

Aquaculture Advisory Council
July 19, 2013
Meeting Minutes

Attendees: Ms. Monique Purcell (Secretary Fisher), Ms. Cali Alexander (Commissioner Mary O'Dowd), Lt. Governor Kim Guadagno, Dr. Dave Bushek, Mr. Gef Flimlin, Mr. Mike DeLuca, Mr. Steve Carnahan, Mr. Brian Harman (Mr. James Tweed), Mr. John Maxwell, Mr. Paul Waterman.

In Absentia: Comm. Bob Martin, Mr. Oliver Twist, Mr. Robert Munson

Public in Attendance: Mrs. Lisa Calvo, Ms. Sara Maffey-Duncan, Mr. Ken McKenzie, Mr. Joseph Myers, Mr. Tony Ni, Mr. Jeff Normant, Ms. Elizabeth Woodworth

Ms. Purcell called the meeting to order. Mr. Myers performed roll call. There is quorum for this meeting.

Ms. Purcell asked for a motion to approve the minutes from the April 2013 meeting. Mr. Maxwell made the motion to approve the minutes, which was seconded by Mr. Flimlin.

Mr. Myers began with noting a change to the Aquaculture Rule update change. As per the Governor's executive order, all rule updates are now extended two years, so instead of a 2014 expiry for the Aquaculture rule, the rules is set to expire in 2016. Although there is more time, NJDA will keep moving forward with updating the Aquaculture Rule. Currently, the two subchapters involving the Animal Health Division for importation and aquatic animal health plan are being addressed. The Division of Agricultural and Natural Resources is working with the Division of Animal Health to update these two subchapters and decide whether Animal Health should house the rules instead of Ag. & Natural Resources.

Ms. Purcell noted that the State Veterinarian is concerned with updating these subchapters as the Division of Animal Health has not yet been granted full time staff for aquatic animal health. There is a challenge that the division faces now that the new laboratory but has budget concerns and cutbacks impacting staff, but that will be addressed in the internal NJDA discussions about the rule. Mr. Myers noted that the long-term goal would be to coordinate and harmonize the finfish and shellfish importation and animal health rules for aquacultured and wild populations, as outlined in the 2011 Aquaculture Plan Update.

Mr. Myers began the discussion regarding DEP's new Coastal Emergency Zone rules and their impacts on the permitting structure for aquaculture. Mr. Myers provided a hand out to meeting attendees outlining the changes, and directed them to this information if there are any questions about the criteria for each permit type. The next step is for NJDA to update the rule and licensure program to reflect the three-tiered permitting system for aquaculture, and thanked DEP for working on these rules that make it easier for aquaculture to occur.

Mr. Flimlin asked if these rules are now permanent, Mr. Myers confirmed that they are. Ms. Purcell agreed that the DEP rules will streamline the permitting process. Mr. Flimlin updated the council on the progress that Parsons Seafood and Bayfarm has made since Hurricane Sandy, both businesses are up and running.

Next, Mr. Myers provided a fact sheet about the Aquaculture Development Zones that was sent to agricultural attachés of approximately 20 countries and international organizations that are involved in offshore aquaculture. The fact sheet was accompanied by a letter signed by Secretary Fisher alerting these contacts to the availability of leases in the Delaware Bay ADZs. The message of the letter is that regulation does not stand in the way of establishing aquaculture in New Jersey and that if any foreign companies or individuals are interested in expanding aquaculture operations, New Jersey is open for business.

Dr. Bushek suggested adding data on salinity and temperature regimes, turbidity and wave action so that prospective aquaculturists can better determine what kinds of aquaculture might be appropriate for that environment. Dr. Bushek also suggested sending the document to National Shellfisheries Association and other relevant groups to garner interest. Mr. Carnahan agreed that he could forward the information to contacts at the World Trade Center. Mr. Myers has some additional technical information he received from Russ Babb at DEP which could be incorporated into the fact sheet. Mr. Flimlin asked if out-of-state entities can hold shellfish leases in New Jersey. Mr. Myers explained that the leases must be held by an individual or a company that resides or incorporates in New Jersey.

Next, Mr. Myers introduced Sara Maffey-Duncan of the NJ Economic Development Authority, who is administering the Hurricane Sandy Stronger New Jersey Business Grant and Loan Program. Ms. Maffey-Duncan presented to walk through the aid application process. She first noted that EDA changed their definition of livestock to include product impacted in a state prior to final point of retail sale, so that aquaculture product losses that were in the water or were damaged before sale could be counted in the program.

As Ms. Maffey-Duncan discussed the eligibility requirements, Mr. Flimlin asked about aquaculture growers and business owners being eligible for reimbursement for expenses paid out so they could open for the summer season. Mr. Flimlin explained that many of these businesses are seasonal, and could not afford to wait for aid. Ms. Maffey-Duncan explained that because federal regulations prohibit reimbursement, EDA will work with aquaculturists to provide assistance for costs going forward appropriate to each individual case. They are not allowed to retroactively reimburse any business that has work that would require an environmental review, and the EDA advises applicants to apply under the working capital provision which will be more flexible in its application to business expenses.

Ms. Maffey-Duncan also responded to a question regarding the applicant's credit score. Although a business owner may not have a credit score because capital was invested in the business as an out-of-pocket expense years ago and the business entity may not have an associated credit score, it will not necessarily block that applicant from receiving funds. A good credit score will simply make it easier for a business advisor to approve an application, but a low or no credit score will not necessarily count against the applicant.

Ms. Purcell noted that frustration with federal regulations impacting the dispersal of aid has been a common theme in many agencies. Mr. Carnahan suggested that for the future, attention must be paid to having discussions regarding the barriers that federal regulations have created. Mr. Flimlin agreed that the federal regulations currently in place are prohibiting people from applying for aid or if they do apply, getting access to that aid.

Ms. Maffey-Duncan reviewed the importance of the business advisors who are trained to walk through each step of the application and help applicants get access to money. Ms. Maffey-Duncan reviewed the application steps with attendees and noted that EDA can assist co-ops, as they were made aware of the Hurricane's impact on the fishing cooperatives in Point Pleasant and Belmar. Mr. Flimlin noted that although it was very good that EDA can now help co-ops, New Jersey does not permit the establishment of co-ops in the State. The existing fishermen cooperatives were established in New Jersey when New Jersey permitted the formation of cooperatives. Two shellfish grower co-ops that are now being assembled are incorporating in other states, therefore would not be eligible as co-ops to receive aid.

Mr. Flimlin suggested that representatives from EDA and possibly federal representatives from HUD take tours of aquaculture facilities so they could better understand the operations and technologies that are used, their environmental impacts, as site visits may help to ameliorate the implementation barriers of federal regulations that are inhibiting aid from being distributed to aquaculturists. Ms. Maffey-Duncan said that the Department of Labor Workforce Investment Centers will now be hosting EDA business advisors in locations around the state

so that EDA can better reach applicants. Dr. Bushek suggested they work together to help coordinate which towns and counties to have a presence in aquaculture and fisheries.

Mr. Maxwell added that he invested approximately \$30,000 of his money out of pocket for losses he sustained, but has no need for aid that would pay for certain things like upland construction going forward. Ms. Maffey-Duncan agreed that site visits would be beneficial to making sure that the available money is distributed to those who need it.

Mr. Flimlin suggested that EDA and the AAC hold workshops with the Garden State Seafood Association and the Shellfish Association to address continuing challenges with Hurricane Sandy relief and aid distribution. Mr. Bushek added that there seems to be some confusion based on press reports over which counties are considered “priority areas” for the EDA. Ms. Maffey-Duncan noted that all counties are priority areas, but they have not been as successful receiving applications from counties like Cumberland County. Mr. Bushek said there is still need in Cumberland County. Ms. Alexander noted that regional outreach is more effective in getting people to participate. Ms. Maffey-Duncan welcomed the AAC to provide her with suggestions about how to better engage and reach people and businesses that still need assistance, and provided her contact information to the meeting attendees.

Ms. Maffey-Duncan introduced her colleague Ken McKenzie, who is the designated business advisor for aquaculture and marinas. Mr. McKenzie was at the meeting for arranged one-on-one business meetings with members seeking assistance. Ms. Maffey-Duncan provided a one page summary on the Stronger New Jersey Grant and Loan program that will be distributed to AAC members.

Ms. Purcell opened the discussion up to review old business. Mr. Flimlin noted that as per the last AAC meeting, the council suggested that Secretary Fisher speak with DEP Commissioner Martin regarding staff for the Bureau of Shellfisheries. Mr. Flimlin asked about next steps. Ms. Purcell suggested that the council develop a memo that the Secretary could turn into a letter that he would sign and send to Commissioner Martin, detailing the impacts to the industry of not hiring staff even though the funding exists to do so.

PUBLIC COMMENT

Tony Ni asked about why the municipality of Tuckerton will only give him six-month leases for building a storage facility for his sorting machine. Mr. Myers noted that the CZM rules do not apply to post-harvest activities or equipment. He and Ms. Purcell suggested attending a municipal meeting to ask his town council about permitting the structure.

Mr. Maxwell discussed the Shellfisheries Council lack of appointments and the new requirement for financial disclosures, which is a barrier to filling Council seats. Ms. Purcell noted that a financial disclosure requirement can be cumbersome and discourage prospective applicants for applying for Council seats. The Council also agreed that appointments have been moving slowly during the current and previous administrations.

There were no further comments.

The next AAC meeting is tentatively scheduled for October 18, 2013. Ms. Purcell asked for a motion to adjourn. Mr. Carnahan provided the motion which was seconded by Dr. Bushek. All voted in favor and the motion passed.