

**Post March NSRAA board meeting the executive committee met to approve the Gunnuk Creek Hatchery purchase. Minutes of that meeting immediately follow the March 8-9th, 2017 minutes below.*

**NSRAA Board of Director's ANNUAL Meeting Minutes
March 8-9, 2017
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 8, 2017

Roll Call

Gillnetters present: Lars Stangeland, Jr., Kevin McDougall, William Prisciandaro and Dan Pardee. Seiners present: Tom Meiners, Jeremy Jensen, Sven Stroosma, Charles McCullough, and Justin Peeler. 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. Brian Massey-Recreational and Henrich Kadake-Native Organization. Absent excused: Dalton Bergman.

Introductions

Board members introduced themselves and identified the seat they hold on the Board and whether they are officers. Members of the public also introduced themselves. From NSRAA: Steve Reifstahl, General Manager, Scott Wagner Operations Manager, Chip Blair Data Analyst, Woody Cyr Dear Lake Project Manager, Ben Adams Special Projects Coordinator, Adam Olson Medvejie Hatchery Manager, and Rebecca Olson Sawmill Creek Hatchery Manager. Eric Prestegard Douglas Island Pink and Chum CEO, Angie Bowers Sitka Sound Science Center and Jay M. Erie, a salmon permit holder.

Establish Quorum

A quorum is established with greater than 8 (of 15) gear group Directors and greater than 5 (10) other Directors in attendance.

Approve Agenda – Suggested changes to the Agenda included: Move DI Harvest plan rotation to second day so all Deep Inlet discussion is together and rotation plan is after that, by swapping 11:30 today with 3 PM tomorrow. Discuss visions for SE Cove as it comes on line. Fit Fish and Game in. Jim Moore has an item to fit in to the DI discussion tomorrow. Kevin would like to revisit the broodstock policy, page 53 tomorrow afternoon.

Motion 3-8-17(a) M/S Brian/George - Approve changes to the agenda. MCWOO (Motion Carries Without Objection)

Approve Amended Minutes of November 9 & 10, 2016 Meeting with two corrections, one on pg. 20 and one on page 31.

Page 20 second paragraph, "Coho smolt would drop from 3.5 M to 1M." On Page 31, on wild enhanced salmon interactions. "Two life cycles of pink salmon is six years and two life cycles of chum salmon is eleven which is why the study is eleven years long."

Motion 3-8-17(b) M/S Brian/William - Adopt the minutes as amended. MCWOO

Election Committee Report

The President read the report of the election committee, naming the ballot winners of the Board election.

At-Large Seine Tommy Meiners, At-Large Power Troll Zach Olson,
At-Large Gillnet Dan Pardee, At Large Seine Justin Peeler, and
At-Large Gillnet Lars Stangeland.

Motion 3-8-17(c) M/S Sven/Dave Moore To accept the election committee report and seat the new board members. MCWOO.

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

The President explained that the spring meeting is the time for the Board elections and the Board members were invited to make their nominations. Kevin said he has been president for ten years but doesn't intend to remain on the Board forever. He said if someone else would like the job please step up. He said he intends to serve another year or two. A Board member asked if the Secretary Treasurer was going to remain on the Board. Deborah said yes but offered some thoughts on her position saying she enjoys doing the minutes of the Board meetings. The Treasurer position used to be done by another Board Officer, Botso Eliason. "He was a "sharp pencil" and used to go over the proposed budgets in detail if there was interest from the Board in someone taking the Treasurer position, she would welcome that change. Brian Massey asked some questions about the responsibilities of Treasurer and then offered to serve.

Motion 3-8-17(d) M/S Sven / William P To present a new slate of officers for election: President Kevin McDougall, Vice President Justin Peeler, Secretary Deborah Lyons and Treasurer Brian Massey. MCWOO

Conflict of Interest Statements, Travel and Cell phones– COI statements were distributed and explained to the Board. They need to be returned by the end of the day. This is something we do at every Spring meeting. The Spring meeting is the Annual meeting. Travel reimbursements should be turned in today. Put cell phones on silent.

9:30 a.m. General Manager's Report –Steve Reifentstuhl

Steve welcomed the newest Board member, Tom Meiners, whom he has worked with in other forums and was happy to see the other Board members returning to their positions. Steve complimented Deborah on the minutes. She was a little embarrassed by this, but appreciated the recognition of her effort. Steve spoke to the great job performance by the NSRAA managers and culturists. This was a difficult year. The warm water of last fall caused fish to advance rapidly and now we have a brutally cold spring with over 40 inches of snow at Hidden Falls at a time when we are actively moving fish to their own pens, SE Cove and Thomas Bay. "The Staff was tough and stuck with it. I do want to thank them for that great effort."

"To give the Board some insight into how things are done at NSRAA; since 2010 we have monthly staff meetings with managers, project leaders and office staff. We exchange information and do problem solving. This increases cohesion in dealing with all the administrative and operational challenges of running NSRAA."

Steve and the Board looked at Tab 3 of the Boardbook; the organizational chart. The newest employee is Matt Grosheck. He has been hired as Hidden Falls Maintenance Engineer and he holds a degree in Civil Engineering. "He could get a job anywhere, but wanted practical experience in Alaska, (and is an outdoors person, hunter and fisherman) so we are lucky to have him. He works well with Mike Pountney (who is out at Thomas Bay during this meeting) and we hope to have him working for NSRAA for several years at least."

Steve attended the UFA Board meeting. The Prince William Sound Aquaculture Association Chairman was very interested in NSRAA. NSRAA is held in very high esteem.

On the financial front, finances are stable and strong. We have a solid income plan and the \$1.1 M from DIPAC was very helpful and appreciated. Steve, with some help from Eric Prestegard, explained that DIPAC has refined their policy dictating how DIPAC revenues in excess of expenses will be distributed and transferred. If there is more than \$100,000 their policy dictates how those funds will be transferred. Up to \$2M 90% goes to NSRAA or SSRAA and anything over \$2M, 100% goes to the Regional Associations. A requirement of these funds is that they are to displace an equivalent amount of NSRAA cost recovery harvest the following year. In a practical sense, this is very helpful, not only making the funds available to NSRAA but DIPAC has also changed their procedures in order to make the amount that may or may not be transferred to NSRAA is known in December of each year. This will fit much better with development of the NSRAA budget process. The State law creating the Private Non Profit Aquaculture Associations requires that excess revenues be distributed to the Regional Non Profit Association(s).

Motion 3-8-17(e) M/S Justin/William To draft a letter and thank the DIPAC Board for their contribution and their work to get the amount known and into NSRAA's planning cycle. MCWOO

To complete NSRAA's income picture, Steve reported that NSRAA would be receiving \$1.3M from the SET tax (Southeast Enhancement Tax). The NSRAA revenues developed last year, which we call our forward funding package, are added to the DIPAC contribution. This leaves NSRAA with a goal of \$2M Cost Recovery at DI to be taken. \$1M Cost Recovery from SE Cove may be realized, and NSRAA is expects to realize \$130,000 to \$150,000 in revenue from Crawfish Inlet.

The new Chum project at Thomas Bay is coming along nicely. Steve first visited that site 20 years ago and now NSRAA is actually on the ground (or in the water) there. Chum fry are in pens and rearing. Dan and Robin, a newlywed couple from fishing families, are tending the fish. Petersburg is very supportive as a community. All the processors are opening their doors to help with the mobilization. Mike and Matt spent several days over there getting set up. Currently ice is not a problem in Thomas Bay, although it does create some challenges, we have also dealt with ice at Takatz and Deep Inlet. Kevin complimented Steve about his efficiency and success in getting the project up and running. He pointed out that three months ago NSRAA didn't even have a permit. Kevin also complimented the NSRAA staff. Steve said, "We are a group of fishermen and act without being burdened within a bureaucracy. Once we decide to do something, we know how to go after it." In contrast to the Gunnuk Creek bureaucratic "sea of molasses" that NSRAA has been dealing with for three and a half years. Eric Jordan said he was encouraged by how well fishermen worked together in support of the Thomas Bay project; at the RPT meeting in Juneau, and at the turnout of fishermen in Petersburg.

Port Malmesbury: NSRAA is permitted there for raising chum but it is located closer to Armstrong Keta. Bart Watson, the AKI Board President and Bob Thorstensen, their lobbyist, came by the office to see if some sort of collaborative effort could be done there. The new General Manager is Ian Fisk. NSRAA does have a few extra net pens. If we have extra broodstock at HF, we could take 10M eggs, lend the net pens and AKI could do rearing at Malmesbury. NSRAA could get paid back plus a percentage from the adult return. Our goal would be to help them provide benefits to fishermen, without negatively impacting NSRAA programs and without a requirement to take extra broodstock. Armstrong Keta thinks they could see better marine survivals if they had a program for releases on the eastern side of Chatham. Board members asked questions.

The permit would stay with NSRAA and is only for chum salmon. PSVOA is very in favor of Port Malmesbury chum program development, even more so than Thomas Bay. But now they support both. Board members discussed Petersburg attitudes' changing towards Thomas Bay once they understood the long-term plan. Steve has made a commitment to go to Petersburg,

when the time comes to design the Thomas Bay harvest area, to minimize conflicts with other fisheries and gear.

In an effort to improve marine survivals in chum released from HF, Steve said once chum fry are fully reared at HF they will be moved by tender in May and June to the east side of Chatham, and acclimated there before release. Trying to outsmart the predators.

9:45 a.m. Operations Manager's Report and Project Updates – Scott Wagner

Scott thanked the staff for their efforts this past winter saying, "The winter can be a nice slow time for NSRAA staff...but not this year. With Thomas Bay and other challenges and hurdles it feels like it has been a very long time since the Fall Board meeting, in contrast to most years." In January, NSRAA hosted the Alaska Fish Culture Conference. It was very well attended, one of the largest that Scott has ever attended. DIPAC, SSRAA and every other Alaska Aquaculture Association was represented, including Prince William Sound.

Scott opened his presentation with a photo of Thomas Bay in the very early spring. It was an aerial shot and the ice could clearly be seen covering the area where the net pens were to be placed.

This years' NSRAA Operational Budget reflects the reduction of 600K Coho production at HF. Medvejie operational costs also dropped, but that was due to the decrease in Chinook (lower survival on site) and therefore, lower numbers in the pens needing to be fed.

Staff continues to increase efficiencies and reduce costs overall. They have decreased costs for the third year in a row. In light of the overall tight budget situation, only critical capital projects are going forward.

Scott described an on-going issue about the way that the US Coast Guard views NSRAA and American Patriot activities delivering products needed for aquaculture activities. The new interpretation of Tow/Freight requirements resurfaced as an issue again this year. NSRAA has always operated under the fishing exemption for towing and freight. This year the freight exemption was applied but the day before the American Patriot was scheduled to leave Petersburg the USCG issued a marine safety bulletin and NSRAA equipment on the American Patriot was delayed. USCG visited NSRAA office and met to say why they thought NSRAA use of a boat to haul freight should not be allowed. After discussing the matter they concluded that NSRAA activities were allowable. A later marine safety bulletin contradicted this and then went further in restrictions to where NSRAA could not pay a fishing boat to deliver supplies to a hatchery and that a fisherman could not pay another pot to haul crab pots or nets. The implications of this new interpretation are serious. Talks are on going with the American Tenderman's association. The tow bulletins have become very restrictive in interpreting what constitutes towing. A licensed tow captain is now required on board. NSRAA staff is contemplating how to deal with the issue and whom the best people might be to contact. If you own the boat and are towing your own property it is OK to move freight and tow. It gets complicated if you pay another party to do the work. This seems to be an issue just within the 17th USCG District. Steve thought this might be best handled at UFA because it affects all sectors of the fishing industry. Dealing with the issue delayed spring logistics for all projects by four days and forced NSRAA to reorganize tow timing.

Once the bureaucratic snafu with the USCG had been fought through, the very cold weather conditions returned and NSRAA suffered storm damage at SE Cove.

NSRAA is also making adjustments to the new fry transfer logistical challenges. The length of time to transfer fry has increased dramatically due to the increased distances to SE Cove, Thomas Bay and Crawfish Inlet rearing sites. Weather complicates things, water and air temperatures, sea conditions, presence or absence of disease all have to be factored in. There was a large loss on the Crawfish transfers. 20% of the fry were lost on the first day. Then two boats were used to help reduce the densities but one had 10% perish and the other boat lost 30% of the fry. We are now waiting for better conditions to complete the transfers. At SMC we

experienced a shift from warmest water temps to the coldest water in just a couple hours. This stresses the fish. It is a challenge we have not dealt with before. The unusually warm Spring saltwater temps has resulted in fish 2 grams in size before the end of March. This has not occurred before.

Thomas Bay. Scott said that in order to get this project going this season everything had to fall into place perfectly...and thankfully, it did. This was due to hard work, experience and a bit of luck, too.

The timeline: NSRAA received Notice of Permit alteration on Dec 22. On Jan 9 the Fish Transport Permit was granted. January 23 the contract crew for fry rearing had all been hired. The net pens arrived in Pburg Jan 30. The anchors were placed Feb 1 and the net pens were put together by Feb 4. The first fry transferred on Feb 15!!!

22 M chum fry were transferred: 7.3 M 4.0 gram and 14.9 M 2.0 gram chums. Scott observed, "We might consider working with egg-take timing, so we deliver fish out there a bit later."

Overall the Thomas Bay fish transfers went really well. We only lost 40,000 fish. Scott showed pictures of the American Patriot deck-loaded with pens, anchors, lines etc. The ice on site has drifted out. Scott felt fortunate that the good weather in Chatham allowed them to transfer fish 5 days in a row, completing multiple 24-hr. round trips. Ten hours in the hold for the fish. The good weather that allowed the swift transfers may not always be the case. Scott shared a number of photos of the Thomas Bay mobilization.

Scott's position as Operations Manager requires that he regularly review and improve safety practices at NSRAA's remote sites, as well as the in town facilities. Over time they have improved the staff check-in procedure and NSRAA now utilizes an automated system to manage check-ins and missed check-ins. Staff are required to call in every night at 9 PM and if a check-in is missed, emails and texts are sent. The effort to establish communication escalates automatically. The system combines DeLorme IN Reach and cell phone with a web application. Staff are now able to send and receive messages and alerts to all sites. Scott checks the GeoPro map and can see the location and communication status of all employees every morning. He also has all emergency services numbers on hand in his phone, in the event they are needed.

A variety of permits are required for all NSRAA projects and Scott summarized the status of those currently in process. Next month at the ADFG Regional Plan Team (RPT) meeting NSRAA has submitted a request to release and additional 20M HF chum stock at Bear Cove. This is not a request to increase chum production, just to allow Hidden Falls chum to be transferred to this side of the island for release. The reason for the request is to take advantage of the better survival rates experienced by most releases from Bear Cove, to fit with NSRAA strategy of reducing the overall size of the release from Hidden Falls thus becoming less attractive as a forage site for whales; hopefully restoring HF survival rates to former levels and establishing a back-up return of Hidden Falls chum to meet future broodstock needs. The remaining Takatz production will be moved from the Hidden Falls Terminal Harvest Area (THA). NSRAA is also submitting a corresponding request to move 20 M Fall stock chum from the Medvejie hatchery to the Sawmill Creek Hatchery (SMC) for release at Deep Inlet. NSRAA will still pursue this request even if 20 M HF stock transfer request is denied. Steve and Kevin discussed the larger issues. It is not common for ADFG to permit more than one stock per specie returning to a hatchery, although it is allowed at Neets Bay. ADFG also does not generally allow more than three facilities to rear the same stock. Right now HF chum are permitted at Port Armstrong and Hidden Falls. Medvejie would be the third location. If we knew whether or not NSRAA was going to be able to restore the Gunnuk Creek hatchery that might make a difference because the HF stock would be used there. Although timely requests for comments on the permits had been solicited by ADFG, a comment from Sitka Tribe of Alaska

was not received until after the meeting. STA stated they are opposed to the increase because the increased chum will be eating the local herring. STA raised this concern some years ago over a prior production increase at Deep Inlet. NSRAA conducted a study five years in length the answer whether there were negative interactions between Medvejie chum releases and herring. The report conclusion was that chum are not feeding on herring. The Tribe has the report. A Board member requested a copy of the report

Even if HF at Medvejie is a no-go, we want to be able to incubate more fall stock Medvejie chums at the SMC hatchery. Possibly moving up to 50 million chum fry in the future. We have repeatedly tried to deal with the water quality and fungal problems at the Medvejie site and our goal is to reduce densities there even further, to increase survivals. We are not requesting a change in permitted capacity and these fish will still be released at Deep Inlet.

Sawmill Creek Hatchery – The amendments to the SMC Basic Management Plan (BMP) submitted to the RPT at the previous meeting were finally signed and approved by ADFG. Scott had hoped that those amendments would have helped resolve some of the on-going issues that have been surfacing in the Annual Management Plan concerning Salmon Lake evaluation criteria for monitoring Coho for straying and escapement.

For the second year the Salmon Lake weir is not included in the NSRAA budget. NSRAA did an analysis that resolved genetics questions and demonstrated straying is not occurring at a rate to raise any concerns. However, the local ADFG is not ready to move away from the issue and they continue to have internal discussions within the Sportfish division. The Department continues to speculate that the Salmon Lake Coho Exploitation Rate on larger returns to DI will result in unacceptable straying to Salmon Lake.

The ADFG is not requiring NSRAA to tag wild smolt anymore. Instead, a mark-recapture program is being discussed as an alternate method to estimate escapements. The ADFG biometrician is helping design the program.

The Forest Service installed the original weir but the permit was applied for through NSRAA. NSRAA is working on moving the permit back to the USFS, because NSRAA is no longer operating a weir.

The Department of Environmental Conservation (DEC) General Hatchery Wastewater Permit issuance has been postponed until 2018. It had expired, and there were internal efforts to greatly expand permit requirements. This permit can have huge impacts on our operations and costs, especially if DEC demands a retrofit of equipment because discharge standards are changed to be more stringent.

The DEC Onshore Seafood Processor Permit that allows NSRAA to take roe at HF and Medvejie is in limbo. Scott described a rather confusing scenario in which this permit was going to be grandfathered into a larger expanded permit but the public comment on that permit excluded hatcheries from commenting or applying. He is working on it.

Because the NSRAA Board is very concerned to maintain the integrity of wild stocks, Scott took a few more minutes to take the Board through Tables 9a and 9b which were produced by NSRAA as survey and analysis of 2012-2016 Historical Hatchery Fraction and stray rates in Salmon Lake Coho and the Historical Wild Fraction and stray rate at the MCIF (Medvejie Central Incubation Facility) hatchery rack. The hatchery fraction in Salmon Lake for all years for all fish including jacks ranged from 0 to 4%. The ADFG State Geneticist is saying there is no problem. But the local ADFG Sportfish staff person is still concerned. If you remove the jacks from the data, the stray rate is even lower. The argument is about 1-2 individual fish. Eric and Steve commented that the Salmon Lake Coho demonstrate a tremendous fidelity. ADFG standards seem inconsistently applied. In comparison, the Anchorage sport fish hatchery is releasing 2 M fish annually and not marking a single one. Staff finds it trying, to patiently deal with this process. This conversation about the integrity of the Salmon Lake return adjacent the Medvejie production has been going on for 25 years. Even though the Commissioner of Fish and Game would understand the NSRAA side of the issue, the Department is generally very

reluctant to overrule the local management biologist. NSRAA tries to be good neighbors with the local ADFG and argue our points professionally. We are slowly winning individual battles. During this discussion a sympathetic Board member remarked that the term "Permit Master" should be added to Scott's title.

Scott summarized the status of the NSRAA grant-funded projects. The Hydro replacement at HF is still in progress. The HF lagoon and weir improvements are mostly complete with \$450,000 left and work continuing on improving the ladder. The grant period has been extended to June 2018. At that time all funds must be expended.

Haines Skagway. In Haines NSRAA has done all we can, so we are concentrating on some small-scale habitat improvements near Skagway on Lilliegraven and Pullen Creeks. This grant was also extended to 2018.

In response to a question from the Board President Scott recapped what happened with the Crawfish transfers. The entire 4.0 chum group, about half the total, went out first and successfully made it to Crawfish. It wasn't until the 2.0 group were being moved that the weather changed and the fish began experiencing problems. Temperatures went rapidly from 3 to 1.4 degrees. About 6 million 2.0 chum are still waiting to be moved. Out of the permitted 30 M, we might end up with a total of 25 – 26M successfully on site. Present losses total 6.5 to 7%. Steve said, "Even in incubation there is compensatory behavior and reaction to very cold water and high atmospheric pressure. When the fish sense very cold water they are not about to come out."

Medvejie Hatchery – Adam Olson, Hatchery Manager (Tab 4) mp3 223

Adam opened his presentation saying this report is supplemental to information included in the written report in the Boardbook. The first part of his presentation describes the fish culture challenges due to the high organic load in the water at Medvejie, the unusually warm water temperatures and the persistent presence of a native fungus in the water source. He referred to a graph that correlated temperatures (up to 11 degrees Celsius) with chum incubator mortalities over 26% this past year. In the years since 2007 chum mortalities were lower, and consistently less than 5%. Only the past two years, with their higher-than-normal water temperature, mortalities have risen.

The Medvejie staff is still learning how to most effectively employ the new Ultra Violet water sterilization unit. It was being used in a side-by-side comparison with a "control" headbox and showed no benefit to chum survival. The unit did not curb an outbreak of fungus. Currently, staff is thinking the UV water treatment may need to be applied earlier, during the "eye-up" stage. This seemed especially true when staff realized that the chum that had survived best had been "eyed-up" at Hidden Falls and moved over to Medvejie for rearing. Therefore, the capital budget request for Medvejie now includes funding for two additional UV units. Adam also tried treating the fish with low dose formalin, but it did not have the benefit anticipated.

Although Medvejie has had losses in the fresh water incubators, the surviving incubated fry are now into the saltwater, and are growing well. It is still too early to tell how these past two years of higher-than-normal mortalities in the incubators will factor into the overall marine survival of these broodyears. This year's returning three-year-olds will give us an indication.

Adam described a number of investigations staff is conducting to help guide the best responses in order to raise healthier fish and improve survivals. They include: New UV units to help sterilize the intake water and one additional unit on the recirculating water.

Staff is increasing and expanding the water supply testing currently being conducted, in order to find the cleanest sources of water and what factors might be contributing to poor water quality.

The NSRAA staff is critically reviewing the egtake procedures and considering the use of sterilized fertilization and rinse water. A wide-scale egg surface disinfectant post-fertilization could be beneficial, as well as increased procedures for biosecurity in the buildings. A larger

scale test of gametes transfers to the SMC hatchery for eye-up is planned. Adam also intends to use chillers for a trial stack of chum.

Currently NSRAA does otolith marking using a common technique of heating and cooling water to create the otolith marks. Other techniques could be tested. SSRAA has done some work with dry marking techniques and NSRAA staff will be looking into these as possible alternatives. Saltwater and formalin marking could also be explored.

Adam moved on to a graph of Chum growth in saltwater for Brood years '15 and '16 for the 2.0 gram and 4.0 gram programs. The BY '16 2.0's are growing very well and are as large as the BY '15 4.0 were at this same time last year. This exceptional growth could lead to earlier release dates. The ocean is 6 degrees now, warmer than average, and staff will weigh ocean conditions\phytoplankton with the release dates, looking for the best survival scenarios for the fish. The accelerated growth leaves extra feed on hand. It will be used to grow the 2.0 fish up a little larger...to 3 grams.

Zero-check (pg. 38 definition) Chinook Program. Adam showed a growth curve chart from December till present for the BY '15 and BY '16 zero-check Chinook. The graph showed growth in grams of the chum fry in the freshwater incubators up to and through entry into saltwater in early April. It predicts a date when the Chinook will be large enough to go into saltwater. The challenge to staff is to get the fish ready (osmocompetent) in time.

We are aiming at getting Chinook into saltwater at the time we hoped, guided by the growth curve. They will again do early ponding. This means take the King eggs early, get them in the water Dec 1st. By using supplemental lighting and auto feeding we get better early growth on the fish. When seawater temps are over 8°C vibrio becomes a concern, so we vaccinate to improve survival. These fish are very small and young, still Parr, and barely to the fry stage. They need care to be ready to go into saltwater early. Steve explained some of the different Chinook culture techniques found on page 38. The advantage to the zero-check program is the reduced cost. We are still perfecting our techniques. Steve described Sea Ready, a calcium/magnesium bath, to help prepare the fish for entry. This was something we tried but no longer use. Staff answered questions about the life cycle of Situk Chinook, a wild Alaska system that is capable of producing zero check fry. It seems temperature sensitivity and cold also be attributed to extensive brackish water in the Yakutat forelands (home of Situk fry).

Adam described the experimental auto feeder, and the use of a saltwater pump that could mimic these brackish conditions.

Broodyear '16 Chinook programs: Last summer NSRAA did not meet the egg take goal for Chinook because of low fecundity, slow maturation and high holding mortality.

2.78 M live eggs are on hand after picking.

Zero Check - 575 K are dedicated to the zero check program with 200K destined to go to Crawfish Inlet and 375K to Bear Cove.

Fresh Water Over Winter Chinook: 600K are dedicated to the FWOV program with 200K earmarked for rearing at Bear Cove and 400K at Halibut Point Marine.

Salt Water Over Winter Program: 400K Chinook eggs will leave the incubators and will summer in Green Lake. This is a new strategy and will help with water availability at MCIF.

Medvejie Salt Water Over Winter Program: The remaining 900K will remain at Medvejie to be reared in saltwater. This program is currently working well.

A Board member suggested monitoring PH and making micro adjustments. Adam explained this is difficult with a flow-through system. A question was asked about the UV system. Adam explained timing is the issue. We now need to get the fish on a system of a sterile water environment, throughout rearing. When Green Lake is not allowed to spill because of City hydroelectric requirements the water quality can suffer due to a proliferation of the Tricophyra.

Board members talked about the unusual presence of black cod as well as the new event of squid in Silver Bay. Steve said a Squid scientist from Stanford is coming to the Science Center in May.

Hidden Falls Hatchery – Jon Pearce, Hatchery Manager (Tab 5)

Jon did not make it in due to weather. Scott gave report. Compared to Medvejie, Chum incubation is much cleaner at HF because of the water supply. Snow was an issue. Operations were simpler because of the reduction in fry reared at Hidden Falls (they are being redistributed to other locations to reduce densities at release to discourage predation). Staff are rearranging the chum rearing sites. Instead there are 28 pens at HF. There are two barges now at Hidden Falls, one at Takatz and one at HF. Each are located in the middle of the net pen complex. There are 67M Chum total at the 2 sites.

Three species are reared on site; Chum, Coho and Chinook.

Chum: Hidden Falls produced 141.2 M chum fry, the most in the history of the facility and finally at the full production permitted. Of the 141.2M total, 67.1 M are reared at HF and they are split into the “tow” and “no-tow” groups; another method to reduce predation and increase survivals. Half are to be released at Kasnyku Bay and the other half on the east side of Chatham.

22.3 M of the production is sent to Thomas Bay. The first transfer took place this spring under almost ideal conditions. The transfer required multiple 12 hr. one-way trip deliveries.

51.7 M Chum will be transferred to Southeast Cove.

Chinook: BY '15 - 776K Chinook are now reared in saltwater until 2017 May release.

BY16 Chinook were ponded on March 2, 2017 and will be reared in freshwater over winter until release in May 2018. These changes reflect the Board action taken at the last meeting in response to Hidden Falls continued poor chinook returns. 600,000 HF Coho are to be displaced from the freshwater raceways and are to be replaced with 600,000 Chinook moved from saltwater into freshwater production.

Coho: BY15 - Fresh Water Over Winter 2.57M and Salt Water Over Winter 980K.

BY16 fry will be ponded later this spring (April). And 2.8 M are being transferred to Deer Lake in June as .9-gram fry.

Scott wrapped up the Hidden Falls report, quickly summarizing some of the work occurring around the facility. They are still working on the hydro. Keystone Construction will go out in April-May to finish the hydro install. Weir and fish ladder improvements are ongoing to help control the number of fish now ascending the ladder. Bears are numerous on site. Staff is trying to make changes to discourage them from sitting on the ladder eating the Chinook by using electric fences and grating. A Board member said Port Armstrong had had some success working with a wildlife biologist and stun guns. It requires specially trained personnel. A roof over raceways has been designed and a new spawn building planned. Front round pond improvements have been done and there now is a Salt Water treatment system. Board members discussed predator nets around the net pens, as is done at salmon farms.

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

“Fall went well, the fish got up to size early and we coasted into winter where we had a late turnover but actually finished and got the fish out earlier than usual. 1.38 M Coho fingerlings were released into the lake on the 1st of January at 22 grams, perfect size, and timed after lake turnover, like we want.” During the winter release, half the fish are released into the lake where they remain and feed until voluntary emigration begins usually in April. The other half of the fish overwinter in the lake in submerged pens. 36 fingerlings per day attempted to emigrate post release... Typically 10-20% of the fish released into the lake disappear over the waterfall. This year rate of 36 per day was a little higher than usual, but not alarming. It went well this year, we anticipating a good release in the spring. The weather was great and increased daylight helped.

8 pens were distributed across three locations in the West Basin as has been done for three years now. 1.38 million Coho fry overwinter in zipper-top pens and are held at relatively low density.

Camp was closed January 10th. We had one nice day when we were able to fly in and out and feed. We made a 1-week long monitoring trip in February. It went well. We observed some rubbing on the nets and were able to feed. At that time the fish had lost 8% weight (now 20.5gr) and the lake temp was 2.8C, which decreases metabolism. The lake was open and Woody thought it might remain so, given the weather pattern of the last few winters. So he decided against submerging the pens and left them at the surface. The pens are now frozen in (March 8th). The fish look OK. The fish swimming keeps ice from forming, but it also creates a current that sucks in any floating debris. A picture taken by Harris Air last week shows the pens frozen in but the predator nets on top look intact. Some animal tracks were present on the lake, probably Marten. When the pens are frozen in at the surface they can become vulnerable to predation by otters, but the animal tracks did not show the typical belly slides that otter make. Woody will open camp in a week and will start feeding again with the goal to get the fish to 25 grams by May. Because the water is colder this winter, the fish may experience a more normal emigration timing. Historically, marine survivals improve with colder winters. Emigrations were timed a little later.

All the over-winter nets will be pumped and the fry go down into saltwater into 8 nets. Two marks will be applied, one to a group of four nets that remain at Mist Cove and another group of four nets that will be towed out into Chatham. The year the staff towed everything...the Coho had a 10% marine survival.

In June, the new fish, 2.8 M of them at .9 gram, will be flown in from Hidden Falls. Last year marine survival was just under 4%. It has been dropping; from 12% to 10% to 6% to 4%, over the past four years.

Sawmill Creek Hatchery – Rebecca Olson, Hatchery Manager (Tab 4)

Rebecca opened her presentation with a picture of the round ponds and hatchery covered in snow. This was followed by a graph of hatchery water temperature from January of 2013 to date. This year has been different than the past two years. On March 1, of 2017, the water temperature dropped to 1.4°C. The lowest recorded to date. A week prior the temperature had been 3°C. The cold water is a concern because it slows chum incubation down and causes Coho ponding to occur at a later date.

Sawmill Creek Chum: this is the third year of chum program. The new aluminum stands elevate the incubators (picture shown) and can be leveled. This past summer insulating the building has prevented the water from freezing. The building is nice and warm with no freezing of the floor. Incubation has gone great with under 1% loss in the boxes, probably due to a water flow issue. The Fish Culture Conference had some benefits for SMC hatchery. 25 fish were donated to the pathologists and some were identified as having bacterial gill disease and hyperplasia of the gill (picture). This is caused by poor water quality: low dissolved oxygen or excess suspended organic material. A 2-day drug treatment was applied. Lots of sediment occurs in the incubator boxes.

When water temperatures dipped, the yolk absorption slowed. They sped back up to normal and seemed ready to go. But recent cold snap froze Crawfish Inlet. A crew went down and the ice was broken up by staff and ice drifted out with winds. Transfers started the next day. The 4.0 transfers went smoothly over five days. The first 2.0's ponded OK but the next day the fish were still down, not up and swimming around. When the 2.0's went in the temp was 2.3 and dropping, and is 1.8 now. The fish did not want to go out and experienced 30% loss. The second day of transfers did better, but 10% were lost. On the third day the fish transferred on the Lucy O experienced a 33% loss. The fish next up for transfer have been in the raceways three days

adjusting. They will be transferred tomorrow. The fish may also have been compromised by the presence of a type of bacteria. Some fish will be sent to the pathology lab today.

4.0 Chums - 13.6 M were successfully transferred. 1.7M of the 2.0 Chums have been lost. There are still two raceways to transfer, they may experience further mortality but we are hoping it will be less than the previous transfers.

Coho program - 1.196 M BY16 Coho are on hand. The eggtake was originally 1.5 M, the largest so far. However these eggs experienced a 21% loss in the incubators (for some reason) Medvejie had a 12% loss of their Coho eggs. In BY 13 there was a high rate as well, but this seemed different. The Coho eggs hatched on February 14th and they are going to be put on heated, recirculated water to stimulate growth. The staff goal is to get them ponded in May. The BY 15 Deep Inlet Coho number 926,000 smolts at 19 grams in the round ponds and doing pretty well and being fed once a week. A question about sterilizing the fish holds of the boats and whether the recirculated water is sterilized. (Not)

Facilities Maintenance update- Mike Pountney, Maintenance Engineer

Mike is in Petersburg and was last seen shoveling snow off the deck of the American Patriot. Scott Wagner, Operations Manager gave Mike's report.

At Hidden Falls. This years project is to replace the older auto transfer switch on the electrical panels. Keystone will design and install the new 80KW hydro building and install the new unit and tie it in with new transfer switch. Improvements will be made to the fish ladder to the weir spillway this will help with fish recruitment on lower tide cycles.

At Sawmill Creek Hatchery the staff will expand the Chum incubation plumbing by changing 6 to 8 inch main header and valve and adding a branch line for another row of Nopads. New pipe supports will be fabricated and the recirculating system will be improved so it can support up to 50 M eggs.

Fire line cross over tap: This will be created by installing a connection between the Paxton Industrial Park fire main and NSRAA's upper Pressure Relief Valve line below the main reservoir in order to create a back up supply and to resolve a potential problem with salt water that could enter the plumbing system from the after bay on high tides. This work will be contracted out and staff will assist as needed.

Medvejie – Staff will upgrade the UV units and install new as they also modify plumbing, and install electric controls, conduit and wiring.

Break for lunch on site...catered...delicious

The Chairman welcomed the Board back on the record and Dan Pardee was thanked for bringing lox from Taku Smokeries. Kevin gave the floor to Steve Reifenstuhl NSRAA General Manager. Steve introduced Chip and explained to the Board that the Agenda had been changed by request from a Board member to allow more information to be provided prior to discussions and decisions being made on the Deep Inlet Harvest Plan and Rotation schedule.

Chip said he would describe the 1:1 rotation first, but thought the Board should consider adopting the schedule this afternoon rather than waiting till tomorrow. If this evening folks think the schedule should be changed, that still could be done tomorrow.

Someone asked what would the estimated net gear split have been over the last two years if the rotation had been 1:1 gillnet to seine instead of 2:1 Gillnet to Seine. Currently Chinook Management May 28-June17 is GN 2:1 SN

Chum Management June 18-July 29 is GN 1:1 SN

Chum Management July 30- Sept. 30 is GN 2:1 SN.

So it is the middle period under question. This middle period rotation timing had been agreed to two years ago by the Gillnet and Seine groups. Board members asked if this information was in

the Boardbook or online? Chip said it is available online but not in the Boardbook and he has a handout.

Deep Inlet Harvest Plan - Rotation

Chip said, "We don't have a lot of history about 1:1, just four years and three were very small with net harvests of 300,000-500,000 chums and the net split jumps all over for those small years. The other factor is the size of the pink return; there might be less seine effort at DI on a big pink year. So some of the splits jumped all over whether it was 2:1 or 1:1."

Looking at the last 2 years; In 2015 we had a 2M Chum catch for the net groups and in 2016 a 1M catch.

And those were split SN 65%/35% GN under the 2:1 schedule that first year and SN 58%/42% GN for 2016, that little bit smaller run. Typically the seine percentage goes up when there is a larger body of fish to be caught.

So from the data he had for 1:1, there was a year when about 1M fish were caught and that was split SN 73%/27% GN. 1:1 would have meant more seine fishing time so he used that year as an estimator for 1 M year and slightly higher for 2M to predict. what was actually caught by seine in 2015 was 1.3 M and that would have gone up by 200,000 to 1.5M. In 2016 608,000 were caught that would have been 769,000

Roughly 195,000 would have been caught by seine, and the gill net - that much less. Roughly in the neighborhood of \$700,000 per year would have been shifted from gillnet to seine if it had remained 1:1.

Kevin reminded the Board that the Exec Committee had decided to make up the HF shortfall with CR in 2016 so that would have affected those numbers, maybe by 100,000 chums. Chip said the difficult part in trying to forecast this is that every year it is different; sunny weather, pink salmon and other considerations.

Justin said, "On this slide there are some percentages and estimates. What does it do to the overall allocation?" He asked for Chips estimate of change to the allocation. Chip said it might have been .3% or .5% one half of percent. Eric J summarized and said, "If you went to 1:1 all season it would have improved the seine allocation over the whole region by a half of a percent."

Kevin said the \$700,000 difference over the two years would probably change somewhat over time due to prices but; looking toward 2017, even if the price changes, the relative percentages of GN to S should not change much.

Chip was asked to forecast chum value for the next 5 years at the last Board meeting. After the Board meeting he did an update and it was published in the December 2016 FishRap. Chip reviewed this chart with the Board. It showed annual values for NSRAA Chum from 1986 to present (2016). Then he created projections for a range of probable Chum value for the next five years, 2017-2021. His scenarios included Crawfish Inlet and SE Cove programs production and revenues, eventually Thomas Bay. He created five scenarios ranging from a worst case to optimistic. The failure of the Hidden Falls return is the biggest driver of the projections and he tried to capture what could happen based on HF possible performance. The worst case scenario (#1) envisioned .5% Marine survival (MS) for HF and only 1% MS for the other projects and \$5M removed for Cost Recovery from all scenarios. Under (#1) scenario the Commercial Chum Value would be \$3.5M. In scenario (#2) HF remains low .5%MS, but other projects are a bit better with 2%MS and Commercial value would be \$10.4M. Scenario (#3) is HF 1%MS and the other projects have 2%MS Commercial Chum value is \$12.4M. For Scenario (#4) Chip used

the 5-year average survivals for HF of .9%MS, other projects 2.7%MS for a value of \$16.8M. In Scenario (#5), the "optimistic scenario) HF experiences 2%MS, other project 3%MS for a total of \$23M in Commercial value. Chip was conservative and used a grounds price of .60/lb. and a cost recovery price of .75/lb.

Chip went on to say that he and Steve had created a pro forma of probable Cost Recovery scenarios. They envisioned the SE Cove chum return would deliver 65% revenue to CR and 35% to Troll. They thought 50% CR at Crawfish Inlet might be realized and anticipated 0 cost recovery at Thomas Bay. Under this pro forma at a possible CR price of .75/lb. NSRAA would make \$6.6M towards Cost Recovery when programs are at full potential. At \$1/lb. NSRAA could attain \$8.7M in Cost Recovery Revenues. Eventually we may get away from doing cost recovery at Deep Inlet... and possibly Hidden Falls. Chip asked for questions, but at first there were none as Board members digested the information.

Will Bergmann asked if the zero cost recovery estimates at Thomas Bay were realistic. Chip said, "The Board has not yet made any TB decisions", but his understanding is that SE Cove has troll preference and Crawfish would be 50% troll. Some CR from Thomas Bay could be done. Steve said, as each year unfolds, the data will let us all know. The picture will become more clear as to how the intercept rate of troll is doing... etc. At Thomas Bay there will be gillnet intercept and possibly seining in Thomas Bay. It will be for the Board to decide as it evolves. A Board member (Eric) talked about in-season management and building in flexibility for in-season adjustments. It is hard to predict, and locking ourselves into a plan now for five years from now could be harmful. So he would like to build in flexibility to adapt to what is happening in season. The President said because of the timing of the Crawfish Inlet return, the Trollers can catch as many as they can, the rest goes to cost recovery. He suggested NSRAA use that cost recovery to forward fund like we do with Coho and Chinook so we have that money for next year's budget. That allows trollers to catch all they can. A short response from Eric was combining the two; in-season and forward fund, might be the best option. Justin mentioned in-season management can cost money to a processor, who will be bidding and knows the cost. If we do in season management it costs the people bidding more money. Steve said, we already do in-season management. Staff thinks differently about this term than fishermen. We have ability to move lines, etc. we will still have all the tools and can meet goals by reacting to what happens on the ground. As long as we know what the Board wants, staff has the tools to manage to meet the (CR) goals.

Chip began to discuss 2017 Cost Recovery planning with the Board. The 2017 forecast is for 1.355 M Chum returning to Deep Inlet. We need \$1,896,000 for cost recovery. We can't count on anything from HF so we are planning to capture all CR from DI. If we are able to realize some CR at HF it will be treated like the Chinook and Coho income and will go to forward fund next years budget.

He made some projections about how much of the return would need to be taken for Cost Recovery, depending on what price might be received for the fish. At \$.75/lb. 335K chum or 25% of the return would go to CR. At \$.85/lb. 300K chum or 22% of the return would go to CR. At \$1/lb. 250K chum or 19% of the return would go to CR.

We need 100,000 fish for broodstock. Chip described the Reopening Plan. If Deep Inlet is closed for CR or Broodstock it will reopen with a single day for trolling. We attempt to close after a gillnet day, reopen (After troll) with a seine day, adjust as needed to meet the rotation schedule of 2:1 or the normal fishing schedule.

Chip showed a very information-dense slide that parsed out the BY components of the DI chum return. Five years ago NSRAA got permission to increase the take of Broodstock at Bear Cove by 20M eggs in the hopes that a larger return could make it back to Bear Cove to be available for Broodstock need. 2017 is the first year that all year classes, including five year olds are

present in the return from that increase. This increase seems to be working because we have not had to restrict any fisheries to get enough Chums back to Medvejie for broodstock. Chip showed a slide of the DI boundary location (Western Line modification for Chinook Management) through 3rd Sat in June.

The seiners are at 43.3 %, just under their range. The regulations say the time ratio from 3rd Sunday in June to stat week 30 is 1:1. If it turns out, because of more current data being available, that the seiners move to 44% and are now in their range the ratio stays at 2:1 for the entire season. Because there is a possibility this could occur staff might need an optional 2:1 schedule that could be used if seine comes in over 44% allocation. We would use Flip Pryor's (ADFG) numbers. They should be completed by April RPT meeting.

Chip showed a 2017 Deep Inlet Rotation schedule that reflects status quo management based on how the fisheries were managed the past two years. Status quo is:

During Chinook Management is from May 28-June 17 is 2:1, S on MW, GN on MTTH, Troll on Saturday

During the Chum Management period June 18–July 29 to ratio is 1:1 GN to S. Fishing days are S on SUTHF, GN on MTW and Troll on Saturday.

During the Chum Management period July 30 – Sept 30 the ratio returns to 2:1 GN to S

There is an alternate option of 2:1 rotation in the mid period June 18 to July 29th.

Chip just got an update from SSRAA that their numbers were over-counted, making seine going into 44% less likely. Chip ended his presentation. Steve said, "We should have a motion for each option. Status quo at 1:1 and then an option for the 2:1, if needed." The Seiners will think about it. No vote now.

The possible timing of a Cost Recovery closure was discussed. It will probably be in mid-August weeks 33 and 34, to catch the 250,000 fish needed. Chip showed a map of the CR areas.

Chip showed a slide of the Samsing drag area. This has been managed as part of Sitka Sound. But Deep Inlet became a terminal area in 2014 and Chinook are not counted against the quota. ATA and Grant Hagerman, the troll biologist has worked on this.

Chip explained that the Trollers need to keep fish separate like any other spring fishery and they will not be counted against quota because the Chinook are caught in a Terminal Harvest Area.

Trollers need to report the area as 113-38, Deep Inlet THA.

Steve explained that NSRAA tried to get terminal exclusion for HF and DI 20 years ago. It was issued for HF but not for DI and were happy to learn that the Department had changed to THA for DI in 2012. NSRAA did a lot of sampling that confirmed very few non Treaty Chinook are present. Jim Moore, a Board member, thanked the NSRAA staff for all their work.

The President thanked Chip for condensing the topics, it saved a lot of time on the agenda.

Steve said Cost Recovery will be conducted in the shortest amount of time possible. Justin asked that an email that estimated that the seine allocation would change by .5 percentage and the gillnet decrease by the same be copied and available to the rest of the Board. The change in allocation percentages is still evolving because of new information from SSRAA Board meeting yesterday. Eric thanked Chip for great data. He is an appreciated resource and asset to the Board. The President agreed with those remarks.

NSRAA Bylaw Change – Absences & Vacancies - Manager's Report page 3.

Steve read Section 2.4 of the NSRAA Bylaws existing language and offered new wording per the Board direction from a prior meeting.

Motion 3-8-17(f) M/S Eric/Charlie To adopt bylaw change in section 2.4. By adding: "*A newly appointed director fulfilling the unexpired seat shall have full voting rights. Additionally, a new director filling a vacated seat shall stand for election at the next fall election cycle as per Section 2.6 Election of Directors.*" NSRAA met the criteria for written notification of a bylaw change. The problem this solves is that twice in the past four years the President had to appoint a person

(Approved by gear group members at the meeting) to fill an unexpired term of a Board. *Having the new appointee stand for election allows a person to be approved in a general election consistent with the other Board members. Alaska State law does not allow proxy voting*
MCWOO

Secretary/Treasurer – When Steve checked the NSRAA Bylaws, the Secretary/Treasurer is defined as one position. The President said, “I don’t see a lot of comments coming directly from the Treasurer.” “My main comment,” as Treasurer, said Deborah, “is to urge you and the Board to pass the budget at the beginning of the meeting.” Steve read the definition of the position of Secretary/Treasurer. The President did not see how separating the two roles out gained anything. Steve does a lot preparing the budget. Kevin thought more oversight might be gained by inviting Brian Massey to attend the budget meetings. The question seemed to be that a Bylaw change is needed. No motion to change the Bylaws was made. The Board asked Deborah if she would still hold the two positions and she said, “Yes, I’m not that unhappy. I just wanted to give the Board a chance to make a change, if they wanted to.”

Gunnuk Creek Hatchery Update

Steve said the committee that has turned down the proposals twice has been disbanded and a new committee composed of Deputy Commissioner Parady the Director of Economic Development and the Director of AIDEA. They met yesterday. Steve was asked to give some updated information to the new Committee because the new members will need time to understand the whole picture. The real value to the facility is the permit for the eggs worth \$4.5 M in value per year, and that was transferred some time ago to NSRAA at Hidden Falls. The problem was that some people thought that Gunnuk Creek was worth \$4 M dollars, and did not understand why NSRAA did not and could not share that estimation of value especially as the facility slid into greater ruin with each passing day. Steve is hoping to get a final decision, move to closing within a few more weeks or months. If we get a yea, from the committee, we will have a contractor and pipe specialist to design plan and cost estimates to make the water run, resurrect the building and be ready for brood stock. NSRAA may need an FTP to release at Gunnuk Creek and apply to release HF stock there. A hatchery permit will also need to be applied for. Steve will create a development plan, ideally in Phases, to present to the Board and we will need to apply for loans. A total loan of roughly \$2.5M will be based on the Engineers report and improvements may take up to two years. The initial loan for Phase 1 will need to be approved by the Executive Committee on behalf of the full Board, sometime before the next full board meeting. A question about Kake hydropower was asked. Steve said, “IPEC wants to run a hydro program and the community of Kake wants hydro.” They would have a low-run hydro, a 54-inch pipe down the same corridor and property that we would own, and dump into the old Coho building to generate power. We do not want the old Coho building. NSRAA can live with IPEC (this is \$5M project). It is a good thing for Kake and we are willing to sign easement language. One advantage for NSRAA is IPEC will supply water into their turbine building, prior to that NSRAA would take their 5 cfs of water, run it into our turbine, then into the hatchery. We may be able to enter into a mutually beneficial hydropower sharing agreement between NSRAA and Kake. The hatchery has water rights and first water rights. Steve has easements prepared; the City Council has reviewed them, a few things still need to come together. Steve has a roadmap.

Question about the existing pink salmon permit. They have ability for 20M pinks at Gunnuk Creek. Not prepared to do anything yet about that... but NSRAA would prefer all options open.

Broodstock policy discussion – Sec 3, page 53

The situation has changed since the time the policy was developed. If we have a shortfall what do we want to do? Takatz is kind of coming offline. A seiner said “The best thing is if HF starts

working again and we keep Takatz at the top of the list. Then SE Cove is more important than Thomas Bay.” If there is a shortfall at HF can we use SE Cove for broodstock? As long as NSRAA has the proportion of the otoliths then the State can get paid for what they need to be paid for. This taking brood is tricky. At DI fifteen years ago we needed brood for Med. So a seiner GN and staff trapped and killed a bunch of fish and only 35% were ripe and went to Med the rest got sold for roe.

Eric spoke to current policy page 53 with ideas for wording, he thought Sec 3 language clarify Crawfish as second tier for Medvejie, etc. Kevin offered, “Maybe if there is a brood stock shortfall we should make policy to get eggs for all the 4.0 programs first because they have demonstrated higher survivals. Justin said he would put SE Cove ahead of Thomas Bay (3rd tier) until we know if NSRAA gets the Gunnuk Creek site, or not. Steve had the Board look at implementation strategy on page 54. Steve said, HF/Takatz are still at 75M egg-take target even though they are now all at HF, and not Takatz. The Board has recently decided to put 25M eggs at Thomas Bay. Parts of the policy need to be rewritten. The next tier after Kaznyku –Takatz (HF) is SE Cove, then Deep Inlet, then Crawfish and Thomas Bay. We are going to put fish in new areas, but broodstock sites come first.

A Board member asked if he could make a motion, the Chairman said he would like to hear more discussion first. The Secretary said the original Policy was written by the General Manager reflecting the Board discussion, taking into account his management considerations. Is it necessary for the Board to change the Policy now? Or now that we are discussing it, can Steve just amend the policy based on the discussion? Kevin is concerned if something happens this year and we come up short, does that mean Thomas Bay gets no eggs? A Board member said, “The intent is to protect the Broodstock sites first.” Kevin said “The policy does not take a percent from each project to make sure all get eggs? I know HF is the priority.” A seiner said he is OK with how the policy is written, not suggesting changing it. Another Board member said, The Board can always decide to ramp up the 4.0 program. Kevin said he is not pushing for any particular view just want the Board to anticipate scenarios. The Board discussed maybe there should be a minimum taken for Thomas Bay, those would come from SE Cove?

Motion 3-8-17(g) M/S Eric/William I move that under “Core Program IIIA”- Crawfish Inlet Core Program is a second tier satellite program for Medvejie.

B SE Cove is a second tier programs for HF and TB is 3rd tier for HF.”

Section VII The 4.0 chum releases are a top priority for chum broodstock.”

The Board began discussing the proposal. A clarification was made that eggs cannot be universally shared between HF and Medvejie Hatchery... only in a limited case already approved. When to implement more 4.0 was discussed. When we say 4.0 programs come first then it seems we are saying we should fill the 4.0 at all sites including Thomas Bay before filling the 2.0 at all sites. Eric said that interpretation really isn't in the language of the motion he offered. A Board member asked for an explanation of the logistics. Steve said “If we come up short by half, all the pens could be used for 4.0.” The Board discussed a minimum amount to put in Thomas Bay, Scott thought 8 or 10 million eggs would be the minimum. Eric P. said, “What about Macaulay broodstock for Thomas Bay as a back up?” People liked that idea. Steve said we had not thought about that for broodstock. Eric P. said, “If this is an emergency and we could give you 10 M?” The president said, “That would be greatly appreciated.”

The President asked would people be comfortable with taking 5 from SE Cove for Thomas Bay? Answer was yes. **The maker accepted an amendment of “SE Cove and Thomas Bay are second tier programs for Hidden Falls.”**

Steve suggested the addition of some intent language. The intent is to try to get a minimum of 10 at Thomas Bay, based on Steve's management considerations. Kevin

pointed out that the policy language referring to taking the full complement of eggs at Kaznyku is outdated. Steve said he would clean that up.

Motion 3-8-17(h) M/S Eric/Mike postpone action on the motion to tomorrow before adjournment. No objection. Secretary note; No vote was taken on either of the motions offered. Neither to update the policy, nor to postpone action on the motion. However, no objection was made.

break

Motion 3-8-17(i) M/S Take the amended **Motion 3-8-17(g) M/S** from the Table M/S Deb/William Prisciandaro. Deborah read the wording of the Motion to amend the Broodstock policy:

“Broodstock Policy 2015-1

CORE PROGRAM STRUCTURE

III A. Crawfish Inlet is a second tier satellite program for Medvejie

B. SE Cove and Thomas Bay are second tier satellite programs for Hidden Falls

VII 4.0 Chum releases are a top priority for chum broodstock.

Steve said this language would give sufficient direction. Intent language is included in VII.

MCWOO

Harvest & Cost Recovery Plans – Steve Reifensstuhl, General Manager

Hidden Falls Chum – Steve asked for input. He is planning on opening Sunday the 19th of June (3rd week), then open the following Sunday with no mid-week opening. He had received complaints about the mid-week opening on a very small return year. So, with 10 or 20 boats fishing on a Sunday NSRAA gets a large enough sample of the fish and info that provides good information on the strength of the return in the early part of the bell curve. Based on those two openings we would most likely close it down and begin accumulating broodstock. If we get a surprise with a lot of fish he would discuss with seiners whether to open mid-week. At the last Board meeting we decided no 2017 Assessment Tax, so that is not an option. Opportunities for Cost Recovery in excess of broodstock could occur latter in the season after Broodstock is secure. Board members discussed what ADFG might do in terms of the openings and how the Seine Management plan might be applied. Mainly about what other areas might be opened concurrent with HF.

Deep Inlet/Medvejie Chum

Steve said, “I think we need to get a Cost Recovery bid out now, due in mid-April.”

The goal for CR is \$2 M. A Board member said, “Last year getting the bid out later was better this year he is thinking early might be better. A seafood show in Brussels in early April might help establish price.”

Mist Cove & Hidden Falls Coho

A new RFP will be developed for Coho. Steve will link Mist Cove and HF and ask one processor to bid for Cost Recovery at both sites.

Southeast Cove

We are locked into SE Cove. The contract with Trident is through 2019 because someone told them there will be 6 year olds, and 6 year olds represent less than 1%. Steve would like to let that year go from the contract

Crawfish

Steve hopes he will hear from trollers if there are excess fish available for cost recovery. Steve will put out a bid for contingency about \$165K in value. This would be for about 20-30K fish. We are hoping to net some revenue this year. If NSRAA has to monitor strays to protect wild stocks we will.

Chinook Beach Seine

They may be harvested the same as in the past five years.

In response to a question about jack size and abundance, Steve said, “Yes they saw a lot of big Coho jacks.” (at Medveje) Not many jack kings at HF. Mist Cove Coho jacks were less by 25% compared to last year.

4 PM - Kevin said, “We are ahead of schedule so let’s start into tomorrow’s schedule.

Reserve Accounts & Financial Snapshot, Loan Status – Update & Review

Steve passed out NSRAA Statement of Financial Position as of March 3, 2017. He explained the format in Accountants terms. Assets and liabilities are clearly stated, loan liabilities and organization equity.

Steve said, “We stay right about this level each year. (In terms of SET tax, DIPAC contribution and misc. revenues) There have not been big changes. He showed the Board the simplified format that is included in the Boardbook and the GM Letter to the Board. It shows the first bank account, one is for payables and one is for payroll liabilities, as of March 3rd about \$.5M in the First Bank account. NSRAA total liquid assets are \$13.4M. Of this, \$12M is held as money market and bonds with DA Davidson in six different accounts and with \$1.6 invested in equities. Now, we have a current FY ‘17 budget and \$2.5M left to spend from it in this fiscal year end of June. When that is subtracted we will have \$10.9 M left as of June 30th. We have set aside the \$656,000 due on July 2017 to pay off the first loan due.

Next figure is \$7.5M operational and capital reserves.

Steve explained forward funding. That is revenue earned in 2017 that we apply to 2018. That number is \$1.356 M and there is also \$200,000 in the contingency account. Forward funding earnings are made from investment earnings, Coho and Chinook harvested and sold in 2017. Then, what is left is \$1.2 M. That is the undesignated reserve. This year, \$600 will go into the 2018 budget as per Board direction at a previous meeting.

Steve reviewed the reserve funds and the asset categories of the reserve investments. They are being maintained at levels within ranges designated by the Board in the Investment Policy. They are shown as pie charts.

Steve moved on to the subject of the loans. Three loans are still outstanding for \$3.75M and two are due in ‘20 and one is due in ‘21. We decided not to try to raise money towards the outstanding loans in this fiscal year. If we come up with an unexpected windfall we can revisit that in November. Part of the reasoning is that the new programs coming on may make additional CR possible in 2018, 2019 and 2020.

Kevin explained about NSRAA small return on investment but conservative management seems to be the preference of the Board. We prefer to be safe. Steve echoed Kevin’s comments adding, “We make our best return on the fish.” The Board discussed whether to gather funds toward the \$3M obligation due in 2020. “Should we try to adjust CR to add \$500,000? What do people think?” Our typical \$3M cost recovery is down to \$2M because of DIPAC. We will have to raise \$1M per year for three years. If fish show up unexpectedly would surplus revenue go to loan payments? There seemed to be a chance if some fishing occurred there might be CR cleanup as well. Kevin offered, “The younger Board members might want to incur interest instead of trying to pay the loans off before interest is due. It is a choice for you to make.” Steve recapped “A State loan does not require any payments until 6 years out, then the interest is 5% annually.” More discussion on the State revolving loan fund; it seems stable and not threatened by the State’s fiscal woes.

General Manager Evaluation – Kevin McDougall

“There was nothing of concern to discuss.” Kevin explained the reason to sign the evaluations is to allow him a chance to discuss with the Board member about a concern, and then carry that anonymously to Steve. This provides a healthy feedback loop between the Board and the General Manager. There was a lot of praise for Steve and the staff.

A question was asked on the Capital expenses, “Do we need to plan for capital needs?” Kevin explained NSRAA has met most of the larger ones and actually developed a Capital Needs list some years ago to guide us. Steve mentioned Section 10 page 112. We are still spending the \$4M deferred maintenance grant from the State. Eight years ago we began allocating \$500,000 annually for capital/maintenance. We trimmed that to \$250,000 annually, the last two years.

Pacific Salmon Treaty Coalition – Deborah Lyons

NSRAA donated \$50,000 last year, as did the other two Aquaculture Associations. Deborah is the Executive Director, assisting a subset of US/Canada Treaty Panel and Committee members. She described how funding was being raised from all gear groups, processors and the Associations. “We are not asking for individual donations. That should go to your gear groups. We have raised enough to do our work. We solicited Resolutions of Support from every municipality for the work of the Treaty team and carried them to the Congressional Delegation offices.” Our lobbyist realized we have a complicated story to tell; screwed by the model, science is bad, yada-yada-yada. They told us to write it down.” ADFG did a great job of documenting our concerns. An eleven-page letter was developed. Delegation is determined to try to help. Deborah described the work the coalition has been doing is perceived as a positive help to the Department and the negotiators on the panel. Negotiations on Chinook have been extremely difficult. Chinook probably won’t get resolved soon. Every penny has been well-spent and we are already making some changes in attitudes towards Alaska. Still no one is our friend. Everyone wants fish. Concerns on Nass and Skeena returns have been raised. Deborah concluded her summary and asked the President, “Maybe this is a time to talk about the mass marking proposal and how it may affect NSRAA?” He agreed and Deborah asked Eric P who is a Coalition Board member and on the Transboundary Advisory Committee to speak about the concept.

Eric said, “First, the Coalition is very fortunate to have gotten Deborah as our Director. Her experience is invaluable.” Concerning mass marking, Eric said, “I’m not sure how viable the idea is but we need to let things play out. It is all in the realm of negotiations.” Mass marking will have quite a price tag attached. Kevin asked, “Has ADFG or treaty folks reached out for input to organizations?” So far, mass marking has not gone out as a concept for public review, but the Associations have heard it is being discussed. Kevin is concerned folks may be running down the road with an idea that has not been completely understood and may not be universally supported. Deborah agreed, saying there are questions about operational and capital costs, as well as the logistical issues of where and when the marking is done. These questions are still un resolved.” Eric said, “You can still have a partial marking for mass marking. You may not need 100% participation.” Steve explained in the mark select fishery, all Chinook would be fin-clipped and a proportion (9%) coded wire tagged. They use this in WA and OR. The vans tag and fin clip 60,000 fish in a day. For NSRAA sites, a 40-foot van is a logistical challenge and fish have to be conveyed in and out. The idea being, trollers would only retain the clipped fish. A Board member spoke strongly against the idea. “In some circles this is known as the masochistic torture plan for all the Chinook fry. If the Kings are worth over \$100 each who wouldn’t want to catch them, instead of targeting Coho? To think people won’t try to catch them is stupidity. Most trollers would behave ethically. But others would target the fish.” (The mark-select fishery concept was tried during the king non-retention period during the directed troll fishery on Coho last year.) He is extremely opposed to it. All NSRAA fish are otolith marked but you can’t see that mark. Deborah thinks that ADFG believe the South and CA might buy into this idea and get Alaska a few more fish, because

it is a concept they employ. But the surrounding parts of this proposal are concerning. "It doesn't lessen the need for analysis of impacts and for us to weigh in with our concerns. I think this is still a conversation." Eric agreed, it is early in the process. Eric will be on a teleconference on Wednesday. Kevin asked a question about the ratio of hatchery to wild. The Spring troll areas are opened and closed based on the percentage of Alaska Hatchery fish to try to target AK production. About 20% of the summer kings (from all regions) are marked. Not all have tags. The AK hatchery percentage is 10% in the winter, much smaller in the summer. Eric said, "You have to catch five wild fish to get one hatchery fish." Deborah is very concerned about the cost added on top of what fishermen are already paying to produce these fish. AK does not want to be propped with Federal funds up like everyone else in the Pacific Northwest. But, it is a reality that that Federal funding always seems to be forthcoming for the Treaty." A Board member said, "If I was a Troller I would see people trying to lead me down the path of a marked-only program in the future." Another said, "If we went to mass marking there is no guarantee the info would be used equitably and in our favor." The comment was made, "For Alaska to take advice from the lower 48 about salmon management is like Stefan Curry looking to me for advice on how to shoot 3-pointers." A Board member said "Mass marking is not for management... it is for a fishery. In WA they fish exclusively for marked fish in the Columbia River. First, Gillnetting was allowed, now going to seining. It is allowing for a sport fishery on the Columbia. You can reasonably do that." Jim Moore said, "It seems like we are being pressured to fall into line and accept this concept. Being asked for an opinion about something so complex...it is just over whelming. What does this really cost, What are the logistical concerns, what are the benefits that could be expected. Can we ask staff to develop a paper from NSRAA point of view?" Steve has some rough cost estimates and said, "I would ask Eric, if he wants such a paper?". The Board can define the sideboards; it could be an internal document. Would it be useful?" "Yes, Eric replied, it would be useful and it might be helpful." Eric will keep in touch with Steve. Mr. Moore said he would prefer that it be a directive to the staff from the Board. Treasurer said it would be appropriate to do an analysis of costs and the fleet gear groups will have other input about fishing impacts. The net groups may want to weigh in. Final Board comment: "We need to make sure this is an opt-in program, correct? We could loose our brand of Alaska Wild if we only catch hatchery fish."

Motion 3-8-17(j) M/S Eric/Bert Request NSRAA staff to prepare a report on mass marking cost and logistical considerations to be presented at the next meeting. Bert said, "My fear is this is the only thing that comes out of the Treaty. Already the costs of Chinook are used as justification not to expand the Chinook programs." **Seeing no opposition the motion carries MCWOO.**

Before adjourning for the day. George – a permit holder said he had been asked by a fisherman if NSRAA could have live feed meetings over the internet. A Board member said he preferred people would show up at the meeting. Kevin said people do not seem interested. Board members were generally not in favor. The minutes are pretty thorough, they can be read and participation at meetings is welcomed.

A Board member asked, in honor of the International Day for Women that we should recognize and thank the women on the NSRAA staff. Steve said there was recognition within NSRAA but not from the Board. Eric made a statement in light of International Day of Women. Eric said, "We appreciate your professionalism, efficiency and helpfulness." Nevertheless, the secret black cod marinade recipe remained unrevealed.

Thursday March 9, 2017 9 AM

Roll was taken.

Announcements

Kevin announced Conflict of Interest forms should be returned already, two are missing. Board members should have their travel reimbursements in to Ilona by now.

Steve announced that Derek Poon, the first General Manager of NSRAA, recently passed away due to a stroke. He hired Steve in 1980 and hired Eric Jordan in 1977, and he made the plan to win the vote in 1977 to form the Association. He was remembered fondly and respectfully in comments from the Board.

Public Comments: Kevin understood a member of the public wanted to say a few things so he gave an opportunity to do that:

Jay Erie spoke and thanked all the women involved with NSRAA for being present on a day dedicated to women and their work and contributions. He suggested a Kake to Kingsmill chart be posted on the wall. He thought shipping US Mail instead of priority could save money. He suggested moving the evaluation of the General Manager to the end of the meeting to avoid the uncertain length of time for Executive Session. He asked questions about net pens sampling and Kasnyku sites for release. He wanted to create a tree branch sanctuary to help shelter the chum fry from the whales. Steve made comments about whale and fry behavior. Fry are released directly from the pens when no whales are present. The biggest problem with the whales is that they feed along shore for 4-6 weeks. The whales use the steep bedrock shoreline and trap and feed on the fry. There are kelp beds all along Chatham. The concept of refugia creation was discussed. Kevin thanked Jay for thinking creatively about increasing fish survival.

Bob Thorstensen – Armstrong Keta Hatchery board member and lobbyist

Introduced him self as the past Director of SEAS, having retired last May. He served since 1977. He commended the Board on successfully increasing chum salmon production and moving quickly and with discretion and thoughtfulness. He works for Armstrong and talked about development of Port Lucy and perhaps a joint project with NSRAA at Malmesbury. He first fished Anita Bay and HF 33 years ago. He suggested, "Don't overlook pink salmon production as a means to help even out allocation imbalances. Armstrong/Keta has great long term contracts and other things going for it." He hoped the Board would look at helping with pink salmon production. He spent some time recounting an incident that happened at the SSRAA Board that upset him, but the action was recently rescinded. On Jan 17th SSRAA production committee brought the suggestion to remove seiners form Anita Bay. He offered comments on the towing strategy. He said staff is doing great and complimented the Board. Bob talked about the different entry patterns and timing variations exhibited by the chums over the years. He said Dick Crone taught him the fish return on the same side that they emigrated on. He talked about variable survival rates and that the Klawock hatchery produced 8% of the Coho harvested in the troll fishery last year.

Agenda request. - A Board member brought up some topics the trollers wanted discussed. To roll over the Icy Straits Chum fishery and to access SE Cove chums along the Kingsmill-Keku corridor. The topic was moved to the discussion of Board of Fish Proposals on the agenda

SSSC Funding Schedule Consideration

Kevin said this subject is being visited in light of the HF run failures and an idea to tie the size of the contribution to SSSC to the success of NSRAA production.

Steve was directed to reduce the funding to SSSC at the last Board meeting, and he came up with a concept to tie to annual value of common property fisheries proportional to the size of the NSRAA contribution. He gave the draft proposal to the Board and discussed it with Lisa Busch the SSSC Executive Director. The Proposal is located on page 6 of the General Manger's report.

Steve gave a bit of history of the relationship between NSRRA and the Sheldon Jackson College going back to 2002. There was a State moratorium on increased chum production but NSRRA was able to get an increase of 10M chums thru SJ, which was transferred to the Science Center. The start up cost was repaid. Right now the funding to the SSSC is at \$175,000, annually, incorporating the 3% annual increase from last year.

Deborah said a couple Board meetings ago we were in a world of hurt financially. The Science Center has been an exception for NSRRA. We fund them when we contribute to very few other organizations. There was a perception the SSSC funding was remaining untouchable while NSRRA was struggling to make ends meet. This new proposal is made to be more responsive to that concern. On a budgetary note, she informed the Board that the SSSC funding is in their current FY17 expense budget and the Board does not need to take any other action to keep SSSC at that level for the coming year, if they do decide to make a change, it will require a motion and an adjustment to budget numbers before the final budget is passed. Under the new proposal the SSSC would be reduced by \$75,000 in FY '17.

The link between common property success and funding the SSSC is discussed. The previous agreement is expiring. A Board member asked for more historical information and a slide was put up. A troller said he thought maybe a 10-20% reduction for science center was being proposed. He said the trollers were cut and maybe it is justified that other things could be trimmed. He is opposed to such a large cut (half of SSSC amount) this year. The Chairman clarified, "We do not have a budget crisis. Anytime we meet our budget income requirements and have low returns of fish we have less fish available to be harvested in the common property fisheries." More talk occurred about tying it to value the fishermen are getting. The point was made that, "If we look at past numbers the new proposal developed for funding the Science Center is not a good deal, but in three years NSRRA could afford giving the Science Center an increase above the old proposal."

Lisa speaks. "Your support is a huge part of our success. We, the SSSC have been very good partners. Our staff and programs do training, produce and release fish, and educate the public about the benefits of aquaculture and show fishermen and the fishing industry in a very positive light."

Motion 3-8-17(k) M/S Eric/James Moore - NSRRA will provide funding to the Sitka Sound Science Center at the level in the proposed FY 2018 NSRRA budget, just less than \$175,000. The motion carried unanimously on a roll call vote.

Motion 3-8-17(l) M/S Justin/Eric - To approve the SSSC funding formula developed by the General Manager, beginning with next FY budget. AND to create a floor at \$140,000 and to cap funding at \$200,000. The SSSC can submit for additional projects in one proposal not to exceed \$20,000 per year. Sven made the comment that \$180,000 is 3% of 6M. Next year the formula would fund 2% then it decrease to 1.5 %. Board members had copies of the formula to refer to Page 6 Figure 2 General Manager's report. **The motion carried with 22 in favor and 1 opposed.**

UFA Report – Steve Reifentstuhl

Steve attended the Spring UFA meeting in Juneau two weeks ago. He thought it was one of the better meetings. UFA received a grant from the Moore Foundation. It was used for a program that would help improve UFA's functioning as a non-profit organization. It allowed UFA to hire advising teams. They undertook a review of the UFA mission statement, priorities, etc. and they interviewed Board members and outside fishermen.. They performed a critical analysis of UFA at a cost of \$50,000. Results: UFA is chronically underfunded. Only 3% of the fishermen (AK permit holders) are members. The average fishermen do not understand the value of what UFA

does for the industry, especially at the Federal level. They consistently interface and provide input on proposed Coast Guard regulations. UFA worked with Senator Murkowski's (and Barbara Boxer) office on proposed regulations affecting dressing fish at sea. Just two examples of why fisherman should support UFA. Improvements have been made to organizational and governance structure. Mark Vinsel, the Director is a phenomenal worker and underpaid. The lobbyist effort is not as robust as it should be. UFA is developing a strategy to get in better shape. This exercise or "Strategic Plan" may possibly be funded by Moore Foundation. A full review of Articles and Bylaws was conducted, and changes have been suggested. UFA is supporting the Board of Fish (BoF) appointments of John Jensen and Fritz Johnstone. UFA is supporting Legislative efforts to resolve BoF conflict of interests' issues and to allow for greater participation from all the BoF members. Moving BoF to a five-year cycle is also being discussed. UFA is supporting work to raise the vessel lengths eligible for the State Revolving Loan program and they are supporting access to the same program for mariculture operations. A NMFS ocean acidification presentation was given to the UFA Board. It is pretty worrisome and concerning the deadly effects acidification may have on early life stage plankton, etc. UFA supports Chris Oliver as Director of NOAA fisheries. The Alaska Salmon Price Report may be expanded to extend to all Alaska seafood products. It traces seafood values from first wholesale, on up through the retail chain. Regional permit banks are being discussed in the State Legislature: communities could purchase permits. There are ups and downsides to this proposal as it affects the fishing industry. Eric J talked about changing Federal legislation that benefits young farmers to extend to young fishermen. Eric described an apprentice crewmember program that he is involved in.

Cost-Benefit Analysis - Chip Blair

Chip presented the data beginning on page 111 from the Boardbook. He also had a slide with historical data. The 3% Southeast Alaska Enhancement Tax (SET) tax paid by fishermen since 1980 equals about \$38 million in cost to fishermen during those years. The commercial value of the catch realized from 1984-2016 is \$277,714,922; for a **\$6.8 to \$1** benefit to cost ratio. Chip qualified these facts by explaining the numbers are a bit skewed, because DIPAC does not receive any of the 3% enhancement tax revenues, but DIPAC produces benefits in terms of their production.

Chip reviewed the SET tax by gear type and answered a few questions from the Board. (No recording for this portion of the meeting. Minutes taken from the Secretary's notes)

Break for Lunch

Gunnuk Creek Hatchery Announcement

Steve reported that during the lunch break he heard from the State of Alaska Department of Commerce. Commerce has accepted NSRAA's bid. They are requesting a cashier's check for \$400,000 by the 24th of March. NSRAA needs an easement as described earlier in this Board meeting. It is under review with City of Kake and hopefully will be approved by the March 24th deadline. The NSRAA Board needs to approve this expenditure from the FY 17 undesignated reserves. \$1.2 M is in the reserves, the Board has allocated \$600,000 towards next year's budget, and \$600,000 is still available for expenditure.

Motion 3-8-17(m) M/S Sven/Will B To authorize expenditure of \$400,000 from the undesignated reserves for the purchase of the Gunnuck Creek Hatchery. Steve explained his plan for how NSRAA could move forward with development of the site during yesterday's meeting. **The motion passed unanimously on a roll call vote of the Board, 23 in favor.**

Board discussion returned to a discussion of what-happens-next. More answers will be provided to the Board at the next meeting (Fall). Steve discussed the needed permit alterations and the RPT meeting calendar. He will have proposals ready by April. The Chinook to be released at

Gunnuck Creek (100,000) can come from the Hidden Falls program from the 600,000 that have been moved up into the freshwater raceways. Steve thought a motion to make sure that was accomplished was not needed because it was approved at an earlier meeting. The permit that we have is for up to 200,000 King salmon to be released at Gunnuck Creek. The Executive Committee may be asked to approve a loan.

An Announcement was made about a maintenance person needed at Hidden Falls. The Silver Point Pink Salmon Management Plan item has been pulled from the agenda.
Gear groups and staff met and tools are in place.

Budget Committee Report

The budget committee met by teleconference on February 7, 2016 at 10:00 a.m. Alaska Time. Present: Kevin M., Zach O., Dan P., Justin P., Steve R., and Deborah L. (On phone from D.C. for about half the time)

Steve reviewed the budget summary for all projects, and then reviewed each project in detail and answered several specific questions from committee members. Zach asked about the reasoning for contracting the Thomas Bay project versus the way NSRAA conducts its other projects (i.e. Deep Inlet, Crawfish). Steve responded given the closeness to Petersburg, absence of feed barge, liability, connection to Petersburg with fishing families and costs the contract was a good way to go. Steve set up contracts like this at Boat Harbor and Limestone for many years. Kevin asked whether the capital budget of \$214,000 was adequate or short-changes existing needs. Steve said that with the \$500,000 we budgeted for 7 or 8 years in a row and the legislative grant monies of \$4.5 million we are in good shape with capital improvements. However, we will likely see big capital dollar years in the future.

After capital and operational budgets were reviewed, Steve covered the income projections that would balance the budget. Forward funding (Chinook, Coho, investment earnings, etc.) \$614,000, SET tax \$1.375 million, DIPAC monies \$1.143 million, unrestricted reserves as directed by the board \$1.256 million covers most of the budget needs, leaving just under \$2 million needed for chum cost recovery at Deep Inlet.

“The budget committee recommends approval of the FY’18 operational and capital budgets as reviewed at the February 7 committee meeting, -

Expense Budget

Motion 3-8-17(n) Deb/Justin to approve FY’18 NSRAA operation expense budget of \$6,704,228.00, a Capital Expense Budget of \$214,000.00, and \$656,000 for loan payment. The total FY’18 budget of **\$7,574,228.00**

Steve said the budget went down because of fish food and insurance reduction because of youthfulness of staff. Capital budget may be increased in the future. Motion carried. 23 in favor, none opposed, on a roll call vote.

Income Budget

Motion 3-8-17(o) Deb/William P : to approve Deep Inlet chum cost recovery income for FY’18 budget at **\$1.9 million. This amount is expected to balance the FY’18 expenses with revenues.** Steve gave a breakdown of the elements of the income budget. **MCWOO**

Break for lunch

Deep Inlet Rotation Schedule

Assuming that allocation numbers don’t change the schedule is the same as last summer. If the allocation does change, which option does the Board want? Kevin Summarized “There aren’t a lot of choices for gear groups for this summer. If allocation stays the same we can go

with what was done last year. If the allocation does change there are two options for the fishing schedule.

Chip presented the Rotation Schedule for '15 and '16.

Motion 3-8-17(p) M/S Sven/William P: Assuming that allocation numbers don't change the DI rotation schedule is the same as 2016. MCWOO

Motion 3-8-17(q) M/S Charley/Tom: If the allocation number does change the Board prefers the 2:1 Sunday - Wednesday option for the DI Rotation. The impacts on the seine fleet were briefly discussed and whether individuals prefer to "stay" or "run." **MCWOO**

A Board member took the floor and spoke to the interests of the seine group. After this year the seiners would like to change the DI rotation so that seine would fish two days for every one gillnet day. The objective is to get more fish to the seiners to move them up into their allocation range. He would like the NSRAA Board to submit a Board of Fish proposal to allow this. This could possibly apply to the entire season. 4 days Seine 2 days GN, 1 day troll. Currently it is opposite 4 days GN 2 days S and 1 day troll.

The Board engaged in a long discussion. The Gillnet group does not like the proposal. A Troller asked for extra troll day in the beginning period May 28 to June 17th.

The president, who is a gillnetter, passed the chair to John Blankenship so he could participate in the discussion. He asked for an economic analysis of the benefits that would pass to the Seine fleet. He mentioned a 1:1 change would get the seine \$700,000 in benefits and they would be in the low end of their range. (The gear groups met last night outside the NSRAA Board meeting and some comments referred to that discussion.) The seiner Justin said they were relying on good faith of the gear groups to take action to help move the seiners back into their range. The rotation schedule just approved was reached as a BoF option. A troller made a suggestion that would give more troll opportunity earlier in the season and would address the imbalances in allocation by doing something for the trollers. His idea was for no seine in the Chinook rotation period, instead allow trolling. He explained these fish would not count against the Treaty and could help the troll imbalance. William B asked why is just one troll day per week provided for in this schedule. Kevin explained that it has always been assumed troll opportunity would exist on the ocean. He described this as an assumption and a plan and that the terminal areas would be for the net groups and that the troll day was initially on the CR day when CR did not occur. William said he thought increased time for troll early before the chum showed up should go to the trollers. A seiner and member of the public gave his perspective that eliminating nets in the terminal area even in the early season resulted in dark ripe fish accumulating and less value for cost recovery. He also said the seine price for a king is good. Eric J said the trollers had asked for more access into Deep Inlet. The new information was that chums could be caught efficiently by trollers and very well in restricted areas. There is interest in trolling in Deep Inlet however the Board has acted in other ways to increase production and provide opportunity. He thought nets out of DI in June would not make a big difference to the troll allocation. Moore spoke in defense of the idea of some more opportunity for troll in June should not be dismissed and wants a more thorough look at the possibility. Staff mentioned the Chinook are released at Bear Cove and are headed there not to the head of Deep Inlet. Bert, a troller, said he does not really want to have the gillnet fleet be moved out of Sitka and was concerned about negative impacts on Sitka Gillnetters. Then Kevin summarized how king salmon are released at multiple areas to address troll concerns. And he thought gillnetters were not catching many kings in the early period. Moore clarified it wasn't a motion; he just wanted to discuss it.

The discussion returned to the 2 S to 1 GN proposal. Justin thought it should be in place for at least two years. The Board discussed a triggering mechanism that would return to the 2 GN to S if S got into their allocation range.

The president said he would like to pass the chair so he could participate more freely in the discussion. John Blankenship-Subsistence stepped up to act as Chair. Kevin thought the 1:1 is producing results and worked well for GN fleet but the current suggestion was too much for him. He referred to some of the discussion from last night. Would a rotation fishery at Thomas Bay and Southeast Cove be alternatives to be considered to get seine into their range? If seiners are planning to be into every area and limit GN it will result in a huge shift of benefits.

Justin replied S has been out and they have worked with GN, everyone is making more money. None of the other gear groups are proposing a way to help get the seiners into their range. Are they supposed to wait 3-4 years? Should seine have to wait? Kevin thought "Yes, you might have to. The trollers will have to wait for Crawfish to come on line." He spoke again to his wish to stay at 1:1 at the most. Jeremy said giving something now to the seine is good faith, instead of requiring them to wait.

A Board member asked if data could be developed by staff to help with analysis of the 2S and 1 GN proposal. Staff asked for direction on exactly what was being asked. It would be limited to Deep Inlet but for all time periods or just the middle chum period. Impacts on the Treaty were discussed and the significance of Stat. week 31 and to go with 2:1 with the GN to S for three years. Kevin said he would love to stay at status quo DI rotation schedule in the future (this year is set) but he saw little support for that from the seiners. Kevin thought the 1:1 arrangement has been assisting the seiners and he preferred to stay there instead of going to 2S to 1GN in future DI rotation schedules.

Motion 3-8-17(r) M/S Eric/Kevin to postpone till 2:50-3PM discussions while the staff develops some data. The Chinook period would be the same as '15 and '16. The second period would be June to July 2 S to 1 GN. Then analyze the final period at 2 SN to 1 GN. The period would be since the last Board decision. Sven requested data on an option if the last period is conducted at 1:1. Eric reiterated the motion is to postpone. Steve made sure Chip is clear about the request.

Eric asked the motion (s) be voted on. There was one objection. It was withdrawn when it was made clear that discussion of other topics would continue. MCWOO. (Staff left to do the analysis and discussion continued.)

Justin explained his view was that SE Cove was set up as a troll-cost recovery area, with a mop-up seine fishery. Later the Board including the seiners, approved the idea that GN might be used there, but he is not in support of that now. Deborah said she agreed with Justin's recollection that the area was initially to be Troll cost recovery to address the troll imbalance and because it is in a seine area that a mop up fishery could occur after cost recovery. Later the Board agreed to put GN in as an allowable gear type. Jim Moore spoke to an attempt to get gear group consensus on measures to achieve an allocation rebalancing before the Spring RPT. Crawfish Inlet was being held up with SE Cove as a way to address the troll imbalance. When the trollers got into the process of approving the consensus agreement. GN was to be admitted on an equal basis with other gear groups going forward...this threw an unexpected wrench into the discussion so the consensus agreement before the meeting fell apart. Kevin said there is a difference between "Troll preference" and "Troll opportunity" and he described SE Cove as "Troll opportunity" and terminal areas were "Net opportunity." Kevin said at the last Board meeting NSRAA Board instructed staff to develop a BoF proposal to get all three gear

groups on the books at each site (SE Cove and Crawfish), now that thought has changed. Moore said GN presence at SE Cove could be part of a suite of opportunities but, as a Board, we may want to reserve allowing a GN opportunity at SE Cove until the allocation benefits come into better balance. A seiner said if we can get GN to agree to go with 2S to 1GN at DI and then put GN on the books at SE Cove would GN agree to that? Justin said we use tools to adjust fishing time... and then spoke again in favor of 2S and 1 GN day at DI. He called for the GN to act in good faith on the agreements. A different GN rep spoke and said he thought 1:1 was working and did not support going to 2S to 1GN. A GN said the only dog he has in fight of all the NSRAA projects is the fact he fishes at Deep Inlet. He is having a problem being deprived (reduced) of his only opportunity to GN at an NSRAA project. He would prefer to support new production and grow the seiners into their allocation range. Kevin spoke that other talks are happening at SSRAA as well, and NSRAA doesn't need to try to correct the whole imbalance on its own. A member of the public gave a brief summary of the SSRAA production projects and how they benefit the gear groups. The SN and GN split is about equal there right now. The S may ask for a similar change at Anita Bay (SSRAA) a 2:1 SN to GN there too. He offered a deal that if the GN would support 2S to 1 GN at DI then the SN would support GN on the books at SE Cove. Kevin asked questions about how long it would take to bring benefits to the GN fleet. They discussed old agreements between the nets and a bit about how they were arrived at. Kevin asked could we determine anything amongst ourselves when we don't know what will be decided in the other areas? A seiner said trigger points could be set. Kevin appreciated hearing that concept expressed. A seiner said he would like to see his fleet within their range for two years before changing from the 2S to 1 GN rotation.

The Board took a break

Chip presented his data starting with what had already been developed. That, if the second Deep Inlet chum period was changed to 1S:1GN (instead of 1S:2GN) it would result in a \$700,000 (+.6%) shift in benefits from GN to S. If the rotation went from 1S:1G, to 2S:1GN for the third part (after July 30) as well, it would shift about \$1.3M dollars (total from the two combined periods) in value from GN to S. The current 5 yr. allocation averages with preliminary 2015 and 2016 data are 17.3% Troll, 43%Seine and 39.7%Gillnet. These numbers won't be finalized until RPT. By changing both periods (mid and late) to 2S to 1 GN you would raise the seine percentage by a little more than 1% total and lower the gillnets correspondingly. When you drop out 2012 and 2013 years (looking out over the next two years) it changes the five-year rolling average even lower for seine because those were big seine years. At status quo, S gets 61% of the chum (1GN:1S and 2GN:1S) If you change to 1GN:1S and 1GN:1SN they get 74%. If you go 1GN:2S for August the seines get 85% of the chums in DI, and if you go to 2S:1GN the whole time 88-90%.

He showed more scenarios that would put seiners more to the mid point of their range. A member of the public, a seiner, observed this does nothing for troll and how do you help them go up? Staff wasn't asked to speculate on troll but there are program changes at Crawfish and SE Cove that should affect Troll in a positive manner. The rolling average from 2015-2019 was modeled. A seiner mentioned DIPAC production may be lower, thus limiting opportunity at Amalga and on the south end as well. A Board member asked what does NSRAA produce for each gear group? Chip has some numbers for chum but not for all species. Kevin sketched out future scenarios, restrictions for Chinook and sockeye that would limit Gillnet fishing time. Deborah said she heard the gillnetters say they preferred to stay at 1:1 but how are the seiners going to get the support from the trollers to move to 2SN:1GN? Justin said he is appealing to the Board to act now, we have a tool we can use to get the seine into their range. A non gear group Board member said he heard the trollers ask for 5 days at Deep Inlet last year and that was not a possibility, and that the trollers should wait. Now it seems a gear group that is slightly

out is asking the Board to act now. Zach mentioned the trollers tried to get opportunities for more access to chum but couldn't get the votes to support it. It is hard for him to decide whether to vote to support one group or the other. Justin said 3 year-olds are coming back to Crawfish, Eastern Channel, 4 & 5 yr. olds are coming back to SE Cove for trollers to create a fishery on. He helped put the tools in place to help troll but needs help for his group now.

A Board member suggested 1:1 as a compromise. Kevin reminded him 2017 rotation is in place and the current discussion is about 2018 and beyond. Kevin said if he knew this was coming up on the agenda he would have liked to have had the discussion earlier on the agenda with more analysis. He prefers to see a decision that has clear Board support and not a split vote. Chip gave some data about how NSRAA chum catch is shared between the gear groups. Right now it is 19% GN, 67% Seine and 13% Troll. The GN% will stay the same with new production, Seine drops from 67%-53% of the chum catch and Troll increases from 13% to 28% of the chum catch. SSRAA new production is weighed heavily to Seine, very little to Troll and a small amount to GN.

The member of the public made some suggestions about setting up a range with triggers that would automatically default back to gillnet. Deborah asked if there is an amended motion or what needs to be done?

The motion was rescinded with approval of the second, (Charlie and Tom) and a new motion was offered.

Motion 3-8-17(t) M/S Charley/Jeremy Deep Inlet Rotation

- **Propose 1GN:1S till the end of July, then,**
- **1GN:2S through the rest of the season.**
- **If Seine hits 46% allocation value it triggers back to 1GN:1S.**
- **If Seine hits 49% allocation value it triggers back to 2GN:1S.**
- **Annual adjustments will be made,** using preliminary numbers from ADFG the five year rolling averages
- This proposal would be submitted by NSRAA to the BoF, if approved by them, it would take effect in 2018.

The motion Incorporates the regulatory language in olive colored font (...If the post season harvest data...) that is included in the rotation schedule. The acting chairman thanked Chip for the work on the data. Eric made a statement that this Board and the net groups be ready to be as willing to help the Trollers in the future. And their requests may reach beyond just what new production could provide. The Treasurer observed that this vote should be taken as a roll call vote

A Board member asked what will be the impact on the gillnet fleet? A gillnetter said, not as many would come over from Juneau and maybe the local guys will do OK with 2 days and less competition. It bothers the gillnetters that seiners are asking for 88% of the chum production and they feel like they are being held responsible for failures at Hidden Falls. Justin spoke back and said this is a Policy region-wide, the allocation criteria, and we should be acting as a Board to help seiners get into their range. It is a mandate. If neither SSRAA nor NSRRAA makes an adjustment to seine time, seiners will never even be able to get into the bottom of our range.

There is zero Gillnet opportunity at HF. This works for trollers. It allows the possibility for more troll days in Deep Inlet. Kevin challenged the idea that 2 days or three days a week for troll in DI wasn't practical. Eric said their catch rate is continually improving in the afternoons and as chum density builds up. Burt, a troller said given the opportunity either net group would take fish from the trollers, even cutting \$600,000 from the troll programs last year. He is in favor of a 1:1.

The question was called. The Secretary/Treasurer read the motion and took a roll call vote. **The motion carried with 13 in favor and 10 opposed.** Deborah said she was on the BoF when the allocation criteria was adopted. It seemed to be a way to bring peace between the Seiners and

Gillnetters. Then it got very complicated with the trollers being brought in. More “after” comments were made. “NSRAA and all fishermen need to go by the BoF process. That is the world we live in. “ Others said they would have supported a more moderate proposal.

Discussion of proposal to the Board of Fish by troll representatives – Informational only

Trollers want to target Chums returning to SE Cove beginning in June. Currently these areas are under king salmon management. They should be able to catch those chums beginning in June. They are proposing the existing regulation for Districts 12 and 14, that the areas be included in the District 12 and 14 Troll Enhanced Salmon Management Plan. They use 109-51 109-50. In Icy Straits there is a Chum Salmon Troll Management Plan, this would extend that to these areas and allow fishing for chum specifically, rather than under the Spring King Salmon hatchery access areas. It excludes Saginaw Bay.

Icy Straits proposal... “provisions don’t apply after 2017.” It’s working successfully; they are catching 85% to 90% hatchery chums mostly from DIPAC and some pinks. Just to strike section (e).

Trollers may ask for support next Fall when the proposals are in the proposal book. Justin thought it was good proposal. But his question was, “What was ADFG reaction concerning wild Chinook?” It would be closed with non-retention for Chinook. There is some concern about fishing along with wild stocks. A logbook and observer program is underway to document impacts. Trollers have no proposals for Thomas Bay just now. Trollers will be intercepting them along that area. The suggestion was made to add Pinta Point now, especially if BoF goes to five year cycle. Add area 110-17 adjacent to Point McCartney... a lot of Kake fish will be going through there.

SE Cove terminal harvest area

A Board member asked how important is it that trollers stay out of the terminal area? That is currently in regulation. Steve said they couldn’t go in now because Commerce has priority through 2019. The Board member thought the trollers should be allowed there, in a special harvest area. There was some support for the idea.

Set the date of the November meeting:

After discussion the Board decided **November 15th and 16th Wednesday and Thursday of 2017.**

The President invited folks to submit ideas for the Fall Agenda.

Motion 3-8-17(u) M/S Will B/Anonymous. The meeting was adjourned without objection

end

NSRAA Board of Director’s Meeting Minutes ~ SPRING 2017

March 8-9th 2017

1308 SMC Rd., Sitka, Alaska

SUMMARY OF ACTIONS

Approve Agenda

Suggested changes to the Agenda included: Move DI Harvest plan rotation to second day so all Deep Inlet discussion is together and rotation plan is after that by swapping 11:30 today with 3 PM tomorrow. Discuss visions for SE Cove as it comes on line. Fit fish and game in. Jim Moore

has an item to fit in to the DI discussion tomorrow. Kevin would like to revisit the broodstock policy, page 53 Tomorrow afternoon.

Motion 3-8-17(a) M/S Brian/George - Approve changes to the agenda. MCWOO (Motion Carries Without Objection)

Approve Amended Minutes of November 9 & 10, 2016 Meeting with two corrections, one on pg. 20 and one on page 31.

Page 20 second paragraph, "Coho smolt would drop from 3.5 M to 1M." On Page 31, on wild enhanced salmon interactions. "Two life cycles of pink salmon is six years and two life cycles of chum salmon is eleven which is why the study is eleven years long."

Motion 3-8-17(b) M/S Brian/William - Adopt the minutes as amended. MCWOO

Election Committee Report

The President read the report of the election committee, naming the ballot winners of the Board election.

At-Large Seine Tommy Meiners, At-Large Power Troll Zach Olson,
At-Large Gillnet Dan Pardee, At Large Seine Justin Peeler, and
At-Large Gillnet Lars Strangeland.

Motion 3-8-17(c) M/S Sven/Dave Moore To accept the election committee report and seat the new board members. MCWOO.

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

The President explained.... Brian Massey asked some questions about the responsibilities of Treasurer and then offered to serve.

Motion 3-8-17(d) M/S Sven / William P To present a new slate of officers for election: President Kevin McDougall, Vice President Justin Peeler, Secretary Deborah Lyons and Treasurer Brian Massey. MCWOO

DIPAC Contribution – GM report

Motion 3-8-17(e) M/S Justin/William To draft a letter and thank the DIPAC Board for their contribution and their work to get the amount known and into NSRAA's planning cycle. MCWOO

NSRAA Bylaw Change – Absences & Vacancies - Manager's Report page 3.

Steve read Section 2.4 of the NSRAA Bylaws existing language and offered new wording per the Board direction from a prior meeting.

Motion 3-8-17(f) M/S Eric/Charlie To adopt bylaw change in section 2.4. By adding: "A newly appointed director fulfilling the unexpired seat shall have full voting rights. Additionally, a new director filling a vacated seat shall stand for election at the next fall election cycle as per Section 2.6 Election of Directors." NSRAA met the criteria for written notification of a bylaw change. The problem this solves is that twice in the past four years the President had to appoint a person (Approved by gear group members at the meeting) to fill an unexpired term of a Board. Having the new appointee stand for election allows a person to be approved in a general election consistent with other Board members. Alaska State law does not allow *proxy voting*. **MCWOO**

Broodstock Policy 2015-1

Motion 3-8-17(g) M/S Eric/William I move that under "Core Program III A"- Crawfish Inlet Core Program is a second tier satellite program for Medvejie.

B SE Cove is a second tier programs for HF and TB is 3rd tier for HF."

Section VII The 4.0 chum releases are a top priority for chum broodstock."

The Board began discussing the proposal... Eric P. said, "If this is an emergency and we could give you 10 M?" The president said, "That would be greatly appreciated."

The President asked, "Would people be comfortable with taking 5M from SE Cove for Thomas Bay? Answer was yes. **The maker of Motion (g) accepted an amendment of "SE Cove and Thomas Bay are second tier programs for Hidden Falls."**

Steve suggested the addition of some intent language. The intent is to try to get a minimum of 10 at Thomas Bay, based on Steve's management considerations. Kevin pointed out that the policy language referring to taking the full complement of eggs at Kaznyku is outdated. Steve said he would clean that up.

Motion 3-8-17(h) M/S Eric/Mike postpone action on the Motion (g) to tomorrow before adjournment. Secretary note; No call for objections was taken on either of the motions offered. Neither to update the policy, nor to postpone action on the motion. However, no objection was made.

Motion 3-8-17(i) M/S Take the amended Motion 3-8-17(g) M/S from the Table M/S Deb/William Prisciandaro. Deborah read the wording of the Motion to amend the Broodstock policy:

Broodstock Policy 2015-1

CORE PROGRAM STRUCTURE

III A. Crawfish Inlet is a second tier satellite program for Medvejie

B. SE Cove and Thomas Bay are second tier satellite programs for Hidden Falls

VII 4.0 Chum releases are a top priority for chum broodstock.

Steve said this language would give sufficient direction. Intent language is included in VII.
MCWOO

Mass Marking

Motion 3-8-17(j) M/S Eric/Bert Request NSRAA staff to prepare a report on mass marking cost and logistical considerations to be presented at the next meeting. Bert said, "My fear is this is the only thing that comes out of the Treaty. Already the costs of Chinook are used as justification not to expand the Chinook programs." **Seeing no opposition the motion carries MCWOO.**

Sitka Sound Science Center

Motion 3-8-17(k) M/S Eric/James Moore - NSRAA will provide funding to the Sitka Sound Science Center at the level in the proposed FY 2018 NSRAA budget, just less than \$175,000. The motion carried unanimously on a roll call vote.

Motion 3-8-17(l) M/S Justin/Eric - To approve the SSSC funding formula developed by the General Manager, beginning with next FY budget. AND to create a floor at \$140,000 and to cap funding at \$200,000. The SSSC can submit for additional projects in one proposal not to exceed \$20,000 per year. The motion carried with 22 in favor and 1 opposed.

Gunnuck Creek Hatchery

Motion 3-8-17(m) M/S Sven/Will B To authorize expenditure of \$400,000 from the undesignated reserves for the purchase of the Gunnuck Creek Hatchery. Steve explained his plan for how NSRAA could move forward with development of the site during yesterday's meeting. **The motion passed unanimously on a roll call vote of the Board, 23 in favor.**

NSRAA FY'18 Budget

Motion 3-8-17(n) Deb/Justin to approve FY'18 NSRAA operation expense budget of \$6,704,228.00, a Capital Expense Budget of \$214,000.00, and \$656,000 for loan payment. The total FY'18 budget of \$7,574,228.00

Steve said the budget went down because of fish food and insurance reduction because of youthfulness of staff. Capital budget may be increased in the future. Motion carried. 23 in favor, none opposed, on a roll call vote.

Motion 3-8-17(o) Deb/William P. - To approve Deep Inlet chum cost recovery income for FY'18 budget at \$1.9 million. This amount is expected to balance the FY'18 expenses with revenues. Steve gave a breakdown of the elements of the income budget. **MCWOO**

Deep Inlet Rotation Schedule

Motion 3-8-17(p) M/S Sven/William P: Assuming that allocation numbers don't change the DI rotation schedule is the same as 2016. MCWOO

Motion 3-8-17(q) M/S Charley/Tom: If the allocation number does change the Board prefers the 2:1 Sunday - Wednesday option for the DI Rotation. The impacts on the seine fleet were briefly discussed and whether individuals prefer to "stay" or "run." **MCWOO**

BoF proposal from NSRAA to change DI rotation proportions between GN and S

The Board discussed a proposal to change the GN and Seine fishing time ratios in Deep Inlet to address the fact the seiners are below their specified allocation target range in the BOF Allocation Plan. However so specific motion received a second and the Board discussed different iterations of what might be proposed.

Motion 3-8-17(r) M/S Eric/Kevin to postpone till 2:50-3PM discussions while the staff develops some data. Discussion continued.

Eric asked the motion (r) be voted on. There was one objection. It was withdrawn when it was made clear that discussion of other topics would continue. MCWOO. (Staff left to do the analysis and discussion continued.)

The maker of the original proposal agreed to remove his non-motion, (no vote was taken) with approval of the second, (Charlie and Tom) and a new motion was offered.

Motion 3-8-17(t) M/S Charley/Jeremy Deep Inlet Rotation

- **Propose 1GN:1S till the end of July, then,**
- **1GN:2S through the rest of the season.**
- **If Seine hits 46% allocation value it triggers back to 1GN:1S.**
- **If Seine hits 49% allocation value it triggers back to 2GN:1S.**
- **Annual adjustments will be made, using preliminary numbers from ADFG the five year rolling averages**
- **This proposal would be submitted by NSRAA to the BoF, if approved by them, it would take effect in 2018.**

The motion Incorporates the regulatory language in olive colored font (...If the post season harvest data...) that is included in the rotation schedule.

The question was called. The Secretary/Treasurer read the motion and took a roll call vote. **The motion carried with 13 in favor and 10 opposed.**

Set the date of the November meeting:

After discussion the Board decided **November 15th and 16th Wednesday and Thursday of 2017.**

Adjourn

Motion 3-8-17(u) M/S Will B/Anonymous. The meeting was adjourned without objection

