

Minutes of the  
Oyster Lease Damage Evaluation Board  
February 18, 1998

A meeting of the Oyster Lease Damage Evaluation Board was held on Wednesday, February 18, 1998, at 9:00 a.m. in the Mineral Board Docket Room, Fourth Floor, State Land and Natural Resources Building, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Vivian Guillory and roll was taken.

Board members present:

Vivian B. Guillory, ALJ, Chair

Phillip E. Boydston, Burlington Resources, representing Mid-Continent Oil & Gas Assn. and Louisiana Landowners Assn.

Ralph Pausina, representing the Louisiana Oyster Dealers & Growers Assn.

Mike Voisin, representing the Louisiana Oyster Task Force

DNR staff present:

Rachel Sweeney, Office of Coastal Restoration & Management

John Waitz, Staff Attorney

Darryl Clark, Coastal Restoration Division

Carolyn Edwards, Executive Assistant

Others present:

Sarah Voisin, Motivati Seafood

Michael F. Rayle, Biologist, Steimle & Associates, Inc.

Mr. Voisin moved to adopt the minutes of the last meeting. Seconded by Mr. Pausina. Minutes were unanimously adopted.

Mr. Voisin asked that Agenda Item 3, Finalize Uniform Evaluation Methods, be delayed since neither Mr. Briggs nor Mr. Boydston had yet arrived.

Mr. Voisin asked that all past and future minutes of the Board's meetings be provided by DNR to members of the Oyster Board. Mr. Waitz said this would be handled.

Mr. Pausina noticed in the Initial Biological Survey Summary form that Column four and No. 4 were essentially duplicates. It was agreed to delete No. 4. In No. 8 of the same form, Mr. Pausina moved to change the wording to be consistent with the rest of the form and read, "The value of the lease and oysters to be affected by oil and gas activity within the Impact Zone is estimated to be...." Motion seconded by Mr. Voisin. Motion passed.

Mr. Clark asked if the Board would like to give guidance on the size groups of oysters in Column four.

Mr. Pausina and Mr. Voisin agreed. Mr. Pausina made a motion to leave the heading the same, but to have three columns under that with the size groups according to shell size as: Larger than 3", Between 2" and 3", and Smaller than 2". Motion carried.

There were no changes suggested to the Request for Arbitration form.

Since Finalizing the Evaluation Methods was to be put off until the next meeting, Mr. Waitz suggested that the Discussion of the Liability Issue be postponed as well since the two went hand in hand.

Mr. Waitz announced that the first claim had been settled and would not have to come before the Board. No other claims are pending at this time. Mr. Voisin asked that the amount of the final settlement be kept confidential.

Mr. Voisin suggested that someone from the Department of Wildlife and Fisheries staff be invited to attend future meetings since they will be involved in the process and need to be kept informed.

When Mr. Boydston arrived he was told that Darryl Clark would postpone his presentation on the Evaluation Methods until the next meeting because it was felt that all Board members should be present for it. Mr. Boydston asked that Mr. Clark give the presentation anyway for the courtesy of the audience, but that no action would be taken until the next meeting. Mr. Clark made his presentation and the Board made comments for informational purposes only. They indicated that they wished to study the revisions until the March 18th meeting and would have Mr. Clark make his presentation again at that meeting.

Mrs. Guillory asked that a letter with a copy of the latest draft of the Uniform Evaluation Methods be sent to the biologists inviting them to attend the next meeting. This was agreed upon by all. Miss Edwards would prepare the letter for Mrs. Guillory's signature. Mrs. Guillory also asked Miss Edwards to send a copy of the latest draft to Mr. Briggs.

With regard to the Initial Biological Survey Summary, Mr. Rayle said he was not sure how the biologist is supposed to know what is the expected cost to the harvester. It depends on the lease, how close it is to his base of operations in terms of how much cost is involved in either bedding or harvesting. Some producers have economies of scale because they're larger producers. Their fixed costs are divided among more sacks of oysters they produce in a year so their unit cost per sack is lower. Some small operators have lower costs because they use relatively inexpensive equipment to harvest the oysters. There is no way for the biologist to know these things in advance. He said he didn't know how they would get that information in a timely manner to include it in the biological survey. His suggestion to the Board was for it to come up with an acceptable average figure, and if the fisherman feels his costs are substantially lower than that average cost of harvesting, he could apply to the Board with his records showing that his costs are lower and then modify the biologists report to reflect that lower cost and greater profit to him. Mr. Pausina agreed and said it would be a good thing to include when finalizing

the forms.

Mr. Rayle also noted that the oyster industry representatives on the Board are probably more in touch with dockside price for various types of oysters. He suggested that that information come from the Board, who can include it when they run the numbers out from the data provided by the biologists, or they provide it to the biologists.

Mr. Pausina said he thought this was a good idea and that it possibly could be included in the initial biological survey.

Mrs. Guillory said the Board might have to draw up some guidelines, in addition to the form, so that everybody is operating on the same presumptions.

Mr. Boydston recommended that Darryl Clark clean up the Uniform Evaluation Methods and have them ready for review at the next meeting. It was agreed to have that version sent to the biologists.

Mr. Pausina made the motion to adjourn. Seconded by Mr. Boydston. Meeting adjourned.