



P.O. Box 153 • Yakutat, AK 99689 • Phone: 907-784-3000 •
E-Mail: yakutatraa@gmail.com Web: www.yraa.org

Date: March 25, 2014

Tom Harris
President/CEO
Yak-Tat Kwaan Inc.
P.O. Box 416
Yakutat, AK
99689

Dear Mr. Harris:

The Yakutat Regional Aquaculture Association (YRAA) would like to request a meeting to discuss possible lease options of Yak-Tat Kwaan properties for the purpose of operating a hatchery/incubation facility and related remote release site(s).

The YRAA was formed in February of 2011 to engage in aquaculture in the Yakutat region to augment the State of Alaska common property fisheries that contribute to the subsistence, sport, commercial, personal use and other Alaskan fisheries through the rehabilitation and enhancement of salmon. Commissioner of Fish and Game Cora Campbell recognized YRAA as the Yakutat regional aquaculture association in the fall of 2011. Since then we have established a State approved and collected salmon enhancement tax (SET) assessment, providing a consistent foundation for our future operating budget. In addition, we are currently working with the Yakutat Regional Planning Team (RPT) to finalize our update of the Yakutat Salmon Plan, which was last revised in 1984.

We think it is important to communicate the structure of YRAA as a regional aquaculture association (RAA) and the composition of our board of directors. Regional Aquaculture Associations (RAA) are formed under the commissioner's authority for the purpose of enhancing salmon production according to criteria set out in AS 16.10.380: (1) comprised of representatives of commercial fishermen in the region; (2) includes representatives of other user groups interested in fisheries within the region who wish to belong; and (3) possesses a board of directors that includes but is not limited to, commercial fishermen, sport fishermen, subsistence fishermen, processors and representatives of local communities. YRAA has met these criteria and we feel our board is very representative of the community of Yakutat. We would be happy to provide our articles of incorporation, bylaws, letter of recognition from the Commissioner, and current board of directors for your review or they can be accessed through our website at www.yraa.org.

At this time YRAA is working with hatchery engineers and hydrologists to determine areas within our region that contain the needed water and other necessary criteria to operate a hatchery. As a first step in the permitting process we first narrowed our consideration of possible remote release sites through a request to Alaska Department of Fish and Game for

a management feasibility analysis (MFA map— copy attached). Currently we have now narrowed our search for the main hatchery/incubation facility to the YKI processing plant and the area directly west of the log loading facility at Sawmill Cove, both owned by Yak-Tat Kwaan. The operation of YKI as a hatchery would require use of the main processing building, large water storage tank, ocean access, and the ability to retrofit the existing infrastructure to meet the necessary water and operating needs of a hatchery. We don't require the use of the icehouse or bunkhouse for our operation. The Sawmill Cove site would require the construction of a hatchery/incubation facility and the infrastructure necessary to operate. At both sites we will be required to secure the water rights necessary to operate.

We are very interested to discuss the possibility of a long-term lease or sale of these sites for these purposes. If a lease option is considered we will be requesting the longest term possible. As a hatchery, we will be operating on the life cycles of the salmon and it would not be possible to do so on a short-term lease. Ideally, we would like you to consider an indefinite lease that stayed in effect as long as the hatchery was operating and meeting the terms of an agreement. If an agreement is reached it will be signed by the president and vice-president of the board of directors on behalf of the YRAA after adoption of a resolution by the Board.

In the phone call with our Executive Assistant Sheri Nelson, you asked if the facility would be a formal hatchery with tanks. This will be a hatchery/incubation facility. The first project the YRAA Board of Directors is pursuing is a chum program. Different species have different needs in regards to hatchery/incubation facilities. One of the reasons YRAA is interested in pursuing a chum program first is the balance between the cost to raise the fish and the benefit fishermen can receive. Part of the reason the cost for chums is more economical than coho, sockeye, or chinook is that you don't have to raise the smolt/fry for an additional year of fresh water rearing in tanks/raceways. A hatchery building, whether it is a conex van, a Butler steel building, or an existing structure that has been modified, will need to have water flowing into it by gravity or pump delivered to what is called a head tank or head box. Generally the head box is at head height and might be 8'x6' in size. Water passes from the head tank via PVC pipes to the incubator stacks (heath trays or zenger incubators), which are about 5' tall and consist of 5 individual incubators. Each stack of chum holds 1 million eggs; these are 4'x4' wxl. If your program is 10 million chum, you will have 10 stacks or a footprint of 12' x 20' which includes space to walk down the middle of them. There will be drains in the floor to carry the water to the effluent. A building at this stage might be 20'x20', but needs to be modular for growth or built large enough to accommodate growth.

The building would also house some workspace, a device to separate substrate from fry when they emerge, and a heater and recycle pump for the otolith marking. Finally, you will need a trough or pond to place the chum fry in for 24 hours. Generally, this is outside and needs to be plumbed with flow through water. It would need to be approximately 6'x20' and have good flow, possibly O2 stones and lined with a net.

In addition to the hatchery/incubation facilities, we are also looking at areas adjacent to other Kwaan properties as possible release sites for the salmon fry. The release sites would mainly consist of an ocean based rearing facility in State waters but would possibly require access over Kwaan land. These possible release sites include Broken Oar Cove, Redfield Cove, Humpback Cove, and Monti Bay and are shown on the attached MFA map. At these potential sites we would like to request access to the ocean based facility and will be required to obtain the water rights necessary to maintain a viable release location.

We are very excited at the possibility of working with the Yak-Tat Kwaan to secure a facility and release site. This would be a huge step forward in the development of our aquaculture association and in return we feel for the community of Yakutat. The benefits associated with aquacultures east and west of Yakutat have been widely analyzed and shown to be extremely profitable, both directly to the fishermen and indirectly to the community in which it is based. As a non-profit it is our goal to bring these benefits to the community of Yakutat and to the people who live, fish, work in, and visit this area.

We understand and respect that part of the mission of the Yak-Tat Kwaan is to enhance opportunities for shareholder lives and to protect and enhance their culture. As an aquaculture association we will be creating much needed local Yakutat job opportunities and directly enhancing the largest industry in the community. Salmon fishing is an integral part of the community and the culture of those who live here. YRAA recognizes this and wants to ensure all stakeholders that the natural salmon stocks are to be protected and that the following state mandated criteria must be met for YRAA to operate a hatchery:

- The program shall be operated without adversely affecting the natural stocks of fish in the state and under a policy of management which allows reasonable segregation of returning hatchery-reared salmon from naturally occurring stocks.
- A hatchery permit may not be issued unless the Commissioner determines that the action would result in substantial public benefits and would not jeopardize natural stocks (AS 5 Sec 16.10.380 (g))

We look forward to meeting with you and discussing possible options for moving forward. Thank you for your time and consideration of these requests. If you have any questions or would like any additional information, please don't hesitate to contact us.

Sincerely,



Nate Endicott
General Manager/Vice-President



Sheri Nelson
Executive Assistant

Proposed YRAA Release Sites Sept. 2012

