COMMISSION ON MARINE RESOURCES

COMMISSION MEETING

Tuesday, February 24, 2015
10:00 a.m.
Gautier City Hall
3330 Highway 90
Gautier, Mississippi 39553

Commission Members:

Richard Gollott, Chairman

Shelby Drummond, Vice Chairman

Steve Bosarge

Ernie Zimmerman

Also Present:

Jamie M. Miller, Executive Director DMR
Sandy Chestnut, Esq., Assistant Attorney General
Sean Morrison, Esq., Assistant Attorney General

COMMISSIONER GOLLOTT: This is the regular February meeting of the Commission on Marine Resources. I call it to order.

We will start out with the Pledge of Allegiance and ask Jamie Miller to lead us in the pledge.

(Whereupon, the Pledge of Allegiance was recited.)

COMMISSIONER GOLLOTT: At this time, I would like to recognize Mayor Gordon Gollott. Thank you for the use of your facility.

COMMISSIONER DRUMMOND: Richard, I saw the Mayor the other day. We just happened to run into each other, and I said, "We're going to have a meeting at your place next week."

And he said, "I know that, Shelby."

I said, "Well, you do, but I just wanted to remind you that you ought to bring some coffee and doughnuts to this meeting", and he did.

Thank you, Gordon.

GORDON GOLLOTT: You've got to thank our City Manager for that. We were supposed to go to another meeting.

She said, "Oh, no. I've got to be here at 9:00 o'clock in the morning to get ready for you folks."

COMMISSIONER GOLLOTT: At this time, we need

approval of the minutes, the January minutes.

COMMISSIONER DRUMMOND: So moved, Mr. Chairman.

COMMISSIONER GOLLOTT: Do we have a second?

COMMISSIONER ZIMMERMAN: Second.

COMMISSIONER GOLLOTT: We have a motion and a second.

All those in favor say aye.

(All in favor.)

COMMISSIONER GOLLOTT: Opposed?

(None opposed.)

COMMISSIONER GOLLOTT: Motion carries.

Now, we have to approve the agenda.

Do we have any changes on the agenda?

COMMISSIONER ZIMMERMAN: Yes, Mr. Chairman. Justin Tassin's application won't be heard today. I would like to strike G1b from the agenda, please.

COMMISSIONER GOLLOTT: Thank you.

Any other changes?

(None opposed.)

COMMISSIONER GOLLOTT: Do we have a motion to approve the agenda as amended?

SANDY CHESTNUT: Mr. Chairman, the K1 executive session, legal is not aware of any matters that need to go into executive session. So we can remove that item as well.

COMMISSIONER GOLLOTT: Okay. So done.

Do we have a motion?

COMMISSIONER DRUMMOND: So moved, Mr. Chairman.

COMMISSIONER GOLLOTT: We have a motion.

Do we have a second?

COMMISSIONER ZIMMERMAN: Second.

COMMISSIONER GOLLOTT: All those in favor say aye.

(All in favor.)

COMMISSIONER GOLLOTT: Opposed?

(None opposed.)

COMMISSIONER GOLLOTT: Motion carries.

Now, we have the Executive Director's report.

JAMIE MILLER: Thank you, Chairman.

I want to second your thoughts on Mayor Gollott. Thank you for opening your facility. Your staff has been very easy to work with, and we appreciate being able to come to Jackson County.

I know this has been covered, but I wanted to mention it. Governor Phil Bryant was here on the Coast February the 2nd and signed an Executive Order establishing the Governor's Oyster Restoration and Resiliency Council.

The Council is made up of citizens, scientists, seafood industry leaders, a broad cross section of stake holders, with the intent to develop and deliver a plan

back to the Governor on Mississippi's oyster resources that, hopefully, will be a blueprint for how we grow the industry and grow the resource in the future.

This will be a written plan. We've got until June the 2nd. The council had a full meeting, on February the 10th. We will meet again on March the 10th. In the middle of March, we will have a series of public forums, and we will go into each of the counties and have working meetings with the public. We will meet one more time on May the 7th, and, then, June the 2nd, we will deliver a final report.

I want to thank WLOX for covering the Oyster Council and the season this year. They have done a great job of informing the Coast and everyone about how important the industry is, and I want to thank them for that.

That's my report, Chairman.

COMMISSIONER GOLLOTT: Thank you.

Next up is Keith Davis, Marine Patrol.

RUSTY PITTMAN: Good morning Mr. Chairman, Commissioners, Director Miller, Ms. Chestnut and Mr. Morrison.

Marine Patrol was pretty productive this past month, in January. Several cases were made. You have the report in front of you. We did have three oyster cases

made. Of course, marine sanitation device was three of those cases that were made.

I would like to mention also that February the 2nd, we had our promotion ceremony, and I would like to thank the Commission for taking time out of their schedule and for being there for the wonderful ceremony that we had for nine officers.

I would also like to talk a little bit about yesterday on the search and rescue that we did, along with the Coast Guard and Jackson County.

A lot of times, these search and rescues don't turn out to be happy occasions, but yesterday this one did turn out very well. One of our officers spotted the man that was missing up under the bridge in Ocean Springs. So that one turned out real good. Just wanted to mention that to you.

If there are any questions, feel free to ask and I will try to answer them.

COMMISSIONER GOLLOTT: Thank you.

RUSTY PITTMAN: Thank you.

COMMISSIONER GOLLOTT: Next on the agenda is Joe Jewell, Marine Fisheries.

JOE JEWELL: Good morning Commissioners. I would like to give you a brief update on a couple of items, before we move into the agenda.

First, I'll give you an update on the quotas, the commercial quotas.

Red drum. To date, we have landed seventeen thousand nine hundred and thirty-six pounds.

Spotted seatrout. None is being reported. Of course, the season doesn't open until February 1st, and the reporting date is February 10th. So the data is still being processed.

Flounder. We have approximately forty-three pounds.

I will give you a short update on the oyster season, where we are to date. Of course, the limited season opened on November the 14th, 2014.

Landed out of Pass Christian is approximately ten thousand two hundred sacks.

Out of Bayou Caddy, approximately fourteen thousand six hundred sacks.

For a total season total to date of twenty-four thousand eight hundred sacks.

As far as effort, Pass Christian sacks per trip is averaging about six point three. Out of Bayou Caddy, the average is about nine point five. The average for the year is about seven point eight.

With that, we will move into the agenda. First up is Mr. Scott Gordon. He is going to give you a video

of the basket dredge.

SCOTT GORDON: Good morning, Mr. Chairman, Commissioners, Director Miller, and counselors.

We took these videos with underwater cameras, GoPro cameras that John Mitchell -- he is now working for IT -- whenever he was working for shell fish, he asked to get the first one, and I found this to be very interesting and it has really increased some of our capabilities.

However, we have just begun the process of trying to figure out how to get these cameras hooked up on the dredges and how to capture what these different gear types are doing.

A little background on this. We are going to have side-by-side videos. We are going to have a bag dredge which is going to be on the left-hand side. The basket dredge is going to be on the right-hand side.

The bag dredge is a hundred and twenty-seven pounds. The basket dredge weighed a hundred and thirty-six pound. So there was only nine pounds difference between these.

I've got four different things that I would like to show you. One is what we are calling a medium amount of cable out on the dredges. The next will be a good length of cable out. The next one will be the full dredge. Then, we will have the inverted dredge where the

dredges are flipped over upside down.

If I can get John to pull up the first one which is the medium dredge. Each of these videos is approximately one minute long.

(Whereupon, video is playing.)

COMMISSIONER GOLLOTT: Excuse me, Scott.

Have both of these dredges got the same amount of cable out?

SCOTT GORDON: No. The cables are different on this. The bag dredge is thirty-five foot, and the basket dredge is fifty foot. They were put out at what they had determined, for that depth, was the appropriate length to have out because the teeth angles on the dredges are different; so the difference in the scope and the difference in the water depth. The bag dredge was in about eight-and-a-half to nine foot depth, and the basket dredge was about ten-and-a-half foot depth. So it needed a little more cable out for that one.

These were all on the Pass Marianne reef.

Again, this was not really a scientific study. This is just some video of what we were able to see. If we were going to do a scientific study, we would have more controls in place, and we would have them pulled simultaneously.

The vessel that we have available to pull, at

the time, was not able to pull both of these dredges at the same time.

The next video is the long pull, long amount of cable, and this was in about a ten-foot water depth, and fifty foot for the bag dredge and sixty-foot cable out for the basket dredge.

In both of these, you can see that they are digging into the soft mud and, also, slowing the boat down, or the dredge down.

COMMISSIONER GOLLOTT: Is this on Pass Marianne?

SCOTT GORDON: Yes, sir, and this was a mixed bottom.

The next one is with a full dredge on both. This is also pulled at the medium length. About a thirty-five foot length on the bag dredge and a fifty-foot length on the basket dredge.

COMMISSIONER GOLLOTT: The dredges are full here?

SCOTT GORDON: Yes, sir.

COMMISSIONER GOLLOTT: Looks like your basket dredge just keeps on fishing hard.

SCOTT GORDON: I think everybody kind of has in their mind what goes on, when the dredging goes on, but this, I think, opened up our eyes. If you were wanting to do some changes in dredge design, or whatever, this would

be a real handy tool to do that with.

This is the inverted. This was about a four-foot depth and I think twenty-five foot length on it. This one, we could see there was a definite difference between the two, with the dredges upside down.

See that front bar which would have been the top bar to both of the dredges, neither of those is touching the bottom. The bag is attached to that top bar. So that is riding up over the reef. Then, with the basket dredge, they were actually catching oysters this way, with the dredge inverted.

COMMISSIONER ZIMMERMAN: It looks like it fishes better, flipping it upside down.

COMMISSIONER GOLLOTT: When your basket is full, it's tearing up the reef is what it's doing, in my opinion.

COMMISSIONER ZIMMERMAN: You can tell by how much it is plowing in the mud.

SCOTT GORDON: These videos look a lot clearer, on a computer screen.

COMMISSIONER GOLLOTT: That is awesome.

SCOTT GORDON: One of the guys that worked on this, he told me that he also came across a hybrid dredge, a cross between the basket dredge and the bag dredge. Somebody over in Bayou Caddy has one. I haven't had a

chance to look at that.

I just wanted to let you know this is some of what we're looking at, right now, and what we found.

COMMISSIONER DRUMMOND: Did you measure the oyster catch of both of the dredges?

SCOTT GORDON: No, we did not. We were just trying to get some video, but, if we were going to do a more scientific study, that would be one of the things that we would be doing.

Again, ideally, we would have these two boats side-by-side pulling them exactly the same speed, or on the same boat. Have one on the starboard and one on the port side, and, then, alternate those and keep up with it, but all of that takes time and a little effort to plan a proper gear comparison study.

COMMISSIONER GOLLOTT: Do you have any recommendations?

SCOTT GORDON: From what I've seen from this, I could not see anything significant to recommend any changes, from this very limited video that we have.

COMMISSIONER GOLLOTT: I might be wrong, but, to me, this proves that the oyster fisherman that wanted to do away the basket dredges is correct. When it flips over, it keeps tearing the reef up, and that is what we are trying to stop.

SCOTT GORDON: Well, I don't think there is any doubt that once it flips over, it continues to catch. I don't believe we have enough information to show that it is tearing the reef up.

I believe these videos also show you, especially with the long pull, that it does make a difference about how much cable that they leave out.

They can be fished more, or less, efficiently, depending on how the boat operator is going to be controlling the amount of cable that is out and the speed of the boat.

COMMISSIONER GOLLOTT: Scott, what about taking this to the oyster committee?

I mean, we have time on this. It's no big rush.

Why don't you take it to them and see what the fishermen have to say about this?

SCOTT GORDON: The Oyster Task Force?

COMMISSIONER GOLLOTT: Yes, the Oyster Task Force.

I'm in favor of going to the hundred and fifteen pound dredge. I've made up my mind on that, but, with the baskets, I'm just not sure. If we can get some more information, or if there is anything else you can come up with to give us some recommendations on that.

Is the rest of the Commission all right with

that?

COMMISSIONER ZIMMERMAN: I agree.

COMMISSIONER BOSARGE: I agree.

COMMISSIONER GOLLOTT: Shelby?

COMMISSIONER DRUMMOND: I agree.

COMMISSIONER GOLLOTT: Let's do that, then. We will table this, until the next meeting.

COMMISSIONER DRUMMOND: I had one comment, Richard.

Why did you compare them turned over?

SCOTT GORDON: We had somebody that has expressed that there was a concern with the dredges flipping over and with them tearing up the reef.

In order to, at least, get some kind of idea of what was going on, we inverted both dredges and compared what they did.

COMMISSIONER DRUMMOND: There is a designed dredge that we used to use. It's called a tumbler dredge, and it would fish either way. Whichever side that it landed on, it would fish. Maybe you ought to look at some of that.

SCOTT GORDON: Was it pretty much the design of, or similar to, the basket dredge with a tooth bar on both sides?

COMMISSIONER DRUMMOND: There were no bars on

it. It was a different design. It was an experimental design so we could actually catch something, when we put it on the bottom.

SCOTT GORDON: I've looked at a bunch of different dredge designs. I know some of the folks that I have spoken to about this, they kind of feel that they can come up with some different designs. I think, after viewing some video like this, people could think, okay, let's try changing the angle of the dredge teeth, or the spacing between the teeth, but it was kind of interesting to see, as it was going along, the smaller oysters that were going through the teeth, and for some of these where the oysters would be pushed up in front of the teeth, that's what was doing some of the plowing up of the bottom.

COMMISSIONER GOLLOTT: What you need to do is make that available to whoever wants to design dredges. That's great information for somebody trying to something with the oyster dredges.

SCOTT GORDON: Thank you.

COMMISSIONER DRUMMOND: Thank you, Scott.

JOE JEWELL: Thank you, Scott.

Next up on the agenda, we have an update on Title 22 Part 7, Overnight Charters Catch Limits.

This was an issue that was brought up initially

at the December Commission meeting in 2014, and we provided an update to the Commission, in January, and we requested time to provide a little more information and an update to the proposed changes.

Today, before you Commissioners, we have evaluated the input and we have what we feel is a final draft for your consideration.

The proposed changes would impact Title 22 Part 7 regulations to provide size limits and bag limits on certain fish species and to prevent sale of seafood by recreational fishermen.

This is essentially the same presentation that I gave before the Commission in January, with certain modifications. I will read those modifications into the record. It will impact Part 7 Chapter 7.

Section 101. Two-day Bag Limit Endorsement. A licensed for-hire vessel may obtain a two-day bag limit endorsement from the Department for a few of one hundred dollars per year. The endorsement allows the vessel to possess a two-day bag limit (whole or filleted) of spotted seatrout, red drum, and southern flounder, under all of the following conditions:

These are the same conditions that I read before in January, except we modified and put them all in one section, rather than have two lists that were adopted.

The only addition that is required to the current endorsement that we changed from the list would be the number of individuals that are in the party, but I will go ahead and read that into the record, the list, right now.

Section 101.01. The endorsement only applies while fishing in Mississippi territorial waters.

Section 101.02. The trip must extend beyond twenty-four hours before returning to the mainland.

Section 101.03. The harvest must comply with Mississippi's current size limits, regardless of the place of harvest.

Section 101.04. The harvest must comply with Mississippi daily catch limits. This endorsement does not authorize any person to take more than one daily Mississippi bag limit, during one calendar day.

Section 101.05. The vessel must obtain a float plan from the Department prior to each trip.

Section 101.06. The vessel may possess the two-day limit only during its final return to the mainland. During the final return, fishing is prohibited.

Endorsement of the Float Plan. Again, this is a similar slide as what we had last time.

The vessel operator must file a float plan with the Department, during regular office hours, prior to disembarking. A copy of the float plan must be on board

the vessel for the duration of the trip. The float plan must be submitted on forms provided by the Department and must contain the following information.

102.01. Name of the applicant.

102.02. Owner of the vessel.

102.03. Name of the vessel captain.

102.04. Official vessel registration number.

102.05. Description of the vessel.

102.06. Date, time, and location of the departure.

102.07. Passenger manifest.

102.08. Destinations.

102.09. Anticipated date, time, and location of return.

102.10. Signatures of the applicant and the Department official receiving the plan.

Again, this was a consolidation of the two required forms into one to simplify the process, and the only additional information is 102.07, the passenger manifest.

Section 103. Caption and crew are prohibited from fishing.

The vessel's captain and crew are prohibited from fishing for spotted seatrout, red drum, or southern flounder while exercising the endorsement. The presence

of the captain and crew does not count towards the vessel's daily possession limit for the species listed above.

Section 104. Sunset and Commission Review.

This chapter expires one year after the date of adoption. The Commission must review the efficacy of this endorsement, and determine whether to extend this chapter, during its regular meeting the month prior to expiration.

I will ask for direction from the Commission on how they wish to proceed.

So I will pause and allow for the Commission to ask questions, if y'all have any.

COMMISSIONER GOLLOTT: I just have one question, Joe.

JOE JEWELL: Sure.

COMMISSIONER GOLLOTT: It says right here that the captain is not to fish and the crew is not to fish (indicating document).

Is there any way to put it in there that they are not to keep the catch?

I mean, sometimes the captain fishes on these charter boats, just to show the customers how to fish and where to fish and such that.

I understand what you are trying to do and I'm with you on it. I was just wondering if we could reword

it to where the captain could fish; he just can't keep his catch.

JOE JEWELL: We can do that. We can rewrite it to language where they cannot retain the catch. We can reword that.

COMMISSIONER GOLLOTT: Okay.

COMMISSIONER ZIMMERMAN: I think that's the way Louisiana's is written, also.

JOE JEWELL: We can do that.

At this point, if the Commission decides to proceed with the modifications to the regulations, Title 22 Part 7, we would require a motion to go out for a notice of intent.

COMMISSIONER GOLLOTT: Do we have a motion?

COMMISSIONER ZIMMERMAN: I will make a motion.

COMMISSIONER GOLLOTT: That we accept this with the modifications?

COMMISSIONER ZIMMERMAN: That we accept it, with that one modification to allow the captains to fish, but not keep their catch.

COMMISSIONER GOLLOTT: Do we have a second?

COMMISSIONER BOSARGE: I'll second it.

COMMISSIONER GOLLOTT: We have a motion and a second.

All those in favor say aye.

(All in favor.)

COMMISSIONER GOLLOTT: Opposed?

(None opposed.)

COMMISSIONER GOLLOTT: Motion carries.

COMMISSIONER ZIMMERMAN: Joe, thank you for your work you put forth on that. I know you worked the past couple of months on it.

JOE JEWELL: With that being said, that concludes the Marine Fisheries portion of the agenda.

COMMISSIONER GOLLOTT: Thank you, Joe.

JOE JEWELL: Thank you.

COMMISSIONER GOLLOTT: At this time, I would like to recognize another politician in the audience, Mr. Chic Cody, a councilman from Ocean Springs.

Next is Coastal Resource Management, Mr. Jan Boyd.

JAN BOYD: Good morning, Mr. Chairman, Commissioners, Director Miller, and legal.

Coastal Resource Management office has one action item for your consideration this morning, and Jennifer Wilder will be presenting that.

JENNIFER WILDER: Good morning. I'm Jennifer Wilder and I will be presenting a permit request by McDermott International.

The location is the Mississippi Sound at 51 Pier

Road at the south end of the East Pier at the State Port of Gulfport, Harrison County, Mississippi. It is in the Industrial Development Use District, and Thompson Engineering, Inc., is the agent.

You can see here the State Port. Here is Highway 49 and Highway 90 (indicating slide).

Then, a zoomed-in view of the Port. This being the East Pier and the south side and here is the location (indicating slide).

They are requesting permission to dredge. It's maintenance dredging within the State Port of Gulfport, eight hundred feet by two hundred feet. The existing depth is zero to thirty feet below mean lower low water. They are proposing to dredge to forty feet below mean lower low water.

Approximately a hundred and fifteen thousand cubic yards of material will be removed and will be placed at the Deer Island Beneficial Use Site.

You can see here in the diagram this is the East Pier and here is the area they wish to dredge (indicating slide).

This is a picture taken at the south end of the pier, looking back toward Highway 90, and this is the area for the project.

The project will create a new business that will

provide a hundred full-time jobs, employ longshoremen while vessels are in port, and support the oil and gas industry in the Gulf of Mexico.

The proposed project is allowable within the Industrial Development Use District.

There are no precedent setting effects expected, based on this project, since the Commission has approved similar projects.

The proposed dredging would take place in previously dredged waterbottoms. No vegetated coastal wetlands will be impacted.

This project should not have adverse impacts, other than the loss of benthic organisms. An increase in turbidity is expected, during the dredging process; however, conditions shall not exceed Mississippi Department of Environmental Quality's guidelines.

Best management practices will be utilized, during all phases of construction.

The State Port of Gulfport is an established deep water port, with supporting air, highway, and rail infrastructure, and is the prime alternative for the operation of the proposed McDermott facility.

It is highly unlikely that any further research into alternatives would have produced a location that would have lowered the impacts.

The proposed facility does require a waterfront location, due to the fact the steel pipe stalklines that are to be fabricated are transported by ship to oil and gas facilities in the Gulf of Mexico.

The site is located in an industrial area with other industrial facilities located adjacent to the site. Scenic qualities should not be impaired by the proposed project.

The proposed project will support the national energy policy, by supporting the oil and gas industry in the Gulf of Mexico.

Notification of the project appeared in The Sun Herald, as required by law, and no public comments were received.

Mississippi Department of Environmental Quality currently has the project under review.

Mississippi Department of Archives and History currently is reviewing the project.

The Secretary of State's office has no issues with the project.

Mississippi Department of Wildlife, Fisheries and Parks recommended that best management practices should be utilized.

Based on departmental review and evaluation, it has been determined that the project will have a

significant public benefit, by providing local jobs and supporting the oil and gas industry in the Gulf of Mexico. Therefore, staff recommends issuance of the permit.

COMMISSIONER GOLLOTT: I have a question for you, Jennifer.

JENNIFER WILDER: Yes, sir.

COMMISSIONER GOLLOTT: How are they going to get the mud from Gulfport to the Deer Island location?

JENNIFER WILDER: I don't know.

COMMISSIONER GOLLOTT: Well, the reason I'm asking is because we did lose a citizen of Biloxi, Mark Barhanovich, because the pipes weren't marked.

If they plan on putting pipes, I would like to stipulate that they have to keep these pipes marked so boaters don't hit the pipes.

JENNIFER WILDER: They are still in the process of going through the testing to make sure that it qualifies for beneficial use, but I will make sure that that is put into their proposal.

COMMISSIONER GOLLOTT: Does anybody else want to comment on this?

(No response.)

COMMISSIONER GOLLOTT: Do I have a motion?

COMMISSIONER BOSARGE: I'll make a motion that we accept the staff's recommendation.

COMMISSIONER GOLLOTT: I have a motion.

Do I have a second?

COMMISSIONER DRUMMOND: I'll second the motion, Mr. Chairman.

COMMISSIONER GOLLOTT: I have a motion and a second.

All those in favor say aye.

(All in favor.)

COMMISSIONER GOLLOTT: Opposed?

(None opposed.)

COMMISSIONER GOLLOTT: Motion carries.

Thank you, Jennifer.

JENNIFER WILDER: Thank you.

COMMISSIONER GOLLOTT: Office of Finance, Bill Feidt.

BILL FEIDT: Good morning everyone.

Kacey Williams will be presenting the financial results for this month. She joined the agency last May as our Director of Finance and Accounting, and has done a great job managing the MAGIC transition, as well as implementing new controls and processes in the agency. I just want to remark that we have been very lucky to have her.

KACEY WILLIAMS: Good morning everyone. As Bill said, my name is Kacey Williams and I'm Director of

Finance and Accounting for this agency. This morning I will be presenting the financial results, as of January 31st, 2015.

At the end of January, we have State revenue of four point three million dollars.

As Bill noted last month, we have not booked any inter-agency revenue for the fiscal year. We have been working with Wildlife, Fish and Parks on catching up our recreational license revenue and hope to have that finished this month.

We do not have an ETA on appropriations, or interest, yet.

Total agency revenue is eighteen point one million dollars.

State net income is negative one point six million dollars. This does not reflect the inter-agency revenues yet to be booked, and includes spending of cash on hand for artificial reef, GOMESA, and other programs. When those are taken into account, the agency would be positive.

Total agency net income is four million dollars.

Any questions?

(No response.)

KACEY WILLIAMS: After seven months of fiscal year 2015, we are in good shape from a budget standpoint.

We have fifty-eight percent of operating funds budget remaining, sixty-six percent of tidelands budget remaining, and two areas we will be watching over the next few months are contractual services and commodities for the operating funds, as we are in the thirties remaining for both of those items.

Any questions?

(No response.)

KACEY WILLIAMS: If there are no further questions, I will turn it over to Bill to cover our audit results. Thank you.

COMMISSIONER GOLLOTT: Thank you.

BILL FEIDT: Thank you, Kacey.

Per Senate Bill 2579 passed last year, the MDMR is required to undergo an annual audit. We hired BKD out of Jackson to do the audit which they completed in January for the fiscal year ending June 30th, 2014.

The full report is included in your package and has been delivered to our House and Senate committee chairmen, as well.

The audit identified no material weaknesses, or significant deficiencies.

It did note three control deficiencies which involved our cash from commercial license sales. We had previously addressed those issues, but they had to note it

because the controls were not in place for the entire fiscal year.

Also noted in the report was a recommendation to improved our coordination with Wildlife, Fish and Parks for the recreational license sales. They have been very supportive of that effort and have been working to address the concern.

We have already begun discussions with the state auditor about our fiscal year 2015 audit. Due to the issues with MAGIC, we anticipate some challenges, but we are going to work very hard to minimize those.

Any questions?

COMMISSIONER DRUMMOND: Any problems, Bill, with the money?

BILL FEIDT: Any problems?

COMMISSIONER DRUMMOND: Yes.

BILL FEIDT: There are no problems with the money, but there are frustrations with MAGIC. As I mentioned last month, we have been talking with the State auditor and the treasurer about it. The end result will be good. It's just a transition.

COMMISSIONER DRUMMOND: Thank you.

BILL FEIDT: Next, I'm going to turn it over to Barbara Levine.

COMMISSIONER ZIMMERMAN: Bill, I would like to

say something. I read the audit, and it looks like we are going in the right direction.

Thank you for your work.

BILL FEIDT: You're welcome.

Next, I'm going to turn it over to Barbara Levine to give you an overview of our Grants Management. Barbara joined the agency last August as our Director of the Grants Management Bureau. She and her team have done a tremendous job of standing up this new office and getting it going.

A well-functioning Grants Management group is a best practice that ensures our Federal funds are handled correctly and that appropriate controls are in place around all aspects of the Federal monies.

The Grants group is going to be a great asset to the agency, going forward.

BARBARA LEVINE: Thank you, Bill.

Good morning. I want to thank the Commission for giving us the opportunity to present the Grants Bureau to you and a little bit about what we've been doing, since this bureau was started.

Before I move forward, I would like to introduce my staff. We have Melanie Lane.

Melanie has been with the agency for fifteen years and with the Grants Bureau since May.

Lennie Lathum. She has been with the bureau and the agency since January.

I'm very proud to have these two hardworking members with me.

Again, my name is Barbara Levine, and I have been, as Bill said, with the agency since August.

What are we and why are we?

Well, we are the clearing house for everything grants related. Last year, Grants actually was a clearing house for over twelve million dollars of revenue for the agency which was thirty-five percent of our overall 2014 revenue.

Everything grants-related passes through the bureau. That way, we can have an overall view of everything that we are doing, related to a grant, and all the efforts; the people, the resources, the equipment, and property.

That helps us to inform all of our decisions across the agency, and it also helps us to see what resources we need and are available for our grants.

The other thing that we do is support and compliance. We are always trying to balance these two things. We are another layer of oversight. So it is a little bit more bureaucracy, but we, as I said, are trying to balance that.

What we do with our grants, we look at them and see if they really support the mission of the agency to protect, conserve, and enhance our marine resources. We look at whether or not we are in compliance with the Federal, State, and our Agency guidelines, and we are trying to spend smartly.

This is a very busy slide, but what it does is give us an overview of some of our funding sources, our Federal partners, and the different bureaus within the Agency that the money goes to.

We have about thirty open grants from our different departments; US Fish and Wildlife Services, the Park Services, NOAA. You can see here all of the different types of programs that we receive money for (indicating slide).

We do a lot of pass-through grants, as well. For instance, in our CIAP Program, we started with seventy-nine individual grants under that program, and we've got about fifty percent of those grants closed and the money spent.

We have an additional other sources of grant monies, beyond the Federal grants; GOMESA, GOMA, Sea Grant Consortium, et cetera, MDEQ pass-throughs, and these go for all sorts of things, for example, education, research, marketing, seafood marketing, all of the things that our

bureau and our Agency works on.

Along with the Grants Management Bureau, you are going to have procedures and processes. We keep all of the grant-related documents. We keep all of the documentation for our purchase orders and our pay apps.

We work very, very closely with Accounting and Finance. We track all of our time for getting things approved so we are making sure we have the resources in hand to not slow up the processes of getting people paid.

We compare all of our expenses to our budgets. We have a tool that we have developed to track all of our grants.

We have a system, of course, MAGIC which you have all heard about. When it becomes functional, it should automate a lot of these functions and we should get more efficient. However, if it doesn't do what we expect it to do, we may have to come back for additional resources in the form of software, or actual people.

More processes. We are instituting grant kick-off meetings with all of our stakeholders so that we know, from the beginning, what we are working on and what we should expect in spending.

We are trying to have grant closing meetings, in advance of the grants actually closing, so that we can lock down the spending on a specific grant so that we

don't spend it after the grant is closed, and, then, have to go back and do a lot of financial entries to fix that.

We give all of our stakeholders a heads up and it helps us, again, minimize our financial cleanup.

We review monthly, our spending reports, to make sure that we're on track, and we are very aware that some of our activities take place in different time periods and some periods are more active than others.

We are also using our Federal partners, communicating regularly with them, not trying to reinvent the wheel with any of our processes, or procedures, but going out and finding the best known practices.

Compliance is a very big part of what we do, and it is something that our Federal stakeholders and funding agencies really look to us to have under control.

We do have quite a few subpoena-grantees that we monitor. We have gotten some tools from our fiscal agents in the government departments.

We have a policy on site visits and site monitoring. We are tracking that, especially in the CIAP grant.

We are establishing our property and equipment lists for proper disposal and acquisition.

We have an internal compliance policy.

We have transaction procedures that have been

published throughout the organization that help us track what we are doing and making sure that we have the right signature authority on our purchasing.

I will open it up to questions.

COMMISSIONER GOLLOTT: Any questions?

COMMISSIONER DRUMMOND: I just get a little puzzled sometimes, Barbara, with the grants.

The grants, is that all Federal money?

BARBARA LEVINE: No, it's not all Federal money. The majority of it is.

COMMISSIONER DRUMMOND: Other than Tidelands?

BARBARA LEVINE: It's different than Tidelands, but some of our money does come from sources like GOMESA. That's the Gulf Energy Security Act.

COMMISSIONER DRUMMOND: That's through the states?

BARBARA LEVINE: That is money that is generated through oil and gas revenues that goes to the state, and, then, flows down to our agency.

We do get some sub-grants from different colleges that we work with, especially NERR.

The BP oil spill money is another revenue source which is not Federal funding.

COMMISSIONER DRUMMOND: Have you gotten that yet?

BARBARA LEVINE: We have gotten that in several forms. We have done BP seafood testing. We have used BP money for marketing our seafood. We have the NIFWIF funding from some of the fines, I guess it is, from BP that we have funding from.

I will be glad to sit with you, at any time, and go through this because it is confusing.

COMMISSIONER DRUMMOND: The money you get from NOAA, it's a Federal grant.

Right?

BARBARA LEVINE: Yes, sir, it is.

COMMISSIONER DRUMMOND: So that is taxpayers' money?

BARBARA LEVINE: Exactly, other people's money.

COMMISSIONER DRUMMOND: Thanks.

BARBARA LEVINE: You're welcome.

COMMISSIONER BOSARGE: What do you see as maybe some of your biggest challenges coming up?

BARBARA LEVINE: Some of our systems and data control really and getting some of those things in place. I'm a firm believer that if you can measure it, you can manage it. So getting those data pieces together and being able to report properly, the MAGIC system is going to be very integral to what we do.

COMMISSIONER BOSARGE: Good. Thank you.

COMMISSIONER GOLLOTT: Anyone else?

(No response.)

COMMISSIONER GOLLOTT: Thank you, Barbara.

BARBARA LEVINE: You're welcome. It's a pleasure.

COMMISSIONER GOLLOTT: We have a Directorate. Ms. Melissa is up next.

MELISSA SCALLAN: Good morning everyone.

The Department has been in the news quite a bit lately. We were mentioned thirty-six times, since the last Commission meeting, in local, state, and national media.

I would like to echo the Director's comments about WLOX. Their coverage of oyster season and the Oyster Task Force has been excellent.

We also received a lot of attention with the Marine Patrol promotion ceremony, and I want to congratulate all those guys on a good job.

We are coming up on the season for more events. We are having boater safety classes. We held one recently at the Bolton building.

So far this year, Marine Patrol has held nine classes and certified sixty students. We would like to see that continue and have more and more people certified for that.

Some of our officers also participated in an Officer Survival Class, as well as a Domestic Terrorism and Extremism Exercise.

One of our big events was at the end of last month. We had Capitol Day in Jackson, and we had representatives from every department in the Agency. We spoke with public officials and people who were passing through -- we had a lot of school children come through -- talking about our Agency and what we do and talking about Gulf seafood and that kind of thing. That was a very successful event.

Something else I wanted to mention was that last week we had students from several schools call and participate in Career Day and job shadowing. We had three students from Biloxi High who helped the Coastal Preserves Bureau plant trees on Deer Island. We had several students from Ocean Springs Middle School and North Bay Elementary who worked in our lab and learned what we do in the lab.

We are getting more and more of these requests, and they want scientists. These kids are interested in science. Sometimes it's almost too many to handle, but I'm very glad to see that we are getting more and more requests from students who want to learn about the Agency.

That's all from me, but up next is Jessica

Rankin who is with our Seafood Technology Bureau. She is on the committee for Celebrate the Gulf, and she is going to talk to you about the inaugural poster that we did this year for Celebrate the Gulf and show that to you.

JESSICA RANKIN: Good morning Commissioners, Director Miller, Counselors.

This year, as in past years, the Department of Marine Resources is a major contributor of Celebrate the Gulf, a marine education festival that is held in Pass Christian.

This year we decided to add an art component, in order to tie ourselves more closely with our sister festival, Art in the Pass.

This is our winner. I would like to announce to you, Mr. Henry Stiller. He is our inaugural winner, and this will be our first poster ever for Celebrate the Gulf. I want to introduce you to Mr. Henry Stiller.

Again, this is the first time that we have done this, and we look forward to many more posters in the future.

COMMISSIONER GOLLOTT: Would you like to say something?

HENRY STILLER: Yes.

COMMISSIONER GOLLOTT: Come to the mike, please.

JESSICA RANKIN: Come stand in front of the

microphone.

COMMISSIONER GOLLOTT: Stand by the mike so we can hear you.

HENRY STILLER: I'm honored to accept this award for the first inaugural Celebrate the Gulf poster that has been awarded to me. Like I said, I'm honored to be the recipient of this award.

I'm an advocate of wildlife and the fisheries that are abundant here, and conservation of these resources is needed.

COMMISSIONER GOLLOTT: Thank you very much. That's a beautiful poster.

HENRY STILLER: Thank you very much.

COMMISSIONER GOLLOTT: Public comments.

I think we have Mr. George Stores who would like to say something to us.

GEORGE STORES: My name is George Stores. I'm an oyster fisherman.

Usually when I come here before you folks, I'm wanting something, but this time I'm going to tell you thank you for what we've gotten from you. You have been more than generous with my time, and my time is their time on the water. I appreciate what you have given us.

I did want to make a small comment here and maybe a recommendation that we cut the limit by, say,

three sacks and run it through the end of March on the tonging.

I think that if we will keep an eye on these oysters, we won't have any more small, or borderline, oysters coming in.

If we don't do this, I still thank you for your time and I thank you for the generosity you have shown. Thank you.

COMMISSIONER GOLLOTT: Thank you, George.

I think we have left that up to the Director.

Now, we come to Shelby Drummond's favorite part of this meeting.

Do I have a motion to adjourn?

COMMISSIONER DRUMMOND: Mr. Chairman, I'll make a motion we adjourn.

COMMISSIONER GOLLOTT: Do I have a second?

COMMISSIONER BOSARGE: I'll second it.

COMMISSIONER GOLLOTT: All those in favor say aye?

(All in favor.)

COMMISSIONER GOLLOTT: Motion carries. Meeting is adjourned.

(Whereupon, at 10:51 o'clock, a.m., the February 24, 2015, meeting of the Commission on Marine Resources was concluded.)

C E R T I F I C A T E

I, Lucille Morgan, Certified Shorthand Reporter, do hereby certify that the above and foregoing is a true and correct transcript of the February 24, 2015, meeting of the Commission on Marine Resources, as taken by me at the time and place heretofore stated in the aforementioned matter in shorthand, with electronic verification, and later reduced to typewritten form to the best of my skill and ability; and, further, that I am not a relative, employee, or agent, of any of the parties thereto, nor financially interested in the cause.

_____

COURT REPORTER

Lucille Morgan, CSR 1251
COURT REPORTER
(228) 396-8788