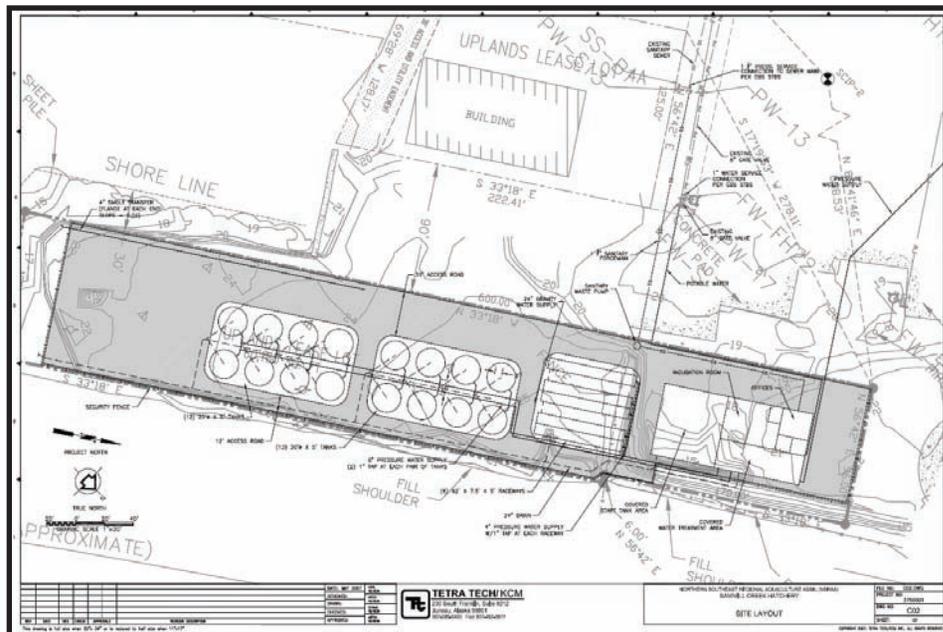


*Construction of
NSRAA's new
Sawmill Creek
Hatchery is set to
begin this summer*



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Sawmill Cove Hatchery to Become a Reality

The incubation period was long, but this spring NSRAA's new coho hatchery facility at Sawmill Cove is finally emerging.

Keystone Construction began site work in April, said NSRAA operations manager Steve Reifenstuhl.

"We're hoping to have a building shell by this winter, with the project completed by the spring of 2008," Reifenstuhl said. "If all goes well we'll have rearing fry in the facility by May of 2008."

The Southeast Sustainable Salmon Fund grant money for the project was originally approved in 2003, but the permitting process for the facility took several years, mostly due to the issues surrounding the existence of wild coho salmon stocks in nearby Salmon Lake and Sawmill Creek.

While all the agency permits have come through, the Alaska Department of Fish and Game (ADF&G) has granted a stepwise permit, with limited numbers of fry releases for the first three years, after which time the permits can be renewed with higher release numbers if ADF&G is satisfied that there are no negative effects on the wild coho in the area.

The new hatchery's coho stock will be developed from a summer run coho from Lake Plotnikof. The Sawmill Creek stock are a fall run coho, so the two won't return to the area at the same time.

At the ADF&G Regional Planning Team meeting in December of 2006, it was decided that in 2007, NSRAA can release 10,000 coho smolts from the Medvejie hatchery in Bear Cove, and 130,000 from Deep Inlet, for the development of the new hatchery's broodstock.

In 2008, 20,000 can be released from Bear Cove, with another 120,000 from Deep Inlet. And in 2009, 50,000 can be released from Bear Cove and another 500,000 at Deep Inlet.

The design capacity of the new hatchery is much bigger than these numbers would indicate. The release of 500,000 smolt from Deep Inlet in 2009 is only 30 percent of its maximum capacity; 50,000 for release at Bear Cove is only 15 percent of its maximum capacity. Ultimately, NSRAA hopes to release 300,000 coho from Bear Cove every year.

"We knew it would be a stepwise progression. The department is being more conservative at the Medvejie site, where there is a nearby local coho stream – Salmon Lake," Reifenstuhl said. "At Deep Inlet, the numbers are higher because there isn't a local coho stream and there is so much fishing pressure that all those fish are going to get caught."

The burden is on NSRAA to demonstrate that the Plotnikof stock coho returning to Bear Cove have a high fidelity to their site of release and will not stray into either Sawmill Creek or Salmon Lake. All the new hatchery's coho will be marked, and there will be a weir on Salmon Lake and stream surveys on Sawmill Creek.

"So if there are any strays we should see them," Reifenstuhl said. "In the history of coho releases at Medvejie, they've shown very strong fidelity. We haven't seen Indian River coho stock in Salmon Lake for ten years, so we're fairly confident we won't see a high degree of straying to either of the sites, but that is what we'll have to demonstrate in order to get allowed

increased releases each year."

NSRAA will be working hard this fall to obtain the number of eggs needed to fill the hatchery once it is built.

"We've got to come up with 800,000 eggs for this fall, so we'll have sufficient eggs for rearing in the new hatchery next year," Reifenstuhl said. "We're permitted to take more eggs at Plotnikof Lake, and we'll capture and ripen as many fish as we can from Bear Cove and Deep Inlet. We hope that the combination of these three sites will provide us enough eggs to do what we're permitted to do in 2009."

In the meantime, NSRAA has been working in high gear with KCM, the design firm, and with Keystone Construction, the contractor, to make the hatchery fit the budget. The task was made more difficult due to the length of time that elapsed between the grant money being awarded and the permits coming through.

"We're working with dollars from 2003, so we lost about 12 percent due

to inflation," Reifenstuhl said. "We had to modify some things, and leave out a few components we would've liked to have."

But the design was finalized in late April and construction is now underway. Reifenstuhl looks forward to watching the job take shape and to working with Keystone Construction, a firm that has done work for NSRAA in the past and that helped repair a blown out weir at Medvejie due to a flood several years ago.

Experienced former Medvejie hatchery manager Jim Seeland has been working for NSRAA as a consultant and will be involved in construction management of the new Sawmill Cove Hatchery as well, giving NSRAA an extra boost of confidence about the construction process to come.

"We have our ducks in a row and now it's just a matter of watching it carefully. I think we're in good shape," Reifenstuhl said.

NSRAA's Finances

NSRAA'S Finances: "What...me worry?"

by Deborah Lyons,
NSRAA Secretary/Treasurer

Fresh out of business school, the young man answered a want ad for an accountant. Now he was being interviewed by a very nervous man who ran a small business that he had started himself.

"I need someone with an accounting degree," the man said.

"But mainly, I'm looking for someone to do my worrying for me."

"Excuse me?" the accountant said.

"I worry about a lot of things," the man said. "But I don't want to have to worry about money. Your job will be to take all the money worries off my back."

"I see," the accountant said. "And how much does the job pay?"

cont. on page 4

Hatchery Reports

Medvejie Hatchery

The extra snow this past season kept hatchery staff busy as they cleared the heavy white stuff from walkways, net pens, and buildings. But, everything is on track at Medvejie for another round of releases this spring, reports hatchery manager Lon Garrison.

Chum

More chum were ponded this spring at Medvejie than ever before: over 62 million in total, after a very good incubation season.

"The eggs and resulting fry this year were exceptionally clean and we had the least amount of incubator and ponding mortality I've ever seen," Garrison said.

Normal mortality between seeding the incubators to ponding the fish in the saltwater net pens is about 1 percent, but this year mortality during this

period was less than .2 percent. Garrison attributes this to excellent eggs, excellent water, and exceptional care from Medvejie staff.

Of the 62 million chum fry ponded, 9.6 million are rearing at Medvejie, with another 52.4 million at Deep Inlet, again the most to date. 40.9 million of those are regular release, with 11.4 million reserved for Late-Large release.

The cooler water has slowed growth down somewhat both at Medvejie and Deep Inlet, Garrison reports, but as of early May the chum were doing well and expected to reach their release weights about 2 weeks later than usual.

"This is okay, because the entire Sitka Sound ecosystem appears to be about 2 weeks behind where it has been the last several years by this date," Garrison said.

One benefit of the cooler water is that staff expect fewer problems with

low dissolved oxygen levels, which is a problem when the water gets warmer.

"This is a real blessing considering we are pushing our densities in the net pens higher than ever before," Garrison said.

Chinook

"Just like with the chum, we had a trouble free, very successful incubation season with our chinook," Garrison reported. "We lost less than .1 percent between egg picking and ponding. The staff noted that they had never seen such clean incubators."

Over 1 million chinook were ponded in January for the Medvejie Zero-Check program, and just over 1 million fry for the Deep Inlet Zero-Check program. Zero-Check chinook are released in their first season after ponding rather than being held over another winter.

Ponding was two weeks later than the previous couple of years due to the colder water temperatures. The water has consistently been 1 degree Celsius chillier than last year.

"This resulted in slightly smaller fish being moved to Green Lake

for rearing in late April. They were 1.5 grams instead of 2 grams," Garrison said.

The late ponding has resulted in the SeaReady Zero-Check program being cancelled this year.

"We felt there was simply not enough time to reach the desired smolt size of 20 grams at release. Next year we'll try to advance the incubation of this group a bit to get more growth on them before saltwater entry," Garrison said.

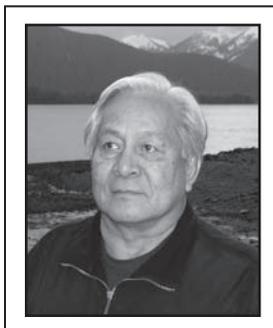
1 million chinook were ponded in mid-March for the Green Lake traditional program. Again, ponding was two weeks later than normal but they are doing well.

The crew faced a challenge getting net pens into the water, since the lake is 75 feet below spill level, due to the winter's precipitation coming as snow rather than rain. The lake was iced over longer than usual as well.

The Green Lake chinook in saltwater net pens suffered from increasing mortality late in 2006 and had to be released in mid-March. The overwinter mortality rate topped out at 20 percent, but Garrison said the remaining smolts

cont. on next page

General Manager's Notes



This role that all Board members fulfill is extremely important to the organization, and is a great contribution to its success.

Members of NSRAA's Board of Directors also participate in committee meetings, some serve on the Regional Planning Team, and many attend other fishing group and public meetings which may be discussing items relevant to NSRAA's business. Staying informed of the Association's activities is a never ending job for members of the Board. Similarly, Officers of the Board have several functions that most people may not readily see. In addition to the duties outlined in NSRAA's by-laws, officers of the Board frequently serve as a "sounding board" for the General Manager, and in many cases, chair various committees. Over the past 25 years I have been proud to work with many dedicated, highly capable Board members and officers of the Board. They have always unselfishly given of their time, expertise, and advice whenever requested.

I want to thank all present and past Board members for their participation and contributions to the success of NSRAA. I hope that as vacancies occur on NSRAA's Board, if you are a fisherman you'll consider running for one of the fisherman seats or if you are not a salmon permit holder, you'll consider putting your name in to be considered for one of the appointed seats. Information on appointed seats may be obtained by calling the NSRAA office at 747-6850.

Making an organization like the Northern Southeast Regional Aquaculture Association (NSRAA) run and meet the many challenges it faces is no simple task and we sometimes forget to say thanks to the many people who make things happen. The environment in which we operate is very complex and requires the constant attention of both the staff and the Board of Directors. All too often, we make the assumption that the Board comes together twice a year to discuss the business of the Association, then go home until the next meeting. I can tell you from twenty plus years of experience, this is not the case, and they all do it without compensation. The Board is NSRAA's life-blood.

One of the continuing activities of Board members is to act as an important communication link between NSRAA staff, fishermen, and the general public. I can't tell you how many times I have heard from people in the general public, who have expressed their appreciation for information they received from our Board members. Likewise, many Board members have conveyed to me the opinions of both fishermen and members of the general public on topics relating to NSRAA.

Northern Southeast Regional Aquaculture Association

FISH RAP

Vol. 25 No. 1
May 2007

Highlighting releases, returns, policy and legislation affecting the Southeast Alaskan salmon fisheries

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8800-109 Glacier Highway
Juneau, Alaska 99801

Any interested party may also receive **Fish Rap** free of charge. Send your address to **NSRAA**.

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Cheyne Blough	Gillnet
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Richie Davis	Troll
Andy Ebona	Native Org.
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Richard Eliason, Jr.	Gillnet
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Carl Johnson	Processor
Paul Johnson	Interested Person
Dick Longworth	Interested Person
Bud Marrese	Seine
Brian Massey	Sportfish
Lucas McConnell	Troll
Mike Saunders	Gillnet
Sven Stroosma	Seine
Vacant	Subsistence

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Hatchery Reports *continued*

appeared in good health and condition.

“Since mid-March, many of those fish have remained in Bear Cove and around the net pen complex and appear to be doing very well,” he said.

In contrast, the SeaReady and Medvejie traditional smolts have done very well this winter with virtually no major health problems. At present these smolts are all nearly 60 grams and Garrison anticipates they will be about 75 grams at release in late May, an ideal size.

Coho

Broodstock development for the new Sawmill Cove facility has continued this past season. Growth of the brood year (BY) 05 Plotnikof coho smolts was limited by colder than normal water temperatures, but they have done well.

“I anticipate they’ll be 17 grams at release to saltwater,” Garrison said. 10,000 of these have been coded wire tagged for release at Medvejie for broodstock, and the remaining 219,000 were transported to Deep Inlet in early May for rearing for 3 weeks prior to release in late May.

The BY06 Plotnikof coho were ponded in early April and their incubation loss was also practically nothing, Garrison reported. “When we ponded the fry, they were slightly larger this year than last, and so far they are eating and growing.”

General

The record snow welcomed David Fundak, the new maintenance assistant/fish culturist at Medvejie this year, along with Fundak’s wife and young son.

“Having two people dedicated to maintenance has allowed us to catch up on many small, nagging issues.

What a novel thing!” Garrison said.

Hidden Falls

The crew at Hidden Falls stayed on top of the 200 inches of snowfall by shoveling “for what seemed like the entire winter,” reported Hidden Falls hatchery manager Scott Wagner. In late April, there were still over 2 feet of snow on the ground at the hatchery. “The main hatchery roof had to be cleared twice which is a huge undertaking!”

Wagner is grateful to the entire Hidden Falls staff, all of whom persevered through the winter to welcome the spring.

Overall cooler temperatures have put Hidden Falls about 2 weeks behind in fish size and growth, similar to the situation in Sitka Sound. The exception: chinook.

Chinook

The BY05 saltwater chinook are doing exceptionally well, Wagner reported.

“They are on track to have the lowest over-winter mortality to date, from .8 percent for the feed trial group to 2.6 percent for the control group on regular feed.”

The fish culturists ponded smolts directly into saltwater, foregoing the traditional freshwater lens, and the fish have been healthy and growing well all winter.

They will be released in early to mid-May, at a size of about 50 grams each.

“We are hoping that this will translate into better marine survival rates, similar to the Green Lake program,” Wagner said. “These are the nicest looking chinook I have seen in the last 10 years.”

1.1 million BY06 chinook are about two to three weeks behind, and were doing well in late April af-



Winter held on well into April this year, providing endless challenges for our field and hatchery crews.

ter having been outside a couple of weeks.

220,000 Zero-Check chinook were ponded in early January, over a month later than normal. In late April, the fish were at about 2 grams in size and doing well, although continuing cold water temperatures will likely keep fish growth very slow throughout May.

“The warming water in May has tremendous effects on the growth of the fish, and we are unlikely to see that this year,” Wagner said. “That will result in smaller and delayed releases.”

Coho

2.5 million BY05 coho are doing well, with considerably fewer mortalities this year than last.

“They are a couple of grams behind schedule but are rapidly making up the difference, so we should be on track for a normal release,” Wagner said. They will be moved to saltwater in April.

The 4 million incubating BY06 coho will be ponded two to three weeks later than usual. Staff are hopeful that their growth can be maximized so that the Deer Lake component of this group will reach 1 gram in size by the time they are transferred to the lake in mid-June. 2.9 million



of these coho are for Hidden Falls release, with the remaining 1.1 million destined for Deer Lake.

Chum

Just over 89 million chum are in saltwater at Hidden Falls, ponded two weeks later than usual. Their growth has been slow, so Wagner anticipates a delayed release. Approximately 9 million of these chum are Late-Large.

“On the plus side, cooler water temperatures in May typically mean healthier fish, due to higher dissolved oxygen and lower incidence of the disease *Vibrio*,” Wagner said.

44 million chum are for release in Kasnyku Bay, with the same amount scheduled for release in Takatz Bay.

General

Wagner and his staff are sorry to have lost the best method for delivering supplies to the hatchery, formerly Alaska Marine Lines’ ramp barge, which allowed an entire van to drive onto the site for unloading.

“Now a tender unloads supplies onto a workfloat, which we bring to shore and then unload one piece at a time with our equipment, which forces us to drive our loaders into the saltwater,” Wagner said. “We currently have an extended boom forklift in the budget to remedy this situation.”

Grant Miller delivers another load of chum fry to Deep Inlet.



Deep Inlet Schedule

Management of Deep Inlet fisheries will be similar to last season.

“We are hoping to duplicate what happened in 2006 in terms of the cost recovery harvest and management of the terminal harvest area,” said NSRAA data analyst Chip Blair. “Things couldn’t have gone much better in 2006.”

How the season plays out will depend on a whole boatload of variables, including return size and timing, the size of the pink return,

and weather patterns.

“Of course, every season is different,” Blair said. “A lot of things can happen, and in-season adjustments may be necessary. But we’ll try to keep fishermen informed of any changes in a timely manner.”

The entire Deep Inlet management plan, along with a printable calendar and maps, is available on the NSRAA website, www.nsraa.org, on the Fishery Updates page.



NSRAA Forecasts

2007 looks to be similar to last year in terms of the total projected return for all species.

"We expect about 5.2 million salmon to return in 2007," said NSRAA data analyst Chip Blair. "This is quite close, within 5 percent, of last season's 5.5 million."

Chum

A total of 4.9 million chum are forecast to return to Hidden Falls and Medvejie/Deep Inlet, slightly less than the 5.1 million return in 2006.

About 2.5 million are expected at Hidden Falls, which is up from 2.2 million in 2006.

Medvejie and Deep Inlet's chum return is expected to be down somewhat from last year, from 2.3 million in 2006 to 1.76 million in 2007.

About 20 percent of the return at each site will be set aside for cost recovery; that's 3,960,000 pounds or about 495,000 fish at Hidden Falls, and 2,840,000 pounds or about 355,000 fish at Deep Inlet.

"At Hidden Falls we have an option to harvest an additional 600,000 pounds, or 75,000 fish, depending on the strength of the chum return and the strength of the wild pink return, to add to the Hidden Falls cost recovery reserve fund," Blair said. (See related article, page 8.)

2007 marks the first return of 4-year-old chum that were raised as "Late-Large" at both Hidden Falls and Deep Inlet. This is a rearing strat-

egy with a later release timing and a larger fry size, which helps the chum fry move off-shore more quickly and avoid predation.

The L-L component of the 2007 return is somewhat of a wild card, Blair said.

"Although we didn't see a large increase in the number of 3-year-olds last year, the potential exists for increased survival, which could boost this year's returns higher than our projection estimates."

Boat Harbor and Limestone Inlet are both cooperative projects with DIPAC. Boat Harbor's chum return was a record last year, with 565,000 fish. This season will be similar, with 545,000 projected.

"This is a case where there has been good success with the L-L rearing strategy," Blair said. Survival for last year's 4-year-old L-L group is about double that for the conventional group.

The 2007 forecast for Limestone Inlet is 130,000 chum, well up from the 88,000 fish that returned in 2006. This year will be the first for the 4-year-old L-L group at this site.

Blair also expects about 21,500 adults to return to the Haines area spawning channel and incubation box projects, up from about 3,500 in 2006.

Chinook

A total of 27,200 chinook are forecast to return this year, up from 21,500 in 2006.

At Hidden Falls, Blair expects 11,200 chinook, compared to 10,400 a year ago.

At Medvejie, the increase should be higher, with 16,000 compared to 11,100 a year ago.

"Both programs were greatly affected, this year and last year, by extremely poor survivals for BY01 and BY02," Blair said. "Because these are the main age classes returning in 2007, adult numbers are forecast to be only 30 to 50 percent of returns in recent years."

A couple extra thousand chinook could show up as a result of the Zero-Check chinook program at Medvejie.

"We don't have enough data to accurately forecast these fish yet," Blair said. "But we should begin to see more adults over the next few years, as the Zero-Check smolt release numbers were increased beginning with the 2004 smolt release."

Zero-Check chinook are released their first season after hatching instead of being held over at the hatchery.

Coho

A total of 256,000 coho are forecast for all projects, down from 305,000 in 2006.

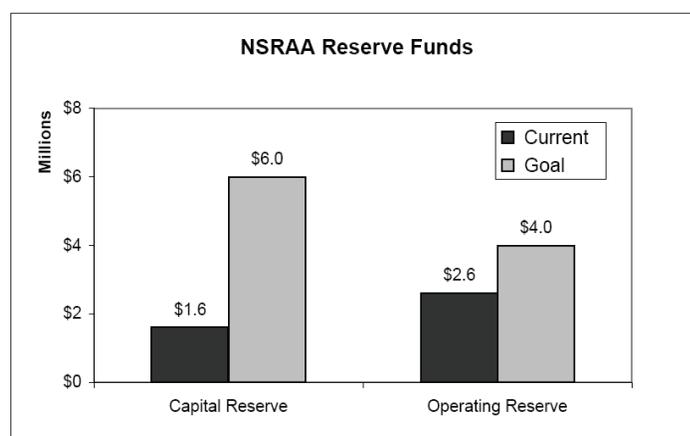
Coho returns are calculated using an average marine survival rate of 8 percent, since there are no earlier age classes returning to use as a gauge.

At Hidden Falls, 224,000 coho are forecast, compared to the 218,000 return in 2006.

"Hidden Falls has averaged 12 percent survival over the past 10 years, so it wouldn't be surprising to see a much higher return," Blair said. Using 12 percent as the survival rate, the Hidden Falls return would be projected at 384,000 coho.

Coho numbers at Deer Lake are expected to be off sharply due to a low smolt output in the spring of 2006. The forecast is for 21,000 compared to the return of 86,000 a year ago.

This is the second return for the new Plotnikof Lake coho stock. About 800 coho are expected to return to Medvejie for broodstock, and about 9,500 to Deep Inlet.



NSRAA's Finances

Cont. from front page

"I'll start you at eighty thousand."

"Eighty thousand dollars!" the accountant exclaimed. "How can such a small business afford a sum like that?"

"That," the owner said, "is your first worry."

Hopefully this copy of the Fish Rap has made its way to the galley table and you, the successful fisherman, are reading it while you wait deliver a load of NSRAA chums, spring hatchery king salmon, or Deer Lake cohos. Being a small business owner yourself, you know what it is like to worry about money, and you and I both wish it was as easy as hiring some one to make all our financial worries evaporate.

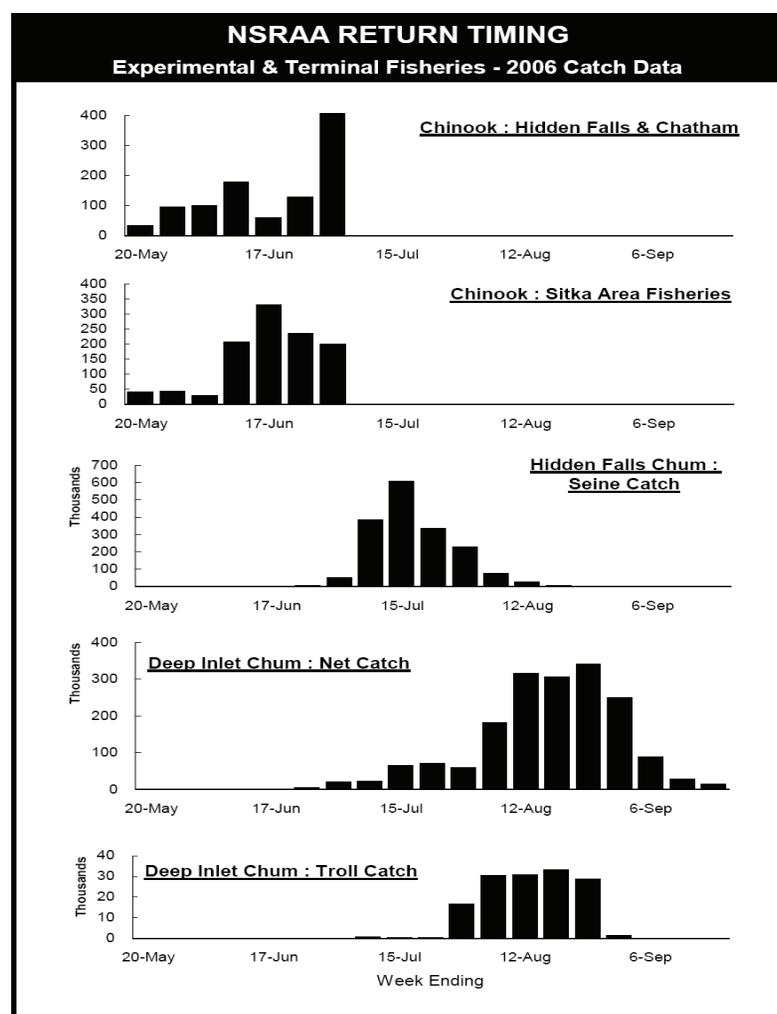
Right now NSRAA is in OK shape financially but I am getting

concerned, (read: worried), that misperceptions about NSRAA's reserve accounts and cost recovery practices can damage the future financial health of the organization.

I am concerned that constantly making withdrawals from the operating reserve with no saving plan or policy is unwise and I am concerned that we are facing some big ticket capital expenses without a really clear idea of how we are going to pay for the equipment and capital improvements that the organization truly needs.

These are issues that the Board and budget committee are struggling with and during the next few meetings we hope to make progress on determining appropriate levels of the reserves and how we can fund them and the capital expenses

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FINANCES

Cont. from prev. page

without costing fishermen fishing time.

When you voted for your NSRAA Board members you actually did “hire” all of the Board to keep the Aquaculture organization financially sound and to do the financial worrying on your behalf. Our fiduciary responsibilities are taken quite seriously. Approving the annual income and expense budgets is done with true deliberation. The Budget Committee and full Board work closely with Pete Esquiro, the General Manager to make sure that all the fish producing programs are run efficiently, yet conservatively. Pete and the rest of the staff are famous for pinching pennies and making sure costs are trimmed to “needs”, not “wants.” Each year the Board and the General Manager set the cost recovery goals to balance the expense budget. In addition to meeting the annual expense budget the Board and staff have adopted policies to create some reserve savings accounts to cover shortfalls in income and to pay for unanticipated capital expenses and capital replacement.

An important point to make is that the NSRAA Board and staff have never set the cost recovery goal at a level in excess of the anticipated expenses.

In other words, we haven’t ever added extra cost recovery to the income budget just to generate extra funds for the reserves. Just in case you were worried that we would do such a thing! I wish I could say the reserves are the result of a careful savings plan put into place by a wise and conservative board of directors, but they are not. The reserves were created by a few lucky years when the organization enjoyed big returns and big prices. Each time the reserves have been added to, it has been by some unanticipated form of income, not by deliberately conducting additional cost recovery to add to the savings account.

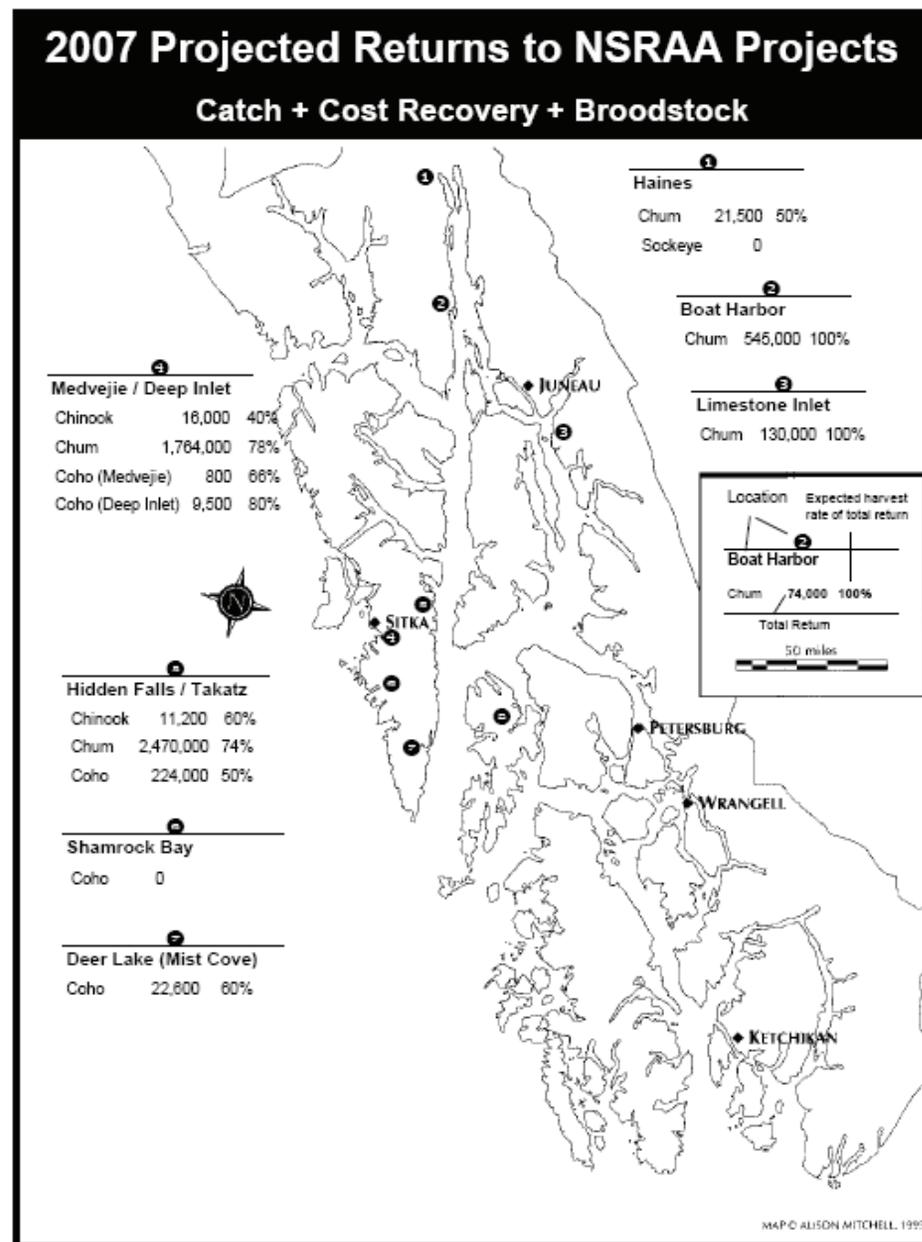
I think the “opportunistic approach” of adding to the savings account is actually a good one and I think within it is the key to when and how NSRAA can find the revenue to fund the reserves and meet the capital needs. When times are good and fishermen are able to fish all their scheduled openings and rotations, if there is opportunity to take a few additional fish, I think we should allow the General Manger the leeway to do so. The good years need to help us develop a cushion so we can survive the lean years. Saving in good years to survive the bad ones is fisherman’s finances 101, and is a philosophy that most

fishermen share. The trick for NSRAA is keep to a light touch and only add to reserves when the opportunity is there and a savings can be achieved without cutting into fishing time.

On the operations side the goal is to save 4 million into an operating reserve. Four years ago the organization had over 3 million in that reserve. One bad year forced us to withdraw \$400,000 to balance the budget. On that bad year the reserve functioned exactly as it was meant to and we were glad it was there to draw from. The catch is, there is no plan to replenish the operating reserve withdrawal. In addition, the Board took \$500,000 from the operating reserve to create “Cost Recovery Reserves” for Hidden Falls and Deep Inlet. It is my feeling that we are going the wrong way here with continually decreasing the size of our rainy day account. Fortunately the interest on the savings accounts is reinvested into the reserves each year allowing them to grow by about \$200,000 annually. Reinvesting the interest is the closest we have come to a “Savings Plan” and was a good move on the part of the Board, in my opinion.

Like I said at the beginning, the organization is in good shape today. Do I believe we have “too much” in the NSRAA reserves? No, not when you consider our track record of making withdrawals and re-allocations with no plan to replenish the savings accounts other than reinvesting the interest. I think a 4 million dollar operating reserve is good goal and I think we can save towards it when the opportunities allow it... without costing fishermen fishing time.

The goal for the capital re-



serve is 6 million dollars. Is that an appropriate level? The Board is currently debating whether that is too much. Personally I feel the appropriate level of the capital reserve is not as important as actually meeting the day to day capital needs and that is where we should be focusing our energy at this point.

Overall I think the Board and staff is doing a good job of making sure NSRAA stays healthy and keeps turning out fish for your future. We are very aware of what lost fishing time means and we are trying to make sure NSRAA has a bright future without overly burdening your pocket book today.

NSRAA 2007 Return Projections - Preliminary								
Site	Projected Return	Range		Commercial	Sport	Cost Recovery	Brood Stock	2006 Return
		Low	High					
Chum								
Hidden Falls	2,470,000	2,000,000	3,000,000	1,855,000	-	495,000	120,000	2,185,079
Medvejie/Deep Inlet**	1,764,000	1,300,000	2,300,000	1,349,000	-	355,000	60,000	2,303,503
Boat Harbor*	545,000	287,000	804,000	545,000	-	-	-	565,000
Limestone Inlet*	130,000	-	288,000	130,000	-	-	-	88,000
Haines Projects	21,500	-	-	10,750	-	-	10,750	3,500
	4,930,500	3,587,000	6,392,000	3,889,750	-	850,000	190,750	5,145,082
Chinook								
Hidden Falls	11,200	6,200	16,200	6,720	500	980	3,000	10,403
Medvejie	16,000	11,000	21,000	6,400	800	4,800	4,000	11,058
	27,200	17,200	37,200	13,120	1,300	5,780	7,000	21,461
Coho								
	<i>Marine Survival:</i> 8%	6%	12%					
Hidden Falls	224,200	168,200	336,300	112,100	4,000	98,100	10,000	217,687
Deer Lake	22,600	17,000	33,900	13,600	1,000	8,000	-	86,231
Medvejie	800	600	1,200	528	72	-	200	624
Deep Inlet	9,500	7,100	14,300	7,125	950	1,425	-	-
	257,100	192,900	385,700	133,353	6,022	107,525	10,200	304,542
Sockeye								
Chilkat Lake Stocking	-	-	-	-	-	-	-	-
Chilkat Lake Incub. Boxes	-	-	-	-	-	-	-	6,043
ALL SPECIES TOTALS:	5,214,800	3,797,100	6,814,900	4,036,223	7,322	963,305	207,950	5,471,085

* Cooperative Project with DIPAC
** Cooperative Project with SJH

Board Member Profile - Richie Davis

Richie Davis is serving his second year in the At Large Troll seat on the NSRAA board. Davis is as good as a lifelong resident of Juneau, having moved there at the age of five with his parents, and he's been fishing – and only fishing – for 35 years. “I don't have any other skills that are marketable,” he joked.

“My father was associated with fishing activity when he had time off from his government job,” Davis said. “So I worked as a deckhand for him and for other folks that had longliners, gillnetters, and trollers, and I went right into it out of high school.”

Davis lives in Juneau with his family but he fishes out of Sitka, trolling for salmon and longlining for halibut and blackcod on the F/V Sundee Lynn. He also gillnetted for twelve years.

“Sitka is the easiest and most convenient place to market my fish,” said Davis, a longtime member of Seafood Producers Co-op, based in Sitka.

His connection to Sitka made it easy for him to decide to join the NSRAA board.

“I spend an awful lot of time in Sitka fishing for Seafood Producers,

so I'm over there most of the time, and since NSRAA has their meetings in Sitka I figured it would be easy to fulfill the duties of the position if I was elected,” Davis said.

That's not to say being on the board doesn't have its challenges and rewards.

“Over the years I've known a lot of the people who've served on this board and on the SSRAA [Southern Southeast Regional Aquaculture Association], many of whom are my friends, but I didn't realize what the dynamics were, what keeping the funding and the production levels for these associations entails until I got on the board,” Davis said. “My hat is off to the people who serve as directors in these organizations, there's a certain amount of sacrifice they make for everybody in it. But at NSRAA I'm impressed at how well the board works together with the diversity that is exhibited on it.

“It might be the easiest board to serve on; its economic health is pretty stable; they have really good people working for them who have high success rates and good stories of success of putting fish into the ocean and get-

ting returns. It is a privilege to serve the fishermen on that board.”

Davis brings a wealth of experience to the NSRAA board, having served for 12 years on Juneau's Fish and Game advisory committee, and for the past 19 years as the Seafood Producers Cooperative's liaison to the United Fisherman of Alaska.

Davis came away from NSRAA's spring board meeting feeling “comfortable about where NSRAA is headed” this year.

“The trollers didn't have an apprehensive sense of something amiss or a deficiency of any kind,” Davis said. “We have asked for some cost information about getting chinook out into the ocean, since we're looking at real low survival rates on chinook and they cost us a lot of money. That doesn't mean we're interested in abandoning chinook or putting all the chinook money into one particular place – especially for those of us whose greatest affliction is the addiction to king salmon...but cohos are just as important to trollers and they have a great benefit to cost ratio, so we'd like to take a magnified look at the return for the dollar invested in king salmon.

It might turn out that commercial fishermen are better off with an increase in the effort on coho.”

With the new coho facility coming on line in Sitka, Davis is cautiously optimistic about what greater numbers of enhanced coho might mean for the area's fishermen.

“Depending on the time of year those coho come in, we should see some big ticket items for people that fish in proximity to Sitka,” Davis said. “The association expects them to return earlier than most cohos, so we'll have to wait and see how that'll play.”

Now that he's involved with the organization, Davis wants to get more familiar with NSRAA's facilities and people when his fishing brings him within shouting distance.

“Over the next year I'd like to visit some of our hatcheries in the field and some of the people that work at them. I've never actually set foot in Medvejie hatchery and taken a look. And the treehouse at Deer Lake? Now that's some wilderness living...There are aspects that we work with as directors but if you don't see them, all you've got is a photograph to work with.”

Field Projects Update

Deer Lake

Like the rest of Southeast Alaska, Deer Lake saw plenty of snow this winter. The crew went to open the remote coho rearing and release site in late March, backpacking gear in from a snow base camp in Mist Cove.

“An unprecedented snowpack greeted us, as we ended up shoveling more than 8 feet of snow from the treehouse,” said project leader Todd Buxton.

Other structures didn't fare well. The fuel shed collapsed under the load,

a fallen tree crushed the lumber shed at Mist Cove, and work floats kept in the storage area over the winter were submerged by 7 feet of water-drenched snow.

“Digging out project infrastructure required shoveling over half a million pounds of snow,” estimated Buxton. But the work was completed, and installation of the weir, pipeline, and associated infrastructure at the site went smoothly. The crew completed the work in time for the coho smolt migration, which began in mid-April.

Last fall's release of coho fry into the lake from their protective net pens went well.

Of the million fry planted in net pens in Deer Lake last summer, 938,000 survived for release into the lake on November 18th when the lake's temperature had cooled to 4 degrees Celsius.

“At this temperature, we believe the diet of the predatory rainbow trout in the lake is dormant, so coho fry are safe from predation when released from the safety of the pens,” Buxton said.

Also important for the fry's survival is that cold lake temperatures appear to suppress their urge to migrate from the lake at a time of year when the weir on Deer Lake's outlet stream and its pipeline are not installed to safely transport the coho fry to saltwater.

Highlighting the effect of lake temperature on coho fry migration, in 2005, fry were released in two separate batches from the net pens when the lake's temperature was 12 and 7 degrees and a total of 20 percent migrated from the lake and plunged to their death over the falls. This past year, only 0.002 percent migrated from the falls after release.

Project plans at Deer Lake this season will focus on rebuilding the fuel and lumber sheds that were crushed this winter and reconstructing the treehouse, a structure built primarily of plywood and rough cedar logs that has survived over 20 years

in one of the wettest climates on Earth, Buxton said.

Limestone Inlet/Boat Harbor

The record snowfall in Southeast Alaska has broken records and worn out more than a few snow shovels this year, but more importantly for the fish, it has kept the water temperature pretty cool.

“It continues to be a cooler than average spring to date,” said NSRAA operations manager Steve Reifentstahl. “For Deep Inlet and Hidden Falls sites that isn't much of a factor. But in Juneau, it's enough colder there that they've had difficulty ponding the chum at Limestone Inlet and Boat Harbor on time.”

Boat Harbor's chum were ponded the first week of April, a couple of weeks later than usual. Cold water temperatures have kept fry growth slow. Ocean temperatures in early April were around 3 degrees Celsius, which is the point at which fish can develop a problem called “pinheading,” where they simply don't eat and after about a month, die.

“As of early May, there was no pinheading or latent mortality,” said Reifentstahl. “We're continuing to watch them closely.”

In early May, the chum at Boat Harbor were between .8 and 1 gram



Front row seats for the Deep Inlet crew: Two sac roe herring openings were conducted in front of the Deep Inlet chum net pens this spring.

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Salmon Market Outlook for 2007

Talking about salmon markets in the early days of the season is a risky business, especially in a year of anticipated abundance for species like chum and pinks.

"My crystal ball is pretty blurry," said distributor Mike Maiola, general manager of Ocean Beauty Seafoods in Spokane, Washington. "Until they start coming in you can throw numbers out the window."

But there are some early season indicators that are allowing fishermen to be cautiously optimistic about this 2007 season. Some even expect this year to be the biggest value year since the early 1980s.

Chum

"If chums are the only fishery with any volume during that three or four week period when they're coming in, we will probably sell a fair amount of chums," Maiola said,

In 2006, this was somewhat the case, since the pink return in Southeast was very low.

This year, both pink and chum look to return in record numbers.

The Alaska Department of Fish and Game's (ADF&G) announced recently that the 2007 commercial catch projection for chum is 24.8 million, along with 108 million pinks. If those harvests are realized, the 2007 pink salmon harvest would be among the top ten harvests since 1960, and the 2007 chum harvest would be a record.

The Seafood Market Information Service noted that historically, processors limited their purchases of pink salmon in strong run years.

"This apparently ended in 2005, when Alaska processors purchased 161 million pink salmon (over half a billion pounds) from the fleet. Considering the heightened demand and price for pinks, it appears that market demand will not be a limiting factor in

utilizing the full harvestable surplus from the 2007 return." (Seafood Market Bulletin, Feb. 2007)

Whether the same factors will keep chum prices up as well despite a record return remains to be seen, although early season indicators look positive.

"We got a very favorable bid for our cost recovery chum at both Hidden Falls and Deep Inlet," said NSRAA operations manager Steve Reifenstuhl. "I am hearing the price of chum will be in the 40 cent range for fishermen." That is better than southeast Alaska prices last year, and in combination with a strong pink run and continued market demand should result in an overall good – or even great – season in Southeast.

More competition in Sitka might be a factor this season, with Baranof Frozen Foods expanding their business, and the addition of a new buyer for pinks and chum, Silver Bay Seafoods. And Seafood Producers Co-op is planning on processing about a million pounds of chum for this year's market.

Maiola noted that for consumers, chum and pinks are both "price-point" driven fish, at least in his distribution area in Eastern Washington.

"If a chum breaks a certain price, the consumer will ignore it," he said. "Let's say fresh chums come in retailing at \$1.99 as compared to \$1.29. About twice as many chums will sell at \$1.29 than at the higher price. Although people are willing to pay more for sockeye, there are some people whose budget doesn't allow them to buy a sockeye or a king, but they still want a fresh salmon. Chum is a good value for what they pay."

Chinook

While the chinook harvest in Southeast will not be as high as the

projected 434,000 due to Pacific Salmon Treaty limitations, strong market demand and price will keep chinook effort high, according to the Seafood Market Bulletin.

Hatchery-produced chinook will help boost chinook harvest numbers in Southeast, but the expected total is somewhere around 350,000 fish.

"Ex-vessel prices in 2006 were at a 25-year high point (average \$2.77 per pound statewide) and the Chinook market outlook for 2007 remains strong at this point," according to the Seafood Market Bulletin.

The winter troll fishery with a total catch of 46,000 chinook is valued at over \$4 million. In mid-May prices are still in the mid six dollar range.

Coho

Coho prices rebounded in 2006, reaching a 15-year high in ex-vessel prices, while the strength of the run was below normal.

The statewide harvest projection is for 4.7 million coho, but numbers could be higher if the strong market conditions persist and fishermen target late-run stocks that have been widely ignored in years of lower prices, said the Seafood Market Bulletin.

Sockeye

The sockeye market picture is complex, with a statewide harvest expected to be 41 million fish, the fourth year over 40 million in a row. According to the Seafood Market Bulletin, the sockeye harvest has exceeded 40 million only 13 times in the past 107 years.

Here are a few of the issues that will affect this season's sockeye prices:

The canned sockeye market appears to be oversupplied after the 2006 season.

There is generally strong demand for wild salmon in the domestic and European Union markets, but they might not be ready to pick up the slack in Alaska's frozen sockeye that used to go to Japan. Exports to Japan dropped substantially in 2006.

Ex-vessel prices for sockeye in 2006 declined as a result, with a statewide average price down to 67 cents/lb. from 73 cents/lb. in 2005.

"It remains to be seen whether the domestic and EU markets can absorb the majority of Alaska sockeye production at a price favorable for producers," according to the Seafood Market Bulletin.

New Board Members

Two new board members joined NSRAA this past March: Sven Stroosma and Dean Haltiner.

Stroosma holds the At-Large Seine seat. He lives in Mt. Vernon, Washington, and has worked with NSRAA on cost recovery projects both as a volunteer and as a paid coordinator; he has also fished commercially in NSRAA special harvest areas for many years.

"I started seining on the Elea-

nor to pay for college when I was 19, crewing for Jim Bacon, and decided that office space on a Southeast seiner was nicer than any office my college education would prepare me for," Stroosma said. He finished his political science degree at the University of Washington and has been seining in Southeast ever since.

He's run his own boat since 1990, and his wife Deidre, and three sons,

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Field Projects

cont. from prev. page

in weight, and at Limestone Inlet, between 1.1 and 1.3 grams.

In order to get the Boat Harbor and Limestone Inlet chum up to the threshold for release, they will probably be held longer than usual, most likely until late May for the regular release and mid to late June for the late-large component.

15 million chum were ponded at each project, with 7.5 million at each site being raised to the late-large size.

Haines

A total of 3.8 million chum eggs were collected from wild spawners in the Klehini and Chilkat Rivers last fall.

616,000 of those eggs were seeded in two incubators at the 17-mile incubation site that were retrofitted for thermal marking chum otoliths, which will allow these fish to be identified as adults.

The marking process occurred in mid-January, when subzero temperatures made it difficult.

"The marking equipment froze up in the short drive from Haines to the 17-mile site," said Todd Buxton, Haines project manager. "After cramming the gear in the back of the heated cab of the NSRAA truck and transporting it this way, the marking process was pulled off over 10 days without any additional setbacks."



The American Patriot tows netpens to Takatz Bay this spring for another season of chum rearing.

HF Cost Recovery Reserve

A good year here, a bad year there...salmon runs – and fishermen's incomes – have always had their ups and downs.

The NSRAA board decided at its recent March meeting to try to alleviate the fluctuations somewhat for commercial seiners who depend on Hidden Falls hatchery, by creating a Hidden Falls cost recovery reserve account.

In years when the chum return is above 2 million, extra cost recovery fish – the fish that NSRAA sells in order to earn its own operating funds – will be harvested in order to add up to an extra \$300,000 into the reserve account.

Then, in years when the return is less than 2 million, that reserve account can be tapped, which will allow NSRAA to lower its cost recovery goal for that year, allowing fishermen to harvest a greater share of the returning chum.

This year the return is expected to be 2.5 million fish.

“Based on that forecast, the plan will be to take a minimum of 500,000 chum for cost recovery at Hidden Falls. Then, as the midpoint of the return approaches, around the 7th or

10th of July, if it looks like we're on track for a 2.5 million return, we'll take an extra 100,000 fish for the cost recovery reserve,” said NSRAA operations manager Steve Reifentstahl.

Final decisions about NSRAA's cost recovery goals are always made during the harvest, based on what is actually happening with the return, rather than on pre-season projections.

The Hidden Falls cost recovery reserve fund will be allowed to build up for several years, probably to just under a million dollars, although the board did not set a cap on the fund.

The creation of the account had wide support on the board, Reifentstahl said, due to the seiners who will benefit from the measure.

The possibility of a similar account for Deep Inlet was discussed, but the complications of the presence of three gear groups instead of just seiners will require more time to iron out at future board meetings.

“Orchestrating a reserve for Deep Inlet similar to the Hidden Falls reserve really piqued peoples' interest, but at the March meeting it just got as far as an idea,” Reifentstahl said.

New Board Members

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Aaron, Casey, and Noah all fish with him from time to time.

“As one of the many commercial fishermen who have supported NSRAA with my taxes and time, and realizing that NSRAA exists to supplement and benefit the commercial salmon fishery in Southeast Alaska, I decided I ought, if given the opportunity, to become a steward of the organization,” Stroosma said.

Haltiner holds the Petersburg Seine seat. He grew up in a fishing family in Petersburg; his father just retired a few years ago from seining and now Haltiner runs his boat, the Island Pride. He seines, shrimps, and longlines, and operated the Viking Spirit until taking the helm of the Island Pride. Acquaintances say Haltiner is “definitely a Viking.”



Dying From Emphysema, Fisherman Jim Hamp Issues Tobacco Warning

Tobacco has taken its toll on Haines resident Jim Hamp. His wife and mother both died of tobacco-related cancers, and now Hamp is dying from emphysema.

A longtime charter and commercial fisherman, Hamp, 68, now has to wear a nasal cannula (a plastic hose that pumps oxygen from a tank into his nose) and rarely has the energy to visit his boat. Some days he barely has the energy to reach across the kitchen table. After smoking for 50 years, Hamp said he'd trade all the pleasure he got from cigarettes for one more good day of breathing. Now that he's dying, Hamp wants to warn young smokers about what awaits them.

“I don't want your damn sympathy. I want your attention. I did this to myself,” Hamp said. “Tobacco is just a matter of time. It doesn't matter who you are. Why tempt how long? You're playing with your life.”

Even though he sold cigarettes when he was growing up, Hamp said he didn't start smoking until after he went to college. He said both of his parents smoked and it was the accepted thing to do. When he was in the military, more than 200 of the 244 soldiers in his company smoked. Within a year of starting, Hamp said he was smoking 1 1/2 packs a day.

Hamp managed a marina in Michigan, then moved to Anchorage in 1980 after visiting a friend and settled in Haines in 1983. He said he was extremely active until his early 60s and working a 16-hour day was nothing.

But seven years ago, while pulling a shrimp pot, Hamp said he “folded up.” He said it was like someone “put a plastic bag over his mouth,” he wasn't in pain but he couldn't get any air. “It was like I'd been punched in the stomach, that's one way to de-

scribe it,” he said.

Hamp said he was real close to respiratory arrest. When he went to the doctor, the tests found scar tissue from pneumonia and emphysema. He was told if he quit smoking, he might have four or five years left.

After several failed attempts at quitting on his own, Hamp called SEARHC Tobacco Health Educator Jane Weagant. She helped him cut down to a couple of cigarettes a day, but the addiction is too powerful for him to completely give up smoking.

“I know it's killing me, and it's shortening what life I have left. But it still is very difficult to quit,” said Hamp, who hopes his story can help someone else quit or decide not to start smoking. “If I had to do it over again I wouldn't start.”

Tobacco Quit Services

The SEARHC regional tobacco program office offers tobacco quit services including one on one support and free Nicotine Replacement Therapy to reduce withdrawal systems. These free services are offered to SEARHC beneficiaries, employees and residents served by the SEARHC HRSA clinic in Haines. The SEARHC Tobacco Program can be reached at 1-888-966-8875 (Southeast region) during normal business hours.

The Alaska Tobacco Quit Line offers tobacco quit services for all Alaskans. The Quit Line offers free one-on-one support and Nicotine Replacement Therapy (patches). The toll-free number is 1-888-842-QUIT (842-7848) and is available 24 hours a day, seven days a week.



Phase I of NSRAA's new Confluence Spawning Channel was completed in March. Construction costs were covered by a state grant secured by Representative Bill Thomas.