

# NSRAA Board of Director's Meeting Minutes ~ SPRING 2011

March 9-11, 2011

1308 SMC Rd., Sitka, Alaska

Call to Order: 1:30 March 9, 2011

The meeting was called to order by President Kevin McDougall.

(The Budget Committee had met prior to the General Meeting)

Roll Call Secretary/Treasurer Lyons called the roll: Gillnetters present: Richard (Botso) Eliason, Jr., Kevin McDougall, Dan Pardee and Brad Badger. Seinners present: Mitch Eide, Sven Stroosma, and John Carle, Trollers present: Alan Andersen, Richie Davis, Eric Jordan, and George Eliason. Other Board members present: Brian Massey-Sport, John Blankenship-Subsistence, Marlene Campbell-Municipality, Carl Johnson-Interested Person, Paul Johnson-Interested Person, Mike Forbush-Processor, Deborah Lyons-Crew Member, Bob Ellis –Conservation and Dave Moore-Interested Person. Late: Dean Haltiner-Seine, and John Barry-Seine. Absent and excused: Cheyne Blough-Gillnet, and Wade Martin-Troll. Doug Chilton-Native Organization is unexcused having not responded to messages nor sent a representative.

Staff, Agencies and Public attending – Carl Peterson PT, Eric Prestegard DIPAC, Steve Reifenstuhel NSRAA General Manager, Scott Wagner HF Hatchery Manager, Josh Homer NSRAA CLR Project Leader, and Chip Blair NSRAA Data Analyst.

**Establish Quorum:** 20 members present, 13 are permit holders.

(Introductions, welcome of new Board members Dave Moore-Interested Person-US Coast Guard retired and Mike Forbush-Processor-Ocean Beauty Seafoods.

Appointments: Brad Badger-Gillnet for Mike Saunders and Dan Pardee-Gillnet for Tim Grussendorf for one meeting to fill unexpired terms till next election. Seeing no objection to these appointments, they are appointed, seated and welcomed to the Board.

Announcement: The Nomination form to run for expiring Board seats must be in by the end of the first full day of the Board meeting, which is tomorrow. )

## Approve Agenda

ADF&G Tunicate infestation Friday afternoon. At Large seine discussion 3:30 on Friday

**Motion 3/9/11 (a) M/S George E/ Richie Approve agenda as amended. MCWOO**

**Conflict of Interest Statements**-New Board members advised to fill them out and turn them in. Secretary/Treasurer says they are due from all Board members once a year and financial benefits need to be disclosed.

## Approve Minutes

**Motion 3-9-11(b) M/S Approve November minutes as amended. Richie/Brian**

On page 13 “Cheyne”, “development” spelling. Page 14 Brad “Badger” spelling should be corrected. A Board member asked that the minutes be prepared sooner after the meeting. Get the motions page out earlier. Secretary Treasurer agreed this could be done. **MCWOO**

## Election Committee report

Steve explained that the last election had a problem with the ballot: as a result the two seine seats (John Barry and John Carle) are uncontested and will be seated at this meeting. The Troll and gillnet ballots were questioned, or invalid, so the decision was made via Executive Committee to send out a new ballot with the same candidates. This will be sent out at the end of March and certified in May and seated in

November. Circumstances around the error were briefly discussed by the Board. The Board thought it would be OK to seat the uncontested gillnet seat. Some Board members thought if an elected Board member resigned a replacement could just be appointed and skip the election process.

**3-9-11(c) M/S Eric/Brian To accept some of the election results and seat Brad Badger-Haines Gillnet, John Barry-At Large Seine and John Carle-At Large Seine.** A new ballot will be distributed prior to the fishing season to determine the troll seat. **MCWOO**

John Carle of Hydaburg, is introduced to the Board. The rest of the Board and staff introduced themselves including Carl Petersen, Troller, Lon Garrison Operations Manger, Christi Dimon from the Lab, Eric Prestegard DIPAC, John Oliva-Kake Non Profit, Greg Killinger Tongass National Forest, Chip Blair-Data Analyst and Steve Reifenhstuh General Manager.

### **Election of Officers**

Alan/Mitch Nominate Kevin Pres. Nominations closed.

Mitch/Karl Nominate John Barry Vice President. Nominations closed.

Botso/Alan Nominate Deborah Lyons Secretary/Treasurer. Nominations closed

**3-9-11(d) M/S Eric/Sven Closeall nominations and elect the slate of officers by acclimation MCWOO**

### **Conflict of Interest Statement**

Board members are asked to fill out the form and turn it in and to disclose any financial benefits from their association with NSRAA This is to be done annually by all Board members. Steve explained it is housekeeping, necessary for the audit

### **Committee Seats**

The President appointed Mitch Eide-Seine to replace Bud Marrese on the Executive Committee.

### **General Managers Report** – Steve Reifenhstuh

Steve acknowledged all the work of the staff in preparation for the Board meeting and thanked them. He also expressed his appreciation to the Board again for hiring him into this position. He has enjoyed working with the Board in this and other forums. He pointed out the changes that have been made to the Board Book. Staff is trying to make it easier to read and understand. The new map, new personnel scheme, narrative of the programs and new table of production are followed by the facility budget. So all the information is pulled together for each facility and also for each program and can be viewed either way.

Staff has been working since December on the budget and a lot of work has been done on the capital needs list. Overall, the operational budget decreased by 1%. Healthcare costs continue to rise but there is no net increase since some staff have moved onto spouse's health care plan. Staff is generally outdoors, very active and healthy. Steve explained the health care reimbursement program. NSRAA pays 100% for employee and 80% for families. Total healthcare costs are about \$232,000 per year for 22 employees.

Steve has also worked on resolving some of the new cost recovery assessment issues and a meeting is set for April 26<sup>th</sup> with Revenue, Enforcement and ADFG Commissioners office. This all has to do with implementing an area collection of enhancement taxes for the seiners. Staff and industry are trying for 2012 implementation. Staff has done an analysis and this future program will be covered in detail later on the agenda. Enforcement seems to be the biggest issue. A Board member asked how the assessment would be an advantage to fleet and NSRAA. A seiner replied that the fleet would be able to fish all the mid week openings and would not have to stop for cost recovery and NSRAA would still receive the needed revenues to balance the budget. More information will be presented later in the meeting. Lon Garrison has been working on a new chinook remote release area with SJ hatchery/SSSC. He will be

submitting a PAR and thinks this will help the trollers get some of the Chinooks out of Silver Bay and thus avoid the jellyfish. They are reared at Medvejie and will be released at SJ.

Steve has applied for an additional 10 million chum egg permit increase at Medvejie. This will add 9 million fry to release and approximately 250,000 adults to potential harvest.

Steve has updated the Investment policy and Asset Allocation based on feedback from the Board.

IRS issue: Steve met with Larry Garr the NSRAA Attorney. Steve has a favorable opinion and we may be working with this person and firm for a couple years. A new letter was sent January 10<sup>th</sup> requesting an appeal of the decision made by the IRS Agent.

Steve was appointed to Sitka Economic Development commission for the City and Borough of Sitka. He presented a paper on marine carrying capacity at an Anchorage meeting. It is important to get an understanding of NSRAA programs out to the public especially in public forums.

Trout Unlimited has put out a new economic study that emphasizes the importance of habitat and takes into account the hatchery production, in a favorable manner. Steve contributed to the study which concluded that there is one billion dollars in value to the Tongass pristine habitat and it is great to have TU working positively with the Aquaculture Association.

Cora Campbell, the new commissioner of ADFG, is a welcome addition and we have an excellent past relationship with her. She has extensive experience with SE fisheries.

A member of the public asked for an update on the chum straying issues. Steve reported that ADFG research, 3<sup>rd</sup> year of surveys, have found that on the Northern inside the stray rate occurs up to 30% but in other streams it is less than 5%. The stray rate overall for Northern inside is 13%. On the outside it is quite low, less than 5% and 5-10% in one index stream. Steve and the Board discussed stray rates in salmon. Pinks stray at highest rate and then chum at the next highest rate. The natural stray rate for wild chums is unknown. There may be three meta-populations of chums in Southeast Alaska. If you get into the detailed extrapolated mathematics of genetic modeling, over time, a deleterious affect can be shown. However, empirical studies of chum salmon have not demonstrated the theoretical. Staff and the Board discussed NSRAA's commitment to protecting wild stocks. The organization must be able to demonstrate that NSRAA's salmon production programs and the harvest rates of the fisheries targeting the hatchery production causes no harm to wild stocks.

#### **Lon Garrison – NSRAA Operations Managers Report**

Fish Culture: This year staff is concentrating on a remedy for the fungus problem at Medvejie. Ponding season was cold and challenging but staff performed excellently. The Hidden Falls Kasnyku chums are now ponded and Takatz is being set up with the first transport of fry to Takatz scheduled for Friday. Saltwater overwinter chinook program: the “yearoes” have done surprisingly well. They have gone from freshwater, to salt water, to fresh water and now back in salt water again. A terrific job of management. The normal Green Lake yearlings are doing well.

The Hidden Falls coho at Medvejie are doing the best ever. At Deer Lake we are very encouraged and the Salmon Lake coho brood is doing well. The fish mortality has been very light and they have maintained their weight over the winter

Back to Chinook, at the Port St Nick hatchery near Craig, a valve was shut on the incubators and Chickamin Chinook were killed. NSRAA has 400,000 phased-out, zero-check Chinook fry that could be made available to the St. Nick hatchery, and also SSRAA needs 400,000 fry for Crystal Lake that ultimately go to Anita Bay. Both are pending ADFG approval. These fish are only available this year as a result of Board action consolidating NSRAA chinook programs last year. Board and staff discussed the

need for water flow sensors to alert staff when fish health is jeopardized. This would be in addition to the level alarms that NSRAA currently uses.

Facilities and programs:

At Medvejie, staff will be implementing the new strategy by moving about 2.5 million yearling chinook to Green Lake for reared which will then be brought to saltwater for overwintering. Another 600,000 fry will be reared at Medvejie traditional program with some 300,000 being moved to another remote site near SJ hatchery. Sustainable Salmon Fund has paid for electrical and lighting upgrades and some new pens for overwinter and improvement to adult recruitment into raceways.

At Sawmill Creek, the hatchery is status quo until 2012. NSRAA may try raising a few Chinooks to get bugs out of system. This is the last year of the wild egg-takes at Salmon Lake.

At Hidden Falls, the new standby generator is working quite well. Mike Poutney and Mike Martello are getting training on the alarm systems. Our staff, Pountney, Martello and Smith has made other major improvements to power and water management.

At Deer Lake the weather allowed staff to stay late into January and they are looking forward to the largest release of the largest fish ever. SSF net pens are being installed. Staff is returning now.

Staffing: No major staff changes on the horizon. Christi is helping with evaluation and some of the otolith work and also helping Chip with data. Roger will continue to lead the tagging program. For spring and summer lots of deferred maintenance work going on at all facilities and gearing up for the new net pens. Staff is working on the experimental net with a lead in net to continually collect adult chum for broodstock at Kasnyku Bay. Staff is still working with Jan Straley on whale research. The researchers have given us good information on unintentional clues that may be inviting whales. Chinook salmon smolt research in Sitka Sound is ongoing to help inform successful rearing and release programs. NSRAA is talking to ADF&G about Lisianski remote release projects. NSRAA is still looking for a chinook program there. It may be possible in Pelican in conjunction with the hydropower pipeline.

Break 3:15 to 3:30

#### **Haines Presentation - Tab 7 - Lon Garrison**

Haines projects are simple and include Streamside Incubation projects and Spawning Channel Management. Staff attempts to collect 4.6 million eggs and seed them into the streams. The Otoliths are marked by raising the water temperatures in the incubation boxes. The channels are managed by restricting fish access to avoid super-imposition of the redds. The President asked about the difference in survival rates between fed and unfed fry; making the point that NSRAA puts a lot of effort into these programs and it is hard to quantify the results and so evaluate the programs. Otolith marking of the fish helps staff to establish survival rates, but they will never really be known without a vigorous sampling program in the fisheries. Otolith marking makes sense at the 17-mile site because of the accessibility of the site but marking Otoliths at Herman Creek is difficult because of the remote location. Generally, survival rates of incubation box fry tracks with wild rates for unfed fry. A Board member made the suggestion that the staff include the season forecasts for returns with the facilities reports in the spring board books, because fishermen are always asking, "How many fish are coming back this year?" A board member asked for a simple graphical representation of success in attaining the egg take goal, asking the question, Did we get 90% or 60% of the goal? "The Board needs to be able to simply assess how successful the egg-take efforts are." A Board member asked "What is happening to the health of the fall chum return?" Staff and fishermen both discussed how glacial rebound and sedimentation may be causing the fall chums to decline. A troll Board member saw this as a possible opportunity for an enhancement program. Staff said fall chum returns were good in the Upper Chilkat and Klehini in 2008 and 2009, the generalization that fall chums are declining may not be correct. A Board member asked about the history of the former sockeye program in Chilkat Lake. Staff explained the old NSRAA project was built on some incorrect assumptions, and was discontinued

### **Hidden Falls – Tab 5 - Lon Garrison presented Scott Wagoner’s report**

Lon directed the Board’s attention to the Hidden Falls water temperatures chart. The chart showed the temperatures of both the A and B waterlines. Last spring’s slightly warmer temperatures really helped the fish. The lake water level chart shows the efficiencies that have been achieved with better monitoring of water flow and hydropower generation. During 2008 and 2009 water was drawn down so low the siphon effect took over, not desirable. If drawn down too low (~20 below spill) it can create venturii and sucks air into line and interrupts the water flow. We try to keep the lake as full as possible. Further monitoring improvements and valves are being designed. Staff is saving 2 million gallons of water per day at times.

Chum incubation and ponding is going well for both Hidden Falls and Takatz but the very cold saltwater temperatures make it difficult to get the fish feeding and growing. Board members discussed the egg take and release goals and made suggestions on how to graphically represent whether or not goals have been achieved.

Lon summarized the HF coho program. The staff is still adjusting it to produce better survivals and deal with BKD. The Coho also may have some osmo-regulatory stress. A Board member asked a question about the size of fish in the return. Staff said they vary over time but basically are keeping up their size and last year the fish were huge.

Other HF issues: NSRAA needs to be very conscientious about electrical power consumption and we need to continue to increase efficiencies as staff goes through the deferred maintenance projects.

### **Medvejie Hatchery Tab 4 Bill Colthorp**

Bill told the Board that this year is unusual because of the strange strong east and SE winds and williwaws. The HF fish are huge in size and the Medvejie fish are average, but still nice big fish. Bill is pleased that fry loss in the incubators was held to less than 600,000. Initially he thought it might get up to 1.5 million. Indications are that there is a bacteria growing in the water. Staff is working very hard to control and understand the issue. They are expecting a release of 3.5 million chinook fry. 2.9 M will go up to Green Lake and 1 M will come down and go into saltwater net pens. The 3.5 includes 650,000 reared at Medvejie. Bill predicts that we will run out of water and space and will move some of the fish to Sawmill Creek and Molly Ahlgren hatchery at the Science Center. Because the Board supported eliminating the zero check program staff has over 2 million BY 09 Chinooks on hand.

Last year’s Salmon Lake coho produced 168,000 eggs. The 2009 Salmon Lake brood are behaving beautifully. They are a nice weight and size and their activity pattern and behaviors are more like the Kasdashan coho. The March 28<sup>th</sup> transfer of 52 million fish to Deep Inlet occurred in 32 degrees. 10 million went to Medvejie. Chum rearing is going really well, no pinheads. Staff is a week and a half to two weeks ahead of the normal time on the transfers. Freezing water was a problem at Deep Inlet for awhile. The recently purchased on-demand propane hot water heater is very efficient. The solar panel is also really helping so gas usage is trimmed. A Board member asked where the Coho would be released. Until a new site is approved, the Coho will be released at Deep Inlet.

300,000 pinks are being raised @ Medvejie. Bill is critically reviewing the structure of the fish ladder at Medvejie and a USFS expert also helping. Changes to the ladder should improve broodstock recruitment. Bill described some long term goals to increase efficiencies. The Staff is limited by available space during chum spawning and are considering design changes.

### **Deer Lake Tab 6 Josh Homer**

In February Deer Lake was unusually warm and clear of ice. Due to the mild conditions camp was unoccupied for only 38 days. They were able to feed the fish until Jan 10 and the 23 grams and 125 mm size was maintained.

Camp reopened on Feb 25. The new covers very effective over-winter mortality was held to 9% which is very good. Camp was opened quickly and efficiently All 8 pens have fish and staff is working to pull the pens to the surface and to start feeding the fry. They plan to pump 400-500K weekly down to saltwater and then hold and feed the smolts at Mist Cove for at least 7 days. Pumping should be finished by the 30<sup>th</sup> of May. A total of 1.5 to 1.7 million Coho should be released this year. Staff will also experiment and hold some broodyear 2009 fingerlings in the lake an extra year. Typically, this has caused the releases to return in higher numbers (25% to 40%). 2.3 M fry will be stocked into the lake this year. Staff will build a net float to facilitate keeping the nets clean.

The President thanked the staff for their reports. Because a discussion of the NSRAA assets and Board Policies about the cash reserve will take place tomorrow he had asked staff to update the Board on NSRAA's current financial position. Current investments and liquid assets as of June 30, 2011 are projected to be \$9,849,180.97.

#### **Thursday Morning March 10, 2011**

Call to order 9:00 AM. Roll was taken.

#### **Salmon Lake Broodstock Coho and Weir report Josh Homer**

Josh presented a table of escapement 2001 through 2010 (preliminary) NSRAA operates the weir in agreement with ADF&G and the escapement ratio is of 1.2 to 1. The weir is working pretty efficiently. Staff hand counts fish through weir then beach seine and extrapolates to calculate how many fish go into the system using mark recapture techniques. Escapements in the past ten years range from 860 to 2,600. Part of the project is monitoring for coded wire tags to calculate straying. 0 CWT were found this year. 1 CWT was found in 2009. Broodstock development was difficult due to high water and few fish. 42 of the 57 females spawned tested negative for BKD. Staff beach-seined for more than twenty days; putting in a lot of effort for the very few fish that were caught. 12 were very low BKD positive still usable and only a few had to be destroyed. We ended up with 168,000 BY 2010 Salmon Lake coho. This is much better broodstock to use than the old Plotnikof Lake stock which had much higher BKD rates. Staff will begin operating the weir August 1<sup>st</sup>.

#### **Revolving Loan Fund - \$970,000 capital loan report Steve Reifentuhl**

The Budget Committee has recommended that the General Manager apply for a loan and to then bring the matter to the full Board for final approval and discussion. The loan will cover deferred maintenance and capital improvement expenses. The office will be repaired, net pens and other chum expansion expenses for Hidden Falls will be covered and Deer Lake expansion and improvements. The interest rate of the loan is determined by the current market. There is no interest for the first six years. The President gave some background from the budget committee discussion about the loan idea to the Board. Some of the capital improvements projects were related to creating new fish and another needed item is to replace the roof. The committee members still wanted to keep the annual budget expenditure within the intended \$500,000 capital improvements guidelines. It made sense to use loan fund to increase ability to generate revenue. This loan allows six years for the programs to come on line and then they can be paid back as they begin to generate funds. A resolution is need from the Board. The President said the intent is to avoid paying interest if possible, and to pay the entire amount back in one to two years, but the committee did not discuss repayment scenarios. Steve's recommendation is to make the single decision to accept the loan...then it is available to the organization to use. Next year if the Board approves \$500,000 capital budget it can be saved towards the loan. In effect the loan subsidizes the cost recovery requirement of \$500,000 per year by \$970,000. His recommendation is that NSRAA would pay the loan back all at once when it comes due. This may be a reimbursable loan and NSRAA may not be able to earn interest on the loan under the new terms.

**3-9-11(e) M/S Mitch/Alan The NSRAA Board hereby adopts the DED DCCED Corporate Resolution 3-10-11 authorizing General Manager Steve Reifentuhl to apply for a loan of \$970,000 for six years. The motion carried on a roll call vote 21 in favor, none opposed.**

**3-9-11(f) M/S Mitch/Alan Give Steve unlimited power of attorney for anything he wants to do without the need for a corporate officer to sign.** The Secretary explained that on certain occasions the signature of a corporate officer is required. The motion passed without opposition. **MCWOO**

**Budget and Income Plan for FY 2012 Steve Reifentuhl**

The General Manager reviewed the overall budget process with the Board. The Budget Committee recommended an Operational budget of \$5,222,074 and a Capital Budget of \$498,746 for FY 2012. The total value of chum needed is \$2.3 million to balance the budget. The Board discussed the increase in enhancement tax. It was \$1,834,046. This is significantly larger than the typical \$1.3 M of recent budget years. Total value of the fishery was \$150 million for all of Southeast. A seiner said that that seemed like a lot of money for a low pink salmon return year. Steve said the Department of Revenue does not share the formula for calculation of enhancement tax. A troller said for 2009 the enhanced fish value was \$37 million. Botso gave the budget committee report and asked for two separate motions. The budget includes \$200,000 for contingencies. The Board and staff discussed the amount to be paid for the work skiff and why it is needed.

**3-9-11(g) M/S Botso/Brian Massey Approve the Operational budget of \$5,222,074. The motion carried unanimously on a roll call vote.**

**3-9-11(h) M/S Botso/Richie Approve the Capital budget \$498,746. The motion carried unanimously on a roll call vote.**

**Break**

**Medvejie Chum Broodstock increase**

The ADFG is going to allow NSRAA to take an additional 10 million Chum eggs to be released at Medvejie in order to get more brood stock back. Steve put a lot of time into the PAR asking for this increase and was pleased the Department agreed with his rationalization. Lon presented a cost expense project sheet that detailed the additional incubators, net pens and nets. These expenses were not included in the current budget, because staff just found out the PAR will be approved. These fish will be released at the hatchery, not Deep Inlet. Medvejie dock space is at a premium and the new pen complex is getting completely built out into an 8 pen complex. Some of the chinook might need to be moved and/or some chums. To maintain good water quality we will need to locate other pens at a distance from the existing complex. The fish feed storage floats are all at capacity so we will need another float too. These expenses would increase the FY 2012 capital expenses by \$239,230 and Operational expenses will increase by \$43,000. A motion was made and withdrawn. Discussion continued.

**3-9-11(i) M/S Mitch/Paul To amend the FY 2012 Capital \$239,230 and Operating \$43,000 budgets to pay for the Medvejie expansion without increasing the projected amount to be raised through cost recovery.** A Board member said he supported the action to get more fish in the water. **The motion carried with 20 in favor 1 opposed.** This will produce more fish to catch and increase the broodstock return.

**3-9-11(j) M/S Deborah/Eric The NSRAA Board intention is to pay back the loan beginning when the fish return.** The NSRAA Board intention is to pay back the loan when the fish (using the example of the Deer Lake coho) become available. So the change would first appear in the FY 2014 or 2015 budget. The intention is to schedule payments so we are in a position to pay off the loan when it comes due in 2017. The Board members recognized that future boards may have other ideas about paying the loan back. **The motion carried with 18 in favor and 2 opposed.**

A board member said she would be very supportive allocating NSRAA financial resources to solving the water quality issue at Medvejie. The General Manager said this issue is of great concern to the staff they are developing a proposal to respond to the problem and will no doubt be bringing a budget item to the Board in the future.

**3-9-11(k) Richie/Eric To bring back motion (o) to take \$500,000 from the reserves and apply it to this year's cost recovery.** A Board member spoke against the motion because the large amount of enhancement tax realized this year is already a bonus to the organization and results in less cost recovery. It is also a big pink salmon year and fishermen will do well. The Treasurer asked the maker of the motion what his intentions are and whether he intends to ask to remove \$500,000 from the reserves again next year. The maker refused to answer the question. The President said he would not support removing this amount of funding each year from the reserves, but did support the motion at this time because his feeling is the reserve accounts are funded at an unnecessarily high level. Another Board member said he did not support the motion because it will make the Association less viable in the future. Another Board member cautioned that the organization is facing a potential \$3M liability to the IRS. Three more fishermen spoke in favor of the action. Points for and against the action were exchanged in a generally civil manner. **The motion carried on a roll call vote with 14 in favor, 1 abstention and 6 against.** After this change is made the total CR goal will be \$1,830,000 with HF at \$954,000 and DI at \$876,000

#### **Fisherman Ballot Format – Steve Reifenstuhl**

Board members have suggested the ballot include candidate's statements. The Board discussed whether or not to start with special election ballots. Board members referred to other fisheries organizations with similar practices. Statements need to be submitted within a week.

**3-9-11(l) M/S Richie/George all future NSRAA election ballots are to include candidate statements. MCWOO**

#### **United Fishermen of Alaska -Steve Reifenstuhl**

Steve said Arnie Thompson the new UFA President is doing very well. It is a very valuable organization. They are struggling with finances and membership. Steve encouraged folks to contribute. They have worked well emphasizing the importance of the statewide hatchery program. UFA is also working to improve the statewide loan fund. UFA is currently supporting the "Choose Respect" initiative. 20% of all people in Alaska have been abused. Deborah said fishermen are hardworking, decent men and she thought it significant that their statewide organization publicly supports treating people decently. NPDES processor permits are also an issue UFA is following. Other issues include killer whales causing king salmon fisheries to be shut down and marine spatial planning. Steve mentioned that UFA makes important recommendations to the Governor on candidates for the Board of Fisheries. Currently the Board composition is very anti-commercial fishing.

Break for Lunch

#### **Harvest and Cost Recovery Plans – Steve Reifenstuhl**

Trollers are looking for more opportunity on chums.

**3-9-11(m) M/S Eric/Richie To direct the NSRAA staff to manage HF coho cost recovery to maximize the troll harvest.** The Board members talked a lot about whether or not the fish are biting. Some Board members thought staff had already been directed to increase opportunity. Some Board thought the motion could restrict cost recovery while trying to afford more troll opportunity and if trollers can't get fish to bite both opportunities are lost and the quality decreases as the fish darken. **The motion failed on a vote of 2 in favor 16 nay and 3 abstentions.**

#### **Mist Cove**

Mist Cove coho are part of the request for proposals to processors to be sent out in late April 2011.

### Medvejie Kings

Cost recovery is planned for this year which may upset some of the hand trollers who have been fishing in the area.

### Carcasses All Facilities

The spawned out carcasses have been bid out on a three year contract. They are used for protein products.

### Deep Inlet Cost Recovery 2011- Chip Blair

The 2011 projection of 1,060,000 chums returning is similar to 2010's 1,078,000. Staff is predicting similar return timing. Approximately 110,000 chums are needed to meet the Cost Recovery goal. Last year's new schedule was well received. There was no closure of the inner bay other than when entire fishery was halted in August, 3:3 seems to work, and quality was good. The struggle with when was the optimum time to close. In retrospect we did hit the optimum time for a closure but it is difficult to assess in the midst of the fishing season. Chip and the Board members had a thorough discussion of several different options. Because of the new RFP and processor responsibility to conduct cost recovery, coupled with big pink return, it may be difficult to get the fish harvested. A Board member suggested that we try to manage the chums so they are built up in Deep Inlet on the 5<sup>th</sup> day. A processor suggested that staff be able to invite a processor in to harvest in July. Board members said you'd have to close the fishery for a longer amount of time in July. Staff said they are lucky to only have to harvest 110,000 fish this year; a larger number would be even more problematic. The Board discussed the August schedule for trollers and providing more flexibility for staff. A troller agreed if the end result produced better or more improved opportunities for fishing. Trollers need at least 24 hrs notice of the opening. Trollers will work with staff to fish 2 days during the closure.

**3-9-11(n) M/S John/Eric if there is a meaningful amount of fish in the bay NSRAA staff can give 2 days of fishing to the trollers with 24 hr notice and status quo otherwise. This only applies after shut down for cost recovery. Motion carried 22 in favor.**

The intent of motion was to provide the required 2 days of troll fishing time as early as possible, even during the cost recovery period if a good abundance allows. This is to be done in consultation with staff and the chum trollers, but not dictated by chum trollers. The Board took a short break to discuss options. When they returned to the table the President made a summary statement that the general consensus is to keep the rest of the schedule status quo.

### Board of Fish Proposals – Steve Reifentstuhl

Staff will submit BOF proposal identical to the way Bear Cove was managed last year. A new line has been established that keeps the trollers further out, reduces snagging and reduces the treble hooks in the fish being handled at the facility.

### Use of Net pens to capture broodstock – Steve Reifentstuhl

This proposal will be submitted. NSRAA will try out capturing fish this way this year. It will be done by Emergency Order at both HF and DI. It is allowed because it is a change that has no allocation impacts to the fleets.

### Deep Inlet Chinook-May and June Management – Steve Reifentstuhl

Steve was unable to come up with staff recommendation because of the different points of view. When the Board pulled nets out of SHA from May 1<sup>st</sup> to 3<sup>rd</sup> Sunday in June it became available to the trollers. Gillnetters felt they lost a lot of fishing time with not a lot of benefits received by the trollers. A troller spoke to keeping the line change as a board of fish proposal. A net fisherman said it didn't necessarily hurt the net fishermen. Board members discussed options and impacts.

**3-9-11(o) M/S Richie/Allan Change line of THA to the line exhibited from June 1<sup>st</sup> to the 3<sup>rd</sup> Sunday of June, no nets in area. Motion carried with 21 in favor and none opposed.** This proposal is to be submitted to the Board of Fish.

A Board member described the three chum troller's proposals that will be submitted to the Board of Fish. The proposals described did not have a direct impact on NSRAA activities.

A member of the public asked that more fishing opportunity be provided at Mist Cove during the closure. NSRAA staff said there was ADF&G opposition to expanding the area.

### **Chinook Release at Sheldon Jackson- Lon Garrison**

Staff has been working with the Science Center to develop a proposal for remote release of Chinook salmon. The idea is to have the fish returning to an area where the trollers can avoid the jellyfish in Silver Bay.

Lon described the current project elements:

- Move 550,000 Medveje Chinooks to SJ Hatchery in late April 2012
- 1.9 million smolts released will equal 11,000 adults returning with a total of 5,000 to the SHA
- There is a contract with SSSC to feed and rear the fish. NSRAA provides feed. The project is in the SSSC annual harvest plan.
- NSRAA would have to enter into an agreement to share cost recovery.

ADFG is currently lukewarm to the idea and Sportfish s concerned about straying into Indian River. SJ has released kings there for years and years. Few fish have gone into the river and few emergent fry survive. NSRAA would apply for the PAR, none is currently submitted. It will be for next year. First year of return would be 2015. Board members brought up a concern that this would quickly turn into a snagging fishery even more difficult to manage than the situation at Bear Cove. A gillnetter said the original idea was to stop releasing kings at Deep Inlet. This solution doesn't solve that problem. A troller said this area is not really used for trolling it is shallow and there is a lot of traffic with cruise ship lightering. The Cascade Creek area would be better. SJS/SSC is not the best site but it's better than nothing. Creating a sport fishery here will likely cause conflicts with commercial fishermen. A number of Board members were concerned the projected benefits of this program would not outweigh the possible negatives. Board members and members of the public expressed interest in Promisula Bay as a possible chinook release site. Staff said although Promisula Bay has some potential it would cost more and present cost recovery problems. Fish would go into the water at SJ/SSSC spring of 2012.

**3-9-11(p) M/S Eric/Brian The NSRAA staff is authorized to work with SJ/SSC to rear and release king salmon. The motion carried with 12 in favor and 9 against.** Steve said we might be able to look at some alternatives to the proposal, perhaps scaling back the size of the release. The Board can discuss the proposal again at the fall meeting. A Board member said although they didn't support the proposal they would like to see NSRAA sponsor opportunities for kids to fish.

**3-9-11(q) M/S John B/Eric Authorize Steve to prepare BOF proposals to deal with snagging etc. at the SJ/SSSC facility. MCWOO**

### **Contingency Discussion**

A Board member asked for a clarification on the balanced budget plus the \$200,000 contingency. The President explained the funds are still in place (they weren't spent last year) and did not need to be reauthorized. The Board member who originally sponsored the action to create the contingency said his intention was for the \$200,000 contingency to be authorized each year and if it is not spent it should be transferred to the reserve account according to the policy as a way to add a little each year to the reserves. The contingency account will be discussed again tomorrow when the reserve account discussion occurs.

### **New Facility Development Committee Report and Discussion**

The committee met last night. Committee members are Paul Johnson, Eric Jordan and Botso (Richard) Eliason. Paul gave the report and presented a set of proposals for board action.

**3-9-11(r) M/S Paul/Richie The NSRAA Board directs the staff to investigate Pelican and Excursion Inlet for hatchery development with a focus towards summer chums and other applicable species.** Staff thought more discussion with ADFG might resolve problems. NSRAA staff did not believe there are Lisianski wild stock concerns. Other committee members supported the idea. Some cost recovery would be designed in. The water source will limit the size of the program. Staff thought \$5,000 was needed to fund developing the concepts. Developing a THA or SHA would be part of the proposal. Board members discussed where the \$5,000 would come from. A separate action was recommended to deal with the funding issue. **The motion carried with 20 in favor 1 opposed.**

**3-9-11(s) M/S Paul/Richie The NSRAA Board directs the staff to identify potential hatchery sites in association with new hydropower development in southeast Alaska. The motion carried with 20 in favor and 1 abstention.**

**3-9-11(t) M/S Add \$5,000 to the FY 2012 Cost Recovery goal and amend the operating budget. The motion carried on a roll call vote with 20 in favor and 1 against.**

#### **Baranof Warm Springs Update – Steve Reifentuhl**

The RPT meeting did not support Baranof Warm Springs proposal. Mr. Young is now proposing a 3 million smolt coho or chinook facility. He is also meeting with Congressional committees about his hydro project. The Board President told Mr. Young over the phone that he felt his proposal is not realistic and he is not doing a good job of recruiting support or responding to concerns.

The President invited other representatives of PNP's present to speak.

John Oliva from Gunnuk Creek Hatchery reported that they have two PARS in for consideration at the RPT. One PAR would increase pinks and help their revenue from cost recovery. The other PAR would increase coho production to 500,000.

#### **NSRAA Scholarship Report- Steve Reifentuhl**

The scholarship application is on the website. Applications for academic and technical scholarships are being received. Currently the amount awarded is \$2,500 and two are given. The Board created a third scholarship at the last meeting, but the action was overlooked by the budget committee and the third scholarship is not yet implemented. The original endowment is not creating enough earnings to sustain the scholarship levels. Board members agreed to come back to this discussion item tomorrow. Deadline for applications is April 15<sup>th</sup>.

Break for the evening

#### **Friday Morning**

Call to order 9:00AM

Roll was taken

#### **Enhancement Program Modification Update – Lon Garrison**

Lon said the morning Tsunami alert because of the earthquake in Japan showed that we actually have a pretty good warning system in place via the CBS Police Department calling system and there are no problems reported at any of the facilities, but staff still have not heard from the folks at Deep Inlet.

Lon summarized recent changes to the chum program: At HF we have increased the chum eggtake goal by 10 M from 91 to 101 M now permitted and the broodstock goal has been adjusted upward to 150,000.

At Medvejie the new PAR approved will allow us to go up 10M so the new goal changes from 65K to 75K; of which 20 million will be released from Medvejie/Bear Cove.

Lon summarized recent changes to the chinook program: At Medvejie we are increasing the Green Lake yearling program to 2.5 M smolts. The zero check program has been eliminated. We are reducing the Medvejie yearling program to 550,000 smolts. Capital needs of \$160,100 for these changes were funded by AK Sustainable Salmon Fund and there is no net change to the operations budget. The changes have the potential to increase in fishery value by \$1.1 million dollars

Lon summarized recent changes to the Hidden Falls chinook/coho programs: At HF we are increasing the coho program to 3.5M smolts. These will be reared as 2.5 M fresh water smolts and 1M salt water over wintering smolts. We are reducing the Hidden Fall chinook yearling program to 650,000. We are researching changing Andrews Creek to Unuk River Chinook broodstock. This could improve marine survival. Capital needs total \$81,300 funded by NSRAA and in this year's capital budget. We are working on a system to advance getting 1M coho fry larger to minimize osmoregulatory issues. The Goal is to have them at 16 grams. Operational costs are reduced by \$50,000 and the fishery value should increase by \$940,000.

Lon summarized recent changes to the Deer Lake coho programs: We are increasing production to 3.1 M fry. This will occur spring of 2012 and the goal is to get 2.1 to 2.5 M coho smolts out of the lake the following year. The capital need of \$277,600 was funded by the sustainable salmon fund. The operational cost has increased by \$72,000 annually. Estimated increase in fishery value is \$500,000 per year.

Staff has researched remote chum release sites on Baranof Island: The unnamed bay north of Cascade Bay, or Nelson Bay, a popular anchorage, might work. Net pens could be in the area part of the year and the anchorage would still be accessible for the public use but there is room at both sites for a net pen complex. We still need to assess for SE or E wind.

#### **General Manager Evaluation – Steve Reifentstahl**

Steve has been working with Deborah and Marlene on a form for the general manager's evaluation. The Board and staff have been working to develop this process for two years and we are about done. It includes specific annual objectives that are recurring and opportunity to add and subtract annual goals as needed. The Manager and board will develop the annual objectives together. There are also general performance criteria as part of the evaluation. The Board will fill out the evaluation annually during the Board meeting. The completed forms would go to executive committee, a designated committee or an individual, and the information transmitted to the General Manager at a meeting.

**3-9-11(u) M/S Eric/Brian NSRAA Board approves the evaluation committee protocol and evaluation form.** Board members thought the process was a good beginning. The Board wanted to just try out the evaluation process and not tie it to bonuses at this time. The evaluation strives to establish clear and measurable objectives for the manager. The evaluation form will be included in the board packet. The Board discussed the Satisfactory, Unsatisfactory or Outstanding categories. The evaluation process provides a channel of communication and comments are delivered anonymously. The Board is expected to provide an explanatory comment if Unsatisfactory is chosen as a performance standard. **MCWOO**

#### **Finance Committee Report/Investment Policy – Steve Reifentstahl**

The Investment Committee (Deborah, Kevin, and George) have been working with the General Manager to update the Investment Policy. Steve distributed a sheet called NSRAA financials & Investment Allocation that the Board reviewed. The policy incorporates several basic concepts, but most importantly changes the asset allocation to one that is a bit more aggressive than our current extremely conservative management of the NSRAA investments. The policy sets up benchmarks for performance of the funds and performance of the money manager. It is the Board intention to inflation proof the investments via the

earnings of the investments. Currently 91% of the investment is in money market funds and fixed income. These funds are currently earning less than 1%, taking into account the fees we pay we are going backwards. The policy allocation would change to 12.2% in equities, 20.3% in fixed income, 67.5% liquid short term. A Board member mentioned that NSRAA should consider a no load investment house, like Vanguard. Another Board member said the organization that he works with has endowments invested with Vanguard. A Board member mentioned that we don't want to overload Steve with work. Board members suggested that proposals should be sent to firms to see what investment services they could provide NSRAA. A Board member spoke against the proposal saying that saving money in the bank is a mistake and the funds should all be invested in producing fish.

**3-9-11(v) M/S Paul/Richie go with the proposed asset allocation ranges and risk levels as proposed in the new investment policy.** The President suggested that if a better situation appears before November the General Manager should consult the Executive Committee and Investment Committees. **MCWOO**

## **Break**

### **Reserve Account Recommendations- Board of Directors**

The President and Board engaged in a discussion about whether the reserve funds are set at the appropriate levels. They reviewed the existing Policy 2002-1 Tab 3 page 9. The Board discussed different options, made and withdrew a motion, and then decided to work through the old policy line by line, to make it more current with the needs of the organization and the desires of the Board. Board members discussed why the policy was created, inflation-proofing, and the desire to have the Operating Reserve level regularly adjusted to track with the annual operating expense.

**3-9-11(w) M/S Barry/Jordan Amend the NSRAA Policy 2002-1 to \$5.5 M Operating Fund, \$2 M Capital Fund and make edits to policy language. Motion carried unanimously on a roll call vote.**

### **NSRAA Policy 2002-1**

As amended 3-11-2011

#### **Goals and Objectives**

The goals and objectives of Policy 2002-1 are:

- I. To provide a long term funding mechanism to supplement the yearly operational budget income requirements and thereby make more fish available for the common property fisheries.
- II. To fully fund the following Board established accounts.
  1. Operational Reserve Fund
  2. Capital Improvement Fund

#### **Implementation Strategy**

As of 3-11-2011 the accounts are fully funded

- I. Initially, all of the investment earnings from the Accounts shall be re-deposited to the Accounts and in the order shown below. Other excess funds may be deposited to the accounts as the Board determines appropriate. This shall continue until the Accounts are fully funded. Fully funded shall mean maintaining the Accounts at the following levels.
  1. Operational Reserve Fund of \$ 5.5 million
  2. Capital Improvement Fund of \$ 2 million
- II. When the Accounts are fully funded the investment earnings of the Accounts shall be used as directed by the Board.

- III. If the Accounts values fall below the fully funded target levels, the Accounts shall be restored to their target levels in accordance with Section I.
- IV. The Board shall periodically adjust the target values as it deems necessary to inflation proof the Accounts.
- V. Changes to this policy shall only be made in a manner consistent with the By-laws of the Association.

Break at 12:20 return at 1:45PM

The Board has an amount of undesignated funds that are not in Board-designated funds. The President asked the Board what they want to do. Generally the Board wanted \$3 million to remain available in case the IRS decision is against NSRAA. The IRS decision will not be for 18 months to two years. A Board member said he would like to see the funds designated for new production. Board discussion about the scholarship fund...will be addressed later. Board intent is to fund three scholarships.

**3-9-11(x) M/S Barry /Richie Create Board Policy 2011-1 The NSRAA Board designates \$1,850,000 to be used for new or increased production. The earnings will be reinvested in the fund.** New and increased production projects will be approved for funding from this account on a majority vote of the Board. The fund level may fluctuate up or down depending on how it is invested. **The motion carried on a roll call vote with 20 in favor.**

**The Board reviewed NSRAA Policy #11-08-05C which designates that excess income funds are split 50% to cost recovery and 50% to the reserve accounts.** The Board decided the policy didn't need to be changed because now that the accounts are fully funded they don't need additional funds and can be directed to reducing cost recovery or whatever else the Board wants to do. The Board also discussed how the contingency account is working with some saying part of it should go to funding reserves, if they need it and some others saying you only back fill the contingency if it is spent through the actions of the budget committee

**3-9-11(y) M/S Lyons/Carle Rescind policies 11-18-05A and 11-18-05B.** The Board reviewed the cost recovery policies. The Deep Inlet and HF cost recovery reserves were created but never used and the staff and Board found them unnecessary.

**3-9-11(z) M/S Sven/Botso Table the motion until a quorum is present.**

#### **Scholarship fund**

**3-9-11 1a) M/S George/Richie Set the amount of the 3<sup>rd</sup> scholarship established at 11-15-10(u) Board meeting at \$2,500 and to annually fund all the scholarships as line items through the annual operational budget process.** Total will be \$7,500. **The motion carried unanimously on a roll call vote.**

#### **Cost Recovery Assessment Hidden Falls – Reifenstuhl and Blair**

Staff presented a retrospective assessment of the HF Cost Recovery program. There is interest in developing an area wide assessment which would collect the needed funding for the NSRAA expenses from seine boats fishing in the area. Switching to this program would provide a big benefit to the fleet because it would allow the three northern area districts to remain open to fishing. The assessment program would apply only to chums. Chip had created scenarios for each of the past five years demonstrating how the program would have worked. Adjustments per year were needed because the projected size of the return and the projected price of the fish varied and the process of collecting the assessment required making adjustments for overages and underage. Overall a 23% assessment would need to be collected. Steve explained Revenue will set the assessment. It is important that NSRAA and

seine fleet reps work closely with Revenue to set an accurate and informed assessment. A fisherman made the suggestion that a fixed price per pound instead of a percentage was favorably received but may not fit the language of the law. A meeting is set for later this spring to get Departments of Law, Revenue and Fish and Game in the same room with fishermen and NSRAA staff to see how the program could work.

**3-9-11( 1b)** M/S Deb/Eric Direct NSRAA staff to develop a Board of Fish proposal to facilitate implementation of the HF Cost Recovery Assessment. **MCWOO**

### **Rescind Cost Recovery Policies**

**3-9-11( 1c)** M/S Deb/Sven Take the motion w from the table. **Motion carries on a roll call vote.**

### **Scholarship Program**

Board discussed the scholarship program with Jean Myer NSRAA Office Manager. The Board intent is to award 3 scholarships 2 for 4 year program and one for 2 year trade school. If no applications are received in either category the type of scholarship may vary. Scholarship Committee is George, Deb and Jean. Please bring recommendations to the Board at the next meeting.

Break

### **Didenum Vexillum**

Marlene reported on the presence of invasive colonial tunicate in Whiting Harbor. ADF&G is advising no boats transit or anchor in the area.

### **Cost Benefit Analysis Update - Chip Blair**

A new accounting method has been developed using actual historical data. It describes what really happened instead of what we think might happen.

### **President's remarks**

The President thanked the staff for everything they do to help with Board meeting. The home made food is appreciated.

### **Seine seat discussion - Board.**

The Board would like any Sitka seiners interested in the seat to run for an at-large seine seat.

Set date of next Board meeting  
November 9<sup>th</sup> 10<sup>th</sup> and 11<sup>th</sup>

*Deborah A. Lyons*  
Secretary/Treasurer

## **NSRAA Board of Director's Meeting Minutes ~ SPRING 2011**

March 9-11      1308 SMC Rd., Sitka, Alaska

### **SUMMARY OF ACTIONS**

#### **Approve Agenda**

**Motion 3/9/11 (a) M/S George E/ Richie Approve agenda as amended. MCWOO**

#### **Approve Minutes**

**Motion 3-9-11(b) M/S Approve November minutes as amended. Richie/Brian  
MCWOO**

#### **Election Committee report**

**3-9-11(c) M/S Eric/Brian To accept some of the election results and seat Brad Badger-Haines  
Gillnet, John Barry-At Large Seine and John Carle-At Large Seine. MCWOO**

#### **Election of Officers**

Alan/Mitch Nominate Kevin Pres. Nominations closed.

Mitch/Karl Nominate John Barry Vice President. Nominations closed.

Botso/Alan Nominate Deborah Lyons Secretary/Treasurer. Nominations closed

**3-9-11(d) M/S Eric/Sven Close all nominations and elect the slate of officers by acclamation  
MCWOO**

#### **Revolving Loan Fund - \$970,000 capital loan report Steve Reifenstuhl**

**3-9-11(e) M/S Mitch/Alan The NSRAA Board hereby adopts the DED DCCED Corporate  
Resolution 3-10-11 authorizing General Manager Steve Reifenstuhl to apply for a loan of \$970,000  
for six years. The motion carried on a roll call vote 21 in favor, none opposed.**

**3-9-11(f) M/S Mitch/Alan Give Steve unlimited power of attorney for anything he wants to do  
without the need for a corporate office to sign. MCWOO**

#### **Budget and Income Plan for FY 2012 Steve Reifenstuhl**

**3-9-11(g) M/S Botso/Brian Massey Approve the Operational budget of \$5,222,074. The motion  
carried unanimously on a roll call vote.**

**3-9-11(h) M/S Botso/Richie Approve the Capital budget \$498,746. The motion carried unanimously  
on a roll call vote.**

#### **Medvejie Chum Broodstock increase**

**3-9-11(i) M/S Mitch/Paul To amend the FY 2012 Capital \$239,230 and Operating \$43,000 budgets to pay for the Medvejie expansion without increasing the projected amount to be raised through cost recovery. The motion carried with 20 in favor 1 opposed.**

**3-9-11(j) M/S Deborah/Eric The NSRAA Board intention is to pay back the loan beginning when the fish return. The motion carried with 18 in favor and 2 opposed.**

**3-9-11(k) Richie/Eric To bring back motion (o) to take \$500,000 from the reserves and apply it to this year's cost recovery. The motion carried on a roll call vote with 14 in favor, 1 abstention and 6 against.**

**Fisherman Ballot Format – Steve Reifentstuhl**

**3-9-11(l) M/S Richie/George all future NSRAA election ballots are to include candidate statements. MCWOO**

**Harvest and Cost Recovery Plans – Steve Reifentstuhl**

**3-9-11(m) M/S Eric/Richie To direct the NSRAA staff to manage HF coho cost recovery to maximize the troll harvest. The motion failed on a vote of 2 in favor 16 nay and 3 abstentions.**

**Deep Inlet Cost Recovery 2011- Chip Blair**

**3-9-11(n) M/S John/Eric if there is a meaningful amount of fish in the bay NSRAA staff can give 2 days of fishing to the trollers with 24 hr notice and status quo otherwise. This only applies after shut down for cost recovery. Motion carried 22 in favor.**

**Deep Inlet Chinook-May and June Management – Steve Reifentstuhl**

**3-9-11(o) M/S Richie/Allan Change line of THA to the line exhibited from June 1<sup>st</sup> to the 3<sup>rd</sup> Sunday of June, no nets in area. Motion carried with 21 in favor and none opposed.**

**Chinook Release at Sheldon Jackson- Lon Garrison**

**3-9-11(p) M/S Eric/Brian The NSRAA staff is authorized to work with SJ/SSC to rear and release king salmon. The motion carried with 12 in favor and 9 against.**

**3-9-11(q) M/S John B/Eric Authorize Steve to prepare BOF proposals to deal with snagging etc. at the SJ/SSSC facility. MCWOO**

**New Facility Development Committee Report and Discussion**

**3-9-11(r) M/S Paul/Richie The NSRAA Board directs the staff to investigate Pelican and Excursion Inlet for hatchery development with a focus towards summer chums and other applicable species. The motion carried with 20 in favor 1 opposed.**

**3-9-11(s) M/S Paul/Richie The NSRAA Board directs the staff to identify potential hatchery sites in association with new hydropower development in southeast Alaska. The motion carried with 20 in favor and 1 abstention.**

**3-9-11(t) M/S Add \$5,000 to the FY 2012 Cost Recovery goal and amend the operating budget. The motion carried on a roll call vote with 20 in favor and 1 against.**

**General Manager Evaluation – Steve Reifentstuhl**

**3-9-11(u) M/S Eric/Brian NSRAA Board approves the evaluation committee protocol and evaluation form. MCWOO**

**Finance Committee Report/Investment Policy – Steve Reifentstuhl**

**3-9-11(v) M/S Paul/Richie go with the proposed asset allocation ranges and risk levels as proposed in the new investment policy. MCWOO**

**Reserve Account Recommendations- Board of Directors**

**3-9-11(w) M/S Barry/Jordan Amend the NSRAA Policy 2002-1 to \$5.5 M Operating Fund, \$2 M Capital Fund and make edits to policy language. Motion carried unanimously on a roll call vote.**

**3-9-11(x) M/S Barry /Richie Create Board Policy 2011-1 The NSRAA Board designates \$1,850,000 to be used for new or increased production. The earnings will be reinvested in the fund. The motion carried on a roll call vote with 20 in favor.**

**3-9-11(y) M/S Lyons/Carle Rescind cost recovery policies 11-18-05A and 11-18-05B.**

**3-9-11(z) M/S Sven/Botso Table the motion until a quorum is present.**

**Scholarship fund**

**3-9-11( 1a) M/S George/Richie Set the amount of the 3<sup>rd</sup> scholarship established at 11-15-10(u) Board meeting at \$2,500 and to annually fund all the scholarships as line items through the annual operational budget process. Total will be \$7,500. The motion carried unanimously on a roll call vote.**

**Cost Recovery Assessment Hidden Falls – Reifentstuhl and Blair**

**3-9-11( 1b) M/S Deb/Eric Direct NSRAA staff to develop a Board of Fish proposal to facilitate implementation of the HF Cost Recovery Assessment. MCWOO**

**Rescind Cost Recovery Policies**

**3-9-11( 1c) M/S Deb/Sven Take the motion (w) from the table. MCWOO. Motion (W) carries unanimously on a roll call vote.**

**END**