

Prince William Sound Aquaculture Corporation

Executive Committee Regular Meeting

Monday, April 19, 2010 at 9:30 am
PWSAC Conference Room

APPROVED MINUTES

I hereby certify the accuracy of the attached Minutes of Prince Wm Sound Aquaculture Corp.

Date: May 13, 2010

Hap Symmonds
Hap Symmonds, Secretary

The foregoing instrument was acknowledged before me this 13 day of May, 2010,

By Hap Symmonds
Kathleen M. Jager
Notary Public, 3rd Judicial District, State of Alaska

Call to Order: Chairman Covel called the meeting to order at 9:32 a.m.

Roll Call:

Present – George Covel, Mike Bowen, Guido Casciano, Mike Glasen, and Scott Seaton (via Teleconference)

Absent: John Bocci, and Tim Moore

ADF&G Ex-Officio – Bert Lewis was present.

A quorum was established

Other Board Members Present: Vic Jones

PWSAC Staff Present: General Manager, Dave Reggiani; Administrative Assistant, Kate Jager; and Sales Manager, Ray Cesarini (Via Teleconference)

Public Present: None

Recorder/transcriber: Kate Jager

All Handouts are numbered and available in the meeting file.

MOTION TO APPROVE THE AGENDA:

Motion, Casciano; Second, Seaton to approve the agenda for Monday, April 19, 2010 regular Executive Committee meeting.

Motion passed unanimously

MOTION TO APPROVE THE MINUTES: None

Public Comments: None

MANAGEMENT REPORTS:

Chairman's Report

Chairman Covel announced the results of the 2010 Election.

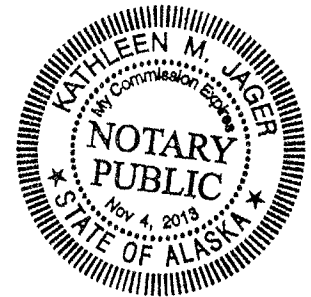
Seine Permit Seats: Dave Clemens, Richard Collins, Eli Johnson, Robin Dexter, and Steve Tutt.

Drift Gillnet Seats: John Bocci, Thea Thomas, Micah Ess, and Steve Aberle.

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Dual Permit Seats: Vic Jones and John Platt.

General Manager's Report – Reggiani announced the birth of Wally Noerenberg Hatchery (WNH) Manager Rob Unger and his wife Cindy's second daughter *Laken Marie* on Friday, April 16. Everyone is reported to be healthy and happy.

Reggiani reported a mishap that occurred at the Armin F. Koernig Hatchery (AFK) with the front-end loader. The Hatchery Manager Craig Parry was pulling a boat out of the water at AFK alone. Proper procedures were not followed, PWSAC requires two personnel during loader operations at all times, a loader operator and a ground spotter. Parry set the parking brake on the barge landing slope and stepped out of the loader to retrieve the boat moored at the hatchery dock. The parking brake failed and the loader rolled into the bay with the engine on. It was stuck in the mid zone of the tidelands for two tide cycles. The barge was able to bring WNH's old loader over to help with the extraction of the AFK loader. The loader has been taken to Anchorage where our insurance company deemed the machine a total loss. The loader was a 2001 Volvo; PWSAC purchased it in 2002 for \$75,000 with low hours. The value on the machine was \$47,500 and was listed on PWSAC's general property insurance with a \$10,000 deductible. The employee split the deductible with PWSAC. Since the mishap, PWSAC has reiterated company policy should someone be operating the loader there needs to be a ground spotter assisting. At this point, operationally, the old WNH loader is at AFK to help with the fish food movements. We will be taking a look at next year's Capital budget to see about replacing it. The Hatchery Managers meetings will be next week and we will have a review on the proper procedures.

Reggiani reported the rearing at the hatcheries is proceeding nicely. The saltwater temperature is only 4 degrees Celsius; typically the average is closer to 5 or 6 degrees at this time of the year. The fish are feeding well despite the cold temperature and there are signs of growth. The first release groups are the pinks scheduled for the first week of May. The pinks are on track to hit the release goal size of 0.5 grams. Gulkana (GH) has released approximately 1.3 million sockeye into Paxson Lake and things are going well. Reggiani said he would start his spring hatchery visit on Thursday, going to AFK and Main Bay Hatchery (MBH).

Reggiani informed the committee he had run for Cordova City Council in March was re-elected for a three year term and was recently elected by the Cordova City Council to be the Vice Mayor. The Vice Mayor is the presiding officer at the City Council meetings when the Mayor is unavailable.

Reggiani said he had worked through the winter with the other hatchery operators around the State to help complement the Governor's deferred maintenance capital request. They put together a package for the State-owned hatchery facilities of \$20 million in deferred maintenance between Cook Inlet, PWSAC, Kodiak, DIPAC, and NSRAA. Not everyone had current facility condition surveys and we needed to act quickly. The Senate Finance Committee budgeted \$5 million toward the package in the FY11 budget. That made it through the House and the Senate last night and is on the way to the Governor. If approved, PWSAC will receive \$2.3 million for Cannery Creek Hatchery (CCH). The money will be targeting weatherization and energy

efficiency upgrades at the houses and the bunkhouse. It will help deal with power and bulk fuel tank issues by construction of a new generator building and replacing the two 15,000 gallon single-wall bulk tanks with double-wall tanks and a roof to cover them. The remaining money will be spent on the pen stock, repairing the dam, and the pipeline going to the hatchery along with the concrete structures of the fishway system in the creek. This year PWSAC was only ready for CCH to be on the list for improvements, but next year we will be adding the MBH and GH deferred maintenance items. We have also supported Fish and Game's request for \$150,000 to help fund the facility condition surveys. There are six different surveys that need to be done across the state.

Sales Manager Report – Cesarini reported he had completed the cost recovery bids process. For chums PWSAC has accepted Copper River Seafoods and Icicle Seafoods, and for the pinks PWSAC has accepted Silver Bay Seafoods and Icicle Seafoods. This will give two processors for each program. This year there were eleven bidders who participated in the bidding process to buy our fish.

NEW BUSINESS:

Resolution 2010-01-EC, Authorize Signatures for Wells Fargo Bank Safety Deposit Box – **Motion, Bowen; Second, Glasen** to approve Resolution 2010-01-EC Authorize Signatures for Wells Fargo Bank Safety Deposit Box.

Discussion:

Reggiani said for the record we were removing Diana Masolini from the list of signers and adding Anna Pirtle.

**Roll Call Vote on Motion: 4 yeas, 0 nays, 2 absent (Bocci & Moore).
Motion Carried.**

Related Party Transactions – 2010 Fish Sales – Icicle Seafoods

Motion, Seaton; Second, Casciano to approve the 2010 cost recovery fish sales related party transaction between Director Tim Schmidt of Icicle Seafoods in the amount of \$1,787,723.

Motion passed unanimously.

BOARD COMMENTS: None

NEXT MEETING DATE: Wednesday, May 12, 2010.

MOTION TO ADJOURN:

Motion, Casciano; Second, Bowen to adjourn the meeting.
Hearing no objections the meeting was adjourned at 9:50a.m.