

Yakutat Regional Aquaculture Association

Saturday, January 25, 2014

ANB Hall

YRAA Board Members: Larry Bemis, Nate Endicott, Martha Indreland, Herb Holcomb, Nick Holcomb, Sam L Demmert, Casey Mapes, and Jesse Pavlik, Alternates: Brad Swanson for Harold Robbins, Jeremiah Pavlik for Jonathan Pavlik; and Curt Holcomb for Wayne Ivers

YRAA Board Members Absent: Kip Fanning, Wayne Ivers, Sam O Demmert, Harold Robbins

Public: Kathy Hansen by teleconference; Brian Marston, Jeff Fraker, Les Harley, and Jan Piccard

Larry Bemis, President handed the gavel over to Casey Mapes to chair the meeting. Meeting was called to order at approximately 12:10 pm with a quorum of members present.

Meeting was recorded but of poor quality.

3. ADOPTION OF AGENDA

Joy introduced the new format for the agenda. Each item sent in the board packet is numbered and matches the agenda item number. This should make finding the matching materials easier. Casey/Nick motion to adopt agenda passed unanimously.

4. MINUTES of November 2, 2013

Herb/Nick motion to adopt minutes as presented passed unanimously without discussion.

5. FINANCIAL

The five pages of financial information were introduced. Questions were asked about Tetra-Tech and the legislative grant. Grant information is in the packet (6.6A) and the first grant reimbursement request of \$14,339.21 has been sent to the state but not received yet (6.6B). Tetra Tech agreement is in the packet (6.5A) and will talk about later.

Nick/Larry motion to acknowledge financial information presented passed unanimously.

6. OLD BUSINESS

6.1 Directors and Officers Liability Insurance

Kathy read from a brochure that she had planned to hand out that provided a brief description of D&O Liability Insurance. *Actions brought against directors and officers based upon actual or alleged wrongful acts arising from the execution of their day-to-day duties and management functions can result in a D&O liability claim. D&O liability insurance can protect the personal assets of directors and officers from catastrophic financial loss in the event of such a claim. The D&O policy also provides coverage for the organization. It's becoming more common for directors to require that an organization purchase D&O liability insurance before they serve on its board. It is easy to understand why. Litigation expenses alone can amount to millions of dollars. D&O coverage can help protect the directors and officers from personal financial loss relating to those expenses.*

We received two quotes, one from Wells Fargo for \$1 million for \$1283.00 (or \$2 million dollar coverage) or from Shattuck & Grummett for \$1 million coverage for \$1442.00. The policies are similar and cover not only the D&O liability coverage but also Employment Practices Liability Insurance, Fiduciary Liability Insurance & Misc. Professional Liability insurance. Kathy recommended going with the \$1 Million policy with Wells Fargo. They were more responsive and timely with the quotes as well as a little cheaper. Larry commented that with the receipt of tax money later this year we should get this insurance in play.

Nate/Nick made a motion to bind a \$1,000,000.00 policy with Wells Fargo.

6.1B By-law Amendment

Kathy explained the two by-law amendments that were presented in the board packet (6.1B). The first amendment clearly will allow the spouse of a permit holder to be on the board of directors in a seat for that gear group. The intent was always to allow this to happen but by making the following by-law change in Composition – Section 2.1 to add “or their spouse” provides clarity. This is something that NSRAA allows on their board of directors. The second amendment in Section 2.6 Nominations, Elections and Appointments further refines the details on how board elections will be conducted.

Nick/Herb made a motion to approve the by-law amendments on page 6.1B for section 2.1 and 2.6 of the by-laws as written, passed unanimously.

6.2 Comprehensive Plan

Kathy said that she plans to provide the department with a revised updated comp plan next week but sent out by email two sections she wanted to discuss with the board as they were the requests the board had made. The first document is the Roadmap for Hatchery Permitting. Kathy walked them through the document verbally since she hadn't made it with the paper copies. Many of the steps and permits can be worked on at the same time. Some questions were asked.

The second document sent out by email was a project checklist and stock appraisal tool that would address the genetic policy requirements. Both documents have become part of the comprehensive plan.

Kathy again explained that YRAA can continue to move forward with planning and permitting even if the comprehensive plan isn't finished or approved yet. Brian Marston, sport fish regional biologist asked how the project would be evaluated against the comprehensive plan if it is not finished yet. Kathy answered, similar to how the MFA was in that the department acknowledged that the Comp. plan was in the process of being updated and that you would likely compare the project to the new goals being recommended in the updated plan.

Kathy said she would send the copies up and if anybody had questions or ideas to give her a call. She didn't know what the timeline for the department to review the document would be.

6.3 Tax Exempt Status - Informational

6.4 Newsletter - Informational

6.5 Tetra Tech

Joy reminded the board that we have an agreement with Tetra-Tech for \$13,600. The board approved expenditures on water studies of up to \$20,000. She received an email this morning from Tetra-Tech which she hasn't had time to read. Discussion with Don Beard originally there was enough water at Broken Oar and log dump site for stacks of 5 incubators and then he called the other day and after review there might not be enough water for gravity feed unless you lower the number of incubators per stack so you would need more floor space. Joy met with Yak-Tat Kwaan and they would like to have a teleconference with Tom Harris, Steve Reifensstuhl (NSRAA), Cynthia Peterson and Joy to talk about using some of the Kwaan sites. Joy met with the forest service (?) and permitting on their land is quite a lengthy process, probably 5 years. Curt, if we could stay local, better, go to the City we would be light years ahead, Charlie Russell has a lot over there, five years is a long time. Larry stated, over on that side you would drain out the lakes, walk up in the summertime and you can see how far it drops down. Nate, let Tetra-Tech finish their study, have them give their full recommendation for the sites looked at. If the permitting process might take too long, put the effort in another area. Kathy commented that we started down the road with Tetra-Tech but maybe spending a little money or at least making a phone call to Ed Neal, he spent a career doing water studies in the Yakutat area and now does consulting work. He might already have the information and calling and asking using Joy's scenarios, do you have information for any of these sites and if so what would it cost to put it in a usable form for permitting and evaluating. Continue to work with Tetra-Tech in the meantime. Casey water is a big part but our decision needs to look at the whole picture. Don't know what the water flow will look like in a year or two. Stay somewhere local so you could pipe water if necessary, plumb into city water in a pinch, such as the little dock facility and YKI. Water did get tested above the area, but like the little dock facility since it is city property. Make a short list, somewhat priority list. Meet with the tribe and Yakutat Seafoods. Nate, I have worked with Ed Neal in the past and I am willing to contact him and see what information he has and if he is willing to contract. We approved \$20,000 and only \$13,600 encumbered so far. Kathy said that any data Ed Neal has would be over a year's worth of data and that is the time frame necessary for the permitting so you could save some time, where the data could be usable immediately. Joy talked to Don Beard on the phone and if you got pictures of the building, building plan and pictures of the water site, they can work with it and produce that data.

Larry/Nick motion to have Nate get ahold of Ed Neal and working with Tetra-Tech and Ed Neal up to the \$20K limit set for studies. Sam asked about the possible need for additional funds. Joy wasn't sure if YRAA owed Tetra-Tech any further funds. Nate answered that we could work up to the \$20K limit set and if we need to go further, have another board meeting. Joy suggested getting a proposal from Ed Neal since we don't know if we have a final bill from Tetra-Tech. Make sure that everyone is kept informed. Larry if Nate gets ahold of Ed Neal and Joy gets ahold of Tetra-Tech to find out where they are. Get a ballpark figure for the two combined. Nate, the only additional funds above the \$13,600 that

was approved was for water samples. Joy said that they are coming up with the drawings for the water collection, reservoir and all that. Log dump the day they went around looked the best. **Motion passed.**

There was additional discussion that couldn't be heard on recording about sites?

6.7 Hatchery Letters:

Letters to 3 hatcheries and responses were in the packet. Joy talked to Steve and they wouldn't be able to do 10 million eyed eggs and that is why a couple of scenarios had 3 million eggs. Casey stated, it's hard to say without knowing what DIPAC will say and no response from PWSAC. Kathy, at Joy's request followed up with PWSAC and provided them with more information and they will be considering it at their committee meeting next month. Kathy, recommended that a fisherman from the board be at the committee meetings for both DIPAC & PWSAC. While the fisherman might not be able to answer every question, showing the interest by having a fisherman board member may swing the scales in Yakutat's favor. A fisherman talking to a fisherman, tell them you don't have a broodstock source locally, why you are interested, importance to the community. Casey, hard question is what might happen if you are denied by these two for chum eggs, and need some kind of plan. We need a secondary plan, and with chums it's not going to happen locally. Got your homework done but out of luck. Have to go to another species, coho, sockeye, Chinook and ask the Department again. Kathy, wait until you get turned down by everyone, alot of the work you are doing is applicable to the other species. If you go on a side-track, you might be wasting resources and time. NSRAA has been working on a new project for probably five years and they keep going back to the department, changing the program as needed. Joy has provided you with a lot of information, this might help to narrow down the choices, if you can't get chum eggs, then you start to look at another species. Larry, should we be doing some political homework, it's good airtime now with Governor elections, Bill Thomas is going to run again. Kathy answered on an individual basis, talk to candidates, legislative representatives, senators every chance you can but DO NOT say you represent YRAA as the type of corporation you are does not allow lobbying. You can say you are a board member, but you cannot say you are representing the Yakutat Regional Aquaculture Association when you talk to politicians. Casey asked if we knew when these meetings were going to be? No, Kathy answered that she will have very short notice on the dates of the meeting which is why you will want to take action today to authorize the trip and determine a method of figuring out who is available when we have the dates. Joy said that the NSRAA meeting is in the next month and the board will consider the 3 million eggs but Steve had said he didn't feel it necessary for a board member to come to the meeting, he could present the information for them. Joy went on to state that is why she had run scenarios with the smaller amount so that the board could see where a 3 million release would get them.

Nate/Herb motion to approve and provide funding to send a fisherman to the committee meetings of DIPAC & PWSAC and passed unanimously. Question was asked if we can get eggs from multiple places and Kathy answered that the Department won't let you mix multiple stocks. Joy clarified that if someone went, they would need to charge their credit card and get reimbursed from receipts. There was a short discussion about YRAA getting a credit card in order to start generating miles or possible Visa debit card. The requirement for two signatures on a check was raised. A board member suggested that the office present a scenario and information about this issue and the necessary by-law change.

6.8 Office Set up/Lease

Informational and no questions asked.

6.9 Project Scenarios

Did spreadsheets with 10 million and 3 million egg sources. Board should have had a chance to look over, are there any questions, looked for some direction last meeting and this is what she came up with. Can do the same with Humpies if this is what you want. Got the spreadsheet from Nate and worked with Steve to understand them and figure out what the return would be each year. (Couldn't hear most of the discussion.) Herb mentioned about the late/large release strategy used at DIPAC. Keep communication open, Joy didn't realize that a van was an option the board had discussed for consideration.

6.10 Part-time Director Position

A part-time director position was posted two weeks ago. Joy's contract ends today. No names were submitted. Joy didn't think she needed to put her name in, was hopefully planning to do the job through the hatchery permit. Joy answered she will be going to school part time and has a handle on the job now. Nate suggested forming a hiring committee. Kathy commented that the board needed at this time to look at whether they could offer a job as a contract or salaried position. Sam asked if Joy was willing to continue with her current position. She answered yes. Sam/Jan made a motion to have Joy continue in the position for 6 months. Kathy commented that the board needs to look at whether the board can continue to hire under a contract versus a salaried employee. With having an office & equipment, providing the directions, you have mostly crossed the line into a salaried position. Casey stated he is not following what the issue is. Joy didn't think that it crossed the line as the board isn't directing her daily activities but admitted it is borderline. Casey asked if Joy was interested, why she didn't put in an application? Joy answered she didn't think she needed to from the discussion at the last meeting. Casey said it wasn't clear to him either. Joy withdrew her name stating that the job posting did say an application needed to be posted by the 24th and she didn't. Nate again suggested a committee to also clarify what they need to do. Comment that would like to see work keep moving forward but there is confusion about how to move forward, contract vs employee. Casey can we offer a contract at this time while we figure all this out. A couple of months probably wouldn't hurt but Kathy commented that there isn't a lot of difference between salaried and contract, with a contract you get all the money up front but the individual is responsible for all the taxes at the end of the year, with a salary the taxes are taken out and you get less up front but don't pay any at the end of the year. Kathy read a brief description from the IRS website about contract vs employee. Her concern at this time is having to pay the payroll taxes at a later date if contested that is was actually an employee situation. Sam withdrew the motion and the second concurred. After discussion, Casey asked Joy if she would be interested in a couple of month contract extension be amenable to her. Joy answered, no. A board member commented that the board was at fault for not looking at the employee/ contract issue prior to putting out a notice. Not many people in the community have the skills needed for the job we need done. Joy said that moving forward the board needs to be very clear on who is providing the direction and communication is important. Casey didn't feel like there is a vibe in the room that we want something different but what you have is a room full of fishermen and we just don't know what we are

doing, people will have to be patient as we try to figure out what we are doing in a temporary status until we get where we want to go. Would like to figure out how to get the work done and moving forward, maybe need to be clearer what we want, but would hate to lose one of the more qualified people in town over technicalities and disorganization. Nate/Herb motion to form a hiring committee to first review if it should be a contract or employee based position, post a job notice and to provide the board a recommendation for that position, motion passed. Casey asked how long to put together the materials, Kathy said that she can get the information to the board tonight. Post the job position and the Board would be the final decision maker on the employee in one or two months. Shouldn't be too much to figure out what the appropriate way to go is. A committee was formed with Casey, Nick, and Jonathan. Kathy was asked if she could do some work and she said she could do some but not everything. Martha asked what is happening in the next month and how long to get someone new up to speed. How do we get the daily stuff done and how long will the month with no work being done put us behind, will board members step up to cover some of the items? Kathy said with what she had been able to hear the more critical things she saw was the start of a meeting being set up with the Kwaan, (Tom Harris, Steve Reifensstuhl, Joy & Cynthia) and someone to deal with Tetra-Tech, year-end reports which we haven't gotten to yet, and hopefully Joy would consider in some fashion writing minutes since Kathy admitted she hadn't really heard all the conversation and don't think that anyone else has been taking notes. Joy said they are asking a lot of someone to get permits, financing etc on a part time basis. It is a huge responsibility. Joy made the point that the board should provide clear direction to the director not run things through Kathy. She has 3 checks for the board to sign – two reimbursements and her final paycheck. Joy asked to leave the meeting as she was very uncomfortable. Joy said she would send her meeting notes to Kathy as you are hiring her. It's important that the person who gets this job knows who provides the direction and communication is really important. Kathy pointed out that the job is actually part-time up to full-time, you can pay for the hours actually being worked rather than paying a set amount, if a person has some other commitments during the week, the pay is automatically adjusted but if they work the full 40 hours a week they would be paid for that.

7.1 Elections

Joy said the outcome of the election is Wayne Ivers had 16 votes, Sam O Demmert 9 votes and Sheri Nelson 7 votes, from there it goes to one or two votes each – a total of 18 names were written in on ballots. Joy mentioned that she was told that Sam Demmert doesn't have a permit anymore. If he doesn't have a setnet permit than it would be Wayne and Sheri. Sam O Demmert has sold his setnet permit. Herb/Nick motion to accept the results of the election for Wayne Ivers passed unanimously. Herb/Nick made a motion to accept Sheri for the second setnet seat if she is willing to serve, motion passed unanimously. Larry was asked to check with Sheri.

Kathy was asked by Herb what she was willing to do in the interim and what type of motion would the Board need to make. Kathy answered that she isn't sure how you would even word it but the main thing the board would need to be aware of is that the board would need to reimburse her for her time. Herb made a motion to reimburse Kathy Hansen for her work to keep the board moving forward while they are in the process of hiring someone. We will need someone to be the legs in Yakutat. It might be that you use a combination of board of members for the tasks and I will go back to sending all board

members every email and hope someone responds that they can do something. I'll go back to the two issues I am most concerned with, the start of a meeting with Tom Harris (Kwaan) about the YKI building, you need to figure out who on the board would be the best contact person. Motion passed unanimously.

Martha brought up that the Board had never answered Joy's question about leaving. Casey thanked Joy for her time and work on behalf of the board and said the door is always open, sorry about the confusion. Martha also thanked her. (Joy left the meeting.)

7.2 Elections cont.

Nominations of non-fishermen seats. The three seats are subsistence; City or Chamber; and sport fish-rep. There should have been some letters sent out and posting around town but didn't know if any letters of interest had been submitted. A board member confirmed that the notice had been posted. Joy sent a letter to the City and the City has sent in a letter to nominate Nick Holcomb for the city assembly/chamber seat. Normally the fishermen would be looking at the letters of interest submitted in a closed meeting and coming to the full board with a recommendation and the individuals selected by the board would be seated at the next meeting. Kathy was asked what seat Martha holds? Martha holds the regional corporation/tribe/shareholder seat. What would the process be if Martha wanted to step down and have someone take her seat? Kathy answered you could do that this meeting with a motion to fill out the seat until the term ends in 2015. Nate/Herb made a motion to appoint Jan Piccard to the regional corporation/tribal/stakeholder seat currently held by Martha Indreland until the term expires in 2015. Motion passed unanimously. Martha agreed to send all of Jan's contact information to Kathy.

Herb/Nate made a motion to appoint Nick Holcomb to the city assembly/chamber seat and motion passed unanimously.

Will need to repost the seats still vacant and take it back up at the next meeting. Kathy reminded the board to talk to people they think might be interested in serving in these seats. Kathy suggested some check with Jack Endicott as he had served in the public at large seat previously and has attended meetings since then.

7.2 2014 Budget

No one had the information so was tabled to the next meeting.

7.3 IRS & Corporation Tax Returns

Kathy commented that she has done the returns the past two years but doesn't feel qualified to fill out the forms this year so would recommend that you hire an accountant this year since truthfully with YRAA receiving the money from the City, I don't know how to fill out the forms. Herb/Nate made a motion to authorize Kathy to have the 2013 IRS and State Corp tax returns filled out by an accountant and authorized the funds necessary to pay for it.

7.4 Update to City

Kathy explained that she put this item on the agenda and just thought it had been close to a year since

you received the funds from the city and we should let the city know what you are doing and how the funds that the City contributed have been used. Larry said in other words just provide a brief outline and present it or have our representative present it.

Transition:

Larry we are going to have to get everything into the office, but until you got someone doing the work you weren't really aware of how important it was to have someone checking the mail, phone and we need to be sure that we keep it covered. Larry said he would talk to the Kwaan/Tom Harris, he had been working with Joy to contact them and the Kwaan has just hired Tom and he comes to town every 3 months or so. We just need to regroup and figure out what we need to do in the next 30 days.

7.5 Next Meeting Date

Kathy suggested that you will probably need to have another meeting in a month or six weeks from now and figure out where you are. Martha suggested Saturday Feb. 22nd. Nick/Herb made a motion to have the next meeting on Saturday Feb. 22, 2014 which passed unanimously.

Committee meeting:

Kathy would like to set up a time for the hiring committee meeting. The information needed is with you, we need to first think about the employee vs salary. Kathy looking at my schedule would just as soon as set a time for tomorrow and the consensus was to send the materials to everyone. Kathy's answer to a question asked was that all the hatcheries were salaried employees except in cases where they would hire someone like Tetra-Tech for a specific project would be a contract. Casey said so we will probably be going to a salary position so we just need to figure out how much an hour to offer and then post it. Hopefully get some applicants and then pick one out. How are we going to go about posting, would like to get someone local rather than try to figure out dealing with someone out of town but would be interested in what might be available outside of town. Kathy said she will pull the information together, as well as the difference between salary and contract.

Larry recommended that a speaker phone and recorder be bought for YRAA's use.

Herb/Nick made a motion that Joy be reimbursed for all receipts she had and an additional \$100 for misc costs that have occurred and passed unanimously.

Larry asked about the checkbook being held by a third party that doesn't have the authority to sign. Kathy offered taking care of the checkbook again if she is going to be doing the financial bookkeeping. Larry said he would send the checkbook down.

Herb/Nick made a motion to adjourn at 4:19 pm.

Minutes were approved on _____

**Yakutat Regional Aquaculture Association
Annual Board of Directors Meeting**

Noon, Saturday January 25, 2014

AGENDA

1. **CALL TO ORDER:**
2. **ROLL CALL:**
3. **ADOPTION OF AGENDA:**
4. **MINUTES OF PREVIOUS MEETING:**
 - 4.1 **November 2, 2013 meeting**
5. **FINANCIALS:**
 - 5.1 **Register Report/Reconciliation Summary/Un-cleared Transaction**
6. **OLD BUSINESS:**
 - 6.1 **Directors and Officers Liability Insurance
BY-LAW Amendment**
 - 6.2 **Comprehensive Plan update**
 - 6.3 **Tax Exempt Status**
 - 6.4 **Newsletter**
 - 6.5 **Tetra Tech**
 - 6.6 **Legislative Grant**
 - 6.7 **Letter to Aquaculture Association and responses**
 - 6.8 **Office Set-up/Lease Agreement and Estimated Budget**
 - 6.9 **Project Scenarios**
 - 6.10 **Part-time Director Position**
7. **NEW BUSINESS**
 - 7.1 **Board Elections**
 - 7.2 **Nomination of Non-fishermen seats**
 - 7.2 **2014 Budget (Will be faxed and available at meeting)**
 - 7.3 **IRS & Corporation tax return filings**
 - 7.4 **Update to City**
 - 7.5 **Next Meeting date**
8. **OTHER BUSINESS**
9. **ADJOURNEMENT**