

FISHRAP

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

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Medvejie Hatchery

Ten million chum fry and four million Chinook smolts will be released at the hatchery this spring. An additional 42 million chum fry will be released at Deep Inlet.



2009 Salmon Market Outlook : Not All Gloom & Doom

With today's unpredictable economy, people at home and abroad are looking for ways to save money. Though this could create some challenges for this year's Alaska salmon market, it could also be advantageous.

"There's certainly more concern with the more expensive species," says Laine Welch, a journalist specializing in the state's fish beat. "With the economy the way it is, people are tending to look toward lower food prices across the board."

Consumers opt for value

According to Chris McDowell, Seafood Industry Analyst at McDowell Consulting in Juneau, king salmon prices were at an all-time high last year. As consumers look toward more value-oriented foods, this could put some downward pressure on the prices of top-of-the-line products, such as king salmon, and more discretionary items like roe.

While there may be concern with Americans choosing lower-value salmon for their meat this year, Laine points out that Alaska's king salmon market may still fare well. "One good sign (for Alaska) is the West Coast king salmon fisheries are going to be way down again this year," she says. "The stocks there have been in a state of collapse, especially for the kings. So that will put Alaska in good shape for that market."

The supply – or lack of – may also bode well for Chinook prices this year. "Chinook, as long as we've got relative shortage, should not be far off from last year," predicts John Garner, Vice-President of Trident Seafoods. "I think coho is going to be affected more than chum or Chinook. Coho prices got to all time highs. It's just not sustainable in the economic climate we have right now."

Roe demand likely to decline

Most indicators also point to a decrease in demand for roe. "Eggs aren't a necessity item – they're not like meat and potatoes," John says. As people shave discretionary items from their menus, the roe market will likely feel a hit.

Exchange rates will also come into play. Historically, Japan and Europe (particularly Eastern Europe) are the biggest consumers of roe. While the Japanese yen remains fairly steady, European currencies have been unstable – affecting that market's capability to purchase the roe it desires. "The demand may be there, but they don't have the ability to pay what they did before," John says. That may mean there's more available

for the Japanese or domestic market, but, more likely, it will force prices lower.

Records show pink and chum ex-vessel prices at or near 20-year highs last season, says Chris. He attributes those prices partly to the slow, but steady, value increase for protein products, but primarily to roe values.

"A lot of what drove prices that high was the currency play in Europe," he says. "As a result, we saw abnormally high roe prices. Those prices aren't expected to be sustained. They've come back down closer to normal levels."

Still hungry for seafood

Though the economy may turn customers away from more expensive, discretionary foods, there's no indication there will be a significant decrease in the overall demand for seafood. As John says, most people put some form of meat at the center of their plate, so fish will remain an integral part of many people's diets.

"The recession could be a bright spot for the lower value salmon, namely the pink and chum salmon," says Laine. "The processors are turning pinks and chums into all kinds of new products.

Chums, especially, are taking off in the past years in the marketplace."

"I think there will be a continued strong demand for chum and value-oriented salmon products," agrees Chris.

Competing with Chile

When it comes to cheaper salmon, consumers will be choosing between wild and farmed salmon. Alaska's biggest competitor is Chile. In recent years, Chile has been experiencing production difficulties due to disease and other factors, says Chris. That could create a supply gap for Alaska to fill.

At the same time, however, Chile is launching a \$2.7 million marketing campaign to promote its salmon in the United States – "Salmon from the end of the world," says Laine. "They want to try to hold on to the market share in the U.S. They know that Americans are tightening their belts and will likely opt for a less expensive salmon."

Chile's marketing campaign could create some tough competition this season, but, as Laine points out, Alaska has created a unique niche for itself as buyers become more aware of food safety and the health and environmental benefits of wild salmon. "Overall, the fisheries are looking good and strong," she says, adding that only time will tell exactly how the economy will play out in the salmon market this year.

"I think there will be a continued strong demand for chum and value-oriented salmon products" - Chris McDowell

Hatchery Reports



At times it seemed winter would never end as NSRAA facilities experienced record snow accumulation. Left: digging out at Hidden Falls. Right: Greg Horton on the trail to Deer Lake camp.

If there's one thing that wasn't lacking this winter, it's snow.

Hidden Falls received a record 240 inches of snow this winter – roughly twice the average for the area. When NSRAA staff arrived at Deer Lake to open camp in March, they found an average of 10 feet of snow in most areas and 16 feet around the treehouse. (The Deer Lake cabin is built about 10 feet above ground, but it looked like it was on flat ground.)

This winter's abundant snowfall will provide much needed water when it melts, but it has also created some challenges for NSRAA hatcheries.

The hatchery staffs have been busy shoveling, of course. The trail between Mist Cove and Deer Lake likely won't be cleared for foot travel until late June, and planes will not be able to fly into the lake until early June, said Josh Homer, Project Leader.

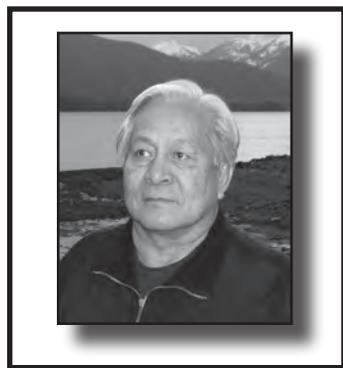
This winter's lack of rain has

also resulted in the lowest lake level on record at Hidden Falls – forcing the staff there to depend on mechanical equipment to maintain water to the hatchery until the lake level rises again.

Most importantly, however, the snow has not helped raise water temperatures that were already colder than normal last summer (at Hidden Falls, they were the coldest on record). This has created rearing challenges as the cold water slows the growth of the fry.

The Hidden Falls staff has made several changes to its rearing plan and techniques to combat the negative effects of the cold water. "We have been able to maintain our programs, but it is definitely not ideal," says Scott Wagner, Hatchery Manager, adding that the overwintering Chinook and coho, especially, need to be relatively large in the fall when they are moved to saltwater.

General Manager's Notes



Medvejie Hatchery.

Another significant change has been our realization that the Plotnikof Lake coho broodstock which was planned for our new Sawmill Creek Hatchery simply was not going to work as planned. That realization, of course, called for the immediate search for a replacement coho broodstock. Working with ADF&G staff, we have been able to switch to the local Salmon Lake Creek coho stock. This switch in stocks required a lot of work by several people. I believe that this change in broodstock for the Sawmill Creek Hatchery will prove to be a wise alternate choice.

I hope you all have a safe and prosperous fishing season.

-Pete Esquiro

Hidden Falls

Chum

NSRAA is rearing approximately 84 million chum in saltwater – 42 million at both Hidden Falls (HF) and Takatz. Though the hatchery barely met its goal of 90 million eggs last fall, it was able to keep the incubation loss to the lowest ever, thanks to the new Nopad style incubators. (NSRAA replaced its R48 incubators as part of a recently completed \$240,000 capital project.) Staff anticipated releasing the chum in late May – about one to two weeks later than normal, due to the cooler ocean temperatures.

Chinook

Approximately 1 million brood year 2007 (BY07) Chinook were ready for release in late May, despite their small size last fall. In spite of cool water temperatures, the zero-check (less than one year) Chinook at Hidden Falls and Tahini River are slightly larger this year, due to an early pond-

ing strategy. "If we can match our growth rate from last year, these fish may end up around 5-6 grams (compared to 3-4 grams last year) prior to saltwater transfer in late May/early June," says Scott.

Coho

NSRAA staff released 2.9 million BY07 coho from HF in May – the largest number ever released from this site. The saltwater coho over-wintering trial has been somewhat disappointing, however, Scott says. "We have lost roughly 16 percent over the past winter." Staff struggled to attain the target size of 16 grams for saltwater entry, again due to cool water temperatures. Small size compromises the fish's ability to tolerate salt water for extended periods, he says.

Maintenance

The staff at HF has a long list of maintenance projects scheduled for the summer, including building

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Hatchery Reports cont.

a new feed float for the Chinook net pen complex, preventative maintenance on the penstocks, inspection and repair of the pumps, motors and valves, and installation of a central alarm system for the Hydro, backup generator and vacuum compressor buildings.

Medvejie**Green Lake / Medvejie Chinook**

Both groups of BY07 yearling (1.99 million total) Chinook have overwintered well in saltwater net pens. The mortality for the Green Lake group was around 5.4 percent and Medvejie at .62 percent.

The NSRAA staff was pleased with the growth of the BY07 at Medvejie this winter. The fish were the smallest ever (11.82 grams) to enter the saltwater pens in the fall. Yet by April, they had grown to 42.4 grams. The staff expects the fish will reach their target size of 70 grams before they are released. The Green Lake group, on the other hand, was transferred to saltwater at 17.4 grams and averaged only 34 grams by April. Still, staff expects these fish to reach their target weight by release.

The BY08 Chinook at Medvejie were ponded about six weeks later than normal. By April, the Green Lake group was still in incubators. For the first time ever, staff heated up the water to speed their growth. NSRAA is rearing approximately 6 million BY08 yearling Chinook.

Deep Inlet/Medvejie Zero-check Chinook

The BY08 zero-check (less than a year) Chinook also were ponded later than normal, due to

cold water temperatures. Both groups weighed just under 0.5 grams at ponding and, by April, were almost 1 gram. This is about 1.5 grams less than normal for this time, but their overall health is excellent.

Staff planned to count and move both BY08 groups to net pens as soon as the ice melted – most likely in May.

Chum

This has been a good year for incubating chum. NSRAA staff worked hard to keep the incubators clean, preventing what is known as “crib death”.

It took a month to pond the fish into saltwater net pens – the longest session ever at NSRAA. Of the 52 million BY08 chum, 42 million were transferred by boat to Deep Inlet (about 2.7 million fish for each of the 16 boat trips). The remainder will stay at Medvejie.

Maintenance

There is a list of maintenance projects lined up for Medvejie this summer. Possibly the most anticipated project is the installation of a new backup generator – which will take over during power outages. Staff also will replace the covers on the A-pond raceways, and complete the final plumbing and incubation projects at the new Sawmill Cove Hatchery.

Deer Lake

NSRAA updated its operations at Deer Lake last winter, which has helped minimize early season maintenance work. In previous years, NSRAA shut the camp down for the winter. This year, staff made three one-week trips to camp throughout the winter, to monitor the facilities and the one million

fish overwintering in net pens in Deer Lake.

Despite the record snow this winter, no structures were damaged. Josh Homer, Project Leader, attributes this to the staff's work during the winter months. “We were able to keep up with some of the most susceptible places during our pre-opening visits,” he says.

Deer Lake doubles production

NSRAA is increasing its production at Deer Lake to 2 million fry – double that of 2008. Because of anticipated cold temperatures (slowing fish growth), NSRAA is planning to stock the fry two weeks earlier than normal but at the same size (one gram). (The eggs were incubated and reared in warmer water than usual, gaining about two weeks growth over three months.) The increased production this summer will be facilitated by a new Wavemaster net pen complex and two new feed floats. The new pens will allow NSRAA to increase its production in the future.

Saltwater smolt trial

The Deer Lake staff is planning to rear a portion of this year's smolts in saltwater pens – in an effort to increase their size and marine survival rates. These smolts will be tagged separately so NSRAA can measure the success of the trial.

Covers added to prevent loss

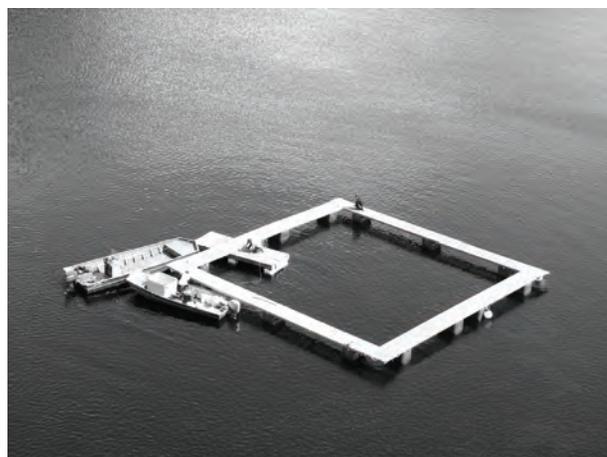
The staff planned to pump the fish from Deer Lake in May.



The Hidden Falls crew loads chum feed onto the Takatz barge.

“Overwinter net pen retention looks promising so far,” says Josh. “We are optimistic to have 80 percent of the November population left in pens when we pump them out.” The staff added fish-tight covers to the pens this winter, to prevent the fish from escaping should the pens sink during the winter. It looked like the covers were a success, Josh says, but they wouldn't know for sure until May.

NSRAA anticipates about 54,000 fish will return to Deer Lake this year. That number is based on an 8 percent survival rate – slightly lower than the 13 percent averaged over the past few years because the fish released last year were slightly smaller and emigrated later than usual.



It's that time of year again! Workers assemble pens in Green Lake for another season of Chinook rearing. Pen frame sections are lowered into the lake and connected to form 40 x 40 foot net pens. Two million zero-check and one million yearling fry are reared in the lake each year.

NSRAA 2009 Forecasts

In terms of numbers of fish, NSRAA returns are looking similar to 2008 returns for all species.

"This is good news in that 2008 saw a return of 4.1 million fish, with a commercial contribution of 2.7 million fish, worth a record \$19.8 million in commercial ex-vessel value," notes Chip Blair, NSRAA's Data Analyst. "Although prices aren't expected to reach 2008 levels, it appears prices will remain strong, and we should still see a healthy commercial value."

Chum

Hidden Falls forecast is set at 2.21 million chum, nearly matching the 2.25 million return of 2008. Medvejie / Deep Inlet is expecting a return of 1.16 million fish, a 25 percent increase from a year ago, when 925,000 chum returned.

Chum cost recovery needs are much lower than they have been in several years. About 11 percent of the return will go to cost recovery, compared to 20 percent last season and 44 percent in 2007. The hatcheries also need about 6 percent of the chum for broodstock.

"This is a huge reduction in cost recovery – 285,000 fish, or

about 3 million pounds less than the 2008 chum harvest," says Chip. "This translates directly into an additional 3 million pounds going into fishermen's holds."

Two factors contribute to the smaller cost recovery needs in 2009. First, NSRAA had a revenue surplus from the 2008 harvest which was applied to this year's budget. Secondly, relatively high cost recovery prices this season translate in fewer pounds needed to balance NSRAA's budget.

Late Large Chum Update

The 2009 season marks the third return of 4-year-old chum that were raised as "Late-Large" at both Hidden Falls and Deep Inlet. "Late-Large" (L-L) is a rearing strategy with later release timing and a larger fry size, which helps the chum fry move off-shore more quickly and avoid predation.

"The extra rearing costs can be recouped with less than a half of a percent increase in marine survival, so the strategy can be successful even with a marginal

increase," Chip says, noting that Douglas Island Pink and Chum (DIPAC) has had several groups of L-L chum achieve survival rates of one-and-a-half to five times higher than conventional fry.

NSRAA is still in the early stages of evaluating the L-L rearing strategy, with only two years of return data. Early analysis of otolith samples indicate that the first two release years of L-L fry actually survived at a lower rate than the regular groups at both Hidden Falls and Deep Inlet.

"Obviously this isn't the result we are hoping for," Chip continues. "It may be that holding on to the fry too long as water temperatures rise during spring rearing has a detrimental effect on the fish. We may not see the positive results DIPAC has experienced at their rearing sites, where water temperatures remain colder throughout the season."

After the spring of 2008 L-L release, NSRAA decided to suspend L-L rearing operations for now, while continuing to analyze adult returns from the five years of L-L chum already released. Adults will continue to return from these releases through 2012.

12,300 in 2008.

"Medvejie's Chinook return was one of the brighter spots in the 2008 season, especially in light of the poorer returns of wild and southern (British Columbia, Washington & Oregon) hatchery stocks," Chip noted.

NSRAA expects a Medvejie return similar to 2008 this season.

"Medvejie's zero-check program continues to evolve," Chip says. "Last season, a record 6,300 adults returned from the program, accounting for 14 percent of the total return. NSRAA began releasing zero-check smolts at Deep Inlet in 2006, and we expect the first group of 3-ocean fish to return this year. We don't expect a large return to Deep Inlet this season, but will get some idea of survival at Deep Inlet. This group is NSRAA's first attempt at a remote release of zero-check Chinook."

Hidden Falls Chinook are projected to be down sharply, at about 60 percent of the 2008 return. The hatchery had a very poor showing of 2-ocean fish in last season's return. This number is the major factor in predicting the 2009 return.

Coho

About 250,000 NSRAA coho (all projects) are expected in 2009, very close to the 260,000 that returned in 2008. Coho returns are calculated using an average marine survival rate of 6-8 percent, since there are no earlier age classes returning to use as a gauge.

Last year saw a strong coho return to Hidden Falls, with 235,000 fish returning. This year's return is forecast at 180,000 fish, but could easily approach last year's number if marine survivals reach 10 percent.

Deer Lake experienced a lower return in 2008 with only 3.5 percent marine survival. Numbers will hopefully rebound in 2009. The forecast is 54,000 for Deer Lake, which would triple last season's return.

Sitka area coho returns to Medvejie and Deep Inlet in 2009 are projected at 13,800 fish, compared to 4,200 in 2008.

The Plotnikof coho stock has continued to under-perform and will be discontinued. If escapement levels permit, NSRAA will begin wild egg takes to begin a hatchery program with the local Salmon Lake stock this fall.

Boat Harbor and Limestone Inlet Chum (cooperative projects with DIPAC)

Boat Harbor is expecting a return of about 257,000 chum, down from 481,000 in 2008.

Limestone Inlet has a forecast of 110,000 fish, which is also down from the 157,000 return in 2008.

NSRAA's Board of Directors decided to end funding to these two projects, beginning with this spring's rearing. Adults from releases under the cooperative agreement will continue to return through 2012.

Haines Chum

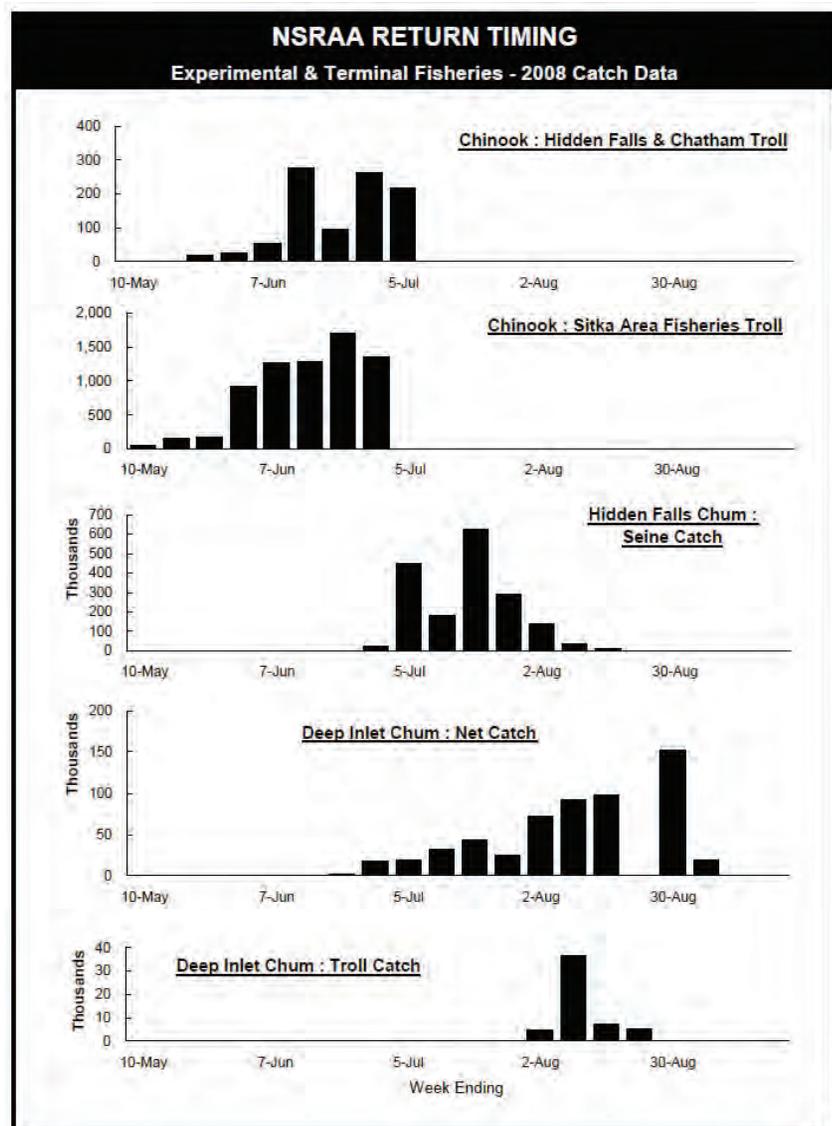
In 2008, 22,600 chum returned to the spawning channel and incubation boxes near Haines. Numbers are expected to drop in 2009, with a forecast of 16,400 fish.

Chinook

Total Chinook numbers are forecast at 49,700, down from the 57,850 that returned in 2008.

Medvejie's forecast is 43,000 Chinook, down slightly from 45,600 in 2008.

Hidden Falls' return is expected to drop to about 7,600 fish, from



Field Projects Update

Haines Area Projects

NSRAA plans to operate its Haines field project much the same as it did in 2008, though no new spawning channels are scheduled to be constructed this year.

This is the second year NSRAA plans to transport about 250,000 zero-check (less than a year) Tahini River Chinook smolts from Hidden Falls Hatchery to Lutak Inlet, where they will be reared in a net pen for about three weeks before being released. This program, funded by the ADF&G Sport Fish Division, is intended to enhance the Chinook sport fishery in the Upper Lynn Canal area. NSRAA plans to release these smolts in mid-July, at about 15 grams.

In September and October, NSRAA will conduct salmon egg takes and load streamside incubators with fertilized eggs at the following locations: Herman Creek spawning channel (1.6 million eggs), 31-mile incubation boxes (800,000 eggs) and 17-mile incubation boxes (2.4 million eggs). NSRAA plans to thermal mark the chum eggs at the 17-mile site, if possible.

NSRAA will monitor all the spawning channels for chum salmon escapement from late August through October.

Salmon Lake Weir

NSRAA began operating the Salmon Lake Weir in 2007, as part of ADF&G permitting requirements stipulated in the NSRAA's new Sawmill Cove Hatchery's Basic Management Plan.

The objective of the study is to estimate escapement of coho salmon into Salmon Lake – to ensure there are enough fish returning to maintain the wild population, and to monitor for strays (enhanced salmon entering the lake). As part of the study, NSRAA employees also sample scales and estimate the age, length, sex and condition of the fish.

For the past two years, three NSRAA employees have operated the weir and a field camp at Salmon Lake from late-June through early November. Based on procedures developed cooperatively between NSRAA and ADF&G, employees use mark-recapture methods – capturing, marking, and releasing fish in the same area repeatedly – to estimate the lake's population.

“Say we capture 200 fish and we mark them and then release them,” explains Lon Garrison,

NSRAA's Operations Manager. “The next week we catch 150. Maybe 40 of those are those we tagged the first time. The more repetitions, the greater the number of recaptures, the closer we can estimate the population.”

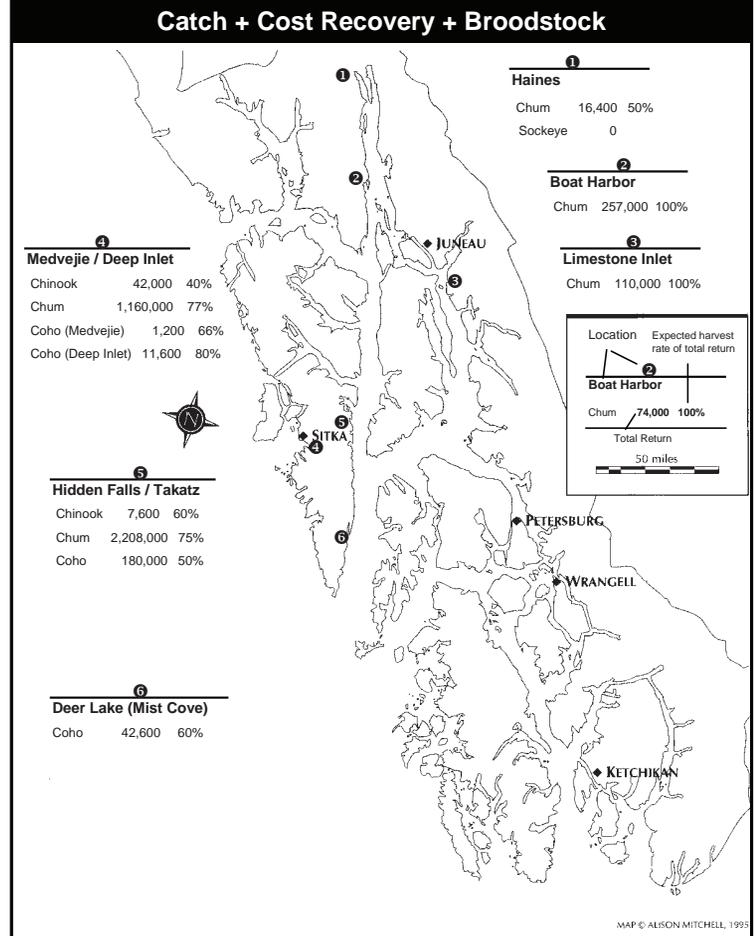
NSRAA must estimate escapement in the event fish pass upstream of the weir undetected or in case the weir were to fail. It also allows employees to calibrate the weir. If the number of recaptures is low, the weir is not working well. If it's high, the weir is fish-tight.

The mark-recapture method is standard practice for weir counts across Southeast Alaska. In fact, some variation of this method is used on every major ADF&G weir project in the region. Recapture events are scheduled during peak coho immigration, either every week, or on alternating weeks, depending on water levels.

Any coho found with a missing adipose fin – indicating it came from a hatchery – is sacrificed, if it isn't already dead, Lon says. The head is sent to ADF&G where it is sampled for a coded-wire tag. Ideally, hatchery strays should make up less than two percent of the returning fish population, Lon says, “but there is very little indication of hatchery fish straying to Salmon Lake.”

So far, NSRAA's study indicates an estimated 3,111 salmon returning to Salmon Lake in 2007, and 2,777 in 2008. Length and sex estimations have been consistent with the results of previous studies conducted there by the ADF&G.

2009 Projected Returns to NSRAA Projects



In the dark: Assistant Manager Ritch Phillips and crew work in the Medvejie incubation room this spring during chum fry ponding.

NSRAA 2009 Return Projections							
Site	Projected Return	Range		Commercial	Sport	Cost Recovery	Brood Stock
		Low	High				
Chum							
Hidden Falls	2,208,000	1,710,000	2,710,000	1,863,000	-	225,000	120,000
Medvejie/Deep Inlet**	1,160,000	660,000	1,660,000	970,000	-	130,000	60,000
Boat Harbor*	257,000	135,000	382,000	257,000	-	-	-
Limestone Inlet*	110,000	83,000	140,000	110,000	-	-	-
Haines Projects	16,400	11,400	21,400	6,560	-	-	9,840
	3,751,400	2,599,400	4,913,400	3,206,560	-	355,000	189,840
Chinook							
Hidden Falls	7,600	5,100	10,100	4,180	250	170	3,000
Medvejie	42,100	32,100	52,100	21,050	2,105	14,945	4,000
	49,700	37,200	62,200	25,230	2,355	15,115	7,000
Coho							
	<i>Marine Survival:</i>	<i>6-8%</i>	<i>2-6%</i>	<i>12%</i>			
Hidden Falls (8%, 6-12%)	180,000	140,000	270,000	90,000	4,000	76,000	10,000
Deer Lake (8%, 6-12%)	54,000	13,500	80,000	32,400	1,000	20,600	-
Medvejie (6%, 2-12%)	1,200	400	2,400	792	108	-	300
Deep Inlet (6%, 2-12%)	11,600	3,900	23,200	8,700	1,160	1,740	-
	246,800	157,800	375,600	131,892	6,268	98,340	10,300
ALL SPECIES TOTALS:	4,047,900	2,794,400	5,351,200	3,363,682	8,623	468,455	207,140

* Cooperative Project with DIPAC (final cooperative release spring 2008; adults return through 2012 (5-year-old chum))

** Cooperative Project with SJH

Board Member Profile: Marlene Campbell

While commercial fishermen hold the majority of seats on NSRAA's Board of Directors, the remaining ten directors represent a variety of perspectives. Marlene Campbell is one of the few on the board whose life does not revolve directly around fish.

Marlene works as the Government Relations Director for the City and Borough of Sitka (CBS). She was selected to fill the board's municipal seat in 1996, when it was vacated by Steve Gilbertson, of the City and Borough of Juneau. According to Lon Garrison, NSRAA's Operations Manager, the municipal representative could be from any municipality within the region. The seat was created so NSRAA could have input from municipalities that might be affected by its operations.

Marlene grew up in Oregon. She worked for the Marine Advisory Program before moving to Sitka

in 1974. Once, Marlene left Sitka for a job in Washington D.C., but it was only a few months before she returned to Alaska. "Sitka is my home," she says. "It's a wonderful place to live and subsist. I wouldn't want to live anywhere else." Marlene lives with her husband, Dave Magnus, a retired fisheries biologist, and their three dogs on an island in Sitka Sound.

Marlene began working for Sitka in 1987, as the CBS Coastal Management Coordinator. That position has since morphed into three. Now, her position includes coastal and resources management and permitting, but the majority of her time is spent directing federal and state lobbying for institutional fund-raising. She is also the City's specialist on transportation, water rights and other technical issues.

Not surprisingly, Marlene works a lot. "I mostly work day

and night," she says. "I am pretty much wedded to my job."

When NSRAA's municipal seat became vacant, "the City of Sitka was actively supporting the funding for a NSRAA fish hatchery at Sawmill Cove Industrial Park and City funding for NSRAA's Green Lake king salmon project, so there were obvious links between the City and NSRAA, which in turn produces fish for the common property fishery leading to raw fish tax for CBS," Marlene explains.

Marlene has learned a great deal about fish allocations and gear group interests during her time on the board. "It's been a real learning curve for me to get up to speed on the fisheries aspect of the program," she says. While many of the gear group members are on the board to represent their group's interests, Marlene is able to provide

NSRAA with a different perspective.

"As one of the public members of the board, I feel it's my mission to support the best interests of the entire organization," she explains. "As opposed to being responsible to one specific group, the non-gear-group members of the board can look at the overall well-being of NSRAA. And I take that very seriously. What's best for NSRAA is going to be the best for the fish, the gear groups, the public, everybody – not just for individual groups, but the entire Southeast Alaska region."

New Board Members

Rural Troll

Wade Martin

Subsistence

John Blankenship

NSRAA Cost Recovery 2009

NSRAA's 2009 chum cost recovery harvest will be the lowest in fourteen years. Harvest goals have been set for Hidden Falls - 1.8 million pounds, and Deep Inlet - 1.04 million pounds, for a total of 2.84 million pounds. The harvest will be only 43 percent of the five-year average of 6.57 million pounds.

Why the large drop? "Several factors came together to cause the reduction," explains Chip Blair,

NSRAA Data Analyst. "Last season saw a cost recovery revenue surplus of about \$2.2 million due to strong returns and higher than expected cost recovery prices for all species. Also, the overall budget was trimmed when the NSRAA board decided to end funding to Boat Harbor and Limestone Inlet."

NSRAA's board debated as how to best deal with the surplus revenues. In the end it was decided

to apply \$1.5 million towards the 2009 budget and place \$700 thousand into reserves to reduce cost recovery needs again in 2010.

NSRAA adopts a new cost recovery process

In separate actions, the board decided to restructure the cost recovery process. This is a two part process. Beginning with the 2008 harvest revenues, Chinook and coho revenues will be "forward-funded". Cost recovery revenues collected from these species each season will be applied to the next season's needs. Thus, 2008 Chinook and coho revenues were applied to 2009 revenue needs, leaving the chum harvest revenue from this summer as the only requirement to balance the budget. This means that we have a known dollar amount needed to balance the budget.

The second part of the restructuring is that chum cost recovery is now bid out in "dollars required" rather than in pounds. The bid is worded in this format: "NSRAA requires \$1,000,000 from this source [for example Deep Inlet]. What is the LOWEST number of pounds you are willing to take for this amount?"

"This may seem confusing," Chip comments. "What these changes do is allow NSRAA's revenue to more closely match its bud-

get needs, reducing the tendency for cost recovery receipts to exceed or come in below target."

2009 Chum Harvest Management

Hidden Falls cost recovery will begin sometime during the week of June 21- 27 and will be conducted in the same manner as it has been over the past several seasons. Operations Manager Lon Garrison will take over the reins as the cost recovery manager this season. In addition to harvesting the 1.8 million pounds, harvest boats will aid in the capture of most of the 130,000 broodstock required for the project.

Deep Inlet cost recovery will be approached in the same manner as in the past few seasons as well. Fishing will begin in early June with most of Deep Inlet closed to allow a build up of fish. Chip Blair will manage the harvest. "With the lower goals this season, we hope to get cost recovery wrapped up sooner than in the past, on both sides of the island," Chip says.

Cost recovery should go smoothly, as only about 11 percent of the fish from each site are needed for cost recovery this season, compared to 20 percent or more in most years.



Bonus year for fishermen: A cost recovery surplus in 2008 translates into fewer cost recovery fish in 2009. Only 11 percent of the Hidden Falls and Deep Inlet chum returns are needed for cost recovery.

Ron Josephson Provides Additional ADF&G Support for Hatcheries

Ron Josephson has a long and intimate history with Alaska's hatcheries and its salmon, which is why NSRAA is so pleased he was chosen as the Sections Chief for Alaska Department of Fish and Game's (ADF&G) Fisheries Monitoring, Permitting and Development Section.

A resource and facilitator

For those unfamiliar with the role of this ADF&G section, it is in charge of overseeing the permitting and development of hatchery and mariculture programs. But, as Ron says, "I don't think it very well describes what we do." An integral part of his job as Sections Chief is to support and assist with the work of fish hatcheries and mariculture farms.

"I think we've got a tremendous resource here in the State, as far as people with experience," Ron says. "I want to facilitate communication between the hatcheries and the Department, and also between the hatchery programs."

Take the sockeye fish culture as an example, he says. The fish can be extremely difficult to raise, and hatcheries often have a hard time duplicating sockeye's natural cycle. If one hatchery is struggling with a problem, Ron hopes to help find someone who has the answers.

"He can be both a resource and a facilitator," says Lon Garrison, NSRAA's Operations Manager. "When we have problems permitting, he can act as an intermediary for us. If we need specific help, in terms of a project, he may have access to a person with the necessary resources. He's got a perspective and a history that pertains to what we do and he's got a really great

ability to let others know (who are not familiar with what we do) how it all works."

Ron's history

Ron's history dates back to 1976, when he first began working for the ADF&G. Ron grew up in Minnesota and fell in love with Alaska when he visited the state in 1975. He was back within a year to work as a seasonal technician at Big Lake Hatchery. By the end of the summer, Ron was promoted to assistant manager. He worked that position for a year and a half before becoming a biologist for the hatchery. "Although I liked the hatchery work, I found myself more drawn to field projects," Ron says.

In 1980, Ron left Big Lake for Ketchikan, to work on a summer limnology (the study of lakes) project. (The State was fertilizing lakes to bolster the plankton populations sockeye eat.) At the end of the season, Ron was offered a position as a hatchery biologist at the Snettisham Hatchery in Juneau. In his first spring there, Ron helped coded-wire-tag 100,000 chum salmon. He also assisted with many tasks at the hatchery.

After about five years, Ron was promoted to area biologist. He began working with hatcheries – both state-run and private – all over the northern southeast region.

In 1995, the State transferred its hatchery programs to the private sector and Ron moved to the

ADF&G's Division of Commercial Fisheries, supporting projects in the Juneau area. After a few years there, he moved to what's now known as the Department's Mark, Tag and Age Lab, where his charge was to oversee the tracking of all coded-wire and otolith-tagged fish – from hatcheries and in the wild. He held that position for the past ten years.

Hatcheries look for more support

It was after the State transferred its hatchery programs to the private sector and the Department's FRED (Fisheries Rehabilitation Enhancement and Development) Division dissolved, the level of Department support for private non-profit hatcheries diminished. "I think this position came about because the hatchery operators felt like they weren't getting the same level of support from Fish & Game that they had ten years ago," Ron says.

Pete Esquiro, NSRAA's General Manager, and Steve Reifensstuhl, NSRAA's former Operations Manager, were integral in urging the State to provide more support for the hatcheries. "It just seemed like things were going nowhere fast, if not going downhill," Lon says. "The value of what we do for the State is really substantial and it's important that we have a decent working relationship with the Department. We weren't get-

ting the support we needed to educate somebody – legislators, for example – about what we were doing. If the Department didn't have somebody that was a bit of an advocate of what we do, we stood to lose quite a lot. We're not saying we shouldn't be regulated or monitored; we're asking for somebody that really understands what we do and works with us in a more cooperative manner."

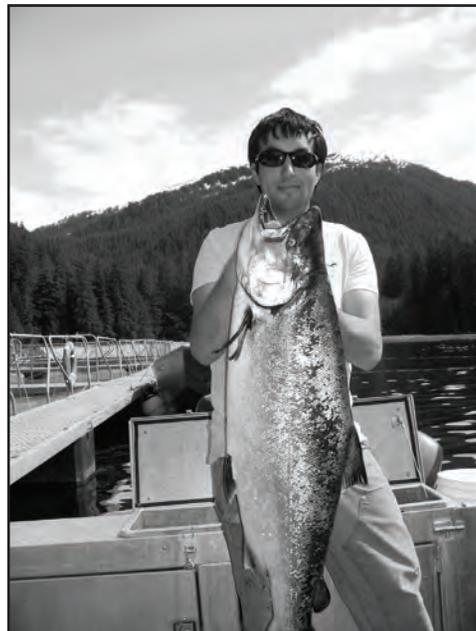
Which is exactly what Ron intends to do. "I think we're bringing a greater spectrum of experience to this section," Ron says, referring to his position and the two new staff positions under him. Adding to Ron's experience, the newly hired hatchery evaluations specialist has previously worked with 18 hatcheries, and the mariculture specialist brings extensive experience with GIS (Geographic Information Systems). All combined, he says, it will make for a "more cohesive program".

"We're really thrilled that it is Ron (who was selected as the new Sections Chief)," Lon says. "I've worked with Ron for over 20 years now, and he's got a tremendous history with Fish and Game, and with salmon enhancement in general."

Though Ron only moved to his new position in February, NSRAA is already seeing a difference. Both Ron and Lon attended the Regional Planning Team's spring meeting, where Ron was able to give some perspective on allocation issues, and the Hatcheries Operator Meeting with the ADF&G., where Ron helped facilitate discussion and acted as an intermediary between the groups, Lon says.

Though Ron spends much of his time working, he also makes time to enjoy himself. He lives in Juneau with his wife, Jeanne, whom he met at the Snettisham Hatchery. They have two sons, Tom and Matt, who are in college. Ron loves to hunt and fish. He's also a Scout Master and a Deacon at their church.

"I want to facilitate communication between the hatcheries and the Department, and also between the hatchery programs."
-Ron Josephson



Seasonal Success.
First Chinook of the year:
Blake Conway, a seasonal working at the Deep Inlet chum rearing complex was surprised by a 32-pound king while fishing for Dolly Varden after work.
Not to be out-done, Henry Hastings, a seasonal at Hidden Falls landed a 43-pounder from the Hidden Falls dock two days later.



NSRAA 2009 Returns to Date	
<i>Winter Troll Fishery:</i>	
<i>Medvejie.....</i>	<i>260</i>
<i>Hidden Falls.....</i>	<i>234</i>
<i>Total NSRAA.....</i>	<i>494</i>
<i>(2 % of 24,880 winter troll catch)</i>	

New Broodstock for Sawmill Cove

Salmon Lake broodstock approved for Sawmill Cove

Though NSRAA's newest hatchery, Sawmill Cove, is complete and ready to go, the facility likely won't be used for a while. After working with coho stock from Plotnikof Lake for several years, NSRAA staff was forced to look for a new broodstock for Sawmill Cove.

When plans for Sawmill Cove began, NSRAA had hoped to use a local stock from Salmon Lake, just a few miles from Medveje. That wasn't possible at the time, so NSRAA turned its attention to Plotnikof Lake, about 45 miles away.

For the past five years, NSRAA has been spawning coho eggs from the Plotnikof Lake stock in preparation for Sawmill Cove's opening. Part of the process includes testing the adults for bacterial kidney disease (BKD), a disease that occurs naturally in the wild but can be devastating in a hatchery. Though there was only about 12 percent incidence of BKD in the broodstock the first year, the rate has been exceptionally high the past two years – soaring to 75% in 2008. That means out of 142,000 eggs collected, only 10,700 could be incubated, raised and released.

"On top of that, the fish that we produced from this broodstock did not survive well," says Lon Garrison, NSRAA's Operations Manager. "When we released the

smolts from the hatchery, they looked fine. But they didn't return. They worked in the wild at Port Banks, but they didn't work at our hatchery."

NSRAA had no choice but to look for a new source for Sawmill Cove's broodstock, and returned its focus to Salmon Lake. "The powers that be today are more in favor of us using a local stock because there's a bit less concern with straying versus a non-local stock," Lon says. Nonetheless, NSRAA still faces the challenge of preventing the broodstock from straying back to its natal stream to ensure it has minimal, if any, impact on the wild population. NSRAA and the Alaska Department of Fish and Game will monitor this closely.

In order to switch the broodstock to Salmon Lake, NSRAA first needed the approval of the Regional Planning Team (RPT). Lon attended the RPT's meeting in April, and was granted the necessary permit alteration request.

Of course, there's no guarantee that the Salmon Lake stock won't have similar survival or disease problems, but the staff at NSRAA is hopeful. "No disease history has been developed for this stock, so we're starting from scratch," Lon says. "I think in terms of the fish actually surviving – for the fish we actually incubate and rear – we should see good survival for those fish. They're locally adapted to Silver Bay and Sitka Sound."

Regardless, the change in broodstock has set the Sawmill Cove project back by several years. "I don't anticipate having the hatchery in use until 2012, when we have enough eggs to make it worth the while," Lon says. Meanwhile, there is enough room at Medveje to accommodate the new eggs for the first several years. Once the numbers are high enough to justify the cost, NSRAA will open Sawmill Cove.

Release Update...

3 Billion!

*Sometime in late May
NSRAA released its
3 billionth
chum fry.*

Spring Board of Fish Recap

Only one proposal – changing the ratio between gillnetter and seine days – approved by the Finfish Board of Fish (BOF) at its February meeting had a major impact on NSRAA.

Pete Esquiro, NSRAA's General Manager, and Lon Garrison, NSRAA's Operations Manager attended parts of the 10-day meeting in Sitka. Though there were a number of proposals put forward, only three were approved.

Proposal 273

The Joint Regional Planning Team (RPT) submitted this consensus proposal to address the imbalance in allocation between gillnetters and seiners. This proposal, which amended regulation to update the ratio of gillnet to seine time from 2:1 to 1:1, was developed by consensus between all three gear groups at the Joint RPT's December meeting. The BOF approved the amendment.

"What that meant for NSRAA is that our Board of Directors had to come up with how that new ratio would be implemented, in terms of a fishing schedule," says Lon, adding there was some debate over the issue. "In the end, the seiners only wanted to fish two days a week, which limited the gillnetters to fishing only two days a week."

Proposal 274

The Southeast Alaska Seiners Association submitted this proposal, which was nearly identical to #273, and withdrew it once the BOF approved #273.

Proposals 244 & 245

Gillnetters in the Lynn Canal and Juneau areas submitted these similar proposals, asking the BOF to exclude private non-profit enhanced salmon from the 3 percent enhancement tax revenue. (Though the gillnetters have exceeded their allocation range for several years, some feel they are not receiving adequate benefit from their tax.) The BOF chose to continue including all enhanced salmon under the region-wide allocation plan.

Proposal 281

This housekeeping proposal creates a set area and date closing the Mist Cove Special Harvest Area to common property fishing each year, from July 31 to September 30.

Proposal 282

Another housekeeping proposal, #282 put into regulation a set areas and dates closing the various Special Harvest Areas to common property fishing each year at different times, depending on the fishery species. With this proposal, the Alaska Department of Fish & Game avoids having to close these areas by emergency order.

"As far as NSRAA is concerned, the BOF meeting went well," Lon says. "We didn't see any major changes except for this allocation issue."

The BOF will review the new allocation between gillnetters and seiners in three years. At that time, it will determine whether to continue the new allocation or revert back to the 2:1 ratio.



Sawmill Cove Hatchery is complete. NSRAA hopes to have the first coho rearing at the new facility in the summer of 2012.