

State Contracted Hatchery Facilities Inspection

FY2011 Request: \$150,000

Reference No: AMD 48947

AP/AL: Appropriation

Project Type: Research / Studies / Planning

Category: Natural Resources

Location: Statewide

Contact: Tom Lawson

House District: Statewide (HD 1-40)

Contact Phone: (907)465-5999

Estimated Project Dates: 07/01/2010 - 06/30/2013

Brief Summary and Statement of Need:

This amendment provides funding to do an assessment of the state-owned hatcheries to insure that contractors are in compliance with contractual maintenance terms and also look towards the option/possibility of transfer of ownership if beneficial/acceptable to all parties. This project is important to sustain hatchery production of salmon and contributes to the Department's following End Result - Sustain recreational fishing opportunities while optimizing social and economic benefits from these opportunities.

Funding:	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	Total
Gen Fund	\$150,000	\$100,000					\$250,000
Total:	\$150,000	\$100,000	\$0	\$0	\$0	\$0	\$250,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input checked="" type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

No prior funding.

Project Description/Justification:

This funding would provide for an engineer's assessment of state-owned hatcheries that are currently contracted out to private operators. The assessment would be directed toward identifying issues such as structural condition, foundation, water lines, mechanical systems, fuel storage facilities etc. that might be in need of repair, out of compliance with current standards and be at risk for failure.

These assessments would be used to determine if the hatcheries are being adequately maintained as required in the contracts with the operators. ADF&G is also interested in transfer of these hatcheries to the operators; having an up to date assessment of condition would be critical for negotiating such a transfer.

There are eleven state-owned hatcheries being operated by private hatchery corporations; the oldest was constructed in 1964, and most were constructed prior to 1980. We know that many have leaks, old mechanical systems, issues with roofs, and various concerns. The department biologists visit these facilities on a regular basis but lack the expertise for a facility inspection and assessment.

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There is also concern for considerable financial loss if a roof was to collapse, a pipeline was to fail, or a fuel tank developed a leak. The tenants are responsible and conscientious, but nonetheless we are the owners and bear the bulk of the responsibility for the facility.

This funding can be the first step toward transferring what has become a liability for the state to the private sector where it would be an asset.

Following is a list of state-owned hatcheries managed by private non-profit corporations:

Organization	Hatchery	Year Built	PNP Permit Issued	Contract Expires	Land Ownership
Kodiak Regional Aquaculture Association (KRAA)	Kitoy Bay	1964	7/5/1988	11/16/2031	Afognak Native Corp./BLM
Southern Southeast Regional Aquaculture Association (SSRAA)	Crystal Lake	1969	N/A*	6/30/2010	State-DNR
Prince William Sound Aquaculture Corporation (PWSAC)	Gulkana I/II	1973	7/5/2000	6/30/2013	GHI: DNR, GHII: BLM
Cook Inlet Aquaculture Association (CIAA)	Tutka	1975	1/3/1994	6/30/2011	DNR: Kachemak Bay State Park
Prince of Wales Island Hatchery Association (POWHA)	Klawock	1977	2/14/1996	7/17/2035	Klawock-Heenya Corporation
Northern Southeast Regional Aquaculture Association (NSRAA)	Hidden Falls	1978	6/22/1988	6/30/2022	USFS-Special Use Permit
PWSAC	Cannery Creek	1978	6/22/1988	6/30/2013	USFS-Special Use Permit
Douglas Island Pink and Chum, Inc. (DIPAC)	Snettisham	1979	7/15/1996	12/31/2016	State-AIDEA
PWSAC	Main Bay	1980	4/17/2001	12/31/2010	USFS-Special Use Permit
CIAA	Trail Lakes	1981	6/22/1988	6/30/2008 extension pending	State-DNR
KRAA	Pillar Creek	1990	5/1/1998	6/30/2013	Kodiak Island Borough

*Jointly operated with the Division of Sport Fish