in the Blue Crab discussion. The minutes were unanimously approved with the suggested changes.

RECLASSIFICATION OF SPECIAL SECONDARY NURSERY AREAS (SSNA) TO PERMANENT SECONDARY NURSERY AREAS (SNA)

Chris Stewart gave a presentation on potential reclassification of some waters designated SSNA to SNA. This issue originated in the 2015 Shrimp Fishery Management Plan Amendment 1. The focus of Amendment 1 was to address bycatch in the commercial and recreational shrimp fishery. In addition to some closures that already went into effect, the MFC also recommended the Habitat and Water Quality Advisory Committee provide input to the MFC about potentially changing the designation of certain SSNAs that have not been opened to trawling since 1991 to SNAs.

After the adoption of Amendment 1, staff prepared an issue paper; however, a petition for rulemaking was submitted to the MFC in November 2016 that potentially overlapped with the issue paper and a second petition was submitted in May 2019. The paper was put on hold until both petitions for rulemaking were resolved. Final resolution of the latter petition occurred in August 2019. This issue paper was drafted and begins the process for rule consideration as part of the 2020-2021 rule cycle.

Stewart explained that in SNAs, it is unlawful to use trawl nets for any purpose. However, in SSNAs the Fisheries Director, may, by proclamation, open any or all of the SSNAs, or any portion thereof to shrimp or crab trawling from August 16 through May 14. The intent of these rules and proclamations is to protect this nursery habitat for young finfish and crustaceans as well as developing sub-adults. By allowing limited trawling in SSNAs later in the season, fishermen are allowed to catch shrimp that have not migrated out into the larger estuaries. The opening and closing of SSNAs is based on the count size (number per pound) and the amount of the shrimp and finfish presence. There are currently no additional habitat or water quality protections associated with SNAs and SSNAs.

Nine SSNA waterbodies noted from Amendment 1, totaling 8,700 acres, are being considered for reclassification to SNAs since they have not been opened by proclamation for trawling since 1990. These include Pungo Creek, Scranton Creek, Slade Creek, South Creek, Bond Creek/Muddy Creek, Newport River, Cape Fear River, Lockwood Folly River, and Saucepan Creek. They have not been opened due to either the high abundance of juvenile non-target species, or low abundance of shrimp, or small size of shrimp.

Stewart reviewed the proposed boundary changes at each creek or river. He explained that in Pamlico and Pungo rivers, the change would be consistent to the proposed change in the draft the Blue Crab FMP Amendment 3 to eliminate crab trawling in the same area. In the Newport River, the classification change would correct an inconsistency where the SSNA is located immediately upstream of a shrimp trawl prohibited area. The other SSNAs have not been opened since the 1980s. Because these areas have not opened in many years, the change would not adversely impact shrimp fishermen.

The reclassification would affect small mesh gill net attendance requirements in eight of the SSNAs, because gill net attendance is required by rule in all permanent SNAs (see Table 2 in issue paper). In Pungo, Slade, South, Bond and Muddy creeks, attendance will still be required year-round within 200 yards from shore, but additional attendance in all waters would be required from May 1 – Nov 30. Scranton Creek would not change, since attendance is already required in all waters year-round. In the remaining SSNAs, attendance would change from being

required within 50 yards of shore May 1-Sep 30, to being required in all waters from May 1-Nov 30.

Stewart discussed other ways the areas could be reclassified without changing the gill net attendance requirements. This included changing the SSNAs to SNAs but exempting them from additional gill net attendance or changing the classification from SSNA to Trawl Net Prohibited Areas (TNPA). This would result in the same outcome, prohibiting trawling, but the areas would lose their nursery designation. The Shrimp FMP Plan Development Team (PDT) recommended Option 2, changing the designation of the nine SSNAs to permanent SNAs, with the associated gill net requirements of SNAs.

Mike Street asked if this would cause an inconsistency with clam kicking rules; staff explained that it would not. There was discussion regarding the differences between Primary and Secondary Nursery Areas, and clarification whether the proposed change is about habitat characteristics. Staff explained it was more of a classification correction, since these waterbodies are not opening due to the characteristics of the shrimp and other non-target species present in the summer and are therefore being managed like SNAs.

PUBLIC COMMENT

There was no public comment.

VOTE ON RECOMMENDATIONS TO THE MARINE FISHERIES COMMISSION TO RECLASSIFY NINE SPECIAL SECONDARY NURSERY AREAS (SSNA) TO PERMANENT SECONDARY NURSERY AREAS (SNA)

Street made a motion to recommend Option 2 in the issue paper – to change the designation of special secondary nursery areas that have not been opened to trawling in many years to permanent secondary nursery areas, which would make them subject to gill net attendance under 03R .0112(b)(1). Sam Boyce seconded the motion. Motion passed 6-0-1.

DUKE CLIMATE RESILIENCY AND HABITAT PROTECTION MAPPING TOOL

Katy Warnell, with Duke University, Nicholas Institute for Environmental Policy Solutions, gave a presentation on work she has been doing as part of the NC Executive Order (EO) 80 efforts to develop a NC Climate Change Plan and explain how this tool could assist with coastal habitat protection and restoration actions and the Coastal Habitat Protection Plan. The spatial analysis was developed for the Natural and Working Lands Committee, within Section 9 of the EO 80 efforts. The tool includes coastal habitat distributions and the coastal exposure index. Using the InVEST coastal vulnerability and coastal blue carbon models, the tool can map where existing coastal habitats reduce coastal hazards (wave energy), identify what assets they protect, and identify what areas might be prioritized targets for habitat restoration. An estimate of the extent of carbon storage and sequestration that can be provided by existing habitats was calculated, along with the extent of that under various sea level rise scenarios. Salt marsh and seagrass habitats are used for carbon storage estimates. By better understanding the value of these habitats for mitigating effects of sea level rise and climate change, actions can be better focused on preserving the habitats in the most strategic locations to best preserve the ecosystem services they provide, including shore protection and fish production.

The advisory committee discussed the key assets used in the analysis and noted that they only included populated areas, historic sites, and existing state and federal conservation areas (e.g., wildlife refuges and parks). Changing the key assets could be done to customize the output to focus more on protecting strategic habitat areas and high quality fisheries habitat, rather than protecting upland development. This analysis was primarily done for the purposes of climate resiliency. Posey noted that the acreage of seagrass and salt marsh could greatly change as low lying areas of the Outer Banks become submerged and offer less wave energy protection in the estuary. Marshes will drown unless they can migrate; the model estimated 56% loss with 1.5 foot increase in sea level, and 97% loss at 3 foot increase. It was also noted that different species of SAV may not be as effective at storing carbon.

INFLOW AND INFILTRATION ISSUES IN COASTAL NORTH CAROLINA

David May, DWR Regional Supervisor at the Washington regional office, gave a presentation on water quality concerns related to problems associated with sanitary sewer collection systems. This issue has been identified as a priority habitat issue to address in the 2021 CHPP revision. Inflow is when stormwater is directly conveyed into a wastewater system. Inflow can occur intentionally when homeowners remove wastewater cleanout caps to drain flooded yards or connect gutter drains to the wastewater line. Infiltration is when water from rainfall, runoff, or groundwater seeps into the wastewater pipes due to breaks, cracks in pipes. Because sewer systems are designed for known type and amount of inputs, increases from inflow and infiltration reduce the level of treatment, and can lead to overflowing raw sewage from pipes, lift stations, or at the plant. The average spill in small coastal areas is 55,000-75,000 gallons, introducing high concentrations of bacteria and nutrients. High groundwater table, aging infrastructure, and the sewer lines located along the right of way where other infrastructure is put (digging breaking pipes) exasperates infiltration issues. May said that inflow is likely a larger problem than infiltration due to the large volume. This is a prevalent problem that leads to degraded water quality.

PLAN AGENDA ITEMS FOR THE NEXT MEETING

Posey asked if there were agenda items committee members would like to hear about at future meetings. Topics included update on effectiveness and compliance with coastal stormwater rules, presentations on habitat related CRFL projects, and an interest in providing input on research needs for future CRFL project criteria. The meeting adjourned at 3:30.



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MEMORANDUM

TO: N.C. Marine Fisheries Commission Commercial Resource Fund Committee and the Funding Committee for the N.C. Commercial Fishing Resource Fund

FROM: William Brantley, Grants Program Manager
Division of Marine Fisheries, NCDEQ

DATE: January 16, 2020

SUBJECT: MFC Commercial Resource Fund Committee and Funding Committee for the N.C. Commercial Fishing Resource Fund Meeting Minutes

The MFC Commercial Resource Fund Committee and the Funding Committee for the N.C. Commercial Fishing Resource Fund met at 1:30 p.m. on Tuesday, January 14, 2020 at the N.C. Department of Environmental Quality's Washington Regional Office. The following attended:

MFC Commercial Resource Fund Committee: Chairman Doug Cross, Sam Romano, Mike Blanton

Funding Committee for the N.C. Commercial Fishing Resource Fund Members: Chairman Ernest Doshier, Glenn Skinner, Steve Weeks, Gilbert Baccus, and Doug Todd

Absent: Andrew Berry

Public Comment: Larry Baldwin, Chris McCaffity via email

APPROVAL OF AGENDA AND MINUTES

Chairman Doug Cross called the meeting to order for the MFC Commercial Resource Fund Committee. Chairman Ernest Doshier then called the meeting to order for the Funding Committee for the N.C. Commercial Fishing Resource Fund.

Chairmen Doshier inquired about and noted no conflicts of interest, Chairman Cross followed and noted no conflicts of interest. William Brantley conducted a roll call.

The meeting agenda was reviewed.

Mike Blanton made a motion to approve the agenda with a second by Sam Romano. Motion passed.

Glenn Skinner made a motion to approve the agenda. Doug Todd seconded the motion. Motion passed.

Minutes from the June 20, 2019 MFC Commercial Resource Fund (CRF) Committee meeting and the Funding Committee for the N.C. Commercial Fishing Resource Fund were reviewed.

Romano made a motion to approve the minutes, with a second from Blanton. Motion passed.

Skinner noted that in the June 20th minutes “Sam Romano” had seconded a motion to adjourn, not “Sam Weeks” as typed. Weeks noted under the “Public Relations Campaign” that the third sentence should read, “Steve Weeks,” not “Sam Weeks.”

Skinner made a motion to approve the minutes with these changes. Weeks seconded the motion. Motion passed.

Chairman Cross asked for a vote to approve the minutes with these changes, motion passed.

PUBLIC COMMENT

Brantley read into the record an emailed public comment from Chris McCaffity that asked for an online forum to be set up to discuss how funds will be used and subsequently voted on. McCaffity noted that votes should be binding to a 2/3 majority, a supermajority should be achieved or hold funds, and that the forum would offer a form of self-governance.

Larry Baldwin, Crystal Coast Waterkeeper of the Coastal Carolina Riverwatch spoke regarding fisheries and water quality. Baldwin noted that his organization had submitted a fisheries project for funding consideration and briefly described his organization’s proposal.

COMMITTEE BRIEF

Brantley briefed the committees on recent updates. Reappointments to the Committee for Ernie Doshier and Gilbert Baccus has been made by their organizations since the last meeting. Reappointments from the Carteret County Fishermen’s Association and the North Carolina Watermen United were needed for this year.

Brantley asked for time during the meeting to discuss a Memorandum for Record located in the meeting packet where the DMF suggested that the Committees adopt an annual funding schedule to keep their grant awarding practices in accordance with North Carolina Department of Administration’s guidelines as well as to assist with meeting efficiency. Brantley provided an example of an annual schedule. Deputy Director Lupton stated that a funding schedule would provide a structured plan to annotate their funding process, as well as offer other procurement advantages associated with publishing an RFP.

Skinner made a motion to adopt the Division’s suggested annual funding schedule, which would have projects begin with the state’s fiscal year. Weeks seconded. Motion passed.

Romano made a motion to accept the schedule. Blanton seconded. Motion passed.

Brantley updated the Committees with a status of their budget with obligations. The FY2019 transfer was \$699,074 to the Commercial Fishing Resource Fund. Current obligations committed from the Fund are \$1,447,204, leaving an available balance of \$1,410,017.56.

COMMERCIAL FISHERY STATISTICS

Alan Bianchi, Environmental Program Supervisor with the DMF License and Statistics section provided an update on the statistics program funded through the Fund. The Conservation Biologist funded from the Commercial Fishing Resource Fund (Fund) was the primary point of contact during the Hurricane Florence Aid program and assisted with \$11.4 million to eligible commercial fishermen. She also helped review the Trip Ticket Program, Annual Dealer Report, Semi-Annual Dealer Report, and License and Statistics Annual Report. The Environmental Technician I supported by the Fund serves as the Trip Ticket liaison to 80 seafood dealers in the Elizabeth City region. He reviewed 13,898 trip tickets and completed 1,508 edits. The Year 2 Funding Request for this project was \$125,000.

Weeks inquired about additional funds left over after the Year 1 timeline ended. Administrative and Maintenance Services Section Chief Beth Govoni stated that any unused funds remaining after the project period ends would remain in the Fund. Skinner issued concerns that were relayed to him that the Fund was not to be formed to fund positions for this program, and fishing restrictions could be the reason for declining license sales which once supported this program.

Skinner made a motion to approve Year 2 funding written as-is. Gilbert Baccus seconded the motion. Motion passed.

Romano made a motion to approve. Blanton seconded. Motion passed.

COMMERCIAL GEAR DEVELOPMENT PROJECT

Kevin Brown, Conservation Biologist II with the DMF Fisheries Management section provided an update on the gear development program funded through the Fund. Chairman Cross congratulated Brown on his recent publication, "Simple gear modifications for achieving greater than 40% bycatch reduction in an estuarine shrimp trawl fishery." Brown stated that he was not seeking another year of funding, just a no cost extension to contract one boat utilizing leftover funds from Year 1. Brown explained that the no cost extension would just extend the remaining Year 1 funds for an additional year.

Skinner relayed concerns from smaller vessel owners regarding tail bag size, and if different gears could be reviewed with consideration to those smaller vessel operators. Skinner then inquired about a proposal specifically targeted with assisting smaller boats.

Skinner made a motion to approve the no cost extension request for an additional year. Doug Todd seconded the motion. Motion approved.

Blanton made a motion to approve the extension for one year. Romano seconded. Motion passed.

COMMERCIAL FISHERY DISEASE AND PATHOLOGY: RESEARCH AND MONITORING

Brantley provided an update on the retainer fund. This designation was for \$25,000 for potential pathologic work within commercial fisheries. No funds were spent in Year 1.

Blanton made a motion to approve an additional year of funding. Romano seconded. Motion passed.

Skinner made a motion to approve an additional year of funding. Weeks seconded. Motion passed.

WATER QUALITY DISCUSSION

Brantley stated that the DMF had been asked to submit a proposal regarding water quality and commercial fisheries to the Committees. After discussion within the DMF, additional parameters were requested, as it is a broad subject area with many variables. Staff from the DMF's Shellfish Sanitation section, as well as Fisheries Management section were available in the audience to assist with the conversation. External funding opportunities could be explored to include other agencies, or municipalities. Skinner suggested the Committees coming up with various areas of concern and implementing them into an RFP.

Blanton mentioned the Albemarle Sound algal blooms, and if a consolidated effort between the Water Quality Committee, CHPP, and Nutrient Scientific Advisory Board may offer a synergistic effort between the various committees to address the robust problem of water quality. Deputy Director Lupton said the DMF would communicate to these groups to see if there were complementary efforts that could be included into an RFP.

DMF SOUTHERN FLOUNDER TAGGING GRANT UPDATE

Shelby White and Mike Loeffler, Biologists with the DMF Fisheries Management section, provided an update on the southern flounder tagging project funded through the Fund. White described some issues they had experienced while running trials to test tag retention to include fish mortality issues in the Edenton holding tank trials, however, they were experiencing much better results since moving the fish to holding tanks at the UNC-Wilmington facility. Loeffler stated that he expected to employ 100 tags this fall.

COMMERICAL FISHING PUBLIC RELATIONS UPDATE

Adam Tesh, President and Co-Founder of Blue Red Marketing, accompanied by colleagues, provided an update on the research they had been working on, followed by branding. Tesh provided metrics on the public's perception of commercial fishing throughout the state. Education and awareness would be important for the campaign. Video production from the project's scope had been recently completed. They filmed for 5 days, visited 7 towns, had 7 people on staff, 8 interviews were conducted, 2000 miles were traveled, 2200 photos collected, 24 hours of footage was collected, and they utilized 5 cameras and 1 drone from Wanchese to

Southport. Personalized branding and methodology to develop branding was discussed by Chuck Norman, Owner/Principal of S&A Communications.

Skinner made a motion to adopt Option 4a as the brand and logo. Baccus seconded. Motion passed.

Blanton made a motion to adopt Option 4a as the brand and logo. Romano seconded. Motion passed.

COMMERICAL FISHING ECONOMIC IMPACT UPDATE

Dr. Jane Harrison, principal investigator conducting the NC Commercial Fishing Economic Impact study, along with colleagues, gave an update to the project. Harrison spoke on the progress of the study, along with the surveys they are using to examine the industry. Dr. Chris Dumas provided information on the survey and asked for input from Committee members. Input was provided, and concerns were addressed.

UNC-W TERRAPIN GEAR MODIFICATION PROJECT

Dr. Amanda Willard, Professor from the Department of Biology and Marine Biology at UNC-Wilmington was asked to describe her proposal to the Committees. The proposal would use work groups for design of crab pot bycatch reduction devices targeted at terrapin, then evaluate the gears against controls and publish the data. Romano stated that this was Willard's project, and since he had assisted in guiding the project that he could answer questions, but he wanted to go on record to avoid any conflicts of interest. Budget line items were discussed by Committee members. Todd asked about the total for the project, which was \$130,867 over two years.

Skinner made a motion to approve \$130,867.13 over two years for the proposal as-is, with corrections to the Year One budget column. Todd seconded. Motion passed.

Cross made a motion to match the motion from the Funding Committee for the NC Commercial Fishing Resource Fund. Motion failed.

Skinner asked if the MFC Committee's motion was tabled due to consultation with their attorney, considering the Funding Committee for the NC Commercial Fishing Resource Fund's motion had passed, would it go to the Secretary for a decision? Deputy Director Lupton stated she would have to seek council on that but would express concerns that an RFP had not been issued for this proposal.

Cross made a motion to table this proposal to the next meeting and request a directed RFP to address terrapin interactions. Blanton seconded. Motion passed.

NC COASTAL FEDERATION CRAB POT COLLECTION PROJECT

Chairman Doshier needed to leave the meeting, and he asked Skinner to take over the Chairman role in lieu of his absence. Chairman Cross asked if this project was in the state budget for consideration for funding from appropriations. Contracting concerns were discussed since the crab closure would be occurring the following day. Brantley stated that contract approval could

take up to 90 days. Sara Bodin, Coastal Specialist with the NC Coastal Federation, was asked by the Committees how the timing would influence their proposal. Bodin stated that if approved, they would use the funding for the next crab pot collection.

Chairman Cross made a motion to table the proposal. Romano seconded. Motion passed.

Todd made a motion to table the proposal. Skinner seconded. Motion passed.

COASTAL CAROLINA RIVERWATCH WATER QUALITY IMPROVEMENT FOR FISHERIES ASSESSMENT AND PLAN PROJECT

Chairman Cross stated that water quality had been discussed throughout the meeting, and the DMF was working to bring project concepts back to the Committees.

Chairman Cross made a motion to table the proposal until the DMF came back with project options discussed earlier in the meeting. Blanton seconded. Motion passed.

Skinner stated that he was named in the proposal, and he and the NC Fisheries Association would be acting in an advisory role and not benefit monetarily.

Baccus made a motion to table the proposal. Todd seconded. Motion passed

ISSUES FROM COMMITTEE MEMBERS

Blanton brought up blue catfish and receiving a proposal to address the issue. Blanton asked that an RFP be issued to address the issue, gear development and sustainable harvest of the species.

Blanton made a motion for an RFP to address the invasive blue catfish issue. Cross seconded. Motion passed.

Chairman Cross made a motion to adjourn. Romano seconded. Motion passed.

Todd made a motion to adjourn. Weeks seconded. Motion passed.

Meeting adjourned at 5:30 p.m.

WB