

## **Artificial Reef Council Meeting - September 8, 2017, 9:00 am**

Louisiana Room, LDWF Headquarters, Baton Rouge, LA

### Council Members:

Chris D'Elia, Dean of the College of the Coast and Environment, LSU

Robert Twilley, Executive Director of Louisiana Sea Grant

Patrick Banks, Assistant Secretary of the Office of Fisheries, LDWF

### Attendees:

Jerry Gilmore, TSB Offshore

Jonathan Nunn, Offshore Operator's Committee

Andy Fischer, LDWF

Jason Duet, LDWF

Chris Auer, FMOG

- 1) Patrick Banks welcomes everyone to the meeting, adjourns, and introduces the other Council members
- 2) P. Banks entertains a motion to adopt the agenda; motioned, seconded, passed.
- 3) P. Banks asks if there are any changes to the previous meeting's minutes. Robert Twilley motions to accept. Chris D'Elia seconds, motion carries.
- 4) Mike McDonough gives the Reef Program update. He introduces Ashley Ferguson as the new Biologist DCL-A responsible for inshore; she will be giving part of the update. M. McDonough points out Planning Areas, SARS, and Deepwater reefs (on map). There are 76 offshore reefs: 48 Planning Area, 18 SARS, 10 Deepwater. Program has reefed a total of 386 structures, 4 in 2017. 2 SARS and 2 Deepwater reefs permitted, not completed. 59 structures proposed; 37 are permitted. Nearshore: 6 completed reefs, Bay Marchand 3 the newest. A. Ferguson: 31 established inshore reef sites, mainly shell, limestone & concrete; some with reef balls. Upcoming are a reef in St. John Parish in Lake Pontchartrain (new) and an enhancement of Point Mast reef in Lake Pelto (existing). Recently completed a new reef in Lake Calcasieu with 1000 tons of pilings & 1000 tons of crushed concrete. Preliminary monitoring at St John showed an existing shell pad, about one mile from a boat launch. Original Point Mast was deployed in 2009, was expanded to 50 acre Planning Area; will be built from limestone. Program has been partnering with CCA on these projects. R. Twilley asks about monitoring, whether the funding presented (Figure 1) was just deployment. A. Ferguson answered that there was preliminary monitoring at St John for depth and bottom characterization. R. Twilley wants to know what adaptive management Program has around investments. C. D'Elia asks whether there's a research budget. A. Ferguson answers that Craig (Gothreaux) will speak to that, but that there are several efforts in development. P. Banks asks about the pending SARS, whether they are projects that came in since the Council lifted the SARS

moratorium. M. McDonough answers that they are old projects, hurricane-downed structures, enacted before the moratorium.

- 5) M. McDonough explains how the Louisiana Fishing Enhancement Act established the composition of the Artificial Reef Council and gave the Council responsibilities regarding the Artificial Reef Fund and how it's spent. The Legislative Auditor has given the Department a finding that Artificial Reef Fund money being spent to maintain the Grand Isle Research Lab must be reviewed and approved by the Council. M. McDonough's reading of the Act is that Program should be informing the Council of its budget plans on a yearly basis. P. Banks mentions that Department has brought certain expenditures to the Council, but the practice got a bit haphazard. M. McDonough states that the Council did approve funding the building of the lab—there was an assumption that this meant it was approved to fund running the lab, as well. Never specifically asked for that approval. C. D'Elia asks whether the Council could get a study of the historical use of the Fund. M. McDonough responds that he will present some of that information—somewhat broadly, but if there are specific questions, Program can answer or research them. C. D'Elia states it would be interested to know what went lacking when money was diverted in other ways. M. McDonough answers he believes that some answers may come in presentation, may be able to answer other questions, too. M. McDonough describes a slide (Figure 2) that shows numbers from the Art Reef Fund for past fiscal years. C. D'Elia states that he would like to see more detail. M. McDonough answers there is another slide that will have more of a breakdown. P. Banks points out that the current balance on the slide differs from that in the Council members packets because the information was updated the previous day. M. McDonough presents a slide (Figure 3) showing the historical balance, expenditures, and revenue by fiscal year; points out the Fund made contributions to the state budget in FY-09-10 & FY-11-12. Department also began spending the Fund at a higher rate in FY-11-12. Revenue has also been declining for a few years. Fund bump due to Hurricanes Katrina & Rita is mostly over. Price of oil has also affected Program. Program has been spending less money of late—not currently budgeting to income (based on previous year's revenue), but preparing for that if necessary. (Spent less than half of revenue in FY-16-17). Program has completed 3 projects for a total of \$246,357, with 7 more likely projects (\$1,582,580) for FY-17-18. P. Banks asks about the \$1.8M total expected and that we received \$5.6M, points out the (negative) difference, that we've taken in less money each year for a while. M. McDonough answers that is correct. P. Banks asks are we expecting decline for sixth year in a row? M. McDonough answers 'yes.' C. D'Elia asks if there has ever been any strategic plan for what is expected out of the activity (Rigs to Reefs)—handling idle iron, for one, but also to establish better natural resources. How do you allocate money to further those goals? What outcomes are important in using those resources? How will the money be directed? How will the money be spent five years from now? What is the philosophy driving it? Priorities? In context of declining income situation? P. Banks answers that we haven't had a 5-year plan, but believes it is a good idea for us to sit down and talk about. We did create a plan for the next fiscal year, important projects: what reefs we needed to build, what research we needed to do. C. D'Elia states he feels like

there's been a plan for a given year, but still hasn't heard what the longer-term direction is. M. McDonough states that we will discuss the current plan, that it will reflect the larger goals of the Program and might serve as the beginning of a longer-term discussion; perhaps doing yearly 'budget' meeting can be part of longer-term vision for the Fund. R. Twilley asks about \$1.8M and to return to spreadsheet (Figure 2), and where the \$1.8M fits into it. P. Banks answers that it's projected revenue. M. McDonough explains that it is what the Program predicts will be received in donations for calendar year 17 (projections for the part of 2018 within FY-17-18 are difficult). P. Banks asks if FY-17-18 will likely still be less than \$5.6M from FY-16-17. McDonough answers in the affirmative. R. Twilley points out the importance of the revenue (projected and otherwise) to the rest of the discussion. C. D'Elia raises the possibility of 'sunsetting' the Program, spending out the remaining Fund, in the context of the income ending. M. McDonough answers that we are approaching the end of platform-reefing, give or take a decade; the Program won't be able to do these projects after a certain point. C. D'Elia reiterates that this is why we need a longer term view—because we can't rely on that income stream indefinitely, clearly articulating what we plan to do in the future helps to ensure the stability of the Fund. M. McDonough compares Louisiana to other states: Louisiana (and Texas) are fortunate to have reefs that 'build themselves' and to have a revenue stream from those projects. Other state reef programs have to figure out how to fund their projects—that is Louisiana's future. P. Banks comments that C. D'Elia's comments reflect exactly the instruction Secretary Montoucet gave us this year: we have to have a yearly plan, in case someone does come looking at the money. Reiterates that he believes the longer-term plan has great value. M. McDonough proceeds to present the plan for current-fiscal-year spending (Figure 4). Monitoring would include surveys of inshore, nearshore, and offshore reefs. Inshore and inshore-like nearshore reefs will be side-scanned. Offshore reefs will be multi-beamed; planning to take ROV survey to more reefs with a defined set of transects. \$500K budgeted for inshore enhancements. \$2M budgeted for deploying 1 or 2 reefs in the Nearshore Ship Shoal Planning Area; \$1.25M for Ship Shoal 26, the Pickets. The budget for the Grand Isle Fisheries Research Lab was part of the reason for scheduling this meeting. Council has made decisions to fund the building of the Lab. Earliest mention: January 2005 Council meeting (Figure 5). Council advised Department to spend \$8.3M to build Lab. Reference in these minutes to a 2004 Council meeting at which the Council allocated \$4.7M to build Lab (the minutes from this 2004 meeting are missing). November 2006 Council meeting approves an additional \$10M to complete the Lab (greater expenses post-Katrina). The Department has been using the Fund to fund the Lab, in part, because it's the money available. The Lab does do sampling on multiple species that use artificial reefs; it will be base of operations for a lot of the monitoring projects going forward. Department has been discussing with NOAA sampling on artificial reefs that would become part of stock assessment. Department is asking Council's blessing to fund the Lab (Figure 6): 7 positions and some operating costs. (Numbers are estimates). P. Banks states that Department is not asking a change of direction—since the Lab was constructed using the Fund, Department has been using Fund to operate and maintain the Lab. Upon the audit finding, Department

switched funding to Conservation Fund—asking to return to using Artificial Reef Fund. C. D’Elia states that he’s not opposed to authorizing funding for the short term, but needs to see a long term strategy. The Lab has responsibilities beyond artificial reefs. Department has to look at its budget more holistically, and the state of Louisiana has to look at its resources and activities on the whole—communication within and across agencies has hindered Louisiana’s ability to protect its resources, including the coast. R. Twilley asks what percent of the total budget is the ~\$740K. Andy Fischer answers that the positions are just a portion of the total staff at the Lab (an additional 10 biologists), estimates it’s about 30% of the budget. R. Twilley responds that 30% sounds appropriate to the extent that the Lab supports the Program, but would like more detail. He’s aware that offshore vessels and monitoring are expensive, but there are inshore vessels and inshore monitoring; and the costs for these efforts would be important context for the Council. C. D’Elia: the issue of what vessels the State has for what purposes was problematic after the oil spill. State did not have necessary vessels for post-sampling. Worked with Secretary on a potential donation that fell through because it was too last-minute. To have more integrated planning—for example, collaborating with LUMCON. P. Banks: A. Fischer and Lab staff are diligent about looking at projects equipment has worked on for how to pay for repairs/replacements (i.e., if a motor was used 30% of the time on Artificial Reef projects, 30% of the cost is charged to the Fund). R. Twilley clarifies the request: the Department is asking to spend \$740K of the Fund on the Lab? M. McDonough answers he believes it would be ideal to have a motion from the Council directing the Department to spend the Fund this fiscal year. P. Banks answers in the affirmative. R. Twilley asks for clarification that it’s for the *current* fiscal year. M. McDonough: yes. R. Twilley asks if there will be a further breakdown of the Lab expenses. C. D’Elia asks if there is published a yearly budget for the Lab. Jason Froeba, Administrator of Research and Development Division: we don’t have published budgets for each facility; do have for each fund, as well as for each spending category (salary, professional services, etc.). The money spent at the Lab varies based on what outside projects it brings in, grants, etc. C. D’Elia: is there a corps operating expense, maintenance expense? We do have utility bills—fortunately, a lot of those are handled by Office of Management & Finance. Maintenance varies from year-to-year and is budgeted at the fund level. The Fund and Conservation both have lines budgeted to repairs and maintenance. P. Banks asks whether OMF might be able to report on the expenditures on the Lab for a 3-5 year period. J. Froeba: yes, and we started that process for this meeting, but the funds OMF spends don’t come out of the Fisheries budget. C. D’Elia states that as an administrator, he does like to know what a facility’s base costs are, where it’s funding comes from, what its needs in the future will be. J. Froeba: we do track the expenditures for facilities from year-to-year, but State budget doesn’t work such that we can budget for it ahead of time. P. Banks/J. Froeba: *Fisheries* budgets repairs & maintenance for a fiscal year, across *all* facilities; it does budget for a specific amount from each fund, but not a specific amount for each facility. P. Banks see value in estimating total cost for Lab, so that when we ask the Council again to approve use of the Fund, they know what percent of the total that is. J. Froeba did pull a lot of those numbers, and Department did spend

\$1-1.5M of Conservation at the Lab. C. D'Elia emphasizes he wants State to evaluate the importance of the work being done at the Lab and other facilities on the coast, make arrangements for long-term planning. J. Froeba: P. Banks has tasked us with evaluating the mission of the lab, establishing priorities, especially post, post-oil spill. There's been frustration about the allocation of post-oil spill funds—lack of money for research. R. Twilley asks about 'enhancement' and specifically the large numbers (\$) attached to them. M. McDonough answers that these are specifically the reef-building projects, includes new reefs and additions to existing reefs. R. Twilley emphasizes adaptive management (and monitoring) to ensure that when Department is spending such large sums, it is achieving the desired outcome and to improve design. M. McDonough explains that some of these numbers are large because Department is executing the projects without a partner (partners on previous inshore projects have contributed funds, making the Department's cost for the full project smaller). Also, there is funding for monitoring—to be performed by C. Gothreaux's group, not just contracts. P. Banks raises concern that anticipated revenue is not as high as anticipated budget, makes clear that last year, we did not spend what was budgeted; likely to stay under budget this year, might not be able to stay under revenue. M. McDonough adds that previous administration had asked for higher budget authorizations, and spent those funds; but the Program used to spend in the range of \$1-2M per year. And currently, we're no longer spending anywhere near budget. C. D'Elia states that these budgeting challenges speak to the necessity of establishing what is the corpus Department wants to maintain in the Artificial Reef Fund. M. McDonough answers that at one point Fund had a \$25M 'floor' from Council—the concept has been Fund has to cover liability. Floor was removed when budget sweeps put the balance below \$25M. C. D'Elia suggests that it could be a goal, and M. McDonough says Department could probably make a recommendation for Council's consideration. Fund has constitutional protection, but the legislature can take 5% of whatever is budgeted in a FY, Art Reef or Conservation. R. Twilley are you asking for approval for this budget and is \$740K part of it? J. Froeba answers that law reads that Department must present budget to Council, and that the Council makes recommendations. Department is asking for a motion (and vote) regarding the money to be spent on the Lab (falls outside the Artificial Reef Plan). C. D'Elia moves to approve the funding for the Lab for current fiscal year, but as a part of a long-term plan. Motion is seconded and passes. R. Twilley states that, in reference to monitoring and research, he'd like to see feedback, assurances that the design is resulting in the productivity of the reefs; interested to see the survey, in particular. M. McDonough asks the Council whether another meeting (in addition to a planned yearly budget meeting) would be helpful. P. Banks states that it would be helpful to him. C. D'Elia would like to see Program's priorities and how they are ranked. P. Banks stated that it would be helpful to have a meeting in Spring of 2018, M. McDonough answers that it could be an agenda item on a meeting called for another purpose. J. Froeba that at a spring meeting we would be discussing what Department was requesting of the legislature, not what would be approved, and P. Banks clarifies that we could discuss how we were planning to spend the money with the Council. R. Twilley adds that the Council, in that situation, becomes the Department's

advocate, and C. D'Elia adds that Program becomes a better advocate for itself. User comments important.

- 6) C. Gothreaux describes the use of 'materials of opportunity' in deploying the East Calcasieu reef, in this case concrete pilings. Deployment cost was higher. Plan to do monitoring: areas where there are pilings only, crushed concrete only, both together. Different groups have approached with material they have on hand. Pontchartrain Materials has concrete pyramids and box culverts that are defective in some way for their original purpose. Could be effective as reef material. Nearby, granite from building demo. Capitol Concrete in Prairieville has 'pour-over' concrete that could be put into molds, also materials. Inshore Nearshore Plan prohibits cylindrical and spherical material. Has spoken to other Gulf States, they are using culverts as reef material. No movement issues. Asking Council if we can explore using culverts on an experimental basis. C. D'Elia states it seems 'very reasonable.' R. Twilley has just seen a presentation on living shorelines, a project that has been out for 10 years: one of the comments is that we have a soft-bottom delta—the problem is not that they move horizontally, but they do sink, and their performance after 10 years: 'horrible shape.' C. Gothreaux states that living shorelines could be an opportunity. R. Twilley asks what the justification for disallowing culverts was. C. Gothreaux states that when he asked, he was told that they would roll. States that design could help alleviate that concern. Wants to do a comparison of material types in the Rec Use projects. C. D'Elia states that this type of project could be Master's thesis-level research. Monitoring group has limited resources but is collaborating with the Lab, planning to talk to the CSA's, working with universities, including Jimmy Nelson at LSU. Studying effectiveness of different gear types currently. C. D'Elia states that a small fund to support students, with Sea Grant as a clearing house—good for everybody. We are partnering with other groups, continuing to seek partnerships. R. Twilley mentions a 'Coastal Scientist Assistantship Program' (CSAP), for CPRA: funds graduate students to focus on coastal issues and restoration. Why not have a similar fund—with CSAP, CPRA picks the students, not Sea Grant (manages it, collection of proposals, etc.). Program could pick proposals to fund. \$25,000 could fund a nice project and invest in Department's future workforce. P. Banks agrees strongly. Sea Grant already has overhead, grant management, in place. C. D'Elia: Sea Grant is a state-wide resource, puts all the universities at Program's disposal; workforce development can be an important achievement for the Program, if we think strategically. P. Banks summarizes what is being asked: to do research into whether round materials could be appropriate for the Program; if the research indicates so, a recommendation to edit the Inshore-Nearshore Plan for their allowance would follow. A motion to approve this research is seconded and passes.
- 7) No public comment; no other business from the Council
- 8) Meeting adjourns

# Inshore Reef Funding



Site	LDWF	CCA + partners	Total
Calcasieu	\$150,000	\$180,000	\$330,000
St John	\$100,000	\$125,000	\$225,000
Pt Mast	\$50,000	\$60,000	\$110,000

Figure 1



# Artificial Reef Fund

Year	Beginning Balance	Actual/ Projected Revenue	Actual/ Projected Interest Earned	Actual/ Projected Operating Expenditures	Other Expenditures/ Withdrawals	Ending Balance
2012-13	\$17,734,407.76	\$11,077,629.00	\$486,131.34	\$8,135,129.00	\$109,447.00	\$21,056,510.34
2013-14	\$21,056,510.34	\$9,572,046.16	\$506,093.06	\$10,255,901.00	\$87,000.00	\$20,840,628.50
2014-15	\$20,840,628.50	\$7,338,764.00	\$197,997.94	\$8,113,143.34	\$3,285,909.34	\$17,322,004.26
2015-16	\$17,322,004.26	\$6,546,366.00	\$232,909.53	\$5,576,332.68	\$1,415,511.00	\$17,116,638.11
2016-17	\$17,116,638.11	\$5,600,373.78	\$170,609.84	\$2,818,411.66	\$412,149.00	\$19,989,334.17

Figure 2



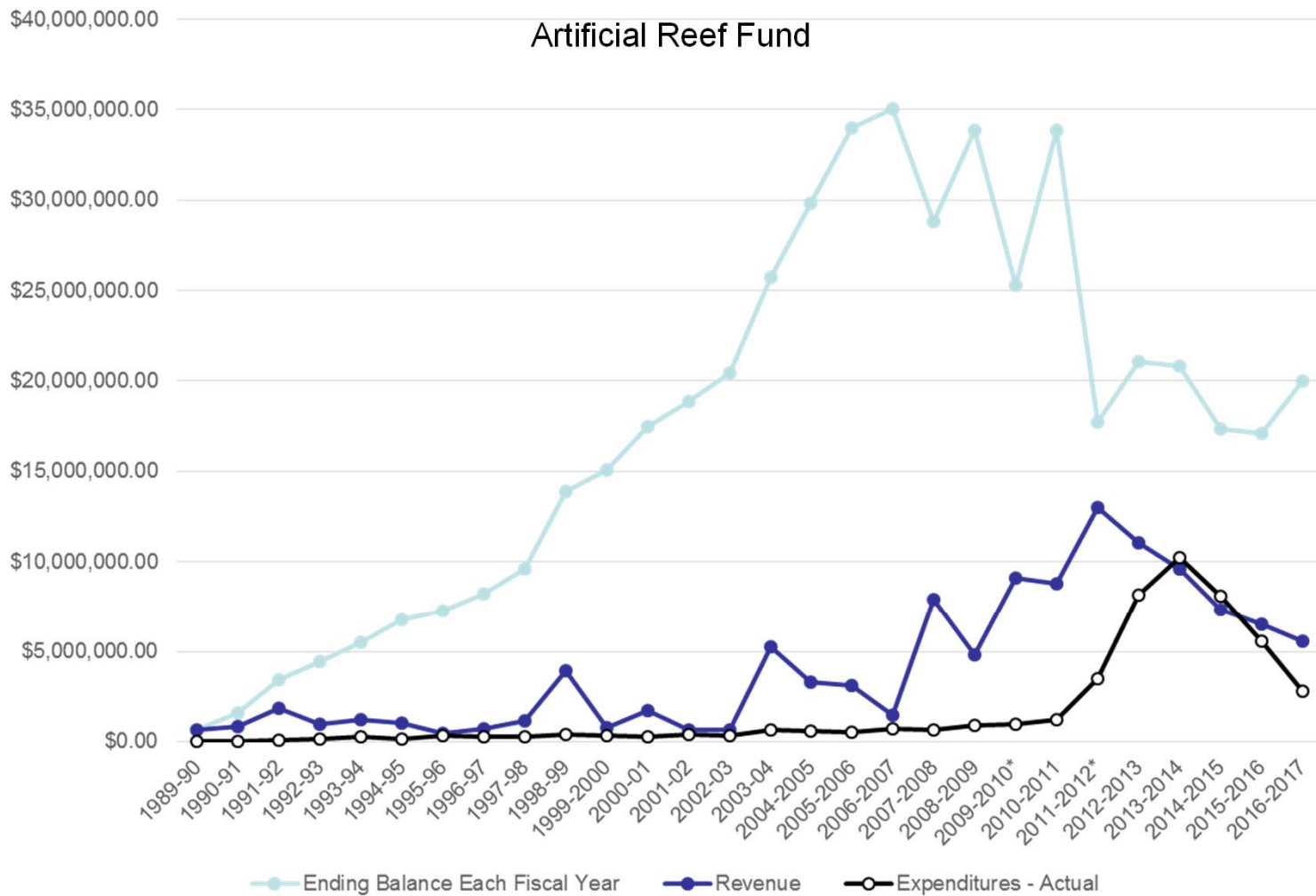


Figure 3

## Artificial Reef Budget

• Administration		\$2,000,000
• Artificial Reef Guide	\$20,000	
• Monitoring Activities		\$1,900,000
• Environmental DNA	\$62,500	
• Angler survey (reef utilization)	\$50,000	
• Enhancement Activities		\$3,750,000
• Reef Marking	\$250,000	
• Total		\$8,032,500



Figure 4

# Grand Isle Fisheries Research Lab

## Artificial Reef Council Decisions

- January, 21 2005 \$8,300,000
  - Previous allocation (2004): \$4,700,000
- November, 30 2006 \$10,000,000



Figure 5

## Grand Isle Lab Artificial Reef Budget



Figure 6