

# NSRAA Board of Director's Meeting Minutes ~ FALL 2015

November 12 & 13th, 2015

1308 SMC Rd., Sitka, Alaska

**Call to Order:** 9:00 AM November 12, 2015

## **Roll Call**

Gillnetters present: Dalton Bergman, Kevin McDougall, Mike Nilsen, Dan Pardee, and Lars Stangeland. Seiners present: John Barry, Mitch Edie, Charles McCullough, Justin Peeler and Sven Stroosma. Trollers present: Richie Davis, Eric Jordan, James Moore and Zachary Olson. Other Board members present: William Bergmann – Conservation, John Blankenship-Subsistence, Mike Forbush-Processor, Carl Johnson-Interested Person, Deborah Lyons-Crew Member, Dave Moore-Interested Person, and Karl Wolfe –Interested Person. Absent and excused: George Eliason-Troll, and Brian Massey-Recreational Sportfish. Unfilled seats due to resignations: Wade Martin-Native Organization and Marlene Campbell-Municipality.

**Establish Quorum:** 21 of 25 Board members are present at 9:00 AM.

**Approve Agenda: Motion 11/12/15(a) M/S Mitch/Zach To approve the agenda with the suggested amendments. MCWOO** The President asked if there were changes to the Agenda. It was suggested the Audit Committee report be moved up to sometime today. The maintenance report will be changed to 10:45 today. The agenda is posted online at [www.nsrta.org](http://www.nsrta.org) along with the Board book, other reports and supporting material to inform the Board and the public.

**Appointed seats 2014:** The Municipality seat and the Native Organization seats are vacant. Two letters of interest were received for the Municipality seat and were read to the Board. One from Kurt Wohlhueter, of Petersburg Assembly and one from Michal Harmon, City and Borough of Sitka Director of Public Works. The President explained the ballot process. The winning candidate needs to attain more than 50%. **Kurt Wohlhueter was elected to the Municipality seat**, with a one-vote margin. **Mike Forbush-Processor and Karl Wolfe – Interested Persons, were re-elected and re-appointed without opposition.** Steve will notify Native Organizations to recruit a replacement. While the ballots were counted the business of the Board continued: Dan Pardee was thanked for the salmon lox from Taku Smokeries in Juneau. The vote to approve the Spring Meeting Minutes was taken and an announcement about travel reimbursements was made. There were numerous jokes and comments about things like a trip to Hidden Falls, etc. The mood of the Board was generally very good. Introductions and the Executive Committee Appointment were also made.

**Approve Minutes: Motion 11/12/15(b) To Approve the minutes of the March 11-12, 2015 NSRAA Board meeting. M/S Mitch/Karl Wolfe MCWOO**

**Staff, Agencies and Public present:** Approximately twenty members of the public, including three Trollers, NSRAA Hatchery and Program Managers, the DIPAC Executive Director , and other agency staff were in attendance. A sign in sheet was passed around but was not returned to the Secretary for inclusion in the minutes. Steve introduced Ilona Mayo, a long-time NSRAA employee, as the new Office Manager. The staff was thanked for the very nice breakfast that is set out for the Board, some of which is homemade.

**Executive Committee Appointment:** The President reported that the Gillnet group had selected Lars Stangeland for the Executive Committee. He was appointed.

**Audit Committee report:** Deborah Lyons Secretary-Treasurer and Audit Committee Chair, was introduced and gave the Audit Committee report.

The Audit Committee met this morning at 8 AM with Kevin, Steve, Deborah and Richie on teleconference with Mr. Mertz from Elgee, Rehfeld Mertz, LLC. Deborah reminded the Board that the Audit Committee is the liaison from the Board to the Auditor and the Auditor reports to the Board through the Committee. The Auditor engages the Committee on issues of the Letter to Management and responsiveness of the NSRAA staff, Internal Controls, and an opinion whether the Financial Statements fairly state NSRAA's financial position. Because of Steve's great diligence and leadership in continuing to improve the quality of the financials, NSRAA received a clean audit with only one note about the way the State of Alaska views deferred interest as an asset. The financial statements have been adjusted accordingly, by \$1.72 M dollars, to be consistent with Federal GAAP standards. Steve explained this topic in more detail to the Board. Deborah went on to explain how the Board, exercising their fiduciary responsibilities, had requested a change in the person performing the audit so that a "New set of eyes, perform the audit." ERM made this happen and two years ago, Karen Tarver was the principle, performed the audit, and made recommendations to update the wording of NSRAA polices to be more understandable to a person unfamiliar with fishing and aquaculture practices. This past year, when it came time for the NSRAA Audit Karen had a conflict with a different project; Mr. Mertz stepped up. The intention is for Ms. Tarver to resume her work next year, consistent with the NSRAA Board intent. On behalf of the Audit Committee Deborah complimented the General Manager, supported by Chip and Ilona, for meeting a number of unexpected occurrences with the change in the Audit staff and NSRAA staff and the conversion over to QuickBooks during the past year. During the audit meeting the President asked for an assessment of risk by the auditor, relative the amount of debt the organization has taken. NSRAA liquidity ratio is \$6: \$1 and has gradually increased over time. This is good compared with many companies. The debt to equity ratio is \$.33 to \$1. This is considered a bit conservative. Designated net assets are adequate to fund the organizations for 13.4 months. Six months is generally considered a good standard. The auditor advised that these ratios were not imprudent for an organization subject to the unpredictability of Mother Nature. A Board member made a comment on the unbooked value of the fish at sea. Kevin remarked that his new understanding the actual value of the deferred interest had helped him. William asked whether the State financial situation could cause changes in loan interest rates. Steve said, "I don't think so, but the bigger worry is that the endowment to the loan program may be reduced and the size of the endowment is justified by total demands for credit." Steve explained more about the payoff periods for the loans. They are all 20 years. The way the date the loans mature to mark the obligation to begin the interest payments, and the differences between the operational loans and capital loans were discussed. Refinancing was discussed. A Board member said, "If NSRAA had found a new site to invest in more loans could have been taken, but the regulations protecting wild stocks make the number of possibilities for investments for new production limited." The President countered that is, in fact, why a subject of this Board meeting is a new loan for the purpose of increasing production. **Approval of the Audit: Motion 11/12/15(c) To accept the Letter to Management and to approve the report of the Audit Committee. M/S Richie/Sven. MCWOO**

#### **General Manager's Report – Steve Reifentuhl**

Steve welcomed everyone at the meeting remarking that the rainy weather made it a great day to be indoors for a meeting. He had sent an up-to-date written Manager's report to each Board member via email and snail mail last Thursday. The report touches on main topics plus some additional information. He also told the Board that some new information from reading otoliths had very recently become available. It appears positive concerning marine survivals at Hidden Falls and will be covered in a full report that Chip is preparing. Steve began his report discussing some the challenges since the last Board meeting. One of them was staffing. For varying reasons several staff members decided they wanted to pursue other opportunities outside NSRAA, fortunately other very qualified individuals inside NSRAA made themselves available. "At the end of the process,"

Steve said, "Staffing changes leave NSRAA in a strong position. We have great depth and are in a good spot thanks to the outstanding work of the staff and their willingness to step up"

Steve continued his report saying "The extremely poor chum return to Hidden Falls this past year weighs heavily on me and some factors are out of our control. We have been looking at changing release strategies and predator responses. Surviving a year with a major hole in a program was difficult, and difficult for fishermen too. One possible response to evaluating and resolving the HF problems is reviving and expanding the NSRAA otolith program. They are expensive. NSRAA now has Duncan Coltharp on staff, qualified to do the work. More on this topic later in the agenda." Steve then discussed how critical good and responsive management is to the Hidden Falls program, saying "If we had not quickly realized we had a problem, if we had missed a critical week, we would not have gotten the broodstock." "Curtailed fishing time created lots of radio talk. It was not pleasant out there. We prevailed and got our egg take."

Medvejie and Deep Inlet chum returns saved the day, performing better than expected, the largest return since 2000 (2.3 M) with good 3 year olds representative of both HF and Med broodstock. Staff will later present a 25-year retrospective of NSRAA chum marine survivals compared to DIPAC and SSRAA. The Medvejie egg take of 92 M is the largest ever and provided the full complement of eggs needed for the projects at Medvejie and Crawfish. "We needed every last fish that made it back to Bear Cove and Medvejie." Steve did a bit of flying to keep tabs on HF and Med broodstock returns. He developed back-up plans for replacement eggs at Port Armstrong and DIPAC and had them in place in case they were needed.

At Deer Lake 2.4 M Coho smolt emigrated. Compliments were made to DL Coho Project Manager Woody Cyr. Mist Cove Coho return was decent despite depressed marine survival, with 65 thousand Coho caught by trollers and 60,000 taken for Cost Recovery. Steve ended his report saying "Finally, I still love working here. Still motivated to get up each morning to get in here and be of help to this organization and to you. Thank you." Board applause.

### **Operations Manager Report - Scott Wagner (posted online)**

Scott's report hit the high points of what has happened across all the programs since March 2015. He then focused on stock specific information for Chum, Chinook and Coho. He closed with information on the status of the numerous permits that are required to conduct the programs. He added to Steve's information about the size of the egg take, noting it was the largest in the State, ever.

For 2015 NSRAA achieved a record release of 200M total salmon. This increased total annual chum production 17.5% over the past two years with 27 M more chum released than the previous year and a record 2.5 M Coho smolt released from Deer Lake. On the facilities side, Scott updated the Board on pipeline improvements at HF and MCIF, SE Cove improvements, removal of NSRAA equipment at Gunnuk Creek (due to the ownership impasse) and Haines spawning channel work.

Hidden Falls staff is responding to chum rearing challenges with comprehensive evaluation of procedures and causes. The discussion focused for a bit on the interaction between the Takatz and Hidden Falls release sites. "We are still trying to understand how the fish move and to evaluate the difference in marine survivals."

The HF Chinook return was poor and eggs needed for broodstock were back-filled from Medvejie. About 400,000 Chinook eggs went to help DIPAC. "The 2015 Green Lake Chinook successes are a welcome turn-around and more information will come on that later." A question was asked about the regional distribution of Andrews Creek Chinook for brood. Eric Prestegard gave some historical information on how Andrews Creek stocks are now at DIPAC having originally come from Snettisham. Chickamin Chinook broodstock and a new stock, Keta, at Little Port Walter are also used at in other SE Chinook enhancement programs.

The largest Coho release ever (907 K) for Deep Inlet, happened this year. Medvejie Coho broodstock returns are still a struggle but staff is taking advantage of opportunities to capture fish showing up in the new Blue Lake hydro plant afterbay. A 200K Coho release is planned for next spring to help increase Coho returns for Broodstock. "We are taking eggs where we can but are about 900,000 short for the program goal." Steve said, "Keep in mind the eggtake goal is set high

enough to allow for eggs that may be lost for various reasons during incubation.” The HF Coho return was very poor. Interestingly the Cliff Lake marine survivals for Coho surpassed Hidden Falls. On the subject of permits, Scott shared frustrations with lease issues at Medvejie. The Thomas Bay permits will come up later on the agenda. Scott continued to discuss the difficulties of moving the permits along. Three key staff are no longer working for their agencies. NSRAA responded to an agency request (FERC) on the status of the HF hydro. Staff is pursuing amending the SMC Hatchery BMP (Best Management Practices) and requesting that the obligation to continue the Salmon Lake weir be discontinued due to the extremely low number of tags recovered there and the high cost of operating the weir, \$25,000 annually. The EPA showed up wanting to inspect Medvejie. This was odd because the State DEC is in charge of those programs and there appears to be some disagreement between the agencies on how regulations are to be applied. The EPA person was not straightforward in stating his purpose for the visit and he was given the appropriate information. Mike Forbush gave more information on his perspective of the regulatory snafu. “It’s a mess.” There was a small fuel spill at the NSRAA office. Staff contacted DEC and was working with them when the larger spill from the City of Sitka back-up diesel generators occurred and took priority. Scott summarized the status of the grant projects. The Hidden Falls grant covering pipeline replacement, hydro repair and replacement, and lagoon weir improvements is in progress. The President asked, “Should we anticipate decreased opportunities for deferred maintenance grants?” Scott said, “Yes.” Steve said the capital upgrades we have made in the past few years would last into the future, fortunately. The President said the Board would still need to keep in mind annual maintenance costs going forward.

Scott went into more detail on the staffing changes. New staff members are John Pearce, who used to be Assistant Manager at Hidden Fall and is returning to be the HF Manager after receiving his Master’s Degree. Samantha Kanak has been hired as Fish Culturist. Cain Depriest is staying on as HF Assistant Manager and Rick Morehouse is now the new HF Maintenance Supervisor. At Medvejie, Adam Olson is new Manager; Baxter Poe is new Assistant and Brett Jenkins, a new hire, is arriving next week and will double as a Maintenance Assistant and Fish Culturist. NSRAA did lose some staff to the Science Center but got one back, Ben Adams. He will work under Chip with the otolith lab, tagging and other projects. In light of the fact that it is Veteran’s Day a Board member asked that the Veterans on the staff be recognized. David Campbell, Medvejie Fish Culturist and Maintenance Assistant served in the Marine Corps. Mike Pountney, Maintenance Manager, served in the Coast Guard.

### **2015 Salmon Season and 2016 Forecast - Chip Blair – Tab 9**

Chip greeted the Board and began his report with a summary overview of the past season. Hidden Falls experienced extremely poor returns for all species. Medvejie was very strong for chum (the best since 2000), decent for Chinook and average for Coho. Deer Lake was average for Coho and Southeast Cove experienced the first returning three year olds to the new program and looks promising. NSRAA was able to do some cost recovery on those fish.

A total of 2.8 M Chum returned in 2015. 2.43 M of these to Deep Inlet with 231,116 Troll, 694,033 Gillnet and 1,398,018 Seine, 29 to CR and 111,505 to Broodstock.

Only 49,417 Chum were harvested in HF Common Property fisheries in 2015. Curtailment of the fishery made it possible that just enough for Broodstock (242,938 finally) were gathered from the very weak return. The three June openings averaged only 15,000 Chum per opening.

Southeast Cove saw 13,400 returning three-year-olds and all were taken for cost recovery.

Chip showed a slide, bar graphs comparing the 2015 forecast return with the 2015 return-to-date.

They looked like inverted images with Deep Inlet showing 182% increase in the return-to-date compared to forecast and Hidden Fall showing only 28% of the forecast as having returned to date.

Chip presented a very data-dense slide comparing SSRAA and DIPAC marine survival rates 1979-2010 with Medvejie and Hidden Falls. The slide was colored green in areas to highlight successful returns in the 1.5% to 3% marine survival range. If and when Hidden Falls is within that range it will return 1.5 to 2M chum consistently. Looking over all the Chum programs, the data showed they have been in the successful range 75%-85% of the time. “Pretty remarkable, over such a long period of

time.” Early years showed poor survivals. “Haven’t seen that till recently.” Back-to-back poor marine survivals has a compounding effect reducing both 4’s and 5’s returning. DIPAC has increased MS’s and SSRAA hovers around 3% average MS. The next slide contained a summary statement that “NSRAA’s chum programs have struggled the past 7 brood years, especially at Hidden Falls. We are hoping that returns in 2016 and early signs of success in our 4.0 production point to a turn-around.” The 2016 projected marine survivals are 3.3% for Medvejie and 0.4% for Hidden Falls. Chip then looked at the data broken into 5-year blocks of time (for brood years) tracking HF and DI with survivals seen at DIPAC and SSRAA. Medvejie and HF Chum have shown a generally declining trend.

30,000 NSRAA Chinook were harvested (3.8% of the total Chinook catch), 27,000 to Medvejie. The troll interception rate was higher than recently seen at 35%, for 10,000 fish valued at \$681,000. Looking hatchery-by-hatchery Medvejie made the largest Chinook contribution to the Troll fisheries followed by Crystal Lake.

The Deep Inlet net fishery Chinook catch was 3,637 Seine Chinook valued at \$302,016 and 3,225 Gillnet Chinook at \$130,721. The Hidden Falls Seine Chinook harvest was very poor for the second year in a row with only 678 Chinook taken compared to 3,246 in 2013.

“The 2015 Coho was average-to-below-average as was the case Southeast-wide following two huge Coho years. Numbers dropped off, with dock talk about Coho offshore and not available to catch. At Medvejie fish are still trickling in, but if warm water caused fish to hold off, I’m not sure.” The slide showed 143,261 Coho returning to Deer Lake, 45,455 to HF and 14,354 to Med/DI. Compared to the forecast DI was well above, Medvejie right on and Cliff Lake well above on a very small return. For each site, the 2015 Marine survivals are currently at; 1.46% for HF, 5.93% for Deer Lake, 1.98% for Cliff Lake (a small out-planting program without firm smolt numbers), 3.51% for Deep Inlet and 5.47% for Medvejie.

The current 2015 estimate of value for all species is \$10.25 million compared to \$8.25 million in 2014. About

\$8.5M from Chum, \$1.1 M for Chinook and \$600,000 for Coho. Looking at value to the gear groups about 53% went to Seine, 27% to Gillnet and 20% to Troll. More detail is in the Board book.

“Compared to historical numbers, the value of the return is about average despite lower prices. If prices were higher and Hidden Falls more back in line it could have been a real boomer year. But it is what it is.” Cost recovery was very minimal this year with the lower Coho returns, not as much as recent years. A slide showed the amount of cost recovery each year, plus the Hidden Falls Assessment Tax and the Northern Southeast Fund (NSF) contribution from DIPAC. These three sources of income were about 1/3, 1/3, 1/3 in 2013, shifted to largely CR and NSE in 2014 and largely NSE in 2015. The NSE Fund has largely replaced the cost recovery effort at Deep Inlet.

Chip explained where the cost recovery fish came from. Hidden Falls Coho and Medvejie Chinook each accounted for \$100,000 CR, SE Cove Chum contributed \$43,764 and the rest of the amount \$468,000 were Mist Cove and HF coho. The Southeast Cove return, composed of mixed Gunnuk Creek and NSRAA fish was split with Department of Revenue according to otoliths reviewed by 2 parties. NSRAA portion was 21%. The agreement to split the revenue with Commerce ends in 2018. The 2016 forecast for Chums is: Deep Inlet 1,782,000, 75% of 2015, HF Chum 1,433,000 490% of 2015 return, SE Cove 165,700 and Haines chum 31,000 compared to 33,800 forecast in 2015. The 2016 Chinook forecast is: Medvejie 31,200. 4,000 fish more than 2015. HF 5,400. 2,800 fish more than 2015.

The 2016 Deer Lake Coho forecast: is for 150,000. 103% of 2015 return. HF Coho 194,000. 425% of 2015 and Medvejie/Deep Inlet Coho 62,000. 280% of 2015.

Chip introduced Duncan Coltharp, NSRAA’s new otolith reader. He called him, “A quick study, given the fact that there are 18 different marks to discern and he is doing an excellent job.” Chip said probably everyone knows that all hatchery chum produced in Southeast are thermal marked. He showed a slide of a thin cross section. By heating and cooling the incubation water around the eggs the bone structure of the otolith grows faster or slower allowing you to lay down a pattern assigned by ADF&G. Chip used an example 3,3,3,H the Deep Inlet 4 year olds. He showed a bar graph that tracked all the Deep Inlet and Bear Cove age classes. One group to Deep Inlet represented 50% of the return. Great otolith information will allow us to answer many questions. Most of the Late June

early July chums are HF stock. We know they overlap with Medvejie and otoliths help discern that. They also inform, release sites, rearing strategies and make up of catch in the fisheries. One slide showed the 2015 Deep Inlet and Bear Cove Otolith estimated return numbers, Medvejie stock Deep Inlet release 1,508,973. Deep Inlet Regulars a 24.2 M fry release 1.55 gr release site released from 4/30-5/9 2012 was 51% of DI return. \$4.2M or 41% of the total \$10.25M commercial value for all species. This was a year when we didn't hold fish until 2 grams in size. Board members had questions. This was the first DI "trickle release". A rough estimate of the BY11 Bear Cove 4 year olds showed 3.9% survival for LL compared to 1.95% for the BC regulars. More of the 4.0 appear to return as 3 year olds. 73% of the Bear Cove fish were caught in the fishery and 2% of Deep Inlet fish were caught at the rack. Looking at the Hidden Falls 4.0 compared to regulars, the 4.0 definitely outperformed the regulars. The Kasnyku BY11 4 year olds LL program return at 1.75 compared to Regulars. The BY12 3 year olds LL returned at 1.9 to regulars. The Takatz BY11 4 year olds LL returned at 4.5 to Regulars and BY 12 3 year old LL 16.3 to Regulars (wow). A rough estimate on marine survivals for Hidden Fall BY 11 was 0.4% for Kasnyku regulars and 0.7% KAS Late Large. The Takatz regulars had 0.2% MS for the regulars and 1.0% MS for the Takatz Late Large. Interestingly 57% of the fish at the rack at Hidden Falls were released at Takatz. They find their way back to the hatchery. A fisherman asked "Does that mean that the Pollock eat more than the whales do?" Steve answered, "Possibly."

Another slide showed a comparison of performance relative to Kasnyku and TAK release site by Brood year, which showed they seem to be alternating, some years are even, but Takatz definitely did poorly 2010, 2011 and 2012. Still it may be better not to abandon Takatz entirely but to continue to release some at each site. More discussion about what the data means. A Board member asked if the data showing 4.0 fish outperformed was strong enough to justify converting all programs. Steve said there are logistical limitations and that not enough is known after one brood year but he is always evaluating and that it is a possibility, adjustments will be suggested. The President said, "We currently have designed a 4.0 component into each release site just so we can evaluate 4.0 performance." Another Board member said "This information is valuable because it can enlighten the concept of evaluating number of fry released to number of fish returning, as was discussed last year." "Does the sampling occur at the rack or just of the tenders?" Specifics of the 2015 season were discussed. The President said, "We have been waiting for four years for this data. NSRAA once had a 4.0 program and discontinued it, but Steve was interested enough in retrying it...and the staff did all the work." Eric Prestegard contributed some examples from his experience at DIPAC where differential survivals occur at release sites that are fairly close together, and "For sure between the southern and northern release sites. PWS Aquaculture same deal: Three hatcheries = three different marine survivals. Generally one always does well. Diversifying strengthens the overall program." Chip remarked, "Don't forget the example of tremendous survival on smaller size fish at release, too." One final interesting conclusion of the otolith data for Southeast Cove was that the first 3 year olds returning in 2015 outperformed Kake hatchery (Gunnuk Creek) BY 12, by a wide margin. BY 12 Chum 47,850,895 released at Kake 0.002% marine survival and NSRAA BY12 8,712,136 released with .154% marine survival a 63:1 ratio. Chip ended his presentation by thanking the staff he worked with. The Board broke for a catered lunch.

### **Break for Lunch**

The President took up the agenda and started into the staff reports. He noted the Secretary would be absent for the next hour and a half. (Minutes were taken from the recording)

### **Medvejie Hatchery – Adam Olson, Manager (Tab 4) report is online**

Adam greeted the Board. He has been working for NSRAA since 2005, the first nine years at Hidden Falls. He will give a very brief summary for the Board of what has occurred since the last meeting, keeping in mind that we are behind on moving through the agenda and the fact that his report information is also online. He said the water temps and weather this spring made for very favorable rearing conditions especially compared to what he was used to experiencing at Hidden Falls. He

described the high levels of Chaetoceros that also found rearing conditions favorable. This organism occurs around the gills and can suffocate the salmon fry. We met the challenge of changing the feed cycles to control the organism and still met the growth targets for the fish. The 4.0 Chum were healthy and the largest number of Chum fry ever produced was released from Deep Inlet, 58 million. The new Crawfish project doubled the Chum egg take goal from 15 million to 30 million and added to the facility total of 92 million eggs. We had a really smooth 20-day eggtake with high quality, good fecundities and a new one-day record. Less than 5% of the eggs were green or bad females. Efficient processing by the crew of over 7 million eggs. Credit is shared with Angie Bower and Scott Wagner. All the improvements to the water supply paid off and the Board will hear more about that later. For 2016 Chum rearing Adam is focusing on ironing out an increasing complicated transfer schedule of over 120 M fry to four different sites. Crawfish and SE Cove require 40-mile trips and 10-12 hour turn-around times. Adam is working with other staff to standardize rearing protocols at all sites, and to conduct increased environmental sampling at all sites to inform the variables that are affecting marine survivals. Adam showed a picture of the American Patriot "Loaded to the gills" with supplies that were purchased and shipped from Gunnuk Creek Hatchery this year. Everything has been unloaded distributed, put into use or stored until needed. Adam summarized the changes that had been made to the Medvejie Chinook programs. The Chinook that were being penned reared in Green Lake were not surviving well. (At past Board meetings info was provided describing low water flows and warm temps that exacerbated the presence of parasites and disease.) The staff has responded with a new approach that reduces densities in the Green Lake net pens by relocating the stock on hand. 600K of the Medvejie Fresh Water Over Wintered (FWOW) fry were distributed 150K to Bear Cove and 450K to Halibut Point Marine for saltwater rearing and release. The other 1.4M, half of the former amount, went up to the Green Lake pens to reduce densities. The saltwater over winter program for Medvejie yearling Chinook was reinstated for 800K of the Chinook. The decision was made to release 600K Andrews Creek zero check fry at a size of 2.5 grams. Although small for release, they did seem quite vigorous and Adam said, "We will know in four years how that release strategy worked." Adam went on to describe all the changes made in Green Lake to improve rearing conditions and decrease mortalities. The staff designed aluminum pipe "Mort Suckers" and use them on a daily basis to remove any fish that have dropped out. They are doing biweekly dives to confirm mortality numbers and have improved the formalin program. They moved the pens to a new site. They've changed the transfer out procedure and now hold the fish down at Medvejie for a few days in freshwater before transferring to saltwater which seems to be helping the fish adjust because the fish seem to be performing better than average now in saltwater. "They've put on 8 grams in the first month and a half." Adam showed a graph comparing the improvement in controlling mortality. The 2015 BY Chinook rearing will follow the way the program is now being conducted. The zero check eggs taken in August will be ponded in mid December and should be ready for release in June 2016. 1.4M will again go to Green Lake. The yearling program will use supplemental lighting to stimulate growth for better size at entry and the FWOW group will stay status quo between Bear Cove and Halibut Point Marine. This fall's warm water is stimulating fungus growth in the incubators so we are watching that. The fish are very active and vigorous. For Coho we are doubling the amount released at SMC hatchery for broodstock to 200K to try to improve the size of the return for broodstock. The staff did take enough Coho eggs to meet the 200,000 goal even though some will be discarded to control BKD. (about 9.4%) Because not enough Coho are returning to the Medvejie facility it was necessary to go to Deep Inlet to beach seine a few more females (66). There were a few fish still returning to Medvejie hatchery and seemed like it would be enough until a group of Sea Lions moved in and began working on them. Staff was able to save another 130 females by seining them and transferring them into the raceways. The current eggtake total is 1.4M eggs and holding 22 green females for future spawning. Adam thanked the Board for the opportunity to live and work in Sitka.

**Sawmill Creek Hatchery & Salmon Lake Coho –Rebecca Olson, Manager (Tab 4) Report is online**

The new dam construction and the controlled water spill periods are creating a new and ever changing temperature environment at the hatchery. Rebecca is keeping track. Temperature swings of 4 degrees in nine hours have occurred. This is a bit concerning because raising and lowering temperature is the technique used to create otolith patterns. A staff member mentioned one of the October temperature spikes corresponded to the date when Blue Lake “turned over.” The BY 2013 Coho are doing well and about 950,000 were released at Deep Inlet at 24.7 gram average weight. The BY 14 Coho are what are now in the hatchery. They have had slow and steady growth and should be at size at release. 107,543 of the Coho being raised at SMC will be transferred back to Medvejie for release there for future broodstock returns. The remaining 674,390 Coho on site will be released from SMC. The first year of raising 13.37 million BY14 Chum for release at 4.0 gram size at Crawfish Inlet was very successful. Very low mortality and the highest growth rate of all the chum projects. For BY 15 everything will double and we will go up to 30 M. The incubators are new ones and the one’s from Gunnuk Creek. Half of the fish will be fed at Crawfish to 4 grams before release and the other approximately 15M will be releases as regular Chum. Jim Seeland’s UAS Fisheries students spent a full day helping seed half the Chum eggs. The rest of the Chum were seeded last week and the 4.0 fish are beginning to hatch. The BY15 Deep Inlet Coho eggs are currently in progress. There have been 5 eggs takes at Medvejie but we are still a bit short. Staff noticed Coho jumping in the tailrace of the new Power House. 34 adipose clipped males and 15 adipose clipped females. They got a Fish Transport Permit that allowed all the fin clipped fish to be taken. Half the non-clipped fish could be retained. The rest were released. Another condition was to keep the area cleaned out and put the un-needed fish back into the creek. Sixty-three more females were taken this way. Sixty more pairs were spawned. Every pair was family tracked for BKD and genetics. More samples were taken. Yesterday’s otolith results demonstrated that all the fish taken were hatchery fish, so all the eggs could be kept. Currently holding 1.2 M eggs and 32 fish are still holding for spawning. Because the fish proved out to be 100% hatchery the permit limit may be raised and a few more fish allowed to be taken. Questions about returning Coho size, percentage of fish clipped and tagging machines, and BKD rates. A question about whether plankton tows etc. showed whether feed was available. Jess the program leader said, “It is a great rearing site and we released fish at the optimum time. We released 15M of 4.0.” After her presentation the Board President said, “Could you please convey to all of our staff, including the temps that we appreciate everyone of you for all the work you do. We compliment and give kudos to the folks that attend the meetings but we want every person who works here to know how much this Board appreciates their efforts.” This remark was reinforced by applause from all the Board members.

### **Hidden Falls Hatchery Report – Jonathan Pearce, Manager (Tab 5) Report is online**

Jon started with information on Rearing/Release and Incubation.

73.6 M BY14 Chum were release between Hidden Falls and Takatz. The 4.0 Chum were actually 4.26 grams at release. High mortalities are still occurring and feed trials have been instituted to shed light on that. All the incubators from Gunnuk Creek arrived on the American Patriot. They were stripped down, re-plumbed and working in time for the eggtake. HF staff took 180M Chum eggs in 28 days, a new Alaskan record. His graph showed historical egg takes over time. The strong finish let them meet the goal of a 30% increase in capacity. Currently there are 155 M eggs in 735 Nopads and 4.2M gallons of water per day through incubation. (!) There was a slight issue where the new head box plugged with sediment and was below the sensor so some fish were lost. Two of the R-48” were lost containing 5.5M Chum. Downstream sensors will be installed and other re-design of the headbox will take place. The Chum feed trial will address high drop out and pin heading. 540K Chum are in three groups and they are being fed different feeds at different sizes. This is accompanied by more thorough monitoring and sampling of plankton and morts. “We hope to see some data that will help us make adjustment to the feeding regimen next year and reduce mortalities. This May we released 737K BY13 Chinook smolts at 66 grams. This was the third largest size at release in the history of the program. We do count these fish out with the fish counter. The 8.6% discrepancy is within acceptable ranges and means we are close to correctly enumerating our mortality. Currently 755K Chinook are rearing in saltwater they were transferred from fresh water



in mid September with minimal mortalities and were fed a special diet to help with the transition. 946K BY15 Chinook are in the incubators and will be ponded in February. All families were tracked for BKD with about 6% positive, fairly low." For Coho BY13 released in May had the lowest mortality in the history of the program. Currently 3.96 M Coho are in fresh water and saltwater. They are at weight going into the winter and we are hoping for a good release next spring. A surplus of 135,000 Coho fry (from Deer Lake program) was stocked into Parry Lake. BY15 risk of BKD is reduced with family tracking and Gallimycin injections. 7.7M Coho green eggs are on hand. Trying to deal with the marine mammals is still challenging. Staff responds with trickle releases, tow releases and holding when mammals are present. Site improvements include the new 50"x 50" storage building and pallet racks, new PRV to supply water to front round ponds, and the new hydro spill line to supply the raceways. Some nice pictures of the newly completed storage sheds with incubators inside, the new PRV and pipes and the hydro spill supply were shown. The improvements provide staff with more options for water use management and water temperatures for rearing. About 20% of the Chums will be raised to 4.0. The whales are also feeding on herring in the area. They are a constant presence. The most troubling thing is watching the whales feed all along the Chatham shoreline day after day as fish migrate out. In response to a question Steve clarified that the lakes where Coho are out planted are barrier lakes and fish do not return there to spawn.

### **Coho Lake Rearing – Woody Cyr, Project Leader (Tab 6)**

Woody showed a map to orient folks explaining that fish are reared in a lake then sent down the pipeline to salt water, bypassing a 300 foot barrier falls. Camp typically closes in the winter and half the fish over winter in net pens and half are released in the lake in January. In spring camp is reopened to get ready for emigration. Little snow meant it was easy to set up for emigration with pipeline, weir and dam boards all in and fish beginning to leave in early April. Emigration does not really ramp up until April. Things can get very difficult in a big snow year. At the end of April the helicopter flies in major supplies from the American Patriot in Mist Cove. All the fish food, fuel, and construction supplies come in then. The earliest fish to emigrate don't seem to survive the change to saltwater that well but in May when good numbers start coming down they survive much better. Just under 2.5 M Coho smolts emigrated at just under 28 grams size. The peak emigration was a week early. Some age two always leave. This year about 2,500. That is good to see because it means most went out last year as yearlings and did not stick around. Two groups are forced out. Those are the fish in the net pens and we pump them out. The earlier fish are the ones that overwintered in the lake and they leave on their own. The pipeline isn't big enough to handle all the fish emigrating at once so staging the emigration like this works. Staff waits until the lake water temperature turns over in the winter before releasing fish to over winter into the lake. Four net pens are spaced out and anchored far from the outlet. Releasing the fish from the pens at these locations seems to hold the fish in the lake better. We had a tailwind and decent weather last year. That helped keep the fish longer too. Going back to the way we pump the overwinter net pens out in May, we pumped net pen fish prior to the peak of the lake fish emigration and then pumped out the rest from the pens after the lake fish peaked. Very low overwinter mortality reflective of the low-density stocking. This year something new, the pens in Mist Cove that hold the fish once they have gotten to saltwater were covered with Herring spawn so staff spent a day swapping them around and cleaning them so the Coho smolts would have good saltwater circulation. The whales were very transient and did not hang around. In June 2.8 million new fry were flown in over 16 trips. Staff showed a leaf blower modified fish food blower which works well.

Thank you DIPAC for the idea. Staff spends all day every day just cleaning nets and feeding fish. During low water outflows from the lake the staff worked to beef up concrete footings to the fish weir. The most chronic problem is water in the fuel and bad gas. A fuel shed and dock stabilization work was done. The container van was roofed and sided with a porch-shed addition. Food can be kept away from bears and dry. This created a bit more precious dry storage for gear. Ritch Phillips the Senior Fish Culturist and Brian came out from town to help with the tagging operation. Two machines and QCD's let us tag 60,000 Coho and the help was greatly appreciated. Heading into winter fish are good sized and 1.4 M Coho will be released into the West Basin of the lake after it

turns over. Lake temp is 10 days later than last year. The other 50%, 1.4M Coho are in the pens. Eight pens hold 175,000 each. The pens have tops that are sewn shut to keep out otters and mink. The fish food is rationed over the winter. If they run out there is no way to resupply. Woody thanked his staff for doing such a great job. Coray Harvey, Torin Lehmann, Jess Coltharp, Blake Vandenberg, Brian LeBlanc and Ritch Phillips. Woody said drinking water is filtered. In freezing weather an inside tank is filled by bucketful and pumped out as needed. All the garbage that can be burned is, and the rest is actually flown out. Outhouses are used. Woody explained his alarm system on the pipeline. During his tenure the largest peak emigration day was 250,000 fish. This year's biggest was 140,000 fish going from the lake to the saltwater pens.

### **Maintenance report – Mike Pountney. Maintenance Program Manager**

Mike greeted the Board and said, "The nice thing about battling cleanup is that all the projects have been mentioned, so this may only take ten minutes." A slide summarized some of the staff changes. Jason Dagenhart and family departed in mid-August and Richard Flagg left in mid-October. Rick Morehouse was moved up to HF Maintenance Supervisor and a maintenance Engineer position remains open at HF. Mike started with the Hidden Falls projects. He will talk about the lagoon aeration project and the new refrigeration van. The old van was swapped out and the new one installed and rewired. The Hidden Falls also has a major pipeline project and work in progress on the employee housing. We are also re-vamping the shop. Starting with the lagoon area aeration this project is designed to supply the lagoon with an alternative source of water when the dissolved oxygen levels are low, such as occur in low water flow levels from the lake from low snowpack or dry periods. The oxygen will help the fish survive being held in the lagoon before the eggtake. Regenerative Blowers supply high volume low pressure air and are plumbed out to the drains in the round pounds and the drains are diverted with dam boards to the lagoon. This helped us clean up reused water by stripping out nitrogen infusing oxygen. The staff did the major work on the project based on the principles of design of the Medvejie airlift pumps. They really stepped up. The next project was our pipeline project. This is a major undertaking. Keystone Construction came out in June and left in October. Almost the entire pipeline is being dug up and replaced. The project is going well so I will just skip through it. If you look at the diagram of the new PRV (Pressure Release Valve) Vault. The diagram shows a really complicated installation that Keystone Construction did. The Vault is capped in concrete so that when equipment is moving around on site removing snow, the vault components are kept safe. Pipeline sizes vary, 12", 18" and the PRV is 20". Slides showed more details of the hook-ups. The major point is the round pounds can now be supplied with hydro-spill water, or water from the low pressure PRV, or combinations to help control temps and dissolved oxygen. This will be very good for the fish and fine-tunes water usage. The spawn raceway connections can now be supplied by the main hydro spill. Construction details were shown. Water that has already been used to supply power is used a second time and the second hydro will be added into the system to complete the project next year. The saltwater connection now goes to the main incubation room to help control fungus and also feeds the spawn deck area. CBC Construction completed the Hill House roof repairs. Rick Morehouse a very qualified individual with refrigeration and seafood processing background is working at HF. The HF shop has been transformed under his direction. Sawmill Creek Hatchery work includes alarm security upgrades and segregation of the water supplies with a new isolation valve installed. A standby generator and load bank have been ordered. On-site housing is now occupied. David Campbell is there. Three Infrared cameras are at the site and one has been installed .25 mile away on the old mill site hydro after bay. When adjustments are made at the hatchery it can affect water levels in the wet well. A camera is now attached with wireless bridge to monitor water level changes remotely. Staff also plans upgrades to allow them to measure water pressures. Mike described the Medvejie weir replacement, the new pipeline drain and saltwater pumps. He said, "Fixing the weir was a really great day. Staff has been fighting the old weir for twenty years." The hatchery staff designed the replacement. The old creosote pilings were replaced with reinforced steel and concrete. The old wood design was way too weak. The new work had to be done on the very low tides in June. Staff and the excavator operator set piles one-by-one, holding them in place by hand while they were backfilled. The piles came in within 1/2-inch tolerance. 23,000 pounds of interlocking concrete blocks were used to make a flat

surface for the weir pickets. Anchor rocks were interlocked and keyed in to the sides of the channel. Work done by Troy's Excavation. The weir went in with the same sort of skookum design... all heavy galvanized components. This was the year to test the design. Three flood events occurred and the weir never moved. It actually held 4-5 ft. of debris. The new water supply to adult raceways is now accomplished with new, dedicated waterline. Water pressure across all the systems at Medvejie is now balanced. (This is huge) Precision Boatworks did the fabrication of the new chum raceway tail sections. The NSRAA crew did the concrete removal. The project added 12% to the holding area. The new drains are in. The Chinook and Chum buildings shared a drain that day lighted near the fish ladder. The fish were confused and try to swim up the drain. The water can now be diverted away from the fish ladder. A new shop shell with fiberglass insulation has been built at Medvejie. Attachment of zincs to protect the galvanized weir was discussed. Steve said a lot of these projects address the desire to expand the production. Expansion required maximizing the facilities sites and improving water supply and quality. The staff has done outstanding work to assure that everything was accomplished.

### **Gunnuk Creek Hatchery Update** - Scott Wagner, Operations Manager. 35-Slide overview

Scott gave the Board a virtual tour of the area. The uplands have been logged, and the water is turbid. Hatchery and City water intakes are onsite. The condition of the existing pipeline was shown. The small turbine is not installed in the right place. The downstream weir structure is shown. The downstairs spawning raceways need retrofitting. The existing plumbing would all have to be stripped. Slide photos of conditions dated from March, 18 months ago. This past spring, an additional site inspection of the frozen valve repercussions revealed new mold issues. The living quarters would have to be stripped. The roof is leaking, and the air-handling unit will have to be replaced. One structure is unsalvageable. More doom and gloom. A plat of the property was shown. The SEAL Trust lands include the hatchery and an additional 1140 acres. NSRAA would purchase three acres within the SEAL Trust holding. Maps of the SHA's were shown in front of Kake and at SE Cove. The SE Cove SHA is designated for seine and troll. Cost recovery could be done in the SHA in front of Kake. After the presentation, the Board looked at a pro forma and an outline of the offer to the State. An important part of the agreement is a written confirmation from SEAL Trust that NSRAA would be allowed to make the improvements that NSRAA needs to, in order to operate the hatchery. NSRAA will be required to honor and abide by the Trust Agreement. Approvals must go through SEAL Trust with a minimum 30-day turn around. This requirement could be logistically quite difficult and adds a layer of oversight that could make it difficult to upgrade the hatchery. NSRAA also needs the City of Kake to agree on 99-year lease on the new warehouse. Kevin has been working with Steve all along and has concerns that, over time, Board of Directors can change at both organizations and that some years in the future, a future SEAL Trust Board might not be as supportive. Also if NSRAA enters into this agreement then NSRAA will actually own the hatchery property. The SEAL Trust requirement to have changes approved is onerous, as written, and Steve is looking into whether a comprehensive agreement that would allow for renovation and development without a 30-day review of each proposed change is possible. NSRAA's initial investment is based on the pro forma to raise 30M Chum. If that is successful, NSRAA might ramp up to 65M in Chum production. The engineering estimate is a \$2-2.5 M initial capital investment would be required. The second phase is less expensive. Development of the facility helps ensure broodstock capture and could raise the volume of production to allow for a project at Thomas Bay. The Secretary/Treasurer said, "We need to try to understand the thinking of the SEAL Trust Board. They are trying to uphold conservation values of the land. If Steve can come up with enough shape to an outline of NSRAA's future activities by being very upfront about every sort of action that might be required to the raise the fish and take broodstock, an agreement might be reached as long as SEAL Trust can see the conservation values are being maintained." Another Board member said, "I have the exact opposite point of view. I won't buy a boat that the former owner will tell me I can't upgrade." The President said, "We need to try to resolve this so we can move forward and get fish into the water." The Board engaged in a long discussion, weighing the pros and cons, water problems, and further speculations on what SEAL Trust or Department of Commerce might be

thinking. The President said, "Setting the issue of SEAL Trust aside does the Board want to continue working forward?" During the discussion Eide, Olson, Moore, Bergmann, Jordan, Carl Johnson, McCullough, Stangeland, Pardee, Barry, Blankenship all offered comments, posed hypothetical questions and expressed their points of view. Steve described risks and possible benefits to help the Board evaluate the dilemma. A Board member said, "We need a complete discussion of NSRAA's debt load versus the revolving fund before going anywhere with this."

Eric Jordan read three conceptual proposals for action; they were debated briefly, and then withdrawn in favor of a better alternative.

**Motion 11/12/15(d) M/S James Moore/Eric Jordan "The NSRRA Board approves the offer to Department of Commerce for the purchase of Gunnuk Creek Hatchery as outlined in the letter dated November 6<sup>th</sup> to Deputy Commissioner Parady, with particular emphasis that the concerns of point #4 are addressed to the satisfaction of the General Manager, with approval of the Executive Committee."** Point #4 relates to the agreement with SEAL Trust. The amount offered in the letter is \$500,000. A Board member made the comment that this action would eliminate Point 9 of the letter. During discussion on the Motion (d) a new Motion (e) was made to postpone discussion.

**Motion 11/12/15(e) M/S Eric/James "To postpone the discussion until prior to 2 PM tomorrow."** The motion carried with two opposed. PNP staff that had been waiting online to participate, if needed, were thanked for making themselves available.

#### **Hidden Falls/Takatz Reconfiguration Option –Steve Reifenstuhl, Managers Report**

The President referred to pages three to five of the General Manager's written report to the Board wherein Steve laid out multiple different options for improving marine survivals for Chum and Coho by expanding, changing and diversifying the release sites. Since this analysis began, a lot of enthusiasm has been shown for Thomas Bay, perhaps somewhat prematurely. Although there may not be enough time to finish the Reconfiguration discussion the Pres. Said, "Let's just get stated in the time remaining this afternoon." The new otolith data on the three year olds showing up at Hidden Falls now needs to be factored in. Steve took up the discussion, saying "Assuming we get the Gunnuk Creek Hatchery project in 2015, that will be a huge workload with respect to acquiring the permits. The new otolith information that the 3-year-old component of the 4.0 program appears to be performing well, may now indicate that the urgency to diversify is somewhat diminished. It may be prudent to wait on changes to Hidden Falls while we review data. Still, a discussion of all alternatives like Thomas Bay would be useful at this time and is important for helping formulate strategic planning.' He reminded the Board "Status quo operation at Hidden Falls was presented as one of the original options and is still on the table." Scott picked up the discussion with a presentation of why we are having this discussion and showed slides exhibiting whale predation and Pollock predation right in the net pens. It is a natural conclusion that this is impacting the marine survivals. Therefore NSRAA is searching for alternate release sites and this involved an evaluation process of separately assessing sites for a number of conditions, species, etc. Scott gave the Board a tour of all the options and said the HF Reconfigurations options report is posted online.

#### **Chum Options**

- A status quo option is presented to maintain HF current production plan.
- Option A is slight modification from status quo with more 4 gram chum at release, more towing for 101M Chum (Eggtake numbers not release numbers). Cost estimate is \$230K capital and \$70 annual ops. No new permits. To begin in 2017.
- Option B One new release site at either Malmesbury/Thomas Bay. \$80-110K capital startup and \$35,000 annual ops. Long tow raises risk. New permits USACE, DNR, PAR, and FTP would be required. Begin 2016 potentially, although unlikely. Staff did take temps in Thomas Bay. Very limited sites available. The bay is cold, deep and steep-sided.
- Option C would remote release at two sites 20M Chum to Malmesbury/Thomas Bay. Cost \$1-125K capital and \$50K annual. New Permits, USACE, DNR, PAR, and FTP. Retrofit concrete barge costs.

- Option D is the same as above but send 20M somewhere else other than Takatz or Thomas like Kasnyku, DI, SE Cove. New permits would be required.

#### COHO

An evaluation of survivals by site was presented. Five year rolling averages were compared for HF, DL, and PA. Over time, all survivals have declined but eastern Baranof may never show improved survivals due to the predator pattern. Release strategies could be changed early, middle and late. SWOW survivals were compared. Survivals are down across the Board to 2% range. No option is really jumping out as Silver Bullet.

- Option E Add another 1.2 M Coho to Deer Lake to overwinter in pens. Feed cost would be shifted from HF to DL. No new transport permits needed.
- Option F is to move 200,000 Chinook to Gunnuk or SE Cove for remote release. If we reduce Chinook production at HF we will probably not make broodstock. Producing more Chinook would displace a bit of HF Coho production. Little Port Walter is working with new broodstock from Keta River that looks promising for zero-checks. New permits would be needed.

Because of the new otolith information on Takatz marine survivals, the Seiners and others prefer to think overnight on all the reconfiguration options proposed, and whether they are necessary. Even more options may be suggested. Eric Jordan said, "The new facilities and production Committee is cancelled because it seems the full Board wants to be involved in discussions of all options." The President agreed saying "We may need a little more time for that discussion. Let's come a half an hour earlier tomorrow morning."

Break for the evening until 8:30 AM tomorrow.

#### **Friday November 13, 015**

The meeting reconvened at 8:30 AM. Roll was taken. The Pres. thanked the Board for starting early.

#### **Approve Ballot**

**M/S 11/12/15 (f) Richie/John Blankenship(?)** (Makers of the motion were not identified on the tape) **To approve the candidates for the next coming election.** Nominations for the next NSRAA Board election closed yesterday. The individuals that returned properly endorsed nomination forms and running for the open elected Board seats are: **At-Large Gillnet William Prisciandaro, At-Large Seine Charles McCullough, At-Large Seine Sven Stroosma, At-Large Troll Bert Bergman and Richie Davis and At-Large Power Troll Eric Jordan.** The President noted that the Troll group maintains the At-Large Troll and At-Large Power Troll as separate seats unlike the net groups who have all gone to At-Large for all Board seat definitions. One nomination form was received without endorsements and was disqualified. **MCWOO**

#### **Gunnuk Creek Discussion (continued)**

**M/S 11/12/15 (g) Eric/Mitch** The previous motion (d) shall be returned to the table. **MCWOO.** *(Motion 11/12/15(d) M/S James Moore/Eric Jordan "The NSRAA Board approves the offer to Department of Commerce for the purchase of Gunnuk Creek Hatchery as outlined in the letter dated November 6<sup>th</sup> to Deputy Commissioner Parady, with particular emphasis that the concerns of Point #4 are addressed to the satisfaction of the General Manager, with approval of the Executive Committee.)* The President said "Let's get back into the discussion" and noted that NSRAA still does not know if the State will accept the offer NSRAA has made. A Seiner said he wanted to get finished with this topic before taking up the HF reconfiguration discussion. Steve and Chip had prepared updated information to present to the Board, if requested. Board members said they were ready to vote. **The motion 11/12/15(d) carried with 20 in favor and 1 opposed on a roll call vote.**

#### **Hidden Falls Reconfiguration Discussion (Continued)**

Kevin McDougall, Board President resumed the Hidden Fall reconfiguration discussion by asking the Seinners where they were at and what they wanted to do about HF in light of the recent information and the talks they had after yesterday's meeting. Mitch Eide said, "We would like for Hidden Falls to stay status quo and to send, we thought 5M chum salmon to Thomas Bay to get the release site. They also want to wait and get another year of data on the three-year-old return to Hidden Falls before anything drastic is undertaken. "We picked 5 M because we are not interested in return revenues right now and would not have to impose the tax on a new district. Just our idea and open to the staff suggestions." Steve said he had talked with Scott and they have the idea that they would like to pursue DIPAC Chum there, as an option. The Board members said they were pursuing this more as a pilot project. Get the permits, put some fish out there...see how things work. If DIPAC eggs were used, they would be deducted from Hidden Falls' capacity. The original permit for Thomas Bay submitted by NSRAA to RPT requested 30 million eggs but 20 million were authorized. How to pay for work out there was discussed, "Does the Board need to amend the budget?" Steve said, "There is \$200,000 in the contingency line item that could be used. My intention would be to take the decision to the Executive Committee.

**M/S 11/12/15 (h) Barry/Peeler The NSRAA Board instruct staff to pursue the feasibility of development of Thomas Bay remote release site for Chum with a goal of getting 6 M in the water ASAP (from HF) with the option to put DIPAC chum there in the future (2017 earliest).**

Steve said if Gunnuk Creek comes online, five years from now eggs would be available to stock Thomas Bay, without reducing the amount dedicated to Hidden Falls. **Motion carried on roll call vote 20 in favor and 1 against and 1 abstain.**

The discussion moved into future options for Kings and Coho and the troll representatives began speaking to those ideas. Eric stated, "The early stock chums come back in early July while Trollers are fishing kings." He suggested asking the staff look into cooperative projects for king and Coho remote releases in Thomas Bay and to look at the option of a remote release for late returning chums. He was urging that the Board envision a long-range vision for Thomas Bay as a major release site and to develop Thomas Bay for Coho, Kings and early and late Chums. Steve had followed up on an earlier talk with Eric and had asked to John Burke at SSRAA about options for Crystal Lake or Burnett Inlet to develop a chum program for Thomas Bay late chum broodstock. A Board member said, "What is being discussed right now for late chum, Chinook and Coho should be kept completely separate for the Chum salmon action that was just approved." Another Board member said, "Let's not get carried away. Let's just focus on the chum at Thomas Bay right now and leave the other discussion as a discussion of other ideas." Board members cautioned the Board to manage the expectations of the public and just stick to one thing at a time. Jim Moore said, "What about release at Gunnuk Creek for Chinook? I would support that." A person spoke in favor of releasing Coho at Malmesbury. A seiner said, "Because we are there fishing pinks in August when those fish return we will probably catch a lot of them." A Board member who had worked at Gunnuk Creek said. " We had Coho returns there with better than 10% marine survival and the fish came up the Creek during high water and swam in for processing for broodstock. Some of those fish are still returning." "A person who fishes DL Coho said adding an additional 1M Coho to the Deer Lake project makes sense, since we are already there. Whether the SHA at Mist Cove should be enlarged was briefly discussed. A Troller who fishes at Mist Cove said he didn't think it necessary since there is opportunity to catch these fish at Cape Ommaney and above and below Mist Cove. Whether to increase expenses to expand Coho production at Deer Lake is tempered by the current costs and demands of Gunnuk Creek. Steve said the main idea to stay focused on might best be to increase marine survivals at Hidden Falls. If Gunnuk moves forward between now and Spring 2016 staff will take 10 M from SE Cove, 55 M remote release will decrease to 45 M. A PAR will have to be submitted in December at the RPT for Thomas Bay. The Trollers thought they should get together with Steve at noon and talk about options. It was agreed to resume to the HF King/Coho discussion at 4:00 PM.

**NSRAA Financial Position Discussion, Steve Reifenstuhl. (From Thursday)**

A QB Spreadsheet, NSRAA Statement of Financial Position as of 11/11 2015 passed out to the Board.

Financial snapshot: The overhead slide reviewed the accounts corresponding to page 6 of the General Manager's report. It showed \$10.8 M in Liquid Assets; \$1M cash on hand and the rest in bonds etc. at D.A. Davidson. The \$10.8 M reflects the allocation to different purposes according to Board direction and existing programs that include adjustments for loan repayments, HF Tax Assessment Oct 2015, Operational and Capital Reserves and \$1M CR from Coho and Chinook to forward-fund the FY 2017 budget. The DA Davidson investments are distributed according to NSRAA Investment Policy. Steve gave an update on the NSRAA debt. The Capital loans total \$4.4 M at present. If NSRAA takes on Gunnuk Creek, we will borrow up to an additional \$3 M dollars and total debt will rise to \$7.4 M. In response to a question Steve said about 50% of the Crawfish project return is planned for harvest by the Trollers, the remainder (unless Trollers are successful at catching more) will go to cost recovery or to a clean up fishery by the nets. SE Cove will also generate Cost Recovery. Steve said his intention is to take advantage of the new Cost Recovery opportunities at Crawfish and SE Cove to meet the loan obligations and to try for early repayment of the loans. Steve gave a preview of the FY 2017 Income budget on an updated slide of page 7 from the General Manager's report. The Staff also gave a preview of the 2016 Chum return. The Board members appreciated the early budget information to help prepare their thinking for the March 2016 Board meeting. It included a SET tax projection, NF projection, SE Cove income projection etc. Steve projected an estimated FY 2017 budget of \$7.3 M. It includes \$1.6M in Cost Recovery from Deep Inlet for the first time in several years. A Board member asked about Cost Recovery on King salmon returning to HP Marine. Steve thought the limited number of return there might not justify a boat, but we still might want to get a permit to do CR there.

A question was asked about whether the Northern Fund revenues could be applied to Hidden Falls. Lots of sidebar comments and speculations of the history of that topic occurred. (Kathy Hansen joined the meeting via teleconference)

Steve said, "Chip will present an assessment of debt with the \$3.4 M loan for Gunnuk Creek and roadmap for repayment." Chip said this is an update to the financial visioning done at the Petersburg meeting it was updated this morning to see what would change if we added the Gunnuk Creek loan in. Current budget slide 1 showed the current budget and new programs with 2% inflation and 2% cost of living. That would have given us a payroll of \$1.45M, and an Operations budget of \$6.15, for a total \$6.6 M budget, (Operations and CIP) NSRAA for 2017. Now, with the new program the budget rises to Payroll= \$1.5, Ops= \$7.6, for a total of \$8.1 M.

Chip showed a graph that showed the capital investments and payment over 10-12 years. The 4<sup>th</sup> slide showed current NSRAA budget orange line and new budget level with Crawfish, SE Cove and Gunnuk factored in. The current budget level would rise from \$8 M to \$10 M. The President said NSRAA would have cost recovery options to service the debt. A processor said with the strong dollar and limits on moving chum into Russia and Ukraine, the outlook is for Chum prices to stay about where they are. "Don't get too optimistic, budget for low Chum prices." Steve said, "This information will be revisited in more detail at the March budget meeting. The main point is, we are reasonably assured we can repay the loans."

## **Break**

## **Electronic Meeting – Board Discussion Item**

Some Board members said they really want to keep the Board books, others have tablets already. Board members generally felt the status quo is OK. Board members said, "We are not buying tablets, it's an individual decision." A Board member asked, "What's a tablet?" All the information is online to be accessed by whoever wishes. Maps and charts are in more detail and other info online is also available to help inform the Board meeting. NSRAA buys tablets for Board members; the Co-op and NSRAA are pretty similar, people provide their own. The Board member who suggested the agenda item is not at the Board meeting. Steve said 'all electronic' would be more efficient unless NSRAA has to pay for new tablets. It's an evolving issue. The Board thought status quo is OK.

### **Announcement about Gunnuk Creek:**

Steve had called the State over the break and reported that Commerce rejected the offer made by NSRAA. A State employee said all offers are treated "As-is, where-is." NSRAA's caveat about the SEAL Trust agreement may have made the proposal a non-starter. A number of candid and un-recordable comments were made. The Board encouraged the General Manager to continue working with SEAL Trust. The Board speculated about the intention of a hydropower group.

### **Allocation Criteria Twenty Year Retrospective Report**

Kevin opened the discussion remembering the Spring NSRAA Board meeting and the uncertainties surrounding the Board of fish. Kevin explained that he knew people were not comfortable with the idea of changing the allocations in the plan but he thought it might be useful to just take a look at the plan and where we are at today. Take a look at the expectations, performance; what's good what's bad, etc. He thought it was like reviewing a business plan and said once the report is done, then what to do with it, if anything is up to the RPT group. The draft report that Steve and others had put quite a bit of time preparing, had gone out to RPT members, SSRAA Board and has been available to NSRAA Board. The RPT will meet in Sitka here on December 3 and Kevin wanted to give the Board a chance to provide input to the RPT if they wanted. A Board member thought it was a great historical document. Understanding the history was important. Eric Jordan said he had some suggested revisions to the draft to correct factual errors and said he had been advised to submit his comment through his RPT representative. Which he plans to do. Kevin said normally the RPT is composed of 3 members from SSRAA and NSRAA representing Troll, Gillnet and Seine. He is advocated that each organization send two members to the coming meeting. He thought more people at the table would produce a better discussion. He said he hoped trollers especially would take advantage of the opportunity to participate.

### **Reserve Fund - Inflation Proofing- Steve Reifenhstuhl Section 10 page 118**

Steve referred the Board to the Reserve Policy adopted in 2002 and amended in 2012. The policy set the Operational Reserve at \$5.5 M and the Capital Reserve at \$2M. The accounts are fully funded and have been for ten years. The policy states that it will be reviewed by the Board from time-to-time and that the Board may consider inflation-proofing the reserves. Steve said what is the wish of the Board? To change something now or keep status quo. From his point of view there are a lot of financial demands and NSRAA will have to conduct cost recovery contracts this year, which is different from the past several years. Any money put towards inflation proofing would have to come from additional cost recovery or the undesignated/new facilities and programs account. Mitch said he requested this item at the March Board meeting but he agreed with Steve this might not be the best time, however it is something we will have to address as a Board eventually. Steve said in the next five years as the new programs come on with revenue from cost recovery we may see a chance to act on this. Kevin agreed inflation proofing would be more burdensome now.

### **Broodstock Policy – Steve Reifenhstuhl**

Steve told the Board this item is one we began working on several Board meeting ago and he is now presenting a more thorough documents that clarifies his decision making process when determining where brood stock should be allocated. This becomes more important to understand in years when the total broodstock goal is not attained. A shortfall of eggs taken at Medvejie one year prompted the subject. Steve was asked to identify core programs that have a priority. Second tier would be the programs that NSRAA has been running for twenty years. Takatz and Deep Inlet. The newest program is the third tier for stocking. This policy would have to be modified for Gunnuk Creek, which Steve feels is also a priority project. Steve said if you wish you can adopt it now and amend for Gunnuk Creek. A Board member said should we put this off until March. A Board member asked in the years when a shortfall is occurring is the option to obtain eggs from DIPAC or Port Armstrong written in to the policy. Steve said these options became more evident after work on the policy has been done and getting additional eggs would come under the standard operating procedure. A Board member asked if the option to change goals existed in the future. The policy reflects the



management plans if numbers change then the policy should be amended. The President thought the policy might need to be less specific to allow flexibility as management plans change. Another Board member said the main needs for the policy are to protect the core programs, gives clear direction to Steve and makes his intentions known to the Board, and is only used when there is a shortfall in the egg take. He urged the Board to consider adopting it now, while there is not a crisis. So it is on the books if something comes up.

**M/S 11/12/15 (i) Mitch/Eric To adopt the Broodstock Policy 2015-1 as presented on pages 121-125 of the Board book.** A clarification was made that the Management Plans can still be changed as needed. Changing and updating the Policy may come up regularly in future meetings to remain consistent with the management plans. The Motion was adopted on first reading with 18 yes and 1 no vote. This satisfied the requirement that Board Policies must pass with  $\frac{3}{4}$  vote on first reading.

#### **Scholarships & Merit Fellowships Award Policy –Steve Reifentuhl**

Steve referred the Board to Section 3 page 32, the existing Scholarship policy and noted this year's recipients, Kalee Dahl and Ian Fleming. Steve had also developed the merit award concept further and the new draft merit award scholarship policy was distributed for the Board to review. This new policy is an award to encourage the development of employee skills and attraction of entry-level staff who may need help with completing a course at UAS School of Fisheries etc. It will not be awarded every year but Steve proposed that it could be awarded on an as-needed basis with approval of the Executive Committee. This supplements the lack of an education benefit in the employee benefit package. More Board discussion took place with Steve on options for him to consider with respect to employee education benefit. Some Board members urged caution in spending while some programs are still in development. In general the Board is supportive of an education benefit and asked Steve to think of something for presentation at the March Budget meeting. Professional Development @ \$10,000 was suggested as a line item and would be reviewed with the budget committee.

**M/S 11/13/15 (j) M/S Eric/Dave Moore to adopt the NSRAA Merit Award/Fellowship policy and guidelines Draft 1 as presented, at \$5,000 annually, to begin in FY 2016.** Steve clarified that this is different than \$10,000 for Professional Development and is geared more to entry-level employees. A Board member said the new generation of Fisheries Managers coming out of schools are not harvest-oriented and NSRAA would be well served to help these folks get into UAS. The motion carried with 21 in favor and none opposed on a roll call vote.

#### **General Manager Evaluation – Full Board**

The General Manager Evaluation forms were distributed to the Board members and they went to work completing them. The President asked that they be turned in before members left for lunch. The meeting will resume at 1:30 PM.

Break for Lunch

#### **Whale Predation research at Hidden Falls-Ellen Chenoweth-Presentation**

Ellen has just completed a 6-year project on whale predation funded partly by NSRAA and Port Armstrong. She has been working with Jan Straley, UAS Whale Researcher since 2009 and did the study out of Jan's office. Ellen gave a slide show summary of her research on whale predation upon hatchery releases of chum salmon primarily at the Hidden Falls hatchery. Data was collected from on-site observations by NSRAA staff and a 28-day survey of whale interactions conducted in 2014. The third part of her study/presentation focused on the characteristics of "prey patches" of either salmon or herring and how the whales behaved towards them. She is also looking at diet and chemistry of the whales' feeding habits. She showed a video of the whales fishing right next to the pens and dock at Hidden Falls. The results of the 2014 study included 43 encounters, 24 individuals from Kelp Bay to Takatz. They documented 4 whales feeding specifically on salmon, along the shore doing lunge feeding either singly or in pairs. These four whales were seen repeatedly. One whale, PJ, was seen on 10 days and is a newly identified female. Hobo (female) has been seen for 4-5 years at Hidden Falls and has also been seen at Frederick Sound (2005) and Glacier Bay. Whale

tissue is taken to determine the sex of the whale. The whales alternate being present at Hidden Falls or Takatz. Some of Ellen's preliminary findings were encouraging from the point of view of NSRAA is that not every whale is targeting hatchery releases. Whale presence declined for 2015 at HF. The peak years were 2012 and 2013. PA had big whale year 2010. It seems to be learned behavior. Whale days over 6 years do not seem to have increased. Data does not really prove a declining trend, with exception of Port Armstrong.

Comparing prey patches of salmon is more difficult than herring. They are not stable masses like herring. Ellen discussed the theory that whales are feeding for optimum energy, does feeding on salmon fry provide superior/preferable food source to herring? Are the salmon easier to catch? If they take less energy to catch that can be a positive for the whale. The whales have to be tagged to best monitor the whale's movements. Tagging efforts with accelerometers were not very successful. Her research also used a prey tracking echo sounder robot that performed repeated transects through the water to map the prey. Krill are found deep 100 meters and show up blue (dispersed), herring show up red in balls 20 meters in height meters. The salmon schools showed up in blue colored masses about 5 meters deep and are completely dispersed in 24 hours. Conclusions in general: These feeding sites do not seem to represent amazing bonanza feeding areas for the whales. Whales act to increase prey density through bubble net feeding, trapping prey against pens, or the shoreline. The hatchery-released salmon seem to demonstrate very good avoidance strategies. This is documented by camera and echo sounder. The whales will stay in an area if prey patches are present when they show up. If no feed is present they leave and return a few days later. Predictable releases may attract and hold whales in the area. Chemistry studies on the quality of the feed (salmon) are compared to Herring, Needlefish and Krill. Because the hatchery salmon are feed plant based foods they easily identify as separate from the other prey. Most whales are not feeding on hatchery salmon. The behavior does not seem to be increasing and hatchery salmon do not seem to represent a preferred food source. Board members asked questions. Steve said about 600 tons in volume of fry are released at Hidden Falls. About \$5-\$6 million dollars worth of chums failed to appear in the catch this year, and this loss may have been a result of being selected as food by the whales in the area. Marine mammal deterrence research was discussed. Whales appear to feed all through the night so water quality might not be a factor. A release site rotation strategy seems to be justified for further investigation. More research on whale and salmon fry interactions could also provide more data.

### **Chinook Futures Coalition - Deborah Lyons**

An update for the Board on NSRAA's initial investment; the Dr. Bernard study. The huge returns of fish to the Columbia River got some of us thinking that maybe it was time to look into whether Snake River Fall Chinook are still threatened with extinction. While we wanted to ask whether the stock should be de-listed, we were concerned about what the implications of de-listing might be. Would the water regimes that have improved in stream conditions for salmon become changed, would the hatchery programs be jeopardized? So we asked Dr. Bernard to do a study. He looked at the history of the SRFC, and found extirpation due primarily to the loss of habitat as a result of the dams. His study showed that the Federal government has responded to try to rebuild the population through the Hatchery Compensation programs, court ordered water regimes, US vs WA sharing arrangements, etc. He came to the conclusion that filing to delist would not risk any of those Federal programs. Delisting may have other implications, but would not cause a decrease in production, reduce water flows, etc. Once we knew that the fish production was safe, we spent another five months trying to get in touch with the Nez Perce (because they are conducting large successful hatchery programs for SRFC) to see if filing a petition to delist would negatively affect the hatchery production or their management regimes. After repeated unsuccessful attempts to make contact with Tribal leaders directly, we finally just had to have our attorney meet with their attorney. It was a very brief meeting. They seemed nervous and guarded about being approached, but they did say, "Thanks for asking." We filed the petition to delist with the NMFS. They held it for a while and then did find that there was enough data presented in the petition document to warrant that a review should be done to see if the stocks should remain listed as threatened or not. During the review and comment period NMFS decided it was time to complete the five-year review for all Columbia River

ESA-listed stocks (this had been on a back burner). Next, the State of Alaska got notified in a meeting with NMFS that NMFS had decided to complete the recovery plan and use the recovery plan findings to inform the criteria for delisting. These stocks were first listed as threatened in 1992 and they are returning now at 30,000, 40,000, 50,000 and 60,000 fish over Little Granite Dam and the agency is just NOW writing the plan for the recovery of the stocks. Really, now that the fish are back, and the suggestion has been made that they may be no longer threatened, the agency decides to complete the recovery plan. Deborah went on to describe the plan that Chinook Futures has for continuing work on this issue now that the draft Recovery plan has been issued.

**Motion 11/13/15 (k) M/S Mike Nilsen/Zach NSRAA will donate \$50,000 for the Pacific Salmon Treaty Coalition.** The funds will be made available now to come out of contingency, and to be included in the FY 17 budget to be revisited by the Board. A question was asked about other donors. Deborah said, "We are committed no matter what. Whether we get the funding we need or if we have to do this on a shoestring, it is going to happen." Mitch said, "We may need less to begin with, and then more at the end as pressures build." The President said he would support \$50,000 today but if they other associations don't contribute he won't support it in the future. The motion carried on a roll call vote with 20 in favor and one abstention. Mitch said, "I will report back at the March meeting."

#### **HF Tax Assessment: 2016 Resolution & Flat Fee Legislation**

Steve just got an email from the State inquiring what the tax rate would be, to assist them in their planning. He said, "It's a two-step process. We let them know if it is going to be a flat fee or a percentage, first. I'd recommend the Board pass a motion today to make your intentions clear." Kevin reminded the Board that because DIPAC will not be able to share cost recovery with NSRAA as in previous years, it is necessary to go back to doing some cost recovery at Hidden Falls in the coming year. The exact amount of funds needed will be established at the March NSRAA meeting.

#### **DEPARTMENT OF REVENUE 2016 ANNUAL NOTICE OF INTENT-Full Board**

**Motion 11/13/15 (l) M/S Lyons/Peeler The NSRAA Board of Directors requests the Department of Revenue implement the HF Tax Assessment for the 2016 fishing season using the flat price per pound.** The specific rate shall be recommended at the Spring meeting when FY 17 budget and income are approved. **The motion passed without opposition, by unanimous consent.**

#### **Coho and Chinook Recommendation – Eric**

A group of trollers and persons interested in Coho and Chinook production: Bert Bergman, James Moore, Richie Davis, Jim Moore, Eric Jordan, William Bergman, and Zachary Olsen all met over the lunch hour to consider recommendations to the Coho and Chinook production programs. Woody and Steve provided staff support. Eric Jordan gave the report.

For Coho, the group recommended:

1. To keep the Mist Cove program status quo. This was decided after a discussion to increase production at Mist Cove had been agreed upon. The group decided that it might be as effective and less costly to pursue the strategy in point #2 to help increase marine survivals for Coho at Hidden Falls and make them more comparable to Deer Lake. (Right now, a 2% difference in marine survivals.)
2. To aggressively pursue towing Coho pens offshore, or up towards Pt. Lull for remote release, to improve marine survivals. This is a change in the release strategy rather than the rearing strategy.

For Chinook

1. To move 200,000 Chinook from Hidden Falls to be imprinted at Gunnuk Creek/SE Cove.
2. To request staff to pursue new remote release sites at Thomas Bay and other sites inside, to the extent allowed by ADFG.
3. To develop a plan for Chinook remote releases at South Crawfish Inlet. The president said, "You are asking to explore this for Medvejeje?" Eric said, "Yes."

The Secretary asked for a clarification, "This is more intent and clarification to staff, not a motion, correct?" Eric agreed. Steve said he would like to look into a different Coho release strategy for 100,000 fish from Takatz. Towing is only feasible for Coho in ideal weather conditions. Chinook cannot be towed. Once Chinook have gone into saltwater and have begun smolting, they are too fragile to move. The current practice for Chinook remote release is to rear them in freshwater and then transfer by boat to remote release pens. Moving Chinook to SE Cove/Gunnuk wouldn't happen until 2017.

The Secretary asked, "Are the Southeast inside king salmon systems performing in ways that are affecting fisheries management? Could someone speak to that please?" Mitch, the Northern Panel Chair, said, "The meager escapements to the Unuk River (although the system made escapement this past year) have constrained troll and sport for 2 years in the Ketchikan area, and even affected the net fisheries rotation at Neets Bay last year. The King Salmon River is an extremely small system with a very small return and is not considered robust enough to justify continuing it as an indicator stock. Steve said the returns to the Chilkat have been low for many, many years but made escapement this year.

Mitch explained, "In the Treaty, the SE Chinook stock group extends from the Situk down to the Behm Canal Rivers and if any two rivers are at less than 85% of the lower bound of the escapement goal in the same year, management actions must be taken. This happened last year. But we have come up on the escapements since then."

A Troller said, other fishermen had expressed a concern to him that in lower Chatham spring Chinook fisheries a minimum percentage of Alaska hatchery fish is required to be present, or the areas are closed to spring trolling. So there is an interest in boosting the amount of AK hatchery returns to those areas. Steve said Medveje was supposed to be putting out 40-60,000 adult Chinook but it is not performing at that level. Right now we are experimenting with the remote release at Halibut Point and releases at Bear Cove. The GL *trycophora* that occurred over the past several years has really hurt Chinook production. It was our star performer. NSRAA had a great year in 2015 due to the high water flows in Green Lake but that type of spill regime was due to unusual summer weather and really can't be counted on every year. Deborah mentioned, "As we get closer to 2018 it might be good to know if NSRAA has recommendations on what changes could be made to improve access and increase the harvest on Alaska hatchery-produced fish."

### **United Fishermen of Alaska Report - Steve R**

Steve attended one day of the meeting in Petersburg and Richie Davis was there as well.

- UFA is looking for new Executive Director. Julianne Curry is retiring. A job description is being developed. There may be a need for two positions, the Executive Director and a lobbyist/legislative liaison. The Administration Committee was working on that. The organization is constrained by their budget.
- Commissioner Sam Cotton and his staff attended the meeting and described a very grim budget picture due to the cut backs required because of the lack of revenue from oil taxes, etc.
- Steve said a bright spot for him of the UFA meeting was being able to meet with a group of Petersburg fishermen, 15 gillnetters mostly, who were extremely interested in a Thomas Bay proposal.

In response to a question from a Board member both Steve and Richie said the relationship with the Governor's office is good, in general, working well with Commissioner Cotton. Commissioner Cotton understands aquaculture issues, having been on the Cook Inlet Aquaculture Association Board of Directors. The relationship will be really important in the future in order to have the Governor's support for Alaska's position at the Treaty for Chinook and Transboundary River's issues.

Break (The recorder was switched off and not turned back on for the rest of the meeting, The remainder of the minutes are from notes taken by the Secretary.)

**Executive Session concerning NSRAA Employee Bonus and the General Manager evaluation.**

All non-Board members left the room.

Break out of Executive Session

The Board returned from Executive Session having approved the bonus levels for the General Manager and the Staff. The President gave them in writing to the GM. Appreciative comments were made in appreciation of the exceptional efforts made to meet the egg take goals, to finish the in-season construction projects and the excellent work with the day-to-day management of the projects.

**Motion 11/13/15 (m) M/S Lyons/Barry The NSRAA Board approves the bonus levels discussed in Executive Session which will be communicated to the General Manager by the Board President. The motion passed unanimously on a roll call vote, with 20 in favor. (One Board member was absent)**

**Topics for the Spring Board meeting**

Board members suggested: Salmon Treaty update and a report on the allocation criteria report. The RPT Meeting is December 3 and the Seine/Gillnet Task force is December 2<sup>nd</sup>. The Seine RPT reps are John and Charlie, the Gillnet Reps are Lars and Kevin, The Troll Reps are George and a troller yet to be determined.

**Date of next meeting NSRRA Board meeting is March 2<sup>nd</sup> & 3rd**

Meeting adjourned.

# NSRAA Board of Director's Meeting Minutes ~ FALL 2015

November 12-13 2015

1308 SMC Rd., Sitka, Alaska

## SUMMARY OF ACTIONS

### Approve Agenda

Motion 11/12/15(a) M/S Mitch/Zach To approve the agenda with the suggested amendments.  
MCWOO

### Appointed Seats

Kurt Wohlhueter was elected to the Municipality seat, with a one-vote margin. Mike Forbush-Processor and Karl Wolfe – Interested Persons, were re-elected and re-appointed without opposition.

### Approve Minutes

Motion 11/12/15(b) To Approve the minutes of the March 11-12, 2015 NSRAA Board meeting.  
M/S Mitch/Karl Wolfe MCWOO

### Executive Committee Appointment

The President reported that the Gillnet group had selected Lars Stangeland for the Executive Committee. He was appointed.

### Gunnuk Creek Hatchery

**Motion 11/12/15(d) M/S James Moore/Eric Jordan “The NSRAA Board approves the offer to Department of Commerce for the purchase of Gunnuk Creek Hatchery as outlined in the letter dated November 6<sup>th</sup> to Deputy Commissioner Parady, with particular emphasis that the concerns of point #4 are addressed to the satisfaction of the General Manager, with approval of the Executive Committee.”** Point #4 relates to the agreement with SEAL Trust. The amount offered in the letter is \$500,000. A Board member made the comment that this action would eliminate Point 9 of the letter. During discussion on the Motion (d) a new Motion (e) was made to postpone discussion.

**Motion 11/12/15(e) M/S Eric/James “To postpone the discussion until prior to 2 PM tomorrow.”** The motion carried with two opposed. PNP staff that had been waiting online to participate, if needed, were thanked for making themselves available.

### Approve Ballot

**M/S 11/12/15 (f) Richie/John Blankenship(?)** (Makers of the motion were not identified on the tape) **To approve the candidates for the next coming election.** Nominations for the next NSRAA Board election closed yesterday. The individuals that returned properly endorsed nomination forms and running for the open elected Board seats are: **At-Large Gillnet William Prisciandaro, At-Large Seine Charles McCullough, At-Large Seine Sven Stroosma, At-Large Troll Bert Bergman and Richie Davis and At-Large Power Troll Eric Jordan.** The President noted that the Troll group maintains the At-Large Troll and At-Large Power Troll as separate seats unlike the net groups who have all gone to At-Large for all Board seat definitions. One nomination form was received without endorsements and was disqualified. **MCWOO**

### Gunnuk Creek Discussion (continued)

**M/S 11/12/15 (g) Eric/Mitch** The previous motion (d) shall be returned to the table. **MCWOO.** *(Motion 11/12/15(d) M/S James Moore/Eric Jordan “The NSRAA Board approves the offer to Department of Commerce for the purchase of Gunnuk Creek Hatchery as outlined in the letter dated November 6<sup>th</sup> to Deputy Commissioner Parady, with particular emphasis that the concerns of Point #4 are addressed to the satisfaction of the General Manager, with approval of the Executive Committee.)* The President said ‘Let’s get back into the discussion’ and noted

that NSRAA still does not know if the State will accept the offer NSRAA has made. A Seiner said he wanted to get finished with this topic before taking up the HF reconfiguration discussion. Steve and Chip had prepared updated information to present to the Board, if requested. Board members said they were ready to vote. **The motion 11/12/15(d) carried with 20 in favor and 1 opposed on a roll call vote.**

#### **Thomas Bay Remote Release Site**

**M/S 11/12/15 (h) Barry/Peeler** The NSRAA Board instruct staff to pursue the feasibility of development of Thomas Bay remote release site for Chum with a goal of getting 6 M in the water ASAP (from HF) with the option to put DIPAC chum there in the future (2017 earliest). Steve said if Gunnuk Creek comes online, five years from now eggs would be available to stock Thomas Bay, without reducing the amount dedicated to Hidden Falls. **Motion carried on roll call vote 20 in favor and 1 against and 1 abstain.**

#### **Broodstock Policy 2015-1**

**M/S 11/12/15 (i) Mitch/Eric** To adopt the Broodstock Policy 2015-1 as presented on pages 121-125 of the Board book. A clarification was made that the Management Plans can still be changed as needed. Changing and updating the Policy may come up regularly in future meetings to remain consistent with the management plans. **The Motion was adopted on first reading with 18 yes and 1 no vote.** This satisfied the bylaws requirement that Board Policies must pass with  $\frac{3}{4}$  vote on first reading.

#### **Merit/Award Scholarship**

**M/S 11/13/15 (j) M/S Eric/Dave Moore** to adopt the NSRAA Merit Award/Scholarship policy and guidelines Draft 1 as presented, at \$5,000 annually, to begin in FY 2016. Steve clarified that this is different than \$10,000 for Professional Development and is geared more to entry-level employees. A Board member said the new generation of Fisheries Managers coming out of schools is not harvest-oriented and NSRAA would be well served to help these folks get into UAS. **The motion carried with 21 in favor and none opposed on a roll call vote.**

#### **Pacific Salmon Treaty Coalition**

**Motion 11/13/15 (k) M/S Mike Nilsen/Zach** NSRAA will donate \$50,000 for the Pacific Salmon Treaty Coalition. The motion carried on a roll call vote with 20 in favor and one abstention.

#### **DEPARTMENT OF REVENUE 2016 ANNUAL NOTICE OF INTENT**

**Motion 11/13/15 (l) M/S Lyons/Peeler** The NSRAA Board of Directors requests the Department of Revenue implement the HF Tax Assessment for the 2016 fishing season using the flat price per pound. The specific rate shall be recommended at the Spring meeting when FY 17 budget and income are approved. **The motion passed without opposition, by unanimous consent.**

**Motion 11/13/15 (m) M/S Lyons/Barry** The NSRAA Board approves the bonus levels discussed in Executive Session which will be communicated to the General Manager by the Board President. **The motion passed unanimously on a roll call vote, with 20 in favor.**

Date of next meeting NSRAA Board meeting is March 2<sup>nd</sup> & 3<sup>rd</sup>

Meeting adjourned.

Minutes submitted by:

*Deborah A. Lyons*

NSRAA Secretary Treasurer