

NSRAA Board of Director's ANNUAL Meeting Minutes
March 2-3, 2016
NSRAA Boardroom 1308 Sawmill Creek Road, Sitka, AK

Call to Order

The meeting was called to order by President Kevin McDougall at 9:00 AM, March 2, 2016

Roll Call

Gillnetters present: Lars Stangeland, Dalton Bergman, Jr., Kevin McDougall, William Prisciandaro and Dan Pardee. Seiners present: John Barry, Mitch Eide, Sven Stroosma, Charles McCullough, and Justin Peeler (late). Trollers present: Bert Bergman, Zachary Olson, Eric Jordan, George Eliason, and Jim Moore. Other Board members present: John Blankenship-Subsistence, Carl Johnson-Interested Person, Mike Forbush-Processor, Deborah Lyons-Crew Member, Dave Moore-Interested Person, Will Bergmann- Conservation and Karl Wolfe – Interested Person. Kurt Wohlhueter-Municipality (late). Absent excused: Brian Massey - Recreational. Unfilled-Native Organization.

Establish Quorum

A quorum is established with greater than 8 (15) gear group Directors and greater than 5 (9) other Directors in attendance.

Introductions The President asked that all those present introduce themselves. Board members introduced themselves and their affiliations. The Sec/Treasurer is also Director of the Pacific Salmon Treaty Coalition. Several Board members also sit on other Boards. DIPAC, SPC, ATA, USAG etc. Members of the public and NSRAA Staff included Eric Prestegard - DIPAC, Angela Bowers SSSC, and Jay Erie – Power Troller. NSRAA Staff present: Steve Reifenstuhl, Scott Wagner, Ben Adams, Rebecca Olson, Adam Olson, Mike Pountney and Chip Blair.

Approve Agenda Motion 3-2-16(a) M/S Dave Moore/Mitch to approve the agenda as amended.

A slight change was requested: to review the 4.0 Chum Program before the budget is finalized.

MCWOO. (The Motion Carried With Out Objection)

Approve Minutes

Corrections to the minutes: Page 15 change “the zero check eggs taken in December should be corrected to: August will be ponded in December. Sec. and NSRAA Staff were complimented on the minutes. Board request to add Port Malmesbury (and Thomas Bay) to the map on page 49. **Motion 3-2-16(b) M/S Sven/Mitch: To approve the minutes of the November 12-13th 2015 Board Meeting. MCWOO**

Committee Seats

A Seiner is needed for the Audit Committee - Justin Peeler was volunteered and was appointed. Mr. Williams of Kake is checking to see if he will be able to assist on the Board for native organization seat. Kurt Wohlhueter has been appointed to Municipality Seat. He was not present at the beginning of the meeting but did join later in the day.

Election Committee report, Certify Election Results, Welcome & Seat New Board members

Motion 3-2-16(c) M/S George/Dan To approve the 2-10-16 Election Committee report certifying the 2016 election results and to seat the Board Members: At Large gillnet – William Prisciandaro, At Large Seine - Charles McCullough, At Large Seine - Sven Stroosma, At large Power Troll - Eric Jordan, At Large Troll - Bert Bergman. **MCWOO**

Election of Officers – President, Vice/President, Secretary/Treasurer

Motion 3/2/16 (d) M/S Mitch/Sven Re-elect the existing slate of officers: President Kevin McDougall, Vice-President John Barry and Secretary-Treasurer Deborah Lyons. The President gave the Board members the opportunity to cast ballots if they wished but the Board members didn't think that was necessary. **Nominations were closed without objection and the officers were re-elected. MCWOO**

Board members advised to fill out conflict of interest statements.

The Board members completed the forms in the board books and returned them to the Secretary throughout the morning.

General Manager's Report – Steve Reifentstahl

Steve gave an oral presentation of his report, and mentioned he was not able to get written notes out to the Board as usual. He thanked all the Board and NSRAA Staff for their support, confidence and sentiments during the past few weeks while he dealt with personal family business. He thanked the NSRAA Staff again for their tremendous work. He directed the Board to Section 3, page 48. Steve reviewed the NSRAA Staff organizational chart. "Although there have been changes, NSRAA has a solid core NSRAA Staff thanks to great long-term employees and the newer Managers who have come up through the NSRAA system."

Steve reported that he had given presentations at all the aquaculture boards this past winter. And that he had spoken in support of the wild/enhanced hatchery research study. He observed that NSRAA is a lean and efficient organization in comparison to a number of the other organizations. Steve is proud of what NSRAA stands for within the Alaskan Aquaculture community, and what we have achieved.

Steve attended the allocation meeting last night along with almost all the permit holders on the Board, and Steve thought some progress was made. He recounted the history of the recent 30% increase in Chum production programs. NSRAA has aggressively taken on increasing the programs as a means to address the allocation issue. Steve is primarily concerned with adult production and looking forward to the day when the poor returns to Hidden Falls turn around and perform like Medvejie. Crawfish Inlet and Southeast Cove Chum projects will also be coming on line and contributing to the returns. Steve remains very concerned about Hidden Falls. Each year he wants to get to mid August as quickly as possible, so he will know if the run is returning as hoped, and that the corner has been turned on our ability to meet our budget and offer common property fisheries. Some indicators are positive, but HF must still be watched and managed closely.

At Sawmill Creek hatchery, fish are in the water. "With a warm spring we are vigilant about vibrio compromising the 4.0 programs."

The future of Gunnuk Creek hatchery is still unresolved. The State said they understood the importance of getting the bid out in a timely fashion so NSRAA can get fish into the water but their schedule slowed as the State is now also working with a hydropower program (Inside Passage Electrical Cooperative, or IPEC). NSRAA is waiting for the State to post a request for bids on their website. Steve anticipates consulting with the Executive Committee later as this develops. A formerly straightforward process is getting complicated.

The FY 17 budget for NSRAA is about \$7 million dollars. Personnel and fish food costs are down, so the budget total is less than FY 16. We expect to come in under budget on the final 2016 budget. Steve has been requested to help with the RFM and MSC certification programs. Steve said the effort to engage is worth the effort because a very positive impression and understanding can be developed towards our programs by working face-to-face with these evaluators for certification. A Board member asked "How are the evaluators qualified to pass judgment on AK fisheries management?" Steve said the Responsible Fisheries Management evaluator has a PHD in Fisheries. ASMI supports the RFM, but there is also the MSC program. The Board members discussed why producing sustainably managed seafood is important. "Alaskan fisheries and aquaculture programs are in a goldfish bowl with people inspecting us." A Board member said Alaska is the gold standard. These folks, the certifiers, have approved the wild fisheries management by the State of AK and the ADFG, but the hatcheries remain under scrutiny. Board members recalled how hard Senator Eliason fought for the wild fish priority and although it makes it

difficult to site our hatcheries, as fishermen we are all committed to the health of our wild stocks and they come first.

Steve mentioned that another facet of how our industry and hatchery programs could be viewed by the public is the research study that is underway on wild/hatchery interactions. It is in year six of eleven, is very important and part of the broader picture of how others perceive the aquaculture programs. Steve will do more of a presentation on it later. The Board returned to a discussion of the certification programs. Steve gave a history of development of MSC program. MSC began in 2000, initially handled by the State, however each year they became more intrusive into Alaska fisheries management, so the processors supported the switch to another certification program, RFM. Approval from these certification programs influence what markets Alaskan seafood products can be sold into.

Operations Manager Report -Scott Wagner

Scott and the NSRAA Staff really scrutinized the operations budgets. Utilizing the new QuickBooks report format with real-time reporting on expenses, especially the temporary labor figures, was very helpful in anticipating and controlling costs to remain within the budget. He does not anticipate any big increases in fish food prices this coming year, but they did drop by 2% last year.

The SE Cove Chum salmon are currently being transferred and that is where Jon Pearce is. Woody Cyr is absent on personal business. Scott will give their reports.

The main point Scott wanted to touch on is the record number of Chum fry being produced currently by NSRAA. 250 million fry will be ponded, 45 million more than last year. The 15 million increase at Crawfish and 30 million more at SE Cove are responsible. The capital investment and mobilization work has been done and the projects are underway, but it will be several years before the project returns come on with ability to generate income.

200,000 0-check Chinook are to be moved to Crawfish Inlet in April and 200,000 Coho broodstock are now at Medvejie, an increase of 100,000 from last year. NSRAA now has permission to release these at Medvejie. NSRAA is counting on the total release of 200,000 Coho to increase the number of Coho returning and to make the Coho broodstock goal for egg takes. A 50,000 increase in FWOW (Fresh water over winter) Chinook also is happening at Medvejie.

“Ben Adams is the new tagging coordinator and supplements with other projects assigned as needed. NSRAA will tag the largest number of smolts in NSRAA history this year. See the tagging plan in the Board Book. It details up to 737,000 Chinook coded wire tags, this is quite an undertaking....about 10 cents each.”

Recent increases in production of all species are beginning to result in stabilized programs.

The maintenance NSRAA Staff is catching up on FY 14 and FY15 tasks, then 2016 maintenance is planned.

Permitting: The Medvejie Bear Cove storage site lease is waiting for DNR entry authorization.

NSRAA is applying for a lease (more permanent than permit) so we can have pilings on tidelands. The ACOE permit is in hand and money is available.

NSRAA presence in Deep Inlet is granted via a 30-year public and charitable lease and rate. The NSRAA Staff worked with the State to help them understand that special rate should be applied to Bear Cove too. NSRAA will have pay about \$5,000 in past due fees, because the area was used for many years without a permit with DNR, although NSRAA had thought that the lease with the city of Sitka was adequate.

The Medvejie FTP is being amended/adjusted to allow 20M broodstock Chum fry released (instead of eggs taken).

At the Regional Plan Team meeting the request for remote releases of Hidden Falls Chum at Malmesbury and Thomas Bay (tabled subject to further study) were approved and then sent up to the ADFG Commissioners and now NSRAA is waiting on an NPA decision. In this process the PAR request, when finally approved becomes a Notice of Permit Alteration. NSRAA Staff is uncertain of the reason for the delay in the NPA being issued. NSRAA does have the ACOE permits for Thomas Bay and Malmesbury in hand and DNR is reviewing applications for both sites. They take a great deal of time. The Takatz permit requested last year was just recently completed.

The Hidden Falls/Deer Lake special use permits are still in development. The delay is due to turnover and a lack of Forest Service Staff.

Gunnuk Creek – ADFG regulations require that NSRAA purchase the hatchery in order to process the PAR request for HF Chum fry to Gunnuk Hatchery for broodstock, and the purchase is delayed. We are waiting on a Chinook FTP to Gunnuk Creek too for the same reason.

The FTP for backup broodstock from SE Cove and GCH is also on hold for similar reasons. 'If NSRAA fails to purchase GCH we will submit a PAR for the 55 M SE Cove capacity to be switched to HF. Don't really have another option.

Scott showed some photos of Blue Lake hydro afterbay. NSRAA Staff is working with the city and ADFG to plan how to deal with the fish that are showing up there.

The SMC hatchery permit has requirements about straying that require NSRAA to operate the weir. After many years of collecting data, NSRAA has demonstrated the straying at Salmon Lake has proved to be inconsequential. So the Salmon Lake weir line item expense has been removed from the budget. The .6% stray rate is very low rate. NSRAA has spent \$400,000 to recover 20 tags over 10 years. Some exploitation rate concerns have been raised for the Salmon Lake Coho wild stock. This is the third year that NSRAA has tagged out-going wild smolts. This is to estimate exploitation rates along with stray rate. This year 90,000 Coho could return to DI. NSRAA is proposing to do a mark/recapture effort to collect escapement and exploitation rate info instead.

The SMC Annual Management Plan is at an impasse. NSRAA Staff continues to work with ADFG. Because of straying into SMC the AMP is not being decided at local level. Scott recommends an in-depth discussion at the RPT. Because straying at Salmon Lake is no longer a concern NSRAA is approved to tag 10% of the Coho broodstock release instead of 100%, as required previously. Scott presented a detailed analysis of strays into SMC. No wild fish were encountered. Rearing habitat for Coho is extremely limited for SMC. A board member spoke to his experience sampling the stream. Scott showed a map of the 2015 Stray Analysis for NSRAA and Salmon Lake Coho from a report written by Ben Adams and submitted to ADFG. The report confirms very low stray rates.

Grant projects: Scott reported on the \$900,000 funds available left for HF hydro repairs and lagoon and weir improvements. The work will be completed in May.

For the Haines Skagway spawning channels, about \$330,000 is left. NSRAA Staff is checking out a spawning channel addition near the Herman Creek area. This is a local request for an additional channel between the two older ones. Some work will also be done to repair Pullen Creek fish ladder. An aerial photo of a possible spawning channel site near Herman Creek was shared with the Board. A Haines board member discussed the Chilkat River Chinook concerns. Scott clarified that the grant money on hand is specific to capital expenses, not operations and, the grant funds are not available to help with Chinook salmon. There was some Chinook enhancement done on Boulder Creek.

A question was asked. "If the Gunnuk property is not purchased and the hatchery goes away, what happens?" Steve said NSRAA would have to transfer the permit to HF to preserve the SE Cove releases. And NSRAA would have to approve of any new hatchery owner permit. SEALTRUST will have 45 days to approve the transfer. On another subject, a question was asked about Crawfish Inlet. Four years from now, the first 2-4 thousand Chinook will return to Crawfish Inlet. "What is the plan for THA and SHA at Crawfish?" "The Department can create a temporary area but the BOF will have to approve them for Halibut Point and Crawfish. Chums will come back to Crawfish for the first time, next year. The harvest areas have been preliminary approved by ADF&G." The PAR request for Thomas Bay is still being worked on. Board members had a discussion about how to change ADFG/Treaty regulations to allow for Crawfish Chinook harvest in June that would not count against the Treaty. Board and NSRAA Staff discussed how to best work with ADF&G.

Medvejie Hatchery – Adam Olsen

"Chinook incubation was challenging last fall, we reported to you on those losses. We became extra diligent and the result was 97.4% survival of eggs to excellent fry. 3.67 million are now ponded and performing well." He showed a picture of new rhino-lined ponds, and new LED lighting for energy efficiency at Medvejie. "The Coho are doing well too. Last fall's egg to eyed larvae survival was 96%. Survival of eyed to fry was 99% and 220,000 Coho fry were ponded on February 26th. The Chum survival was problematic." Chum that were being reared in the old building experienced losses

related to poor water quality, which has been an ongoing issue there. Fry reared in the other two buildings did well. "Overall post-hatch loss was 9%. It could have been worse." 69.8 million fry were ponded in only 12 days. "A little lower than we had hoped to see." NSRAA Staff has responded to the water quality issue by installing an inline U/V sterilizer for bacteria and fungus and low dose formalin in the non-UV head boxes. "If these treatments are successful we will ask for budget to expand UV to 100% coverage." NSRAA Staff made up for the loss of broodstock by amending the FTP so a portion of the Deep Inlet regular Chum could be otolith-marked and shifted to make up the full complement of broodstock.

"For Chinook, the BY14 yearlings from the Green Lake program are getting back on track. Fish are doing better in the lake; mortality is at 13% and within the 18%-20 total that we plan for in the production plan. We are counting this as success compared to recent years, and they are growing strong in saltwater and will easily attain release goal of 50 grams by early April." The BY14 salt water over wintered (SWOW) Chinook experienced 5% mortality and, as the water has warmed, they are feeding better and should easily attain 50 grams by mid-May. Part of the BY14 Chinook fresh water over winter (FWOW) group is managed for releases at Bear Cove and Halibut Point Marine. (This is done to spread out the adult return to Sitka Sound and provide more opportunity for the common property fisheries.) Both groups did well and will reach 20-gram target in late April with 150K going to Bear Cove (next year goal is 200,000) and 400K at the Halibut Point Marine site. Adam discussed the continual changes to make the goal of two million coho for SMC hatchery. Development of the program was permitted to increase the number of broodstock taken over time, but the size of the returns has not been as large as planned, (because so many are intercepted in the fisheries) and the facility is broodstock limited. NSRAA Staff was able to harvest fish and hold them in tanks to ripen for spawning to avoid the predation by the sea lions. "Over time, we should be able to make the production release goal." This year, in order to get the 200,000 Coho broodstock release goal NSRAA Staff transferred 100,000 from SMC to Medvejie where they were put into one of the Chinook ponds. This was completed in February, which should more strongly imprint the fish to increase fidelity to Medvejie, instead of SMC.

The zero check Chinook program has been given an overhaul and a tune-up and Adam explained the new approach which will pond the fish in mid-December instead of January to decreased densities, a vaccination program and transfer to saltwater as soon as the fish are osmocompetent. That will probably happen at the 3-4 gram size in March to mid-April, with a release goal of 15-17 grams. The goal is to get the fish out to sea much earlier to help their marine survival. This strategy also produces greater numbers of fish for less money.

A board member asked a question about size at release of Chinook. Larger fish at return are more valuable commercially. NSRAA Staff said rearing strategies could influence this. Steve elaborated on how the new strategy may produce new data and that NSRAA Staff does evaluate size at return. A Board member said, "The decline in size of King salmon is really affecting the value of the fish." Adam felt waiting till late in summer (July) is not working that well. He is trying to change from releasing in mid-July to the earlier time. "Late April release date for Chum, and May for Chinook produce the best survivals."

Sawmill Creek Hatchery Manager - Rebecca Olsen

"The story over the winter had to do with the water temperatures swings in the hatchery. Fortunately, the temps settled out in mid-December, so otolith marking could get done." 28.05 million Chum salmon fry were produced for the Crawfish Inlet project (2nd year). 13.87 million fry destined to be 4.0 Chums were transferred Feb 15-19th. 14.18 million fry slated to grow to 2.0 Chums were transferred on Feb 23-26 and are starting to grow. The ponding dump box was fabricated by the maintenance crew and put into use. Thanks go to them and the other program NSRAA Staff that helped with ponding. BY14 Coho status: 674,000 are currently 19 grams, the largest Coho produced to date at SMC. 107,000 Medvejie Coho for broodstock were transferred Feb 22-23. 960,000 BY 15 Coho eyed eggs were 6% BKD positive and 1 SSSC origin tag from the BL group was found. The fish taken for broodstock were all identified by their otolith marks to demonstrate if any straying was occurring. Only NSRAA origin fish contributed to broodstock. Ponding will occur on March 16.

Rebecca displayed the monitoring alarm panels and cameras now in use both inside and outside the facility. We are also remotely monitoring the Pressure Reducing Valve at the penstock up the hill.

Hidden Falls Hatchery – Scott Wagner for Jon Pearce, Hatchery Manager

The Board was given an overview of Incubation and rearing of Chum, Chinook and Coho at Hidden Falls and the facility looked great. Photos showed an 180% view of the sparkling new 50' x 50' storage building with the new incubators in place.

131.7 million BY '15 Chums are presently on site, the greatest number in the history of the Hidden Falls facility. Scott recalled the gradual expansion of the Chum program, since the time when he was Manager, and said he did not see how another incubator could fit in anywhere. This large amount of eggs meant a month of labor to get them from the incubators into the ponds. They are now in saltwater and are feeding well and showing good growth. The area is experiencing warm ocean temps, about 6 degrees C.

The **BY 14** Saltwater Chinook rearing is going exceptionally well with low mortality, great size.

946,545 **BY15** Chinook were ponded on 2/24, and that is plenty to reach our goals.

The BY 14 Coho experienced low overwinter mortality. Scott explained that freshwater and saltwater Coho are raised at HF. The freshwater are in the round ponds and can experience cold water disease and stress and mortalities from birds. The NSRAA Staff has instituted a regime of meticulous disease prevention between the round ponds and the saltwater overwintering Coho experienced the lowest mortality ever. BY 15 will be ponded later this spring, plenty of eggs to meet goal and 2.8 million are being transferred to Deer Lake in June. Site improvements include new foundation for the hydro turbine bldg. and mainline taps. The NSRAA Staff has reconfigured the water system and can now conserve and re-use water. The weir was repaired and an improved design helps broodstock entry. Lagoon holding capacity is increased and we have better floodwater management and other improvements to the physical plant. NSRAA currently has openings for fish culturists and seasonal employees. NSRAA generally hires twelve seasonal positions per year. During general discussion after the presentation the Board discussed the pattern of NSRAA Staff arriving as seasonal, leaving for graduate schools, and then returning as full time employees. Steve talked about an offer he had made to train Washington State hatchery workers in the state-of-the-art practices utilized at NSRAA.

Coho Lake Rearing Woody Cyr

When the lake temp hit 3.6 (point of lake turnover) half the Coho (1.38M) were released into Deer Lake in January, but then with even warmer temps occurring, some tried to emigrate, about 20 fingerlings per day. The remaining fish are redistributed into the empty net pens and are experiencing low mortalities. This year in February the lake is free of ice. NSRAA Staff will go out next week to open camp. It was not necessary to submerge the pens this year. The weir will be installed by early April. NSRAA Staff plans to force half the pen population to emigrate from the lake just before the peak of natural emigration (early May and June) and then to force the other half about a week after the peak. At the end of May/beginning of June the lake rearing cycle begins again when 2.8 million 0.9 gram fly will be flown in from the Hidden Falls hatchery. We have a good system in place now for this program and there was no change in fish culture practices.

Facilities Maintenance Update - Mike Pountney, Maintenance Supervisor

All the NSRAA facilities' maintenance projects are now coordinated and supervised by Mike. At the request of the Board President, in the interest of time, he moved quickly through a summary of the maintenance projects and capital improvements at each of the facilities. At Hidden Falls a new voltage regulator and electronic governor will be installed on the hydro and there is a new 80KW hydro supply line connection. The duplex was repaired and the deck replaced and other capital projects put on hold because of the rapid expansion, are now being completed. Electrical power systems out of Juneau will do the work with our help. Paid for with deferred maintenance grant. These improvements damp down swings in the hydro speed and provide more consistent performance. The digital voltage regulator will give steady 480 volts needed for the alarm systems etc. At Sawmill Creek hatchery we will install a new 80 KW standby generator with a load bank. The

building will be insulated and a new chiller installed. The new generator will provide security in the case of power outages. Eric Morales is the new maintenance person on site, is from Sitka, very smart and capable.

Deep Inlet Harvest Plan/Rotation – Chip Blair, Data Analyst

The Chum return is forecast at 1.78 million adults. Last year's return (2.3M) experienced good survival good and last year's 4.0 gr. Chums did well. The 2016 return may actually be better than forecast, for similar reasons. The Cost Recovery goal this year is \$1.8 million dollars. If NSRAA gets 50 -60 cents/lb. and 8 lb average weight it will require 18-25% of the forecast return to meet the CR goal. The brood stock goal is 90,000 fish.

Once cost recovery is taken, the reopening plan is for a single troll day. No troll day will occur while CR is in progress. A minimum 24 hr. notice is specified for the troll fleet in regulation but a Board member said 48 hours is ideal, if it is possible. NSRAA will attempt to close CR after the gillnet opening, then have a troll day, then seine... adjusting to keep the 2:1 ratio for nets. Chip showed a bar graph that summarized how the volume of Chum released has steadily increased in size with the expansion of the program size. The 2016 return is composed of three different types of culture methods for the Chum. Approximately 16% of the return are BY12-13, ages 3 and 4 Medvejie stock form the DI 4.0 program. 20-25% are BY 11-13 age 3-5 Bear Cove 4.0 program. The rest are BY 11-12, Age 4-5 and represents the first BY with the increased Bear Cove component (for Broodstock), approximately 18-19M total. The modified THA boundary through the third Sunday in June to accommodate trolling was shown. The regulation language reviewed. The schedule that NSRAA operated under last year was shown. During DI Chinook management from May 29-June18 the nets fish GN 2:1 SN. For Chum Management from June 19 – July 23 the nets fish GN 1:1 SN. For Chum management from July 24 – Oct 1 nets fish GN 2:1 SN.

Motion 3/2/16 (e) M/S Mitch/Eric Deep Inlet Harvest Plan. Use last year's fishing schedule applied to this year's calendar for DI, subject to closures by NSRAA Staff for cost recovery and broodstock. Troll day will follow two days of gillnetting. Motion carried with 20 in favor 1 opposed.

BREAK FOR LUNCH

After lunch the Board went into Executive Session to discuss the SSSC proposal sent to the DIPAC Board requesting funding. No motion was put forward by the Board after the Executive Session.

Deep Inlet Cost Recovery Plan

"It has been three years since NSRAA has had to conduct a fishery at DI for cost recovery, so NSRAA Staff has assembled a report summarizing past actions to inform the Board." Continuing with the overhead report, Chip gave an example for a hypothetical closure. He reviewed what Board had done in the past to close on after a GN opening and reopen with a troll day followed by seine, then gillnet. Generally close for CR between August 8th to the 20th depending on the run timing. The Board discussed earlier and later openings with the NSRAA Staff. Saturday openings only will only work if it is a very big run, Steve said otherwise it is hard to get a boat to stay for that and it gets into their getting into place for the regular Sunday opening. Fishing in the inlet the day before the Sunday also diminishes build-up for Seiners. Chip showed the different A only B only and AB areas . A is open July 1-21. The B area is open July 22 until the day before Coho fishing reopens Aug or Ag 20 if no troll closure. Part A reopens the day before Coho fishing re opens in Aug OR Aug 20 if no Coho closure through Sept 15. Trollers explained all the scenarios and info that is factored in to determining when the troll closure happens. The Seiners were trying to understand how predictable the closure might be. More discussion about the THA etc.

Motion 3/2/16 (f) Eric/Sven Adopt the time and area management for cost recovery areas A&B beginning July 1 as described by Chip. No cost recovery would occur in the THA in July, "in August NSRAA needs to get them where they can." The Vice President recommend a press

release advising at least a one-week closure for cost recovery with other detail as suggested by NSRAA Staff to put the fleet on notice. Steve said he understood that NSRAA direction is go get the fish where NSRAA can legally operate to harvest cost recovery, as expeditiously as possible. Steve said help from NSRAA Board members in getting the word out to the fleet would be appreciated. (Because it is a big change from the last three years and will no doubt cause consternation and phone calls.) **The motion carried with 18 in favor and 2 opposed.** A board member commented that was the least contentious discussion of the harvest plan...ever. "Are we evolving?"

Alaska/Wild Hatchery Research Program – Steve Reifentstahl General Manager

Steve gave his presentation. State budget cuts mean fishermen and processors will have to pay for the study. ADF&G can only afford to make in-kind contributions. 17 or 18 processors are making \$500,000 contribution to State, per year, for the program. Steve has made presentations before other Aquaculture Boards. The study is linked to certification, particularly Chum salmon in European markets.

"What's in it for fishermen? Demonstrating no or very low negative impacts to wild stocks assures sustainability and affects markets and price. It is expensive and requires good science to truly protect the wild fish. The aquaculture community must be able to conduct programs that protect wild stocks and not compromise reproductive fitness. The ADFG regulatory perspective is provided by having Sam Rabung as PNP (Private Non Profit) Section Chief. Most aquaculture organizations recognize the critical importance of wild stock salmon to all common property fisheries in their mission statements, saying "Our programs supplement and do not harm wild stocks." The Alaskan Aquaculture community must maintain the integrity of enhancement programs and remain a partner in protecting wild stocks. Originally, Eric Prestegard, John Burke and Steve R. went to the ADFG Commissioner and saying this type of study needs to be done to responsibly respond to questions from the consumer and the environmental community. Steve discussed the study hypothesis, the study areas in SE and PWS and the 66 streams being sampled and monitored. Some are being sampled for stray rates and some for genetic fitness. Data gathering has been underway for three years. State-of-the-art genetic sampling and mapping is being done. Steve went over some preliminary results. At the conclusion, the report will be published. Board members discussed the preliminary finding and learned about genetic crosses. The Nez Perce study was discussed. The fact that wild fish naturally stray to some degree was touched upon. Steve said some Columbia River studies have shown negative impacts on wild fish from hatcheries. "Those hatchery programs are very different from Alaska, but they have raised questions in the mind of the public and it is up to us to find out the truth about our programs." The 34 Southeast Alaska streams that were selected were from the 84 SE Chum indicator streams monitored by ADFG. Stray rate information and ocean sampling components of the study are complete, but because Chum live five years, more work needs to be done on fitness proportion. The study will end in 2023. Steve showed some gross estimates for fieldwork, genetics and otolith work. Total is \$16 million. Cost of genetics analysis has been declining, fortunately. Steve is part of the finance group. No doubt the study will be criticized because it is self-funded, but the science is being conducted with integrity and under the direct supervision of the ADFG. Steve summarized funds raised to date from the AK Legislature, DIPAC and the processors. Steve is asking for the shortfall to be covered by the other hatcheries. PWS has not contributed, which is disappointing, as they produce 29% of total State production. The Board complimented Steve on his good work and the discipline and integrity that he brings to the Study.

Gunnuk Creek Hatchery Update – Steve Reifentstahl General Manager

IPEC wants to put a hydro at Gunnuk Creek. NSRAA is communicating. It complicates things. SEALTRUST might approve. Water rights go with the hatchery. There is a scenario where NSRAA could co-exist with a hydro. If NSRAA has to purchase electricity it raises the operational costs. Selling power excess to NSRAA's needs into the Kake power grid is not really an option. More discussion. Steve asked, "Does the Board want to change direction?" Scott discussed issues about the waterline and the easement needs prior to being able to produce power. The plan is for a 500 KW hydro. The Board wanted Steve to keep communicating, finding out what he can and letting the

Board know whether it is even feasible for NSRAA to take over the facility. Other programs at Thomas Bay, possibly Malmesbury, are on hold because of this uncertainty. Not to mention the impacts of the delay on the community of Kake. The road was discussed. The committee in charge of the hatchery sale wants to put it up for auction. The Board digressed, and the President thought the discussion had gone as far as it could with the information known at this time.

Hidden Falls Chum - Tax Assessment @ .10 cents lb. - Resolution Required

Kevin said, "We had the budget meeting and Steve is doing a good job of keeping costs down. Please look at page 90 in the Board book. \$552,258 is needed from the Seine Assessment to balance the budget plus drawing down the reserves to \$75,000 if no DIPAC funding of \$500,000 is available. And if the return comes in as forecast. If we do want to bump up the 4.0 program at HF based on a good return of 4.0 this year, we will not have money on hand to increase that program, we should consider bumping up the cost recovery by \$300,000, or the money can go to the reserve account if un-needed." Seiners want the \$300,000 to be split according to the McDougal formula. They said the timing is bad for an assessment on a low Pink year...next year should be better. The President and Vice President discussed perspectives on the assessment in some detail. The Seiners want to start with the assessment and keep the possibility of cost recovery. The general idea is that we, the Board members/fishermen, want to raise enough money... but not zero out the HF account." The Seiners said, "Will make proposal tomorrow morning." Steve said the Department of Revenue needs a motion on the Assessment by the end of the meeting.

It was explained that the McDougall formula was a policy that allocated cost recovery need proportionally between DI and HF based on the projected size of the return. If the total Chum return is expected to be 60% at Deep Inlet and 40% at HF, then 60% of the cost recovery will be done at DI and 40% at HF according to the formula. Steve said he could get cost recovery bids out quickly if needed. A board member suggested processors get a "head's up", if this possibility exists. The Board discussed the availability of the reserve funds and that the contingency fund should be on the fall agenda. The Board might also want to discuss the new production and facilities fund status; the committee should meet prior to November.

Other Harvest and Cost Recovery Plans

Deep Inlet /Medvejie Chums – has been covered in discussion. NSRAA will go out to bid for Coho proposals. Trident had a three-year proposal, and SPC has expressed interest. HF Mist Cove Coho and Medvejie Chinook will go out for bid. The Processors will hire the boats to do the cost recovery.

The President appointed Jim Moore to the Executive Committee.

Pacific Salmon Treaty Coalition - Mitch Eide and Deborah Lyons

Mitch gave a report on fundraising. Trident, and Ocean Beauty have made contributions. Some gear groups have donated. Andrew Vanderjack is a partner at Van Ness and Feldman, LLP and is Legislative Liaison in WA DC. He worked for Senator Stevens and also crewed on Mitch's boat. Bill Auger, Dennis Longstreth, and Deb Lyons are going to DC on the 14th March. Municipal Resolutions have been gathered in support of the Treaty representatives and the ADF&G from every town in SE except Angoon. A very good meeting was held with the Board members and Governor in late January. The Lt. Governor is interested in acting as spokesman on Treaty issues and will attend meetings in January and February 2017. We view this as very helpful. The Lt. Gov. gave a talk to Bob Turner, NMFS, on his commitment to the process. The PSTC Board has been discussing an economic impact study. A Sitka port meeting was suggested.

Back to SSSC discussion

The Board discussed the fact that the Sitka Sound Science Center had applied for funding from the DIPAC Board. Whatever amount the DIPAC Board may decide to donate to SSSC will reduce what is given to NSRAA for cost recovery reduction. Board members viewed the issue from different perspectives. Most thought the Science Center serves a valuable role supporting NSRAA and in the

SE Alaska community at-large, which is why SSSC is supported annually with \$165,000 from the NSRAA operating budget. More communication may be needed between SSSC, NSRAA Board and DIPAC. This is a difficult year for fishermen and the DIPAC funds are sorely needed, a fact SSSC may be unaware of. Board members decided to work on communication with SSSC Director and the DIPAC Board. It may be possible for the NSRAA Board members to explain the situation to SSSC. Whether or not to ask the SSSC to withdraw their proposal was weighed as an option. The main thing is to try to help the SSSC realize how their request is affecting fishermen. A reception for NSRAA Board is being held at SSSC tonight. A Board member suggested the NSRAA Board contact the DIPAC Board to explain the NSRAA perspective. It is a sensitive situation... what is the best way to go here and preserve the autonomy and relationship between the Boards and organizations. A meeting with the SSSC Staff has been suggested for tomorrow morning. Board members generally agreed that a few Board members should attend an AM meeting with SSSC, not to ask that the proposal be withdrawn, but to see in what ways SSSC will support NSRAA. Steve suggested Justin act as spokesman, and that was well received.

The Board adjourned for the evening in good spirits.

Thursday 9:05 AM

Financial Snapshot – Steve Reifenstuhl

(This portion of the meeting is taken from notes made by the Secretary /Treasurer)

Steve said our capital improvements position has increased.

Assets: DA Davidson 13.508 M

Total cash 13.760 M

Spoken for:

Loan repayment \$656,093

HF Tax Assessment \$552,258

Operational & Capital Reserve \$7,500,000

Designated for FY 17 forward funding \$1,050,000

Contingency \$200,000

Left over is \$602,156 (and that is parked in the New production/New facility Reserve and has gone down in the last year from 1.8M)

Steve reviewed the Investment Policy guidance: Short term is 50-65%, Equities is 10-20%, Fixed Income is 20-40%. All current investments fall within specified ranges.

The loan summary page was handed out, and four loans were listed. Steve explained how much was borrowed, what portion had been spent, what had been billed, what still awaits reimbursement and what remains unobligated. A Board member suggested NSRAA charge for otolith sampling.

After Steve ended his presentation, the President had a brief discussion with the Board. In response to some questions and because some of the Board members are relatively new on the Board, Kevin explained a little bit about the risk NSRAA takes as an organization if salmon runs fails to return as projected. Kevin said, "We will take cost recovery to pay the bills. It may mean people don't fish, but the cost recovery is there to make the budget. None of the programs are currently in jeopardy". Some have asked, "Is it worth it to keep investing in the Chum expansion projects?" Kevin said, "Yes." and Steve concurred because the Chum programs return far more in terms of benefit to cost (5 to 1) than the other species' programs are able to.

Tax Assessment continued:

Seiners (Mitch) spoke about the conduct of the 2016 HF fisheries. If there is a closure at HF and NSRAA doesn't get the revenue goal, then it is a debt to the entire organization to be paid back via the McDougall formula. If the assessment comes up short, and the HF reserve doesn't cover it, it is on the HF Seiners. Understood. After referring to the Hidden Falls policy and understanding the HF

Reserve cap is set at .6 to 1.5M dollars, the suggestion was made that the policy should be included in the Board book.

Motion 3/2/16(g) M/S John Barry/George Eliason To proceed for 2016 at Hidden Falls with a 10 cent per pound assessment. In the event of a poor return management will close the fishery at a point that will allow the cost recovery goal to be met by taking traditional cost recovery. **MCWOO**

Chinook Futures Coalition – Howard Pendell

Howard is the Troll Representative on the Northern Panel for the past 16 years and is the President of the CFC. He summarized the history of the Snake River Fall Chinook delisting petition. The initial study commissioned by NSRAA and CFC indicated there was a strong indication that the SRFC were no longer threatened with extinction and that delisting could be done without jeopardizing programs that support SRFC. No recovery plan for SRFC had been written. The group petitioned for delisting. NMFS said "We cannot make a decision until a Recovery Plan is written." One year later, no NMFS decision had been made. Howard is asking for \$20,000 each from NSRAA and SSRAA, to wind up the legal work. The Final outcome will be determined when NMFS makes a decision on delisting. NMFS cannot unilaterally decide to redefine the ESU without going through the Administrative Procedures Act.

Motion 3/2/16(h) M/S Zach/Mitch move to support the \$20,000 request for CFC. The Board complimented Howard for his work. Steve has room to cover this within the 2016 budget as an added line item. Howard, in turn, complimented George Mannina the Nossaman attorney, and Dr. Dave Bernard for all their excellent work. **The motion carried unanimously on a roll call vote.**

SSSC wrap up – Justin Peeler

Fishermen met with SSSC this morning. Fishermen explained to SSSC how this year is difficult for fishermen, fishermen are in a tough spot, and how the Hidden Falls management by ADF&G affects opportunity across the entire north end. From the SSSC point of view, they felt they were asked to submit a proposal to DIPAC, and they did. NSRAA will continue to work on communication with SSSC and the DIPAC Board. Steve was asked to write a letter to DIPAC from NSRAA. Board members had ideas about others they could contact for assistance with communication.

Motion 3/2/16(i) George/Dave Moore Go into Executive Session at 10:05 AM for General Manager Contract and Evaluation Results. MCWOO

Motion 3/2/16(j) George/Justin Out of executive session MCWOO

Motion 3/2/16(k) John Barry/ Dan Pardee To approve the General Manager's contract as amended. Motion carried unanimously on a roll call vote.

Hidden Falls Assessment Resolution

Motion 3/2/16(l) M/S Barry/Jordan Adopt Resolution 3-3-2016. The Resolution was read to the Board in its entirety. It is a prepared single page Resolution to be sent to the Department of Revenue attesting to the action taken by the board approving the Hidden Falls Assessment at 10 cents per pound earlier in the meeting. (3-2-16(g)). The Board had a brief discussion of how the flat rate is working. A fisherman said if the run returned at over 1.2M it would work great. But yes the per pound rate and the assessment is working from the point of view of the Seiners. The flat rate results in more openings and more opportunities. Steve said Valdez is interested in a similar program. It might be done at Neets Bay. This is the fifth year of the program. Things would work better if more fish came back! 1.5-2 M. **The motion carried unanimously on a roll call vote.**

4.0 program discussion – Kevin McDougall

Kevin thought it would be worthwhile to explore expanded implementation of the 4.0 fish culture method and whether it would work across all the programs, he personally had great hopes for it. So Steve asked the NSRAA Staff to put together a presentation. What would options be for costs and implementation. The presentation was given by Scott Wagner. Scott reviewed NSRAA Chum production by release site: 4.0's compose 25% of the total NSRAA Chum release.

Scott began by recalling, "Last year we looked at Option A for HF. Current production is 13M Chum at Kasnyku and 8M Chum at Takatz. We would bump them up to 18M and 16M respectively. Kevin clarified "For a total of 34 M 4.0 at HF which would be 34% of NSRAA total Chum production." NSRAA total eggtake capacity is 272M. That is eggtake capacity and it is for all programs, 4.0 and Regulars... and this is how it is broken down by site.

The Bear Cove Chum Broodstock release is 7% of NSRAA total production, Crawfish is 11%, Deep Inlet is 24%, Kasnyku is 20%, Takatz is 17% and SE Cove is 20%. Right now 25% of all NSRAA current Chum production is 4.0 and 75% are Regulars. Right now HF is 15% 4.0. Both SE Cove and CI started out as 4.0. Crawfish is now at 50% and will stay there for now.

If all programs went to 50% 4.0, the annual Operating budget would increase by \$275,000 (of that, \$248,000 is additional feed costs (across all projects) and Capital expenses would increase by \$1,000,000. We would have to spread 33 net pens across six sites. We would load all pens at lower density to start. Release the regulars as usual, put the 4.0 into the new pens and rear them longer Steve said, "After this season, when we see the evaluation, if marine survivals are markedly different, we should anticipate making decisions to increase the percentage of the 4.0's." It may also be site specific. Kevin said, "3 tenth of 1% increase in marine survival pencils out to equal the operations increase in cost." In order to shift to 50% we have to know this is the goal before we take eggs. Net pens take 6 months to order, manufacture and deliver, and the otoliths marking must be changed. Board members looked very thoughtful. Scott said, "We can order pens now, but could only do differential marks in October. An accessory mark can differentiate, but is not ideal." Justin asked, "Should we try to solve the problem by place first, at Chatham, rather than full-on changing things at Deep Inlet?" Mitch said, "We have a lot going on, this is additional money we need to get in revenues from Hidden Falls. Take a breath." John, "We could take \$300,000 for net pens out of new production money, it is only earning 1%. They would be assets in any scenario." James Moore, "I agree with take a breath and net pens. The cost of pens is going up faster than what is being earned in interest." In answer to a question from the Board, Scott said, "Yes less density means more viability." He also said, "We might try a third strategy; let some of the fish go earlier and smaller." Steve said, in response to a point by Kevin, "If you want to purchase pens, think loan." NSRAA Staff **is** going to try to stay up on the otolith marking this year. We have more NSRAA Staff and a very capable person being trained... Duncan Coltharp backed up by Ben Adams. William said he would like to see more specific information before authorizing spending money, specifically for Kaznyku, Takatz, SE Cove. Justin said, "We should break this out specifically for HF now and act now to address problems in Chatham." Steve said, "We will go through the budget so you have a clear understanding and have that specific information for 4.0 at Hidden Falls for the budget discussion." Although NSRAA has only a few years information on 4.0 survivals, when the survival differences are 1-3 % higher, and it only takes 3 tenths of a percent increase in marine survival to break even, it is really worth paying attention to and possibly acting upon." Steve thanked Kevin for asking him to work with NSRAA Staff to present the information. It helped the NSRAA Staff understand the interests of the Board and he thought it was useful and appreciated by the newer Board members.

Break for lunch till 1:30 PM

Budget and Income Plan for FY '17 –Steve Reifentstuh General Manager

The Board looked at the FY 2017 Income planning sheet, Section 10 of the Boardbook. Steve went through a line-by-line summary of 2015 income-in-hand and the projection for 2016 income from SE Cove Chum. For FY 2017 with these budget numbers (total expense \$7.1M). The 2016 net Chum salmon cost recovery contribution required to balance the budget will be \$3.2 M. If the Board adds on to the FY 17 expenses this number will change. It is variable The budget is also balanced with a contribution of \$500,000 from the unrestricted reserves, formerly \$602,000, now leaving \$100,000 in the New Facilities/Production fund. If NSRAA receives a \$500,000 donation from DIPAC, the NF&P fund can be restored, but as of this meeting the action of the DIPAC Board is unknown, therefore this measure was approved for the interim by the Budget Committee. Next the Board looked at the 2016 Chum return projections, and the way the McDougall formula would be applied. Then Steve reviewed the Budget summary on page 91. In general, payroll and fish feed costs are down but

Admin budget increased because of the W/H Interaction Study and Pacific Salmon Treaty items. Next year the Crawfish budget will be stand-alone item, now it is included in the SMC budget. Almost every program had decrease expenses. The SJ hatchery money expires in November of this year.

Motion 3/2/16(m) M/S Eide/Pardee Remove budget line 350 for SJ Hatchery \$169,744. Board members asked about the contract, it expires this fall. Some Board members felt the contract should be completed and then a decision made. Board members said in light of the letters being written and in light of the on going conversation we should wait and see until the fall. Question called: **The motion failed 2 in favor 19 opposed.**

Steve went over the capital budget. It has been reduced from \$500,000 to \$200,000 because of NSRAA Staff concern over the general size of the budget and the cost recovery required. The improvements to the UV system should improve the water quality at Medvejie. There is a high amount of bacteria in the water. The new buildings and plumbing are doing well so far but the older plumbing is a problem and can only be cleaned to a certain extent. A board member inquired about the list of capital projects. Steve keeps it as spreadsheet of capital projects. It was asked that it be included in the book. Scott says the whole capital budget planning process is complicated by the new hatchery and new grants.

Deborah gave a short budget committee report and the risks in the income projections. We have more areas of uncertainty in the budget this year than we have had historically. We have an income projection for SE Cove based on best available knowledge but it may not come in at that level and the Board should know that. The amount from DIPAC Northern Southeast Fund is not known and was handled as described earlier, if you agree. The Hidden Falls Assessment program has been discussed pretty thoroughly but NSRAA may not be able to take as many fish as projected, depending on the size of the return. Those are the many risks the budget committee wants the Board to be aware of before you begin to approve or modify the budget. Deborah said, "Our income to expense projections are a little dicey for the next few years, while we wait for the new programs to begin returning fish. We may have to tap into our Reserves. Said, "If we have run failure again at Hidden Falls, we will need the reserves." A Board member said he is glad his wife has a new job. Scott then gave a report about the budget add-on if the Board wanted to do a 4.0 program to bring HF and Takatz up to 50% \$674,000 in capital and \$155,000 operations. \$829,000 to add 30 M 4.0 Chums. The Board had a discussion to reduce the capital expense to just for pens for \$300,000 and put them wherever the data tells us. Then a what-if discussion occurred in the event DIPAC approves a \$500,000. A question was asked about the 2016 budget. The decision was made that it does not need to be amended.

Motion 3/2/16(n) M/S Mitch/John To authorize \$300,000 increase in 2017 capital expense for net pens. We need a third now to order before July 1. Discussion between the Board and the General Manager included options that evolved with the discussion. Finally... **"Take \$100,000 from the 2016 budget, where Steve thinks best. Put \$200,000 income offset with more CR, into the 2017 budget with \$100,000 from new production. Change the \$500,000 line item to \$600,000 and \$100,000 added to CR goal according to McDougall formula."** The motion carried on a roll call vote with 20 in favor and 1 opposed

Motion 3/2/16(o) M/S John Barry/Dan Pardee To allow NSRAA Staff the latitude to evaluate the otolith data available in July and make the decision whether to proceed with the expansion of the 4.0 program. MCWOO

Motion 3/2/16(p) M/S Mitch/Sven To approve the \$7,313,523 total 2017 budget consisting of Operations \$6,915,523 and Capital expenses of \$398,000. To be balanced by income items as described in the budget worksheet and cost recovery as needed. **The Motion carried unanimously on a roll call vote with 21 in favor**

REVIEW OTOLITH DATA – Chip Blair

Chip gave an abbreviated review of otolith data for the Board, some of the information had been presented at an earlier Board meeting.

At Bear Cove, for BY 11 (last year's) 4 year old the survival rate was doubled at 9:1 and the 3's at 8:1. 4% marine survival on the 4.0 or late/large component of the program.

At HF, although the 2015 return was very poor both age classes were coming back with 4 year-old component of 4.0 showed better survival rates. In another analysis, 3 of 4 of the HF groups were improved.

At Gunnuk Creek our releases are coming back at 63:1.

Benefit Cost Analysis-Chip Blair Tab 10 pages 95 to 102

The Commercial value of NSRAA salmon from 1984-2015 has been recorded, during that time period \$34.6 M was paid in 3% taxes and fish worth \$251,519,532 in value have been harvested. The Benefit/Cost ratio is \$7.3 in commercial value to \$1 in the Enhancement tax assessment cost. Chip reviewed the Benefit to Cost ratios by species: Chum is 8:1, Coho is 5:1, and Chinook are 2:1. Chip went through a facility-by-facility review of benefits to costs. The report is very detailed and Board members followed along. Chip was thanked by the Board not only for his informative presentations but for his assistance throughout the year. Steve complimented Chip for his willingness to get out on the water, his great observational skills and experience over many years.

UFA Report

A person was offered the position of UFA Executive Director and turned it down. Other candidates were considered but they decided not to make an offer because they were 4 to 5 weeks into the legislative session. Decision made to go with a lobbyist. Jerry McCune had a heart condition and went back to work. Jerry Mackie got hired as a lobbyist. To save money the Governor was advised to move CFEC into ADFG. This created an uproar. Work is being done to have this rescinded but it did not lead legislative review. Correcting this problem through the legislature would be difficult. The other big issue is new taxes being proposed to help meet the State budget shortfall. One legislator is proposing a 12% tax on fisheries businesses. Many businesses operate on a profit margin that is well below 12%. The UFA letter complimented the Governor on his holistic plan of many income streams. Whether fishermen could get behind a 1% increase is being discussed but folks are leery of offering to self-tax before other resource providers have made clear their own commitments to assist with the deficit problem. UFA is operating w/o an Executive Director. Current Mark Vinsel said he will step in, but did not want the full responsibility of the job.

An RPT meeting question was asked – NSRAA will put in a PAR for an Amended BMP for Salmon Lake to undo the weir responsibility based on the data as provided about the extremely low stray rates. Kevin suggested 2 reps from every gear group should attend the RPT. It is in KTKN, about a month from now, around April 6th.

Topics for the next meeting: Investigate moving the SJ permit for 9 M Chums into NSRAA name, Add Chinook salmon programs analysis to the meeting agenda. How do we increase the amount caught by the Trollers? Are there obstacles? Are we experiencing flooding by WA hatchery fish? Etc. What is the interception rate at SSRAA? Where is it working and not working?

The next meeting date is set for November 9th and 10th in Sitka.

3:30 PM Motion 3/2/16(q) M/S Barry/Pardee: To adjourn the 2016 Spring NSRAA Board Meeting.

Meeting minutes submitted by:

Deborah A. Lyons

Deborah A. Lyons

NSRAA Secretary/Treasurer

**NSRAA Board of Director's ANNUAL Meeting Minutes SUMMARY of ACTIONS
March 2-3, 2016**

NSRAA Boardroom 1308 Sawmill Creek Road Sitka, AK

Full discussion of each item is within the body of the minutes.

Approve Agenda Motion 3-2-16(a) M/S Dave Moore/Mitch Eide to approve the agenda as amended. A slight change was requested: to review the 4.0 Chum Program before the budget is finalized. **MCWOO.** (The Motion Carried With Out Objection)

Approve Minutes

Motion 3-2-16(b) M/S Sven Stroosma/Mitch Eide: To approve the minutes of the November 12-13th 2015 Board Meeting. Corrections to the minutes: Page 15 change "the zero check eggs taken in December should be corrected to: August will be ponded in December." Sec. and NSRAA Staff were complimented on the minutes. Board request to add Port Malmesbury (and Thomas Bay) to the map pg. 49. **MCWOO**

Election Committee report, Certify Election Results, Welcome & Seat New Board members
Motion 3-2-16(c) M/S George Eliason/Dan Pardee To approve the 2-10-16 Election Committee report certifying the 2016 election results and to seat the Board Members: At Large gillnet – William Prisciandaro, At Large Seine - Charles McCullough, At Large Seine - Sven Stroosma, At large Power Troll - Eric Jordan, At Large Troll - Bert Bergman. **MCWOO**

Election of Officers – President, Vice/President, Secretary/Treasurer

Motion 3/2/16 (d) M/S Mitch Eide/Sven Stroosma Re-elect the existing slate of officers: President Kevin McDougall, Vice-President John Barry and Secretary-Treasurer Deborah Lyons. The President gave the Board members the opportunity to cast ballots if they wished but the Board members didn't think that was necessary. **Nominations were closed without objection and the officers were re-elected. MCWOO**

Motion 3/2/16 (e) M/S Mitch/Eric Deep Inlet Harvest Plan. Use last year's fishing schedule applied to this year's calendar for DI, subject to closures by NSRAA Staff for cost recovery and broodstock. Troll day will follow two days of gillnetting. Motion carried with 20 in favor 1 opposed.

Motion 3/2/16 (f) Eric/Sven Adopt the time and area management for cost recovery areas A&B beginning July 1 as described by Chip. The motion carried with 18 in favor and 2 opposed. (More detail pgs. 7-8)

Motion 3/2/16(g) M/S John Barry/George Eliason To proceed for 2016 at Hidden Falls with a 10 cent per pound assessment. In the event of a poor return management will close the fishery at a point that will allow the cost recovery goal to be met by taking traditional cost recovery. **MCWOO**

Motion 3/2/16(h) M/S Zach/Mitch move to support the \$20,000 request for CFC. The Board complimented to Howard for his work. Steve has room to cover this within the 2016 budget as an added line item. Howard, in turn, complimented George Mannina the Nossaman attorney, and Dr. Dave Bernard for all their excellent work. **The motion carried unanimously on a roll call vote.**

Motion 3/2/16(i) George/Dave Moore Go into Executive Session at 10:05 AM for General Manager Contract and Evaluation Results. MCWOO

Motion 3/2/16(j) George/Justin Out of executive session MCWOO

Motion 3/2/16(k) John Barry/ Dan Pardee To approve the General Manager's contract as amended. Motion carried unanimously on a roll call vote.

Hidden Falls Assessment Resolution

Motion 3/2/16(l) M/S Barry/Jordan Adopt Resolution 3-3-2016. The Resolution was read to the Board in its entirety... **The motion carried unanimously on a roll call vote.** (pg. 11)

Motion 3/2/16(m) M/S Eide/Pardee Remove budget line 350 for SJ Hatchery \$169,744. Question called: **The motion failed 2 in favor 19 opposed.** (pg 13)

Motion 3/2/16(n) M/S Mitch/John To authorize \$300,000 increase in 2017 capital expense for net pens. We need a third now to order before July 1. Discussion between the Board and the General Manager included options that evolved with the discussion. Finally... **“Take \$100,000 from the 2016 budget, where Steve thinks best. Put \$200,000 income offset with more CR, into the 2017 budget with \$100,000 from new production. Change the \$500,000 line item to \$600,000 and \$100,000 added to CR goal according to McDougall formula.”** The motion carried on a roll call vote with 20 in favor and 1 opposed.

Motion 3/2/16(o) M/S John Barry/Dan Pardee To allow NSRAA Staff the latitude to evaluate the otolith data available in July and make the decision whether to proceed with the expansion of the 4.0 program. MCWOO

Motion 3/2/16(p) M/S Mitch/Sven To approve the \$7,313,523 total 2017 budget consisting of Operations \$6,915,523 and Capital expenses of \$398,000. To be balanced by income items as described in the budget worksheet and cost recovery as needed. **The Motion carried unanimously on a roll call vote with 21 in favor**

3:30 PM Motion 3/2/16(q) M/S Barry/Pardee: To adjourn the 2016 Spring NSRAA Board Meeting.