

NSRAA Board of Director's Meeting Minutes ~ FALL 2013

November 12 & 13th, 2013

1308 SMC Rd., Sitka, Alaska

Call to Order: 9:00 AM November 12, 2013

The meeting was called to order by President Kevin McDougall.

Roll Call

Gillnetters present: Richard (Botso) Eliason, Jr., Kevin McDougall, Mike Nilsen and Dan Pardee. Seiners present: John Barry (late), Mitch Eide, Sven Stroosma, Dean Haltiner, and John Carle. Trollers present: Alan Andersen, Richie Davis, Karl Petersen for Eric Jordan (late), George Eliason, and James Moore. Other Board members present: Will Bergman – Conservation, John Blankenship-Subsistence, Marlene Campbell-Municipality, Mike Forbush-Processor, Carl Johnson-Interested Person, Deborah Lyons-Crew Member, Wade Martin-Native Organization, Brian Massey-Sport, Dave Moore-Interested Person, and Karl Wolfe –Interested Person. Absent – Brad Badger-Gillnetter.

Staff, Agencies and Public present. NSRAA Staff: General Manager-Steve Reifenstuhl, Office Manager-Jean Myer, Scott Wagner-Operations Manager, Chip Blair-Data Analyst, Angela Bowers-Medvejeje Manager, Bill Lyden Sawmill Creek, Adam Olson- Hidden Falls Manager, and Carrington Gorman Coho Lake Rearing Program Manager. Agencies: John Oliva-KNFC and Jonathan Kreiss-Tomkins-Alaska State House Representative. Public: Linda Danner and Carl Peterson – Chum Trollers Association, Fred Fayette-Troller, Charles McCullough-Seiner and Eric Jordan-Troller and founding Board Member NSRAA.

Establish Quorum: 22 of 25 Board members are present at 9:00 AM. 2014 Appointed seats: John Blankenship-Subsistence, Dave Moore-Interested Person and Marlene Campbell-Municipality.

Introductions: NSRAA Staff and Board members introduced themselves. Others attending the meeting also introduced themselves.

Approve Agenda:

Mitch added discussion of alternate meeting place to the end of the meeting. President and General Manager recommended: Move project opportunities agenda item to 4 PM today. Do financial snap shot tomorrow. New facilities will meet tonight.

Motion 11/12/13 (a) M/S Brian/Mitch to approve the agenda as amended. MCWOO (Motion Carried Without Objection)

Approve Minutes

Motion 11/12/13(b) M/S The President asked the Board whether they would be in favor of adopting the minutes of the March 2013 Board meeting as written. MCWOO. The General Manager, President and several Board members complimented the Secretary on well she had recorded a controversial discussion from the prior meeting.

Announcement

Board members were reminded to get any financial reimbursement/travel information to Jean this morning, if possible.

Conflict of Interest Statements

Steve explained that the Board members will be filling out and returning the conflict of interest statements once per year at the Spring Annual Meeting, instead of at every meeting. So this item will appear only on the Spring Agenda. The conflict-of-interest statements are required on the advice of our accountants as part of the annual return filed with the IRS.

General Manager's report – Steve Reifenstuhl

Steve greeted the Board and referred them to his eleven page written report that covered events since the last Board meeting, information on the salmon returns, financial notes, etc. He will also be speaking to seven items on the agenda. Therefore he planned to make his current report brief.

Steve said this was an outstanding year. During the past year NSRAA realized returns of fish totaling \$20 million dollars in ex-vessel value and a record troll chum catch in value and volume in Eastern Channel. 91% of the all fish produced went to the common property fisheries; NSRAA long term average contribution is 80%, this far exceeds the general state guideline of 70%.

Stepping aside from the quantitative summary of NSRAA's success, Steve took a moment to speak to the Board about the quality of NSRAA's staff and programs. A representative of one of the companies that sells feed to the Alaskan hatchery programs, and has been to every hatchery in the state numerous times over the past 20 years, recently told Steve that NSRAA staff is the "gold standard" of everything he has seen in the industry whether Washington, Oregon, California or Alaska. That "Gold Standard" contributed to the successful year as well as the abundant return.

Staff met and exceeded their own benchmarks this year. They met spawning goals and exceeded past records of efficiency at Hidden Falls and Medvejie. They continually focus on improving system efficiencies and utilize team problem solving. For example, Deer Lake had 19 inches of rain in three days, logs floated loose and smashed into the weir. Carrington and Scott consulted over the phone, worked out a plan and repaired the damage, resolving a dangerous situation without damage or injury. Another example: The Hidden Falls hydro went down last weekend. This would have been a \$500,000 repair, if it had needed replacement. Adam and staff spent two days (and nights) trouble shooting. They systematically isolated components of the system, identified the problem and made the repair. These types of problems are not unlike what most fishing boat owners experience in the course of the season.

Medvejie had an unique problem this year when unusually warm water temps contributed to spread of a never-before-seen parasite in the Green Lake Chinook. Angie and staff worked diligently to identify a way to treat the fish and turned what could have been an extreme loss into a relatively successfully managed release. A complete report will be given later in the meeting

The manner in which these difficulties were handled illustrates the quality of the NSRAA staff and "what they are truly made of." NSRAA staff has a work culture that is invested in what we do. Creativity and hard work are recognized, and the work culture reflects the hard working values of the fishing fleet in general. Steve thanked the staff for their hard work and dedication. Steve was speaking from his heart when told the Board his personal relationships with the staff, Board members and his family are very deeply satisfying and rewarding, and that he is looking forward to the challenges of the year to come.

A Board member asked Steve to clarify the apparent discrepancy in the Financial Statements. The total investments state that at end of June NSRAA had \$9.7 M total and then end of October value is \$1 M less? Steve explained this is due to unreimbursed expenditures under the grants and cash flow that has changed with implementation of the new Hidden Falls Assessment program. A more detailed explanation will be given in tomorrow's report. A Board member inquired whether "Gold Standard Staff" are being paid enough? Steve answered that he had been working with the Board President on that issue and adjustments in compensation had been made.

Operation Managers Report – Scott Wagner – PPP posted on the website

"Permitting is an ongoing issue, assisting with fleet monitoring continues to improve and staff got started on new project development with the community of Pelican."

Operation Highlights: "Having an extremely large construction project (the Hidden Falls dock) going on in the middle of a very busy year added complexity to the challenges of egg takes. There were no low water issues at any facility despite the August drought. NSRAA has actually had a 2-3% decrease in the price of fish feed."

Facilities Highlights: Medvejie may be ponded in January, earliest in ten years.

At Sawmill Creek hatchery the very first transfer of smolt to Deep Inlet occurred and the first 1.4 million eggs are in the incubators; the volume we need to meet the release goal of 1 million coho.

At Medvejie: Every chum net pen was towed out of Deep Inlet and released outside of the bay; to avoid predators. Because we have been gradually shifting the Medvejie Chinook eggtake to Hidden Falls we had surplus Chinook eggs and some (650 K) were taken and sold for use at Crystal Lake. We had the largest revenue from beach seine chinook at Medvejie this year. At Medvejie we collected 3M chum eggs to go to Sitka Sound Science Center.

Construction Projects: At Medvejie we are improving the water system and the water quality. A new lower collector pump has been installed and new water evaluation procedures are in place. We have developed an additional back up source. The older trailer has been moved to be used elsewhere and the new duplex is underway.

The first successful Sawmill Cove release of 9 M coho at the target 4 gram weight occurred this year. HF facility Highlights: Pier work is now complete but during construction, from June to October, the staff was working without a dock. Accomplishing the egg take was quite a feat. Staff accomplished the largest chum egg take ever- with 154 M for NSRAA projects, 29 M for Gunnuk Creek/SE Cove and 650 K chinook for SSRAA Crystal Lake Hatchery.

The Deer Lake coho return experienced a very good 56% troll interception and an 11% survival rate. Largest coho release in project history occurred. There were extra coho fry at HF, in excess of permitted amount, and a permit was obtained for natural release into Cliff Lake rather than wasting the fish. The Banner Lake Fish Transport Permit (FTP) has been received. This will allow us to alternate between lakes if needed.

Brood Stock/Tax Assessment at Hidden Falls. 119,000 chum were seined for broodstock and 12,000 entered volitionally (got in behind the net under their own power). A total of 131,000 chum were enumerated behind the barrier net. Because of the early peak to the run staff started spawning on July 17th, immediately after counting, and got 146,000 total rack with 5,000 females as roe. Staff almost had to grind carcasses because of the lack of tender vessels, which happens in high abundance pink salmon return years.

The HF Tax Assessment Program went well with no reporting discrepancies; excellent compliance for the second year from the seine fleet. The 2 day pink openings and a larger area to cover presented challenges but staff covered the area. There was 1 reported incident of fishing in closed area caused by a seine vessel repeatedly into too close to NSRAA nets. This was not related to tax assessment compliance.

The Special Harvest Areas at Hidden Falls and Mist Cove agreement was reached at the fall Regional Plan Team meeting with ADFG with areas and times to be specified in Annual Management Plan but there was a lack of agreement about the AMP language and ADFG did not cooperate as anticipated, but we were able to achieve our goals.

There were minor issues at Mist Cove with the new troll area. Five boats harvested 5,700 coho.

Hidden Falls closure area - Staff put out a cork line to make the closed area more obvious. The area is needed to count the fish and to protect the net. Last year a seine skiff tore the and did not let staff know, so fish that had been counted escaped compromising staff numerical estimates. A Board member said "Move the line out to make the boats behave." Steve said, "Staff gives as much opportunity to the fleet and did try this compromise attempt, and it did fail this year due to a couple of bad actors, who will now be appearing in court. We were hoping for responsible behavior. Reporting the incident was not an alternative we had wanted to take."

Permitting -The USFS 30-year Hidden Falls Special Use Permit expired in 2008 and NSRAA has been getting one-year extensions. USFS archeologist, botanist and administrator were finally able to get out to the site and begin the work for the reports they will need for NEPA requirements. Deer Lake is in a similar situation with the long term permit having expired and wheels turning to get the new long term permit in place. Cliff Lake and Banner Lake FTP's are in place. The Medvejie tidelands permit is coming up for discussion at tonight's CBS Assembly meeting. It expired in 2013 but it has been pending until another tidelands issue was settled.

Scott reported on the five active **grant funded projects**. They are: Hidden Falls Deferred Maintenance II and III. The Hidden Falls/Medvejie Central Incubation Facility Grant (nearly complete). The Medvejie Maintenance and Facility Improvements grant (Duplex, siding/ water) and the Haines/Skagway Spawning Channels grant project. We have spent over \$1 Million dollars in grant funds this year on construction projects and the next two years will continue to be busy.

New Project Development: Because Pelican got their permit approved at the last minutes and because the needed eggs showed up from DIPAC, staff decided to recycle the old west Port Camden incubation boxes for use there. "It all worked out in the nick of time." Scott showed photos of the boxes and the water system, saying "We are running incubation boxes on high water pressure, this is new." The City of Pelican has a permit for 500,000 marked chum eggs; 250,000 per incubator. This data will help determine future feasibility of the project.

There was a Board question about the HF hydro. The hydro is 30 years old and beginning to become unreliable. A failure of the hydro could result in catastrophic loss of Hidden Falls production. NSRAA staff has grant funding and are developing plan for a replacement or secondary. Staff is weighing options. "We have over \$1 M in grant money in hand to fix the long term hydro issue, but will come to Board if we need more money." Misc comments after the presentation: The President referenced Tab 3. He liked the report

on page 33 showing what percent of the release goal is being achieved each year. This new assessment tool helps staff too. DIPAC will get credit for their \$1.5M contribution. Chip will make complete presentation. The 91% contribution to common property fisheries does not include the Hidden Falls assessment tax.

2013 Salmon Season and 2014 Forecast - Chip Blair, Data Analyst Tab 8 and PPP on website

Chip characterized 2013 as an amazing year. Good chinook return with high Medvejie contribution to winter troll, followed by a tremendous chum return at Deep Inlet and decent return to Hidden Falls and good prices made for a very good season.

One day this summer in early August at the plant sampling fish Chip heard the trollers were catching chums. There were trollers lined up to unload 800-1,000 fish for one day. The plant staff asked, "How long will this go on?" and this was biggest coho year since 1994. The processing plant workers were overwhelmed with the combined volume. There were some marketing problems. In the end things worked out. With the workload of the Salmon Lake coho otolith project in addition to the scale of the return size this past year Chip said he also was feeling a bit overwhelmed! He gave a brief summary report.

The 2013 Southeast region wide enhanced salmon return of \$49 M ex-vessel value is the 2nd highest is value to date. DIPAC value = \$16.9 M , NSRAA value = \$15 M , SSRAA value = \$14M, Armstrong value = \$2 M and SJ value = \$1.2 M

Chip had created an impressive chart of the annual value of enhanced salmon production for all species and all gear since 1994. It showed a trend of steadily increasing fish values. The total value of all enhanced production since 1994 is estimated to be \$213 million dollars. Of that total, last year's catch represented 23% of the entire estimate.

SE total value by gear type for 2013 was: Gillnet = \$18.3 M (37%) Troll = \$11.6 M (22%) M and Seine = \$20.2 M (41%). Numbers are preliminary.

A review of the allocation charts showed; Seine – Up 1 tenth of a point, Gillnet - Down 9 tenths of a point and Troll - Up 8 tenths of a point.

From 1994 to 2013 the wild plus enhanced values = Troll up from last year and almost returned to 1994 value, Gillnet down from last year and still slightly above 1994 value and Seine up over \$140 million in total value as compared to 1994 value of \$60 million dollars.

The NSRAA total value contribution of \$18 M, is actually \$16.3 M minus the assessment. The new troll record of chums harvested = \$4.6 million in value (23%) Gillnet = (16%) and Seine (58%). This is the first time since statehood that over 1 million chums were caught by trollers.

Cost recovery coho and chinook values = \$655,000. FAVCO bought the beach seine chinook. They were bled, custom-processed at SPC, and shipped to Anchorage. It went well and it was a record year. Coho cost recovery value = \$960,000. \$53,000 from chum cost recovery. The difference in cost recovery and grounds price resulted in an additional \$760,000 to fishermen.

The 2014 Deep Inlet projected chum return volume is 1,170,000 chums, about 50% the size of 2013. The Hidden Falls chum return volume projection of 1,072,000 chum is 80% the size of 2013.

2014 Medvejie Chinook return projection is 36,200 fish, about 4,000 fish less than last year. In 2014 the first 2-ocean chinook (about 2,000) will return to the new Halibut Point release site. Hidden Falls chinook return is projected to be 6,100, about 1,000 fewer fish than last year.

2014 Coho return projection is 139,000 Deer Lake, 18,000 at HF and 14,000 at Med/DI. SMC coho experienced good survival and we got well over a million eggs. Good news.

Chip reviewed pages 115 to 118 of the Tab 8 Board Book information on 2013 NSRAA production values as broken out by gear group, species, etc. The book is posted online and he showed Board members where to find it. Chip had re-formatted the presentation of his information in the Board Book. It contained a 40 page report with summary sheets by species and pages of detail information on catch volumes, catch distributions, and values, etc.

Chip spent time with the Board explaining page 116 & 117 concerning the Hidden Falls Chum Assessment Contingency Account. This account is funded from the HF tax collected from the seiners fishing in the area and has been designated by Board Policy as the primary fund from which the HF expenses will be paid. The revenue was previously raised through cost recovery vessels and sales to processors. The fund is managed to achieve a positive balance to smooth out the annual ups and downs in annual tax revenue generated. Prior to the fishing season the beginning balance was \$1.19 M.

Revenue from this summer's fishery are estimated at \$1.27 M. Current account total is \$2.41 M. After subtracting \$1.79 M for FY 14 expenses the balance will be approximately \$.618 M. Numbers are imprecise because the 2013 revenue estimate is based on a projected chum price of \$.65/pound. Page 118 contained detail concerning how the Northern Southeast Fund from DIPAC was applied to the Deep Inlet cost recovery goal and how NSRAA fell short by \$314,984. This occurred because the NSE funds received from DIPAC did not completely cover all expenses and the NSRAA efforts to completely make up the difference through cost recovery efforts were not 100% successful because the board goal for the season was to provide for uninterrupted fishing in Deep Inlet. The President asked if the annual forecast summary could also include last year's forecast and return for comparison. Board and staff discussed variables in estimates based on estimating dollar figures based on numbers of fish, or dollar value of fish and price per pound. The NSRAA Board wants to assure that the \$1.5 M DIPAC contribution to the fishery be fairly stated. More conversation, speculation and explanation about prices, values and how to show benefit went to the fisherman followed. Steve said he understood the problem and will work with Chip.

In response to different questions Chip discussed marine survivals and how they work to influence salmon return volumes. He also clarified that the size of the Salmon Lake coho is a combination of bigger and smaller fish at return, but all are larger than the old Plotnikof brood stock. A question on page 111 total value summary was answered that the assessment comes out of the total gross paid by the processors. A question on marine survival was answered that Green Lake Chinook survive well above the average (wild stock).

10:45 AM break

Medvejie Hatchery – Angie Bowers, Hatchery Manager

Angie outlined her report saying it would cover the spring release of chum, chinook and coho reared at Medvejie and associated eggtake and rearing issues. She said, "Our chum releases exceeded expectations given the late timing of the release. The fish are healthy." Angie described the different methods staff is using to try to avoid predation on the fish. A trickle release may be more effective to discourage whales but a mass release works best with large numbers of cod present. Pushing the pens is stressful on the fish. Conditions change from year to year and staff is trying to monitor predation and respond in ways that will increase survivals. In response to a question about the outmigration patterns of the released fry Steve explained that NSRAA has studied this, and fry released at two gram size stay along shore until they grow to 4-5 grams then they migrate offshore and deeper. This takes about two months from the time of their release.

The chum egg takes went really well at Medvejie this year. They were done in record time and the new spawning tables worked very well and because they are so much more efficient so that twice the number of eggs could be produced in the same amount of time. There was a high female ratio. Staff surpassed the eggtake goal and was able to provide 3 M eggs for SJ Hatchery SSSC.

The BY 2011 chinook released this spring were healthy and met the size goal. Angie heard from a fisherman that he was catching many of these small chinooks, but she took that as a good sign that the fish were moving offshore and feeding aggressively.

The BY 2012 Chinook rearing in Green Lake was very challenging due to the unusually warm 65 degree water that persisted through summer and into the fall. This changed feeding behavior and also caused a freshwater protozoan (Trycophyra) to grow on the fish gills. Staff held the fish and treated them with formalin. They tried different salt water entry scenarios eventually coming up with a technique that resulted in only a ½ percent mortality. The Chinook eggtake went well with low BKD at Medvejie and somewhat higher at HF. Both facilities met eyed egg take goals.

The BY 2011 Coho Broodstock release of 53,000 25 gram fish occurred on May 27th and went very well. Angie summarized the coho straying study. The broodstock are 100% fin clipped and coded wire tag. Our goal is to keep stray rate below 2%. Data is being gathered and analyzed. Staff are trying a new product to help the coho eggs mature.

Projects at Medvejie: The new insulated steel siding reduces energy bills. Additional housing was needed on site so that adequate staff is always present to monitor the fish and water supplies. The new duplex is underway and built on site of old trailer which was moved to SMC hatchery. Medvejie staff are preparing to hold BY13 coho from Sawmill Creek during the anticipated Blue Lake penstock shutdown. This will be

1.2 M additional at 12 grams. Medvejie can be limited on water if it is a dry year. Discussion about the need for a local snowpack model.

Sawmill Creek Hatchery & Salmon Lake Coho – Bill Lyden, Hatchery Manager Tab 4 & PPP

This program's first release of 159K BY coho smolt at Deep Inlet started well. The young fish were 4 grams in size, the largest ever released at Deep Inlet. Right now Bill has 337K BY 12 coho parr in the raceway. Last winter's water temps were so low that these fish started out late but they are currently at 17 grams and will easily make their 24 gram release size thanks to the warm summer water. Because we met the egg take goal we also have 1.4 million eyed eggs in the incubators for the first time. The eggs are taken at Medvejie and then eggs and milt are shipped separately and fertilized in site at SMC, then eggs are rinsed and seeded into trays. The incubators are stocked with single family tracking, this helps control any possible occurrence of BKD. The new pick machine is very helpful.

Getting the physical plant up and running is requiring completion of a number of tasks including finishing the BY12 alarm system, Phase I of the PRV project, getting the incubation room ready, and finishing plumbing the round ponds. There will be no problem having 2 million fish on site in the coming years. We have a back up pump on site.

We have the outmigration 180 ft HDPE line fused, installed and was used to transfer fish to Deep Inlet. The recycled pond seine was replaced with a new one and it will make the transfer process much easier. All the indoor start tanks are installed and a custom cleaning system developed. A drain problem still needs work. The hatchery protocols and emergency response systems have been developed and safety systems are in place. The site has broadband internet to back up data for admin and staff can monitor alarms from their I-phones.

More work needs to be done to complete the SMC trailer housing. Staff will complete Phase 2 of the Pressure Reducing Valve system. Bill enumerated several more planned improvements to the water system, raceways and round ponds. Staff is looking for ways to automate the hatchery. Staff is also preparing for the Blue Lake shutdown. Bill ended his talk with a video of the young fish feeding aggressively. Bill said they are the most active fish he's seen in fifteen years. Marlene, the municipality representative, said NSRAA will be wise to have a contingency plan for the period of the shut down, the two month shut down is only an estimate. In response to question each females eggs are fertilized by three males.

Salmon Lake 2013 Bill Lyden

NSRAA is required to operate the Salmon Lake weir from Aug 1 to Oct 31 by ADFG. The Salmon Lake weir intercepts every fish. Data collected are: Species, Length, Condition, Fin clips, Hatchery tags and Sex. Scale samples are taken from 1/3. Each fish is given a unique "Floy" tag and operculum punch. Bill reviewed historical escapements and this past year 1,130 adults entered the lake. 1,467 is the 12 year average escapement number. He said there are a lots of jacks (small male coho returning early) in the system this year. Pink salmon also enter and have to be dipped out. There were a lot his year, 8,000 in one day was the most ever. Bill discussed the straying study. Results are still being compiled but are not indicating an unacceptable stray rate. A high water event occurred on October 9th but staff was able to save tools and equipment and made repairs. The adult untagged ratio remained the same. No new fish came in but some washed out. There were a lot of jacks way more than we had thought. The stream rose to 6.5 feet at the weir site.

Staff removed tons of garbage, fuel drums and 1,400 lbs of weir pickets. They made trail improvements and rock fill at job site. Boat moorage was improved, as was site appearance. Bill sowed some nice pictures of BIG Salmon Lake coho. Spring smolt emigration tagging will begin in 2014 to help determine exploitation rates in Sitka Sound. The weir permit expires in 2017

Hidden Falls Hatchery-Adam Olson, Hatchery Manager Tab 5 and PPP

Adam focused the Boards attention on a serious issue that he is facing at Hidden Falls. The A line and B line penstocks that carry the water from the lake floated and settled differently and the problem spot in the line is over a foot higher in elevation than the vacuum towers above the vacuum towers. This could allow air into the line and cause it to float again. Staff is trying to gently winch the line back in place. Water supply in spring could be limited.

Chatoceros is a spiky naturally occurring diatom, when they bloom they drop spikes that get into gill tissues of the chum. This year a large bloom did occur and slowed growth on the chums. Staff postponed the chum releases in order to wait for humpback whales to move out of the area. Pens were not towed. At Takatz when staff tried trickle release they noticed Cod and Pollock predators had been drawn to the nets. This is new at Takatz and staff is working on developing new release strategies.

The Chinook were released at the second largest size ever reared at Hidden Falls and staff is hoping for very good marine survival. The Chum released were the largest ever from the 4.0 program. The Coho were largest since 1991. Staff saw lots of jacks in this year's return. Hoping for lots of Cohoes next year. Equipment modifications, scheduling and staff preparation spawning improvements let them keep up with the strong run at all times. The electro-anesthesia machine helps when a big coho return overlaps the chums. Adam showed a short video of the egg take. Staff took 14.6 million eggs in one day (!)

Adam also had put together a very nice set of slides that allowed the Board to see the stages of the new dock and pier from "Before" to "After. Channel construction delivered the dock materials Adam took advantage of the barge and loaded it with a bunch of scrap, unsightly old fuel steel tanks, garbage, etc. A 6,000 lb. crane is also mounted on the dock. Mitch said he paid a visit. The whole facility looks the best it ever has. In response to a question Steve said the original engineers estimate was 2M for this project and we got it done for \$1.1 million. NSRAA is very conscientious and frugal with public money (Grants) and we work to maximize the bang for each buck.

Back at 1:40

Deer Lake Project – Carrington Gorman, Project Manager Tab 6 & PPP

This year's mild spring weather made opening camp much easier. The crew flew in on March 8th and were able to land on a part of the lake that was free of ice. They were able to do diving, raise the pens and begin feeding right away. The weir was installed on the 4th of April, the pipeline was installed. On the 24th April the first fish from the lake began emigration. On the 24th April the TEMSCO helicopter spent the day moving freight and feed from Mist Cove to the Lake. From 10-14th May staff pumped 764,000 smolts of 19.46 gram size from the lake pens down to the saltwater pens. Very low overwinter mortality of 1.6%. They were release at 24 grams and looked great.

Volitional emigration of coho leaving the lack under their own power peaked on the 24th of May. The lake emigration component consisted of 1.5 million aged 1 smolts. They were released at 19.5 grams and 112,300 aged 2 smolts; released at 27.6 grams. Total production for Deer Lake was 2,426,553 Cohoes: The highest emigration ever for Deer Lake, two years running.

Last year they had 85% fry to smolt survival, this year survival is at 83 % for the age 1. The survival rates go up when the age 2 are factored in. Age 2's marine survival averages 18%. Age 1's about 6%.

Staff transferred 2.8 M .9 gram fry from Hidden Falls on the 3/4th of June. An additional 50,000 2 gram fry went to Cliff Lake. They will go out as Age 2 and 3 smolts.

2013 was a great year for rearing and the lake is currently holding 2.8 M 21.2 gram fingerlings.

Staff made a number of improvements including the freshwater dock expansion, pipeline work, storage up-grade and trail improvements.

The staff waits for the temperature of the lake to fall before doing the winter release. This year they plan to release 1.6 M into the West Basin; 57% of the population. The remaining 43% are split into six pens at 200,000 per pen. Pens will be submerged. Staff will return every three weeks to feed and monitor. Carrington thanked his crew Woody Cyr, Torin Lehman, Jess Coltharp, Ben Chen and Jared Revera.

In response to questions: Cliff Lake is at the back of Deep Cove. Banner Lake is in Patterson Bay.

No apparent negative to lake productivity from the earthquake. With this year's high temps the lake had a big zooplankton bloom and the fish fed well. There was a question about a new Terminal Harvest area which Scott described as a little bight by Cliff Lake. Steve clarified that it was a Special Harvest area for cost recovery and that there was no terminal harvest area for commercial fishing other than what currently exists in Mist Cove.

Announcement: Nominations for election ballots need to be turned in today.

Haines Project - Scott Wagner, Operations Manager Tab 7 & PP

Ben Burbank is the project leader but Scott gave his report. Scott showed a few slides that summarized the more detailed report in the Board book. The incubation boxes had 93% overwinter survival and staff

made the egg takes goals. From the samples taken; the age three return strength is very encouraging and further sampling is planned. Brad Badger helped. 3.6 M eggs were seeded into the boxes. Haines/Skagway Grant - Herman Creek spawning channel is our best producer. NSRAA staff has a number of monitoring wells in place and are gathering data on water flows to learn why Herman Creek works so well and then choose an optimal site for a new channel. The one that was installed is not doing that well.

17 Mile Slough Grant – Staff has some monitoring equipment in place and are looking for ways to supplement the natural production. ADOT is doing a lot of road work in the area and will be replacing a perched culvert with a fish pass culvert. Staff may be able to work with DOT to improve spawning habitat and to put in a weir to collect broodstock. Local folks are not happy about the road project but we should be able to work with DOT to get our needs met. NSRAA's building has a carpenter ant problem but the roof is structurally sound. Scott thanked Benji Burbank and Cameron Gallegos for their help.

New Chum Production – Scott Wagner

First potential for new production is at Hidden Falls SE Cove project. Our agreement was if NSRAA supplied 19 M BY 13 chum eggs to Gunnuk Creek Hatchery that we could place an additional 5 M at that site. This is the 5 M HF production increase.

Scott noticed that when NSRAA applied to increase production at Medvejie in 2009 that the number given in the permit is not the number we applied for. ADFG agreed there was an error so now there is an additional 9 M in capacity that could be taken at Medvejie. Now we have the space and ability to take these eggs the production would have to go to Deep Inlet. No new permits are required.

The staff asked the Board if this is how they should proceed and should the production increases be planned and built into the budget. Would the Board like to increase production at HF, DI or both?

There will be on going operational expenses and an initial capital cost. Scott said keep in mind that last year we increased the Medvejie broodstock release from 10 to 20 million, so there should be additional broodstock returning. Capital costs to raise the chums to 2 gram size are about \$255,000 per year and \$50,000 increase in annual operating expenses for Med/DI. The HF production cost increases were discussed. These fish will be raised to 4 grams.

A seiner spoke in favor of increased production but said each year HF should take its eggs first and to permitted capacity before sending the additional 5 million eggs down to Gunnuk Creek. The President recommends building the operations costs into the budget and take the capital costs from the \$1.8 million new production reserve account. Steve clarified that the NP fund is now at \$1.1 Million and we will be given more information about it later in the meeting along with some recommendations from Steve. A side discussion about how to replace the \$365,000 Deep Inlet Cost recovery shortfall occurred. The Board discussed taking a loan verses utilizing the new production reserve account.

Motion 11/12/13(c) M/S Eide/Bergman Take the capital costs for the 14M new chum production (5 M HF – 9 M DI) from new facilities reserve. Annual operations cost increases will be built into the budget. Steve said, "Please understand the figures that you have reviewed are estimates and will very likely change somewhat." The Board decided not to state the capital cost estimate of \$434,700 in the motion. This would reduce the new production fund to \$650,000. The Gunnuk Creek increase is just for one year, but NSRAA would own the new pens. **The motion carried on a roll call vote with 23 in favor and none opposed.**

Hidden Falls Tax Assessment – Steve Reifentstuhl

NSRAA is required to notify State of AK Dept of Revenue if the Board wants Hidden Falls will have a tax assessment for the 2014 fishing season. This will take the form of a Resolution and will be done in two steps. First the Board needs to say if they want the program. Then, in March, as part of the budget planning NSRAA will set the final rate to be assessed. Later in the meeting the Board will be given more information on projected expenses and can begin to discuss what the board wants to do about the rate and how to fund or borrow from the Hidden Falls Tax Assessment Reserve account. We also will discuss a Board Policy but first we need to establish whether the Assessment should be collected next year.

Motion 11/12/13(d) M/S Jordan/Barry Approve resolution #11-13-2013 to inform the State of Alaska Department of Revenue that NSRAA is planning for an assessment during the 2014 fishing season.

The Board discussed the requirement to notify Revenue that at this point in time that NSRAA is planning for a 2014 assessment, but if funds become available from another source, the Board wants to be able to notify Revenue that the Assessment is not needed. Steve clarified the legislation allows NSRAA to withdraw the request for an assessment prior to April 1st annually.

The seiners on the Board began to discuss whether the rate should remain at 20% and then discussed how the tax assessment is being received by the fleet. Some seiners are fully on board with the program, others just don't like paying the tax even though the program has increased opportunity and value to whole feet. This was expressed as "Some of the guys don't get it and some of the guys don't want to get it." The President made some comments about how the HF Tax Assessment Reserve should function to protect both the fishermen and NSRAA. The Treasurer said Steve has prepared a complete Policy for our review and we will be discussing that next on the agenda. For now let's just focus on the housekeeping motion to notify Revenue of our Intent for 2014. **The motion carried unanimously with 23 in favor on a roll call vote.**

Exact wording of the **Resolution #11-13-2013** follows: "**The NSRAA Board of Directors directs staff to pursue implementation of the Hidden Falls Assessment program for the 2014 fishing season; further the Board estimates the assessment rate will be about 20% for the 2014 based on the preliminary budget and income projections. The Board will fine tune the rate at the Spring 2014 meeting.**"

Hidden Falls Cost Recovery Contingency Account Policy 2013 – 1. Steve Reifenstuhl

The Board and General Manager discussed the first two year's implementation of the Hidden Falls Tax Assessment. Communication with the Department of Revenue has not been easy with somewhat mismatched expectations of NSRAA's role, rights and responsibilities and the responsibilities of the Department of Revenue. Much of the problem comes from the imperfect language of the authorizing legislation. The Board briefly discussed the need to amend the original legislation and the President asked them to focus on the policy before them. "TNSRAA Board is composed of a majority of elected representative of the three commercial fishing gear types with the balance of Board members adding depth and perspective to Board decisions. The Board has been trained in their fiduciary responsibilities and takes their responsibility as seriously as their personal responsibility for the financial well being of each of their own commercial fishing businesses. The establishment of the new tax collection system, instead of NSRAA doing cost recovery with contract vessels, has changed the need to close areas to allow for the cost recovery harvest. Elimination of cost recovery has allowed for more fishing time and area for the seine fleet and had resulted in better prices and more of the value of the return going to the fishermen. These changes yield great benefit and were planned outcomes of the new program. However the program is new and the some of the fishermen who are being taxed are still struggling to accept the program. The NSRAA Board members and the leaders in the seine fishery are challenged to implement a plan and policies that will assure NSRAA's continued fiscal health and guarantee sustainable production of salmon. The program also must provide fairness, consistency and predictability to the fisherman conducting their businesses. All these factors have been discussed by the Board as they approach this topic.

The Board wishes to provide for fiscal stability and accountability to the fishermen by establishing the Hidden Falls Cost Recovery Contingency Account. On the advice of the auditor the Board now wishes to develop and adopt a Policy that more clearly articulates the range and purpose of the account.

Motion 11/12/13(e) M/S Eide/Andersen To adopt the Hidden Falls Assessment Reserve Policy 2013-1 Board members spoke to the draft policy that had been distributed. A Board member said the range of savings allowed into the account is good because it allows flexibility. The goal of the range is to create a savings account with a range built around 75% of the annual operating cost of the Hidden Falls production program of 1.9 million chum salmon. A friendly amendment made by Haltiner was accepted by Eide with concurrence from the second. The amendment establishes the range of savings from \$500,000 to \$1,500,000. The Treasurer spoke to the motion saying accumulating 75% of the annual operating costs for Hidden Falls is prudent, as is the concept of a target range of savings. We must understand the program is new and savings will gradually be generated into the fund. It is clearly the Board's intent that they be allowed to recommend adjustments to the Assessment rate in response to the financial burden that the tax places on the fishing fleet. Or other factors that the Board finds compelling. **The motion carried with 23 in favor and none opposed on a roll call vote.**

Troll Tax at Hidden Falls Issue

The imperfect language of the original legislation applied the tax to trollers fishing in the area. Language is being developed to correct some of the difficulties experienced with implementation of the original legislation. The boundaries would be the same as applies to the seiners. A seiner asked, "Does it create a problem for trollers having to unload to a tender before leaving the area? Steve said, "Yes that is what is happening now and is part of the problem the change to the legislation will fix." A troller said, "If it is not the intention to include trollers and it creates a lot of problems and there is no real directed fishery, it should be repaired legislatively." A seiner agreed it was not the original intent. The Board discussed the one chum to one king ratio in July and other factors affecting the seine and troll fisheries at Hidden Falls. A troller said that when the original legislation was developed by the seiners they asked the ATA Board to support it and they did because they were told the trollers were exempted from the legislation. Steve asked the Board to clarify their goals for changing the legislation.

Motion 11/12/13(f) Jordan/J Moore To adopt the goals for changing the legislation as:

Goal 1 is to get a flat rate for the assessment

Goal 2 is to remove the trollers from the assessment

Goal 3 is for NSRAA to be given more clear responsibility and involvement in establishing the rate

The President asked for unanimous consent and, seeing no objection, the motion was accepted.

Financial snapshot of 2013 Income vs. Expenditures & Portfolio of Investments –Steve Reifentstuhl

As of Oct 30 2013 NSRAA has \$11.48 M in liquid assets at First Bank and DA Davidson.

There is \$4.59 M remaining in the budget for this year. That will be spent on fish food etc. Subtract 4.59 M from 11.48 M equals approximately 6.89 M liquid assets on hand.

NSRAA has an outstanding grant receivable \$350,000

The HF tax assessment will arrive April 2014 1,217.

This will take NSRAA up to \$8,456 M in assets.

Our asset allocation percentages and target ranges are currently as follows:

41% invested in liquid short term assets. The Policy range is 50-65%

37% invested in fixed income. The Policy range is 20-40%

22% invested in equities. The Policy range is 10-22%

Board of Fish Proposals – Steve Reifentstuhl

Proposals to the BoF are due to be submitted prior to April 9th 2014.

The Board heard about the closure lines and attendant issues in Scott Wagner's report earlier in the meeting.

NSRAA will submit proposals for the Hidden Falls (Kasnyku) and Mist Cove closure areas for Board of Fish approval. The NSRAA Board is in agreement that Steve submits proposals consistent with the lines used this year. What occurred this year went very well at Mist Cove people(boats) were mostly respectful of the barrier net. At Hidden Falls the sport charter and hand troll did not go behind the line.

There may be a Board of Fish component to the Hidden Falls legislative change to delete the troll fishery from the Assessment. Steve will check into this. It is important to put in a placeholder if the issue needs to be addressed. The Board concurred.

Break 3:15

Sitka Sound Science Center program update and funding request – Lisa Busch

Lisa reviewed the historical partnership between NSRAA and SSSC. The original 9 M chum eggs from hatchery permit were released at Deep Inlet. Today SSSC is providing fish to the common property of \$4.1 million in value annually. Today they come before the Board asking today for an increase in NSRAA contribution.

SSSC is running a successful enhancement facility; putting fish into Deep Inlet and also releasing at SJ Hatchery,

SSSC has raised funding from other donors and grant agencies for capital improvements to the hatchery. SSSC programs include; training and education of the future enhancement program employees and

training for fisheries research and management. SSSC is conducting the wild and hatchery interaction study with Prince William Sound Aquaculture. Other salmon research is being done on feed ingredients, interactions with marine mammals and other topics. SCSS is asking that NSRAA increase the annual contribution from \$100,000 to \$160,000 with 3% annual increase for three years. A Board member asked, "Is NSRAA the first place you came to ask for money?" Lisa said "NO, we have funds from many sources: NOAA, USDA, ADFG, Rasmuson, DIPAC, etc. SCSS also has retail tourism and contracts income. SSSC annual budget is \$1.2 M and 15 full time employees. There was some discussion of cost benefit ratios and Funds are solely dedicated to the hatchery. The nine million that SSSC produced yields \$750,000 dollars

Motion 11/12/13(g) M/S Eide/G. Eliason To approve the request from SSSC as written and to request an annual report that enumerates contribution of the SSSC programs to the fisheries.

George second. Steve directed the Board's attention to page 111 in the Board book for detail on value of chums produced. This year 1.4 M and should never go below this year approximately 750,000 in value annually. SSSC has gotten an increase in their permit and are expanding from 1 million to 3 million. Even in a worst case scenario we should still see a 4:1 benefit to cost ratio. Expense will be budgeted in 2015 FY. Lisa was complimented for understanding that the Board feels it is a justified expense to support programs directly related to NSRAA's mission to produce fish for the common property. **The motion carried on a roll call vote with 21 in favor and 2 opposed.** Mr. Jordan reminisced that he, Ms. Campbell and J. Moore had met through the SJ programs in the 1970's.

Project opportunities discussion-Steve Reifenhohl , PPP by Scott Wagner

After the last Board meeting Steve requested for new meeting with the Alaska Department of Fish and Game. He wanted to explore with Department what projects they might find acceptable for enhancement in Northern SE. As a result, twelve people including commercial fish and sport fish staff met in Sitka and produced a report that has been distributed to the new production committee members. Steve discussed the document with Scott Kelley. The document does not assure any project will be approved; just what areas might be feasible for research and development. Steve was pleased because he felt the Department had been responsive and had given NSRAA what we had asked for.

Scott Wagner said the ADFG had produced a comprehensive report and then gave a presentation of NSRAA's pros and cons on development of the following sites: Taiya Inlet, Tracy/Endicott Arm, Thomas Bay, Delta Creek/Ruth Lake in Tomas Bay, Porter Cove, Spurt Lake Creek, Malmesbury, Crawfish Inlet, Sandy Bay has a lot of water, Snipe Bay, Big Branch, Puffin and Byron Bays. Port Lucy site is tied to Port Armstrong and not really available to NSRAA. Thomas Bay was discussed; a Board member said he had extreme heartburn contemplating spending 25 million on a new hatchery. NSRAA could overcome transport difficulties for a good remote release site. Hidden Falls to Thomas Bay would be a ten hour trip. A board member asked why locations for a chinook remote release like Promisula Bay weren't being considered. Other discussion occurred. Steve shared his thoughts with the board and is ready to take these investigations to the next level if it is the wish of the Board. A seiner asked about a bigger chum broodstock instead of the 7 pound Hidden Falls chums. Selective breeding is occurring at SJ for bigger chums. Steve reminded the Board a new site may involve new broodstock development that will take a minimum of eight years. From the CBS experience, the USFS is just one big "No!" on permits in wilderness uplands. Tidelands are a whole different ball game and can be more feasible. The New Facilities Production Committee will meet the chair of that committee personally supports more work on Thomas Bay. Crawfish seems least controversial. Someone made the comment, "Lets also look at king salmon and coho releases." One troller said, "It's a high priority with the fleet to locate any new production somewhere different than Baranoff Island." A fisherman spoke to Thomas Bay and Crawfish as being most feasible, but warned that Petersburg residents would probably be divided on Thomas Bay. The comment was made that an outside hatchery could help with allocation issues. Steve pointed out that Southeast Cove is new production off of Baranoff Island. Board members from Petersburg will check on historical occurrences of ice at possible net pen locations in Thomas Bay.

Break for the day at 4:35. New Facilities and Production Committee will meet at ten minutes to five.

9:00 AM Nov 13, 2013.

Roll was called and the meeting resumed.

Ballot Announcement

Nomination forms were turned in yesterday with none received for Haines Gillnet. That group is interested in making all their seats At-Large.

New Production Committee Report – Eric Jordan

The NPC met last nights with all five members present along with five more Board members, two public and NSRAA staff. Eric said it was a collaborative and productive meeting. Four draft motions will be presented in order of most likely /priority. A clarification was made that Hidden Falls full production comes first and HF management is not to be changed to acquire eggs for these projects. And taking extra eggs does not affect the HF Management schedule.

Motion 11/12/13(h) M/S Jordan/Bergman: To Pursue additional chum opportunities at Southeast Cove, Kuiu Island.

(a) Develop budget for Hidden Falls infrastructure to address expansion beyond the 101 million chum eggs for HF plus existing 15 million eggs for SE Cove. **MCWOO**

Motion 11/12/13(i) M/S Jordan/Bergman Apply for a tidelands lease for sufficient net pens to raise 40/50 million chum at Crawfish Inlet.

(a) Develop budget for SMC Hatchery infrastructure change that requires no reduction in 2 M fry coho production, by obtaining additional water or by utilizing existing water through water management and or recirculation.

(b) Develop budget for Sawmill Cove Hatchery infrastructure change by decreasing coho production to necessary level to obtain adequate water volume to incubate/produce 40 to 50 million chum eggs.

(c) Develop budget for Medvejie infrastructure change to address additional broodstock demands and/or incubation

(d) Apply for all ADF&G permits necessary for utilizing SMC and Medvejie hatcheries for additional broodstock, eggs, transport, and rearing chum, coho, and/or Chinook at Crawfish Inlet.

(e) Collect saltwater temperature data at Crawfish Inlet from February 1 to May 30

Motion 11/12/13(j) Jordan/Anderson Move to amend the motion to delete alternative (b) Board members spoke strongly against decreasing coho production. **The motion to amend carried with 20 in favor and 4 opposed.**

Motion 11/12/13(k) M/S Jordan/Bergman To investigate Thomas Bay for potential release site and/or hatchery site. Further, investigate potential chum broodstock sources for hatchery program in Thomas Bay. **The motion carried with 20 in favor, 3 opposed and 1 abstention.**

Motion 11/12/13(l) To investigate Port Malmesbury as potential chum salmon release site. **MCWOO**

Chinook Futures Coalition Dave Bernard Study Update - Howard Pendell

Steve introduced the topic reminding the Board that they had approved up to \$16,000 to commission this study at the request of the Chinook Futures Committee. Steve worked closely to review both drafts of the 90 page report. Howard also reviewed the report. Howard summarized the history of the Snake River Dam, the creation of the Endangered Species Act and the construction of subsequent dams. These dams eliminated the spawning habitat to a large degree. The Snake River Fall Chinook had an ocean type life cycle (Like the Situk River in Alaska, the fish emerge from the eggs and swim to saltwater) most other Alaska chinook spend a year or two in fresh water. The SRFC have now evolved to a stream type life cycle. Because of the dams the river has become more of a lake system. Adaptation and natural selection have been taking place. The conclusions of the report are significant. Howard said "Thanks for funding the report." Board members discussed history of dams and aspects of the Treaty negotiations. Steve referenced the Dr. Lakey study on factors affecting endangered fish stocks in the Pacific Northwest. Commercial harvest of Endangered Stocks is 13th in priority for affecting survival of those stocks. Twelve other factors had more and greater impact on Endangered Species Survival. Board and staff discussed the degree to which NSRAA staff might be helpful. While the net groups harvested record returns and record values the trollers were frustrated because the Treaty restrictions did not allow them to fish on

extremely abundant stocks that they had helped rebuild. This was a loss of millions of dollars to the communities of Southeast Alaska.

Deep Inlet Fishing Schedule – Chip Blair

Chip directed the Board's attention to Page 105 of the Board book. The change that was made in the gillnet/seine fishing schedule last year resulted in an increase of gillnet catch from 27% to 52% and reduction of the seine catch from 73% to 28%. The schedule shifts resulted in more of a 50/50 split in the catch between seine and gillnet. A lot of variables influence this: weather, size of pink return and how much time is open for pink fishing outside the Terminal Harvest Area. A gillnetter said in week 34 there were only 3 seine boats. There was a good value to the fishery for the gillnetters. The build-up day is important to the gillnetters. A troller in attendance at the meeting said that 1,800 fish were caught in the terminal area by the trollers was significant and asked that build up days be referred to as troll days. A troller would like to see 10 days of uninterrupted fishing for the troll fleet in the terminal area. A troller on the board said the two days allowed to each week for trolling weren't working that well. A troller said if DI had been closed last season for 10 days as was suggested last March it would have been a disaster. A board member asked, "How responsible is the NSRAA board to provide troll opportunity in the terminal area? Is that what the Board of Fisheries expects/ the Aquaculture Association Boards to do?" A seiner said the BOF appreciates gear groups that try to work out the allocation issues. His problem is with instituting (longer) fishing times (for trollers in Deep Inlet) because they don't guarantee the trollers will catch more fish and the action means the nets absolutely will not catch fish. Members discussed reducing the enhancement tax for trollers. A troller said the BOF Allocation plan is clear in its direction. It says that the adjustments (in fisheries to balance the benefits of hatchery production to the gear groups according to the allocation percentages) are to be made in the Terminal Harvest Areas and the Special Harvest Areas. Exactly how to balance the opportunity on chums to all three gear groups is very difficult and controversial and board members hold very different positions on the issue. The Chairman said we will put this topic (Troll access to chums) on the agenda and schedule an evening meeting in the spring.

SET tax 2012 & 2013: Income Expectations vs Expenditures Forecast for FY '15 – Chip Blair

The discrepancy in the tax collected last year by Revenue and owed to NSRAA still has not been made up. The Commercial Fisheries Entry Commission is also now looking at the data and they also corroborate Chip's numbers. NSRAA has been shorted \$300,000 in revenue for 2012. For 2013 we are expecting about \$3.3 and \$3.7 M in enhancement tax revenue. Chip showed a chart of FY 2015 expenses. The Board and staff launched into a long speculative discussion on where the income for next year's expenses will come from. The new recent contribution from DIPAC is hugely appreciated and had resulted in more opportunities for fishermen. A new proposal to the DIPAC Board is under development and Board members offered guidance to Steve about what might be discussed.

General Manager Evaluation 1:30 PM

Board members turned in their written General Manager Evaluation forms. It is the duty of the President to collate the comments and discuss them with the General Manager. Generally Board is very pleased with Mr. Reifensuhl's performance.

Audit Committee Report- Deborah Lyons, Secretary/Treasurer

Deborah reported that the Audit Committee had met with Max Mertz of Elgee Rehfeld Mertz LLC and had reviewed the Letter to Management and Financial Statements with him. The audit process went smoothly and the changes NSRAA staff has made in conjunction with the support of this accounting firm have resulted in a completely unqualified auditor's opinion. This is the highest standard possible and the result of years of hard work. Mr. Mertz recommends that NSRAA continue to improve the Board policy concerning the new Hidden Falls Tax Assessment Reserve. He said the policy concept is sound but should be more clearly articulated. He is concerned that "NSRAA has given responsibility for rate setting to the State through the legislation. It should be regained."

The Board had a discussion about whether it is time to change auditors. The Federal Sarbanes-Oxley legislation recommendation is to change firms to give "Fresh eyes" an opportunity to review NSRAA books, financial practices and systems of internal controls. Steve said this past year ERM had a new employee and she is the one who worked with NSRAA staff. Steve said he had just gone through the experience of working with a new person who asked tough questions and was very involved with NSRAA

staff. This individual brought a new level of scrutiny, as she insisted on a thorough understanding of NSRAA practices. The Board was reassured by this new information and felt the intent of not "Getting too cozy" with the audit firm is being met.

Motion 11/12/13(m) M/S Davis/Massey: To accept audit report and letter to management. MCWOO

United Fishermen of Alaska report-Steve Reifentuhl

Steve attended UFA and spent a day and a half on administrative issues. He said Duncan Fields (Kodiak) did a terrific job. UFA developed a Code of Conduct and there will be Board training. UFA is trying to address the lack of secure meetings and other issues. UFA's legislative priorities are BOF, ADFG budgets, and they have passed a resolution in the enhancements subcommittee for research and maintenance. DIPAC may help fund the wild/hatchery study. Processors are also contributing \$500,000. UFA is very involved in working to counter the anti commercial fishing movement in the Cook Inlet (Mat-Su) area. UFA Supports the Alaska Foods In Schools Program. UFA FISHPAC works to elect pro commercial fishing legislators.

Board of Directors Ballot and Designated Gillnet Seat

Motion 11/12/13(n) M/S Anderson/G. Eliason To approve the Board of Directors Election Ballot MCWOO

At Large Gillnet	Dan Pardee	F/V Sentry
Haines Gillnet	vacant	
At Large Seine	John Carle	F/V Pacific Fisher
At Large Seine	Justin Peeler	F/V Defiant
At Large Seine	John Barry	F/V Optimus
At Large Power Troll	Zachery Olson	F/V Sassy
At Large Power Troll	Tim O'Connor	F/V Zephyr
At Large Power Troll	Jason Andersen	F/V Cinnabar

Motion 11/12/13(o) M/S Eide/Pardee Change all the gillnet seats to at large. The Board thought this was necessary to assure that all the gear groups have full representation on the NSRAA Board. **MCWOO**

Motion 11/12/13(p) M/S Eide/Carle to go into Executive Session & M/S Jordan/R. Eliason to end the Executive Session

Motion 11/12/13(q) M/S Massey/Eide To approve a \$100,000 Bonus to be divided \$16,000 to the General Manager and \$84,000 to the employees at his discretion.

Kootznoowoo Petition to Close Fisheries update – Steve Reifentuhl

Since the last meeting there has been one Southeast Regional Advisory Committee meeting and the RAC Board has sent a letter to the ADF&G Commissioner saying that not enough has been done to address their concerns for the Kanalku Lake sockeye. The consulting firm that has been selected to oversee the efforts of the participants in the issue have produced a report. Steve submitted comments and sent a letter to the Secretary of the Interior. He is uncomfortable about the advocacy position adopted by the USFS. The Federal Subsistence Board meets in January or February. ADFG had second meeting in October in Angoon. Angoon residents feel subsistence needs are not being met and they want action. Steve reviewed the dates that subsistence fishing has historically occurred. Some sampling of the sockeye stocks has occurred and some seine fisheries have been sampled in districts 112, 116, 114. More fish got into the lake this year. Last year only 50% of the fish that got to the falls got into the lake due to low water flows. A member said he fished subsistence and there is no enforcement and subsistence fishermen are selling sockeye caught from Basket Bay, Sitkoh Bay, etc. Unemployment is over 50% in Angoon. A scientific view should also show the economic and cultural benefits. 40 years ago Angoon was financially sound community packed with hard working commercial fishermen.

Motion 11/12/13(q) M/S Lyons/Campbell To direct the NSRAA staff to conduct an assessment of Kanalku Lake Sockeye and make recommendations to the NSRAA Board on options for enhancement that could result in increased returns and increased opportunity for subsistence harvest. The Board had long discussion on how very serious the issue is and how disruptive and disastrous a closure of commercial fishing would be. The State has filed a complaint that the USFS staff

are taking an advocacy position on the issue. Steve said there are outstanding questions remaining that could shed some light. We don't know what the productivity of the lake is. Eric talked about the Redoubt example. Steve said we need to see if the lake is nutrient poor. **The motion failed with 10 in favor and 14 opposed.** Board members were concerned that NSRAA's involvement had not been requested and may not be appreciated and actually seen as interfering in a Federal process.

Motion 11/12/13(r) MS Jordan/Eide Hold the Spring NSRAA Board meeting in Petersburg 17 yes 3 opposed 2 abstain. The next meeting is March 4th and 5th The agenda for the next meeting will include Allocation and the Deep Inlet Schedule.

Meeting adjourned.

Minutes submitted by:

Deborah A. Lyons, Secretary/Treasurer

February 10, 2014

NSRAA Board of Director's Meeting Minutes ~ FALL 2013

November 12-13, 2013 1308 SMC Rd., Sitka, Alaska

SUMMARY OF ACTIONS

Approve Agenda

Motion 11/12/13 (a) M/S Brian/Mitch to approve the agenda as amended. MCWOO (Motion Carried Without Objection)

Approve Minutes

Motion 11/12/13(b) M/S The President asked the Board whether they would be in favor of adopting the minutes of the March 2013 Board meeting as written. MCWOO.

Motion 11/12/13(c) M/S Eide/Bergman Take the capital costs for the 14M new chum production (5 M HF – 9 M DI) from new facilities reserve. The motion carried on a roll call vote with 23 in favor and none opposed.

Hidden Falls Tax Assessment – Steve Reifentuhl

Motion 11/12/13(d) M/S Jordan/Barry Approve resolution #11-13-2013 to inform the State of Alaska Department of Revenue that NSRAA is planning for an assessment during the 2014 fishing season.

Hidden Falls Assessment program for the 2014 fishing season

Exact wording of the **Resolution #11-13-2013** follows: **“The NSRAA Board of Directors directs staff to pursue implementation of the Hidden Falls Assessment program for the 2014 fishing season; further the Board estimates the assessment rate will be about 20% for the 2014 based on the preliminary budget and income projections. The Board will fine tune the rate at the Spring 2014 meeting.”**

Hidden Falls Assessment Reserve Policy

Motion 11/12/13(e) M/S Eide/Andersen To adopt the Hidden Falls Assessment Reserve Policy 2013-1 Board members spoke to the draft policy that had been distributed. **The motion carried with 23 in favor and none opposed on a roll call vote. The policy will be published in full in the March 2014 Board Book.**

Hidden Falls Assessment Legislation

Motion 11/12/13(f) Jordan/J Moore To adopt the goals for changing the legislation as:
Goal 1 is to get a flat rate for the assessment. Goal 2 is to remove the trollers from the assessment
Goal 3 is for NSRAA to be given more clear responsibility and involvement in establishing the rate
The President asked for unanimous consent and, seeing no objection, the motion was accepted.

Sitka Sound Science Center

Motion 11/12/13(g) M/S Eide/G. Eliason To approve the request from SSSC as written and to request an annual report that enumerates contribution of the SSSC programs to the fisheries. The motion carried on a roll call vote with 21 in favor and 2 opposed.

New Production

Motion 11/12/13(h) M/S Jordan/Bergman: To Pursue additional chum opportunities at Southeast Cove, Kuiu Island.

- (a) Develop budget for Hidden Falls infrastructure to address expansion beyond the 101 M chum eggs for HF plus existing 15 M eggs for SE Cove. **MCWOO**

Motion 11/12/13(i) M/S Jordan/Bergman Apply for a tidelands lease for sufficient net pens to raise 40'50 million chum at Crawfish Inlet.

- (a) Develop budget for SMC Hatchery infrastructure change that requires no reduction in 2 M fry coho production, by obtaining additional water or by utilizing existing water through water management and or recirculation.
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- (c) Develop budget for Medvejie infrastructure change to address additional broodstock demands and/or incubation
- (d) Apply for all ADF&G permits necessary for utilizing SMC and Medvejie hatcheries for additional broodstock, eggs, transport, and rearing chu, coho, and/or Chinook at Crawfish Inlet.
- (e) Collect saltwater temperature data at Crawfish Inlet from February 1 to May 30

Motion 11/12/13(j) Jordan/Anderson Move to amend the motion to delete alternative (b) Board members spoke strongly against decreasing coho production. **The motion to amend carried with 20 in favor and 4 opposed.**

Motion 11/12/13(k) M/S Jordan/Bergman To investigate Thomas Bay for potential release site and/or hatchery site. Further, investigate potential chum broodstock sources for hatchery program in Thomas Bay. The motion carried with 20 in favor, 3 opposed and 1 abstention.

Motion 11/12/13(l) To investigate Port Malmesbury as potential chum salmon release site. MCWOO

Audit Committee Report

Motion 11/12/13(m) M/S Davis/Massey: To accept audit report and letter to management. MCWOO

Board of Directors Ballot and Designated Gillnet Seat

Motion 11/12/13(n) M/S Anderson/G. Eliason To approve the Board of Directors Election Ballot MCWOO

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Haines Gillnet	vacant	
At Large Seine	John Carle	F/V Pacific Fisher
At Large Seine	Justin Peeler	F/V Defiant
At Large Seine	John Barry	F/V Optimus

At Large Power Troll	Zachery Olson	F/V Sassy
At Large Power Troll	Tim O'Connor	F/V Zephyr
At Large Power Troll	Jason Andersen	F/V Cinnabar

Motion 11/12/13(o) M/S Eide/Pardee Change all the gillnet seats to at large. The Board thought this was necessary to assure that all the gear groups have full representation on the NSRAA Board. **MCWOO**

Motion 11/12/13(p) M/S Eide/Carle to go into Executive Session & M/S Jordan/R. Eliason to end the Executive Session

Motion 11/12/13(q) M/S Massey/Eide To approve a \$100,000 Bonus to be divided \$16,000 to the General Manager and \$84,000 to the employees at his discretion.

Motion 11/12/13(r) MS Jordan/Eide Hold the Spring NSRAA Board meeting in Petersburg
17 yes 3 opposed 2 abstain. The next meeting is March 4th and 5th

