

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
SOUTHCENTRAL REGIONAL LAND OFFICE

PRELIMINARY DECISION

ADL 105346

Shinaku Shellfish Company, LLC

Application for Lease Amendment

AS 38.05.083

This Preliminary Decision (PD) is the State's preliminary best interest finding regarding a proposed disposal of interest in state land. The public is invited to comment on this PD. The deadline for commenting is **11:59 pm on May 14, 2026**. Please see the Public Notice section of this decision for requirements related to submitting comments for consideration.

Requested Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO) has received a request from Shinaku Shellfish Company, LLC (SSC) to amend aquatic farmsite lease ADL 105346 by adding 6 acres to the existing 1-acre parcel, for a total of 7 acres, more or less, of state-owned tide and submerged lands, to accommodate new floating bag oyster culture gear, grow-out longlines, and anchors. Additionally, the request includes repairing and replacing the existing work rafts and floating support facility wood with steel building materials and reconfiguring the layout of the gear and structures within the parcel. The aquatic farm lease is for the purpose of commercial cultivation and harvest of Pacific oysters (*Magallana gigas*), located near Klawock, Alaska. The location of the project area is further described as being within the E1/2 of Section 34 and the NW1/4 of Section 35, Township 72 South, Range 80 East, Copper River Meridian, Alaska.

Requested Improvements:

- Increase parcel area to 530 feet by 441 feet by 713 feet by 673 feet = 7 acres, more or less
- 400 floating oyster bags
- (4) 250-foot floating longlines
- (4) 80-pound steel anchors

Existing Improvements:

- (1) 20 foot by 15-foot work raft
- (1) 25 foot by 30-foot support raft
- (1) 20 foot by 20-foot FLUPSY
- (5) 25 foot by 25-foot oyster grow out rafts
- (8) 3,600-pound cement block anchors

(2) 120-foot log booms

Proposed Action:

DMLW is considering the issuance of an amendment to ADL 105346 for the remaining term of the lease. The proposed amendment is for the purpose of increasing the parcel size to 7 acres, adding new floating oyster bag gear, grow-out longlines, and anchors, as well as repairing and reconfiguring the infrastructure within the parcel.

Scope of Decision:

The scope of this decision is to determine if it is in the State's best interest to issue this aquatic farmsite lease amendment to add acreage and gear to the existing authorized farmsite.

Authority:

This lease amendment application is being adjudicated pursuant to Alaska Statute (AS) 38.05.035(e) Delegation of the Powers and Duties of the Director, AS 38.05.070(b) Leases Generally, and AS 38.05.083 Aquatic Farming and Hatchery Site Leases.

The authority to execute the Preliminary Decision, Final Finding and Decision, and the lease has been delegated to the Regional Manager of SCRO under AS 38.05.035(b)(1).

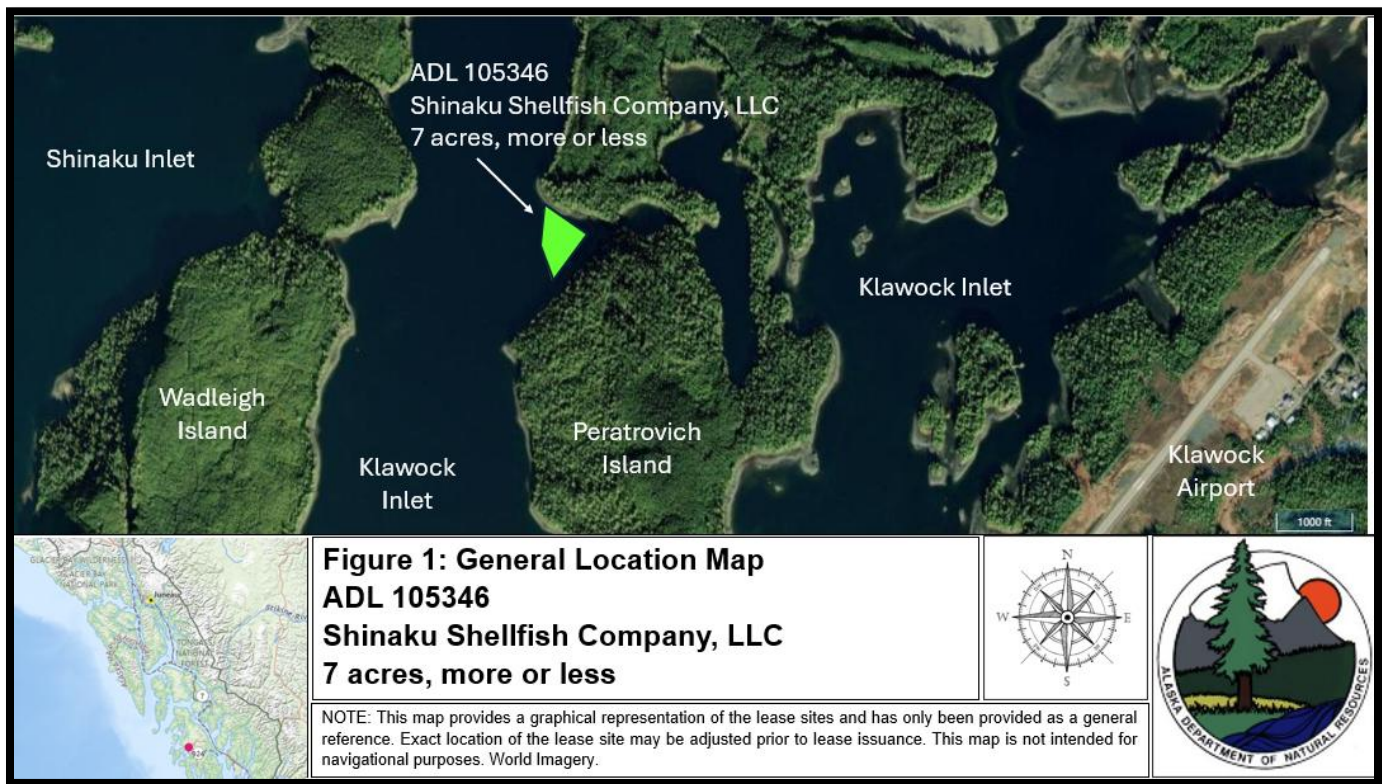
Administrative Record:

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act as amended, applicable statutes and regulations referenced herein, the 1998 Prince of Wales Island Area Plan (Amended 2008) and other classification references described herein, and the casefile for the application serialized by DNR as 105346.

Legal Description, Location, and Geographical Features:

The state-owned tide and submerged land where the proposed lease amendment is located is described as follows:

- **Site reference name:** Peratrovich Island
- **Geographical locations:** Located within an unnamed cove on the western side of Peratrovich Island, approximately 1 mile northwest of Klawock, Alaska



- **Approximate Lat/Longs (NAD 83):**

Parcel 1: Oyster grow-out area, 530 feet by 441 feet by 713 feet by 673 feet

NE Corner: 55° 35.1060'N, 133° 6.9060'W
 SE Corner: 55° 35.0100'N, 133° 7.0320'W
 SW Corner: 55° 35.0820'N, 133° 7.0740'W
 NW Corner: 55° 35.1660'N, 133° 7.0608'W

- **Legal description:** E1/2 of Section 34 and NW1/4 of Section 35, Township 72 South, Range 80 East, Copper River Meridian, Alaska
- **Recording district:** Ketchikan Recording District
- **Existing parcel survey, if applicable:** None
- **Municipality/Borough:** None
- **Native Corporations/Federally Recognized Tribes:** Sealaska Corporation, Central Council of the Tlingit and Haida Indian Tribes of Alaska, Kavilco Incorporated, Klawock Heenya Corporation, Klawock Cooperative Association, Craig Tribal Association, Shaan-Set Incorporated
- **Size:** 7 acres, more or less (1 acre, more or less, currently authorized)

Title:

A DNR Title Report (RPT-24237) issued on March 23, 2026, from DMLW's Realty Services Section, attests that the State of Alaska holds title to the subject tide and submerged lands under the Alaska Statehood Act, Equal Footing Doctrine, and the Submerged Lands Act of 1953.

Third Party Interests:

No third-party interests are known at this time.

Classification and Planning:

The lease area is subject to the Prince of Wales Island Area Plan (POWIAP), 2008 Amendment, Regional Management Unit 17: Craig/Klawock, Map 3, Tidelands Unit CT-02: Klawock/Shinaku Inlets. The tideland co-designation for this area is Habitat (Ha) and Harvest (Hv) which convert to the classification of Wildlife Habitat Land, described in Part 1 of the POWIAP Amendment.

The management intent for aquatic farming outlined in Chapter 1 of the POWIAP recognizes the difficulty in specifically identifying areas deemed suitable for the siting of aquatic farms (1-7). The POWIAP seeks to minimize conflict with designated primary and upland uses, as well as to foster the development of an aquaculture infrastructure. It is recommended by the POWIAP that aquatic farm sites be concentrated in a few areas (1-7). The POWIAP outlines 21 limited areas identified because of significant conflicts with anchorage, navigation, fish and wildlife habitat and harvest, or recreation where aquatic farming will not be allowed (1-8). The leasehold is not located in one of these areas and is labeled as a Designated Aquatic Farm Site on Map 3, identified as a preauthorized aquatic farm site (Amendment 2-26).

Within Chapter 2 of the POWIAP, Areawide Land Management Policies, the goals for aquatic farming are to provide opportunities to increase income and diversify the State's economy through the use of state tidelands and submerged lands for aquatic farming (2-2). Management guidelines within Chapter 2 of the POWIAP state that all aquatic farm operations must meet the requirements of applicable local, state, and federal regulations and statutes before the Department will issue an Aquatic Farmsite Lease (2-2). Chapter 2 further states that aquatic farming will be allowed on state tidelands or submerged lands where there is no significant conflict and the objectives of statute and the POWIAP are met (2-3).

In managing State tidelands and submerged land adjacent to federal conservation units, specifically the Tongass National Forest (TNF), DNR will take into consideration the management intent for the uplands identified in the Tongass Land and Resource Management Plan (TLRMP) (2-1). Activities, including aquatic farming operations, that are incompatible with the management intent of the TLRMP will generally not be authorized unless the conditions of the other local, state, and federal permits or authorities are met and unless there is an overriding state interest and there is no feasible and prudent alternative. The TNF uplands closest to the leasehold are found on Peratrovich Island. Within the TLRMP, the TNF uplands on Peratrovich Island are within the Land Use

Designation (LUD) for Semi-Remote Recreation. According to the TLRMP, the goals for these uplands are to provide predominantly natural or natural-appearing settings for semi-primitive types of recreation and tourism, and occasional enclaves of concentrated recreation and tourism facilities (3-64). Chapter 4 of the TLRMP mentions aquatic farming, stating cooperation between state and federal agencies is called for to meet industry and public needs for aquatic farming programs (4-29). DNR will consult with the U.S. Forest Service when determining compatibility of activities. Agency Review request was sent to the U.S. Forest Service for this proposed amendment on February 18, 2026, with no concerns received during the Agency Review.

According to the 2008 Amendment of the POWIAP, management intent for Unit CT-02 tidelands is to protect heritage sites, estuarine wetland areas, waterfowl/shorebird spring and fall concentrations, marine mammal concentrations, and herring spawning areas (Amendment 2-25). This section states that DNR will consult with the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (USFWS) prior to granting authorizations that potentially affect marine mammals (Amendment 2-25). DMLW included NMFS and USFWS in the Agency Review on February 18, 2026, with no concerns received.

In accordance with the POWIAP, aquatic farming is an allowable use and is therefore consistent with the plan. The proposed operation must be in the best interest of the state before an authorization may be issued. Factors that are to be considered in this decision are identified in 11 AAC 63.050(b).

Traditional Use Findings

The proposed lease site is not located within an organized borough. AS 38.05.830 and 11 AAC 63.050(b)(5)(B) require consideration of whether the lease site impacts traditional and existing uses of the site.

Known traditional uses in the area consist of subsistence and recreational hunting and fishing, and include the following areas and species, as regulated by the Alaska Department of Fish & Game (ADF&G) and the U.S. Fish and Wildlife Service (USFWS):

Hunting, Trapping, and Subsistence Hunting: The proposed lease amendment falls within the ADF&G Game Management Unit (GMU) 2: Prince of Wales Island. The hunting regulations for GMU 2 list black bear, deer, wolf, and wolverine as species that can be hunted. ADF&G trapping regulations for GMU 2 list beaver, coyote, fisher, red fox, lynx, marten, mink, weasel, muskrat, river otter, squirrel, marmot, wolf, and wolverine as furbearers that can be taken. USFWS Federal Subsistence Wildlife Hunting Regulations for Unit 2: Prince of Wales Island lists black bear, deer, elk, coyote, fox, hare, lynx, wolf, wolverine, grouse, and ptarmigan as species that can be taken.

Subsistence Fisheries: The proposed lease amendment falls within the ADF&G Southeast Alaska/Yakutat Area subsistence finfish fishery, which includes salmon, herring spawn, halibut,

eulachon, Dolly Varden, trout, smelt, and groundfish. Depending on the area, salmon can be harvested with set gillnets, drift gillnets, gaffs, spears, beach seines, dip nets, cast nets, and hand purse seines. The Southeast Alaska/Yakutat Area subsistence shellfish fishery species include Dungeness crab, king and Tanner crab, shrimp, abalone, geoduck, and scallops. Halibut may be caught by residents of rural communities through the federal subsistence halibut program. Although Juneau and Ketchikan are located within the Southeast Alaska/Yakutat Area, they have been deemed non-subsistence use areas by the Joint Board of Fisheries and Game, but most other communities are included in subsistence use fisheries.

Commercial Fisheries: The ADF&G Region I: Southeast Alaska/Yakutat Area for commercial fishing consists of Alaska waters between Cape Suckling on the north and Dixon Entrance on the south. Salmon are commercially harvested in Southeast Alaska with purse seines and drift gillnets; in Yakutat with set gillnets; and in both areas with hand and power troll gear. Herring is harvested in winter bait, sac roe, spawn-on-kelp, and bait pound fisheries. Miscellaneous shellfish (sea cucumber, sea urchins, and geoduck clams) are harvested in dive fisheries in the region. ADF&G has management jurisdiction over all groundfish resources within state waters in Region I. In addition, the State has management authority for Demersal Shelf Rockfish, ling cod, and black and blue rock fish in both state and federal waters. There are several commercially important shellfish species in Southeast Alaska, including golden and red king crab, Dungeness crab, Tanner crab, and pandalid shrimp.

Sport Fisheries: The proposed lease amendment falls within the ADF&G Southeastern Area: Prince of Wales Management Area for sport fisheries, which targets five species of Pacific salmon, wild trout, halibut, lingcod, rockfish, several species of groundfish, shrimp, clams, spiny dogfish, and Dolly Varden. These fisheries depend primarily on wild stocks. The Shinaku and Klawock Inlets are closed to sport fishing for Dungeness crab by nonresident anglers.

The proposed aquatic farm amendment should not interfere with traditional and/or existing uses of the area, including commercial or sport fishing, subsistence activities, boat travel, and recreation. Public and Agency Notice may reveal more unknown uses. If such information becomes available, any potential or existing conflicts will be addressed in the Final Finding and Decision.

Access:

Access to the aquatic farm is by boat from the Klawock Harbor and/or Klawock Boat Launch.

Access To and Along Navigable and Public Waters:

AS 38.05.127 and 11 AAC 51.045 require that before leasing land, DMLW determines if a body of water is navigable and if it is, that DMLW provides for easements or reservations as necessary to ensure free access to and along the waterbody. The waters of Klawock Inlet are tidally

influenced and thus navigable. However, the lease is entirely within these waters and located further than 50 feet from Mean High Water, thus a .127 easement is not necessary.

Public Trust Doctrine:

Pursuant to AS 38.05.126 all authorizations for this site will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for: navigation, commerce, fishing, hunting, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, DMLW is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

Lease Discussion:

A 10-year lease authorization for ADL 105346 was originally issued to Sam G. Plumley in 2005 through the over-the-counter HB 208 program. Plumley relinquished the site in 2007 and the file was closed. An “HB 208 Successor in Interest” application was received in 2010, and the lease was reinstated and issued to Todd W. Tew for a term of 10-years, beginning August 1, 2010. The lease was assigned to Gregory McMillan dba Keta Seafoods, LLC on May 21, 2014, and administratively executed in 2016. A lease amendment application was received on May 1, 2017, to add acreage to the existing aquatic farm. The amendment application was not complete, and no response was received by DMLW from the lessee, and the amendment application was closed. No renewal application was received, and the lease expired on July 31, 2020. DMLW received a renewal application from Gregory McMillan dba Keta Seafoods, LLC on April 12, 2022, with an updated application received on April 25, 2022, after a request for additional information was sent. During adjudication of the 2022 application, Gregory McMillan gave ownership of Keta Seafoods, LLC, to Maranda Hamme and Dain Myers, who are the current lease holders. The lease renewal was issued for another 10-year term beginning December 15, 2023. In January 2024, the company name was changed to Shinaku Shellfish Company, LLC, by the owners Maranda Hamme and Dain Myers.

SSC submitted an amendment application to DMLW and ADF&G on November 14, 2025, requesting the addition of 6 acres to the existing 1-acre parcel to accommodate new floating bag oyster culture gear, grow-out longlines, and anchors. Additionally, the request includes repairing and replacing the existing work rafts and floating support facility wood with steel building materials and reconfiguring the layout of the gear and structures within the parcel. In response to a request for additional information from DMLW and ADF&G, SSC submitted an updated application on February 13, 2026, which was deemed complete on February 17, 2026.

The current 2023 lease is for the purpose of the commercial growth and harvest of Pacific oysters (*Magallana gigas*) and contains one parcel that occupies an area measuring 150 feet by 290 feet, or 1 acre, more or less. The parcel contains multiple floating rafts chained together, containing five 25 foot by 25-foot grow out rafts used for cultivating oysters. In addition to the five grow out rafts,

there is one 20 foot by 15-foot work raft, one 20 foot by 20-foot Floating Upweller System (FLUPSY) raft, one 25 foot by 30-foot float house, used as storage only, and two 120-foot-long log booms. Anchoring system consists of cement eco blocks, connected securely to heavy duty line tied to cleats bolted to rafts with a total of 8 anchors.

The proposed lease amendment will contain one diamond-shaped parcel measuring 530 feet by 441 feet by 713 feet by 673 feet, for a total of 7 acres, more or less. The lessee proposes to reconfigure the site, using the existing log booms to anchor four new 250-foot oyster grow-out longlines to make use of new 400 floating oyster bags. The log booms are secured by four 3,600-pound existing anchors. Additionally, there will be four new 80-pound anchors placed at the end of the longlines to secure them in place. The proposed amendment is also intended to address the repair, reconstruction, and reconfiguration of the work and support facility raft system, using longer-lasting steel beams and pins to replace rotting wood. The newly designed float combination will be 40 feet by 60 feet in total area and will be attached to four 20 foot by 20-foot oyster grow-out rafts. The raft configuration is secured by four 3,600-pound existing anchors. The FLUPSY will also be attached the side of the support rafts, opposite of the grow-out raft area.

At this time the Commercial Use Requirement (CUR) states a farm must make annual sales of aquatic farm products of at least \$3,000.00 per acre or \$15,000.00 per farm by the fifth year of operation and continue for the rest of the lease term. Failure to meet CUR constitutes a default and may be cause for termination. Annual reports of sales are due January 31 of each year. Lessee met the CUR in 2025. The annual reporting requirement has been met every year the lease was issued to Shinaku Shellfish Company, LLC.

Should the proposed lease amendment be approved, the lease will be subject to the terms of DMLW's standard lease document and any Additional Stipulations based, in part, upon the following considerations.

Development Plan:

The Amendment Development Plan dated February 13, 2026, is accepted by DMLW as complete but may be subject to change based on agency and public review. Should the proposed lease amendment be granted, it is anticipated that the Development Plan will need to be updated throughout the life of the lease as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by DMLW before any construction, deconstruction, replacement of infrastructure, or change in activity will be permitted. DMLW reserves the right to require additional agency review and/or public notice for changes that are deemed by DMLW to be beyond the scope of this decision.

Hazardous Materials and Potential Contaminants:

Hazardous materials will not be stored within the proposed leasehold. Requests to store hazardous materials in the future may require additional stipulations.

Lease Performance Guaranty (bonding):

In accordance with AS 38.05.083(e) and 11 AAC 63.080, SSC will be required to maintain a performance guaranty for the lease site to cover the costs to the department of restoring the leased site in the event the lessee abandons the site for site cleanup, restoration, and any associated costs after termination or expiration of the lease. DNR currently has a record of a First Bank Certificate of Deposit (CD) for \$2,500 from 2014, which has served as the performance guaranty from Keta Seafoods, LLC. The current lessee, SSC, will need to provide proof of an updated bond when deliverables are due, if this amendment is to be issued.

\$2,500.00 Performance Bond: This bond will remain in place for the life of the proposed lease. The bond amount is based upon the level of development, amounts of hazardous material/substances on site, and the perceived liability to the State. This bond will be used to ensure the applicant's compliance with the terms and conditions of the lease issued for their project. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments, assignments, re-appraisals, changes in the development plan, changes in the activities conducted, changes in the performance of operations conducted on the authorized premises, or as a result of any violations to one or more of the authorizations associated with this project. The following stipulations shall be included in any authorization pursuant to this decision.

Reclamation Bond: DMLW is reserving the right to require a reclamation bond due to non-compliance issues during the term of the lease or near the end of the life of the project.

The lessee must post a performance guaranty in the amount of \$2,500.00 to secure faithful performance with all terms and conditions of the Lease and to insure site restoration of the leasehold. This performance guaranty must remain in effect for the duration of the Lease term or until released in writing by the Authorized Officer (AO). The AO for the State of Alaska, DNR, DMLW, is the Regional Manager or designee. Failure by the lessee to provide replacement security shall be grounds for the AO to make a claim upon the existing security to protect the lessor's interests.

If three or more lessees post an association bond to cover all of their leases, the minimum security amount is 50 percent of the amount individually calculated for each lease. The association must designate an agent for notification purposes. The association has the right to be notified of the termination of a lease covered by its association bond. If neither the former lessee nor the association completes the site restoration as required by AS 38.05.090, the department will use the association bond for this purpose, up to 100 percent of the amount individually calculated for that lease. The association may remove a lease in good standing from the coverage of its association bond after 60 days' notice to the department, during which time the affected lessee must make other arrangements to comply with this section. A lease that is in default or that has been terminated with site restoration still pending may not be removed from the coverage of the association bond.

The guaranty amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments to the Lease, assignments, reappraisals, changes in the Development Plan, approval of a reclamation plan, any change in the activities conducted, or performance of operations conducted on the leasehold and as a result of any violations to the Lease agreement.

The guaranty may be utilized by the AO to cover actual costs incurred by the State of Alaska to pay for any necessary corrective actions in the event the lessee does not comply with the site utilization, restoration requirements and/or other stipulations contained in the Lease agreement. If the lessee fails to perform the obligations under the Lease agreement within a reasonable timeframe, the AO may perform the lessee's obligations at the lessee's expense. The lessee agrees to pay within 60 days following notice, all costs and expenses reasonably incurred by the State of Alaska as a result of the failure of the lessee to comply with the terms and conditions of the Lease agreement. The provisions of this authorization shall not prejudice the State's right to obtain a remedy under any applicable law or regulation. The performance guaranty will be released upon expiration of the Lease provided that all terms and conditions of the Lease have been met, including restoration of the leasehold to a safe and clean condition found acceptable by the AO.

Insurance:

To protect the State from Liability associated with the use of the site, the applicant shall provide and maintain a comprehensive general liability insurance policy with the State of Alaska named as an additional insured party per the stipulations of the authorization. The applicant shall secure or purchase at its own expense, and maintain in force at all times during the term of this lease, liability coverage and limits consistent with what is professionally recommended as adequate to protect the applicant and the State, its officers, agents and employees from the liability exposures of ALL the insured's operations on state land. The insurance requirement may be adjusted periodically.

Survey:

In accordance with AS 38.04.045, this short-term lease does not require a survey. However, the State of Alaska reserves the right to require one in the future, should the need arise due to changes in statutes or increased use of the area. SSC has submitted GPS coordinate point(s) for the four corners of the proposed leasehold.

Compensation and Appraisal:

DMLW has approved an administrative lease fee schedule for aquatic farmsites that meet the conditions listed within the schedule. The most current lease fee schedule will be used to establish the fair market rental each lessee must pay. Fees are subject to adjustment per AS 38.05.083(c). The current annual rate for a 7-acre aquatic farmsite lease is a base fee of \$450 for the first acre, plus \$125 per additional acre or portion thereof. In accordance with the Aquatic Farmsite Fee Schedule, Report No. 2522-17, a breakdown of the lease fee will be as follows:

7 acres (1 acre at \$450) + (6 acres x \$125) = **\$1,200.00 per year**

If the applicant does not agree with the fee schedule amount of \$1,200.00, a fair market value determination can be obtained by the applicant. Fair market value is determined by obtaining a DNR-approved appraisal of the lease site. If an appraisal is conducted to determine fair market value of the lease site, the applicant will be required to pay the appraised amount and the \$1,200.00 annual fee will no longer be an option. The appraisal cost will be borne by the applicant. The parcel may need to have an approved Alaska State Tideland Survey to accomplish the appraisal. If a survey is required, the cost will be incurred by the applicant.

Assignment of Lease:

The proposed lease amendment, if issued, may be transferred or assigned to another individual or corporation only with prior written approval from the DMLW. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease or the lease considered not to be in “good standing” with this or any other agency authorization.

Reclamation:

In accordance with AS 38.05.090(b), all lessees must restore their lease sites to a “good and marketable condition” within 120 days after termination of the lease.

Agency Notice:

An Agency Review was conducted starting on February 18, 2026, and ending on March 11, 2026. Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this PD. The following agencies were included in the review:

- DNR Division of Parks and Outdoor Recreation
- DNR DPOR Office of History and Archaeology, State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- DNR Division of Oil and Gas
- DNR Division of Agriculture
- Alaska Department of Fish and Game
- Alaska Department of Environmental Conservation
- Alaska Department of Transportation and Public Facilities
- Alaska Department of Commerce, Community, and Economic Development
- Alaska Department of Public Safety
- Alaska Mental Health Trust Land Office
- Alaska Association of Conservation Districts
- U.S. Forest Service
- U.S. Army Corps of Engineers

- U.S. Fish and Wildlife Service
- U.S. National Park Service
- National Oceanic and Atmospheric Administration
- U.S. Environmental Protection Agency
- U.S. Coast Guard
- City of Craig – City Clerk, Administration, City Planning, Mayor
- Klawock City Clerk

Agency Review Comment(s):

During the Agency Review, DMLW received comments from two agencies.

U.S. Army Corps of Engineers (USACE) Comment:

The USACE emailed to provide a letter, dated February 19, 2026, stating:

The United States (U.S.) Army Corps of Engineers, Alaska District (Corps) is providing this letter as a written comment to the ADL 105346, Shinaku Shellfish Co. LLC, Agency Review for Proposed Lease Amendment. This project has been assigned number POA-2023-00451, which should be referred to in all correspondence with us.

The Corps' regulatory authorities are based on two laws: Section 10 of the Rivers and Harbors Act (RHA) of 1899 (33 USC 403), which prohibits the obstruction or alteration of navigable waters of the U.S. without a Department of the Army (DA) permit from the Corps; and Section 404 of the Clean Water Act (CWA), which prohibits the discharge of dredged or fill material into waters of the U.S. without a DA permit.

Based on information provided, and available to our office, it appears the work and structures would occur in waters of the U.S. and would, therefore, be within the Corps' jurisdiction. Additionally, it appears this amendment notable changes from what the Corps' previously authorized under our verification letter dated December 19, 2023, (POA-2023-00451) and that permit verification is set to expire March 14, 2026. Therefore, an updated application should be submitted to the Corps.

If an application for a DA permit has not yet been submitted, the project proponent may request a pre-application consultation meeting with the Corps to obtain information regarding the information that will be necessary for the permit evaluation process.

It is cautioned that work performed below the mean high waterline or ordinary high waterline in waters of the U.S., or the discharge of dredged or fill material into wetlands, without a DA permit could be subject to enforcement action. Receipt of any other necessary permit does not obviate the requirement for obtaining a DA permit for the work described above prior to commencing work.

DMLW Response:

DMLW acknowledges the USACE's comment. DMLW provided a copy of the email from the USACE to SSC on March 26, 2026, and notified SSC to contact the USACE for their specific permit information.

Alaska Department of Fish & Game (ADF&G) comment:

ADF&G's Permit Coordinator submitted a letter on behalf of ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section dated March 10, 2026. Within the letter from ADF&G is a Department Advisory, advising the applicant of general conditions pertaining to ADF&G's statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) if the applicant's project is approved. ADF&G also requests that the letter dated March 10, 2026, be included in the preliminary decision as an advisory to the applicant and for public reference.

The following concerns and recommendations are noted in the ADF&G letter and may be addressed in the AFOP:

- Division of Wildlife Conservation, Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisories or mitigation steps recommunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Large whales, especially humpbacks, are highly susceptible to entanglement in lines in the water; Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline and the ADF&G Permit Coordinator.

DMLW Response:

DMLW acknowledges ADF&G's comment. As one of the resource managers in the area, ADF&G's input is an important source of information. DMLW relies on input from ADF&G and other stakeholders to advise of any expected impacts and solutions that may fall outside of DNR's authority. DMLW has provided a copy of ADF&G's March 10, 2026, letter to the applicant. As requested in ADF&G's letter, the PD herein contains ADF&G's letter, which will be advertised for a 30-day public comment period. Per the development plan submitted by the applicant on February 13, 2026, all gear associated with the site will be left onsite year-round. DNR's statute and regulations for aquatic farmsite leases do not specify management of aquatic farms relating to fish and game but authorize DNR to issue a lease for state-owned tideland, shoreland or submerged land to develop an aquatic farm. Management of fish and game is within the authority of ADF&G, and as such, DMLW must defer to them and encourages the applicant to work directly with them. ADF&G may add to its operation permit authorization the conditions it deems appropriate.

Public Notice of the Preliminary Decision:

Pursuant to AS 38.05.945, this PD will be noticed for a 30-day public comment period starting on April 14, 2026. The Craig and Klawock post offices located near the proposed leasehold will be requested to post the notice pursuant to AS 38.05.945(b)(3)(C). The notice will be posted on the Alaska Online Public Notice website pursuant to AS 38.05.945(b)(3)(B) located at: <https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>. Additionally, Public Notice will be sent to all nearby Regional Corporations, Village Corporations, Municipalities/Boroughs, neighboring property owners, DMLW authorization holders, and other interested parties.

The public is invited to comment on this PD. All comments received during the public comment period will be considered in the Final Finding and Decision (FFD). A copy of the FFD, along with instructions on filing an appeal, will be sent to all persons who comment on the PD. If public comments result in significant changes to the PD, additional public notice may be given.

To be eligible to appeal the FFD, a person must provide written comments during the PD comment period.

Written comments about this project must be received in this office no later than 11:59 PM on May 14, 2026, to be considered.

To submit comments, please choose one of the following methods:

Postal: Department of Natural Resources
Southcentral Regional Land Office
ATTN: Jen Kopnicky
550 West 7th Avenue Suite 900C
Anchorage, AK 99501-3577
E-mail: jen.kopnicky@alaska.gov
Fax: (907) 269-8913

DNR-DMLW complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, or special modifications to comment should contact Alaska Relay at 711 or 1-800-770-8973 for assistance at no cost.

Signature Page Follows

Recommendation:

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, agency comments, and land ownership, and has found that this project is consistent with all applicable statutes and regulations. DMLW considered both direct and indirect benefits to the State. DNR finds granting of the proposed lease amendment provides the greatest benefit to the State.

I find the proposed action may be in the State’s best interest and recommend approval to proceed with public notice.



Jen Kopnicky
Natural Resource Specialist

04/13/2026

Date

Preliminary Decision:

It is the determination of the Division of Mining, Land, and Water that it may be in the State’s best interest to issue an aquatic farmsite lease amendment to Shinaku Shellfish Company LLC, as described above. This Preliminary Decision shall now proceed to public notice.

Cinnamon Micelotta

Cinnamon Micelotta, Acting Natural Resource Manager 2
Southcentral Regional Land Office
Division of Mining, Land, & Water

4/13/2026

Date

Attachments

- Attachment A – Amendment Development Plan
- Attachment B – ADF&G Letter
- Attachment C – SAMPLE Lease Amendment Agreement

Attachment A Amendment Development Plan

-
- | | |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Add or significantly ¹ modify support facility | <input type="checkbox"/> Section E (If floating facility) |
| | <input type="checkbox"/> Sections E & F (If upland facility) |
| | <input checked="" type="checkbox"/> Section D-3 c (Site Plan Map with facility) |
| | <input checked="" type="checkbox"/> Section D-3 d (Cross Sectional Diagram of facility) |
| | <input checked="" type="checkbox"/> Section D-3 e (Detailed Drawing of facility) |
-

- Other² Add new gear lines Dependent on amendment request

¹Significant modifications include changes that increase obstructions to navigation or to other public uses.

²Other includes production changes or species added if associated with changes to farm site boundary/location.

C. Amendment Description

In the space provided below, please provide a general description of your proposed changes to your aquatic farm site and operations. This should be a narrative of your amendment request that includes changes to your project location or size, new overall size including any hardening areas, all species you intend to culture, type of farm gear, equipment, support facilities, and associated housing to be used including size, number, and construction materials. Your narrative should match the rest of the application information you provide. If a section does not apply to your proposed amendment, please state so. If additional space is necessary, **please attach a separate document labeled "AMENDMENT DESCRIPTION"**. **Example information for project narrative can be found in Attachment I.**

Company Name (if being changed)

Site Location Modifications

New Site Dimensions, Acres for Each Parcel (New Dimensions and calculated area in acres for each parcel being amended and total area in acres of farm after amendment)

We would like to increase our farm acreage from 1 acre to 7 acres. The shape of the new boundaries is a irregular quadrilateral. The new farm dimensions would be:

Side A 530 feet
Side B 441 feet
Side C 713 feet
Side D 673 feet

Attachment A
Amendment Development Plan

New Support Facilities *(List any new support facilities, i.e. caretaker, storage, processing facilities, work rafts, etc.)*

Construction Materials of New Support Facilities and Equipment *(Note: All floating raft structures should use non-treated wood supported by closed cell expanded polystyrene or equivalent material)*

Species You Intend to Farm (for New Parcels or Changes to Species) *(Include scientific and common species name)*

For New Parcels or Changes to Culture Methods *[Describe operation activities to be done onsite such as outplanting of seedstock, husbandry techniques to be used (culling, sorting, washing, etc.), maintenance and monitoring activities, management of fouling organisms and incidental species, predator control measures, and schedule of activities such as timing of outplanting seeded lines or adding seedstock into trays, etc. Describe what methods you plan to use based on the definition in [5 AAC 41.400\(6\)](#). "Culture" means to use or the use of methods to manipulate the biology and the physical habitat of a desired species to optimize survival, density, growth rates, uniformity of size, and use of the available habitat, and to efficiently produce a product suitable for a commercial market.]*

We are adding floating bag culture gear. We have 400 floating bags that were purchased with the farm we would like to start using. We will use the log booms and anchors to secure one end of each line and set a 80 lb anchor on the other end to secure both ends of the bag line. Each bag line will hold 100 bags. There will be 4 bag lines.

Attachment A Amendment Development Plan

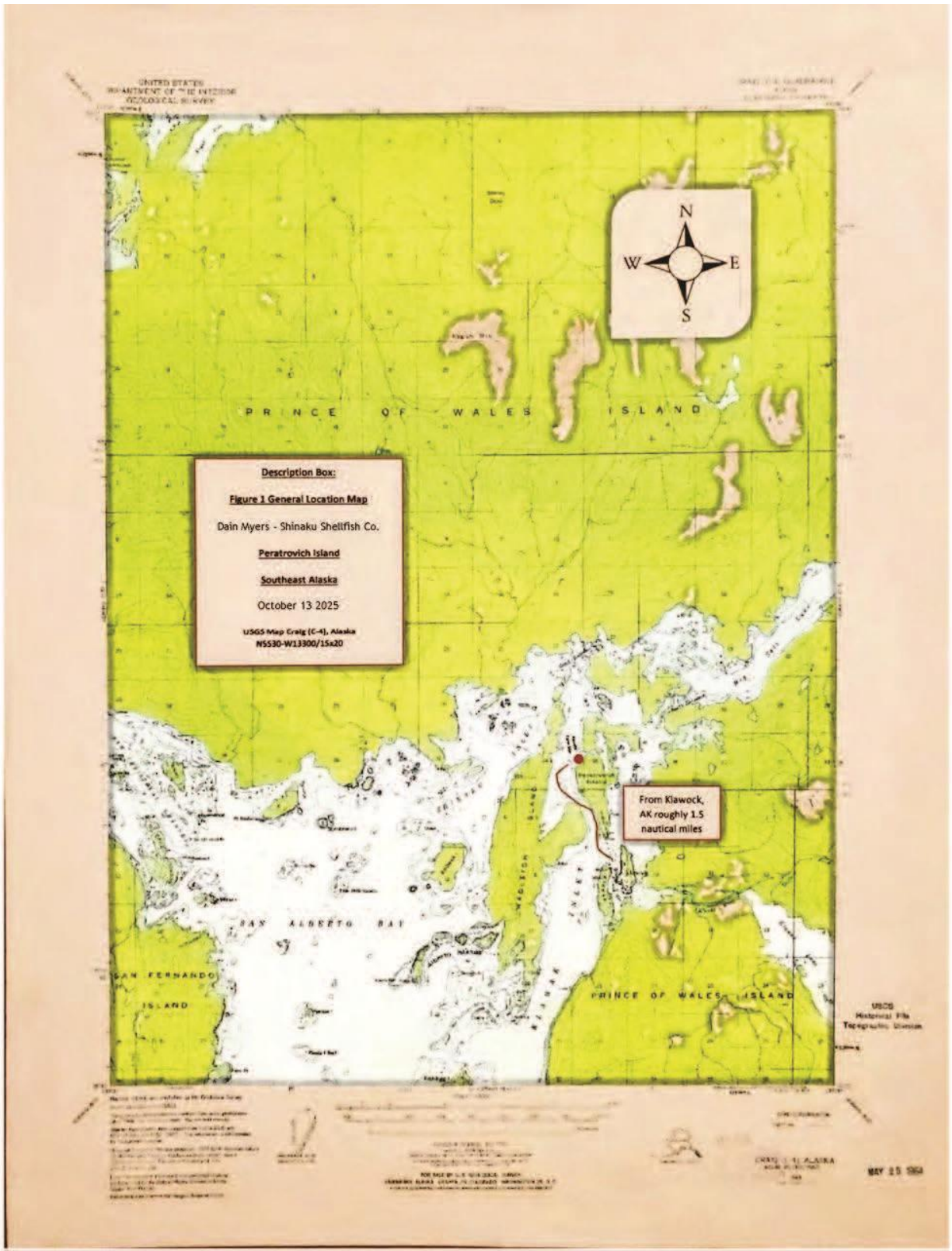
For New Parcels or Changes to Culture Gear and Equipment (Type, Size, Number, Configuration, Material, and Anchoring System) *[If more than one parcel, indicate what parcel specific gear will be located on. If more than one species, indicate gear to be used for each. Gear includes any structure that holds or protects the organism like trays, tiers of lantern nets, Vexar bags, OysterGro system, grow-out submerged longlines, predator netting, longlines, buoys, depth control systems, etc. Include approximate installation schedule, or if and what gear will remain installed year-round etc.]*

New gear will be mesh bags measuring 18" wide by 30" long by 4" deep. Each bag has two 4 liter floats attached. There will be 400 bags. Each bag has 2 stainless steel snap clips attached for clipping onto the main line. The main line is connected to the log boom and an anchored bouy on the other. There will be 4 main lines running west to east with 100 bags clipped to each line. All materials for the mesh bag and floats are plastic. Anchor system is a 80 lb steel anchor and the existing log boom.

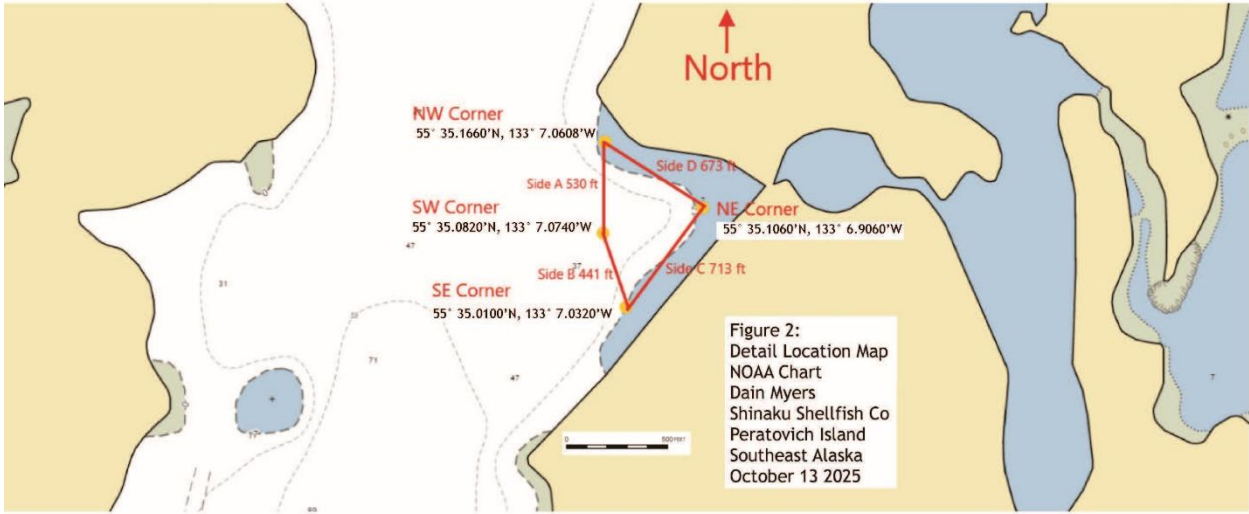
Other *(Anything else that may change from the original project due to the amendment request proposal)*

We will be rebuilding our work rat (20'x15') and our float hous (25'x30') due to the wooden structure rotting beyond repair. The floats will need to be completely replaced. We would like to combine the floats into a single structure and construct it from steel so it will last for at least 2 decades. The overall size will be 40'x60'. It will be built from modular 20'L x 4'W x 30" deep floats. The Floats will be pinned together with solid steel pins and cross sectional I beams. On top of the I beams will be 2"x8" wood planks as decking to work on and place equipment on. Additional drawings will be included at the end of this application.

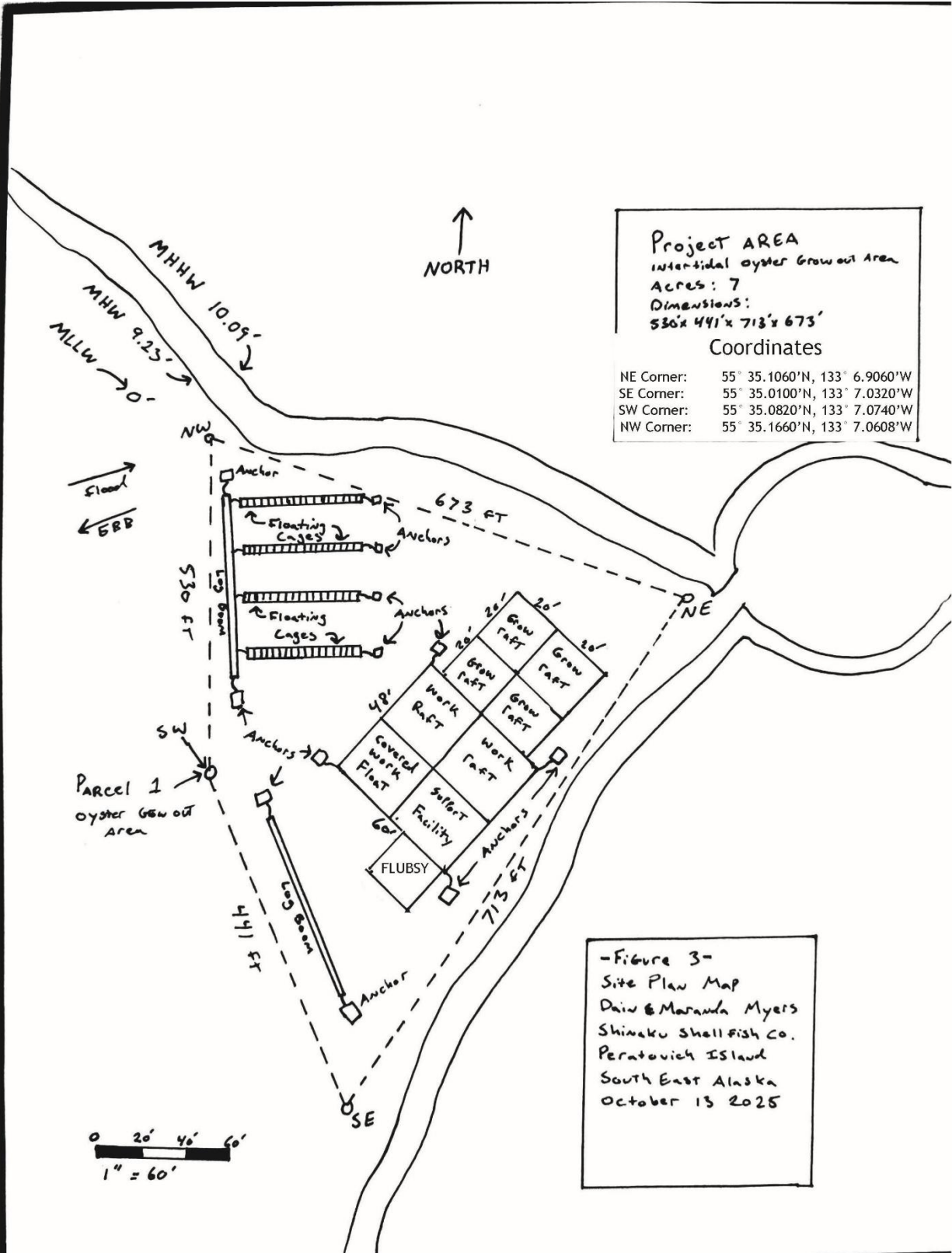
Attachment A
Amendment Development Plan



Attachment A
Amendment Development Plan

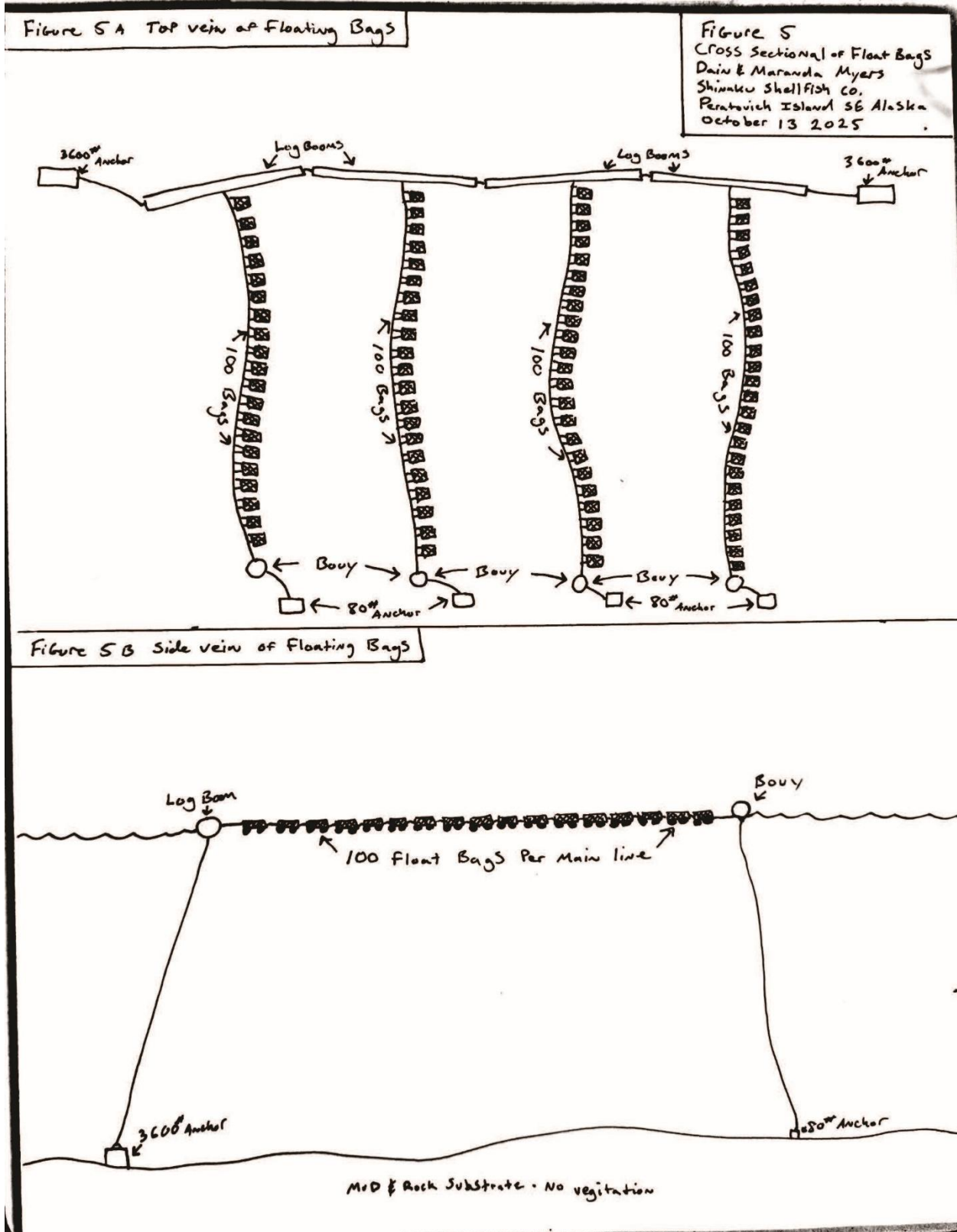


Attachment A
Amendment Development Plan

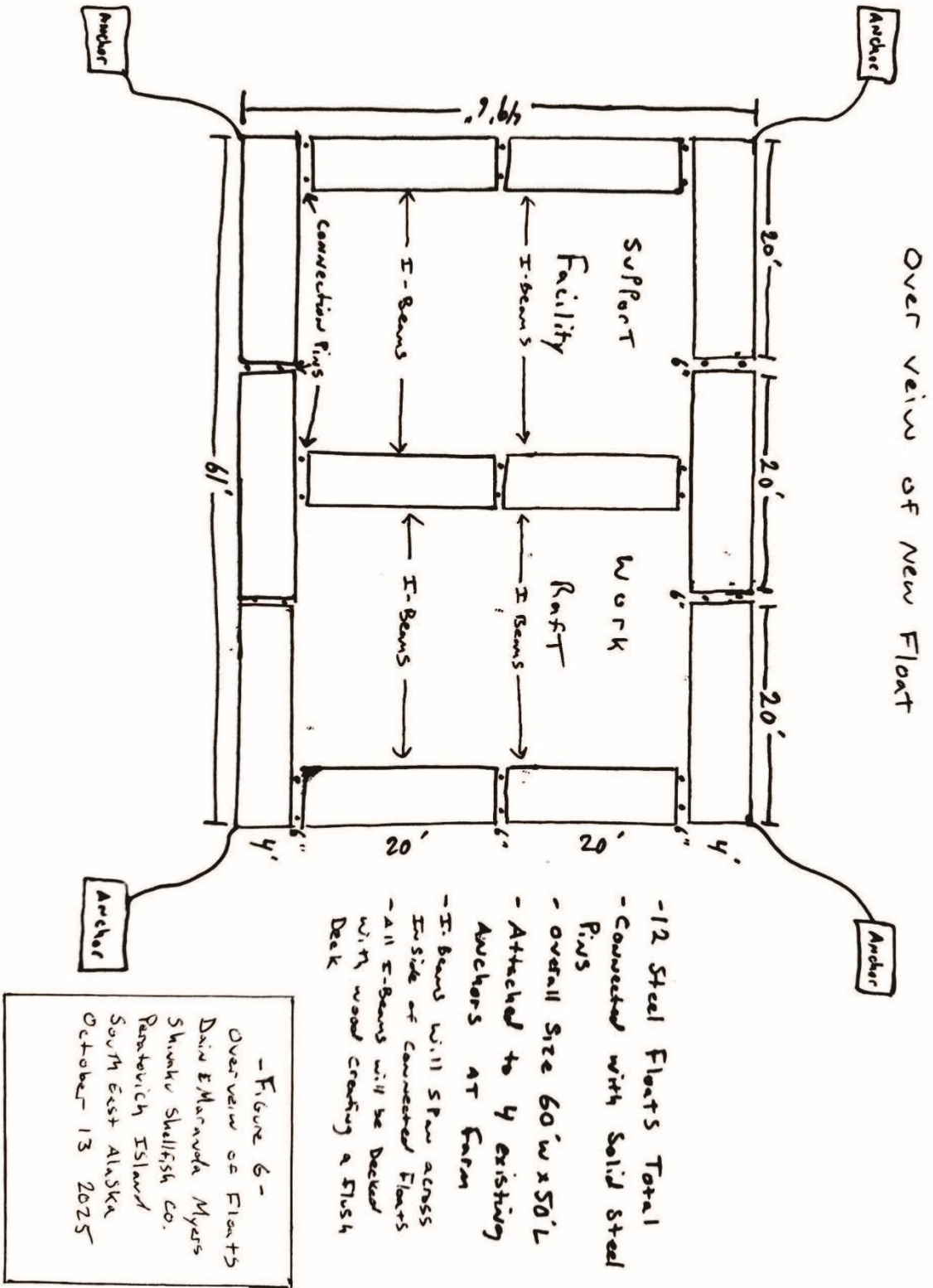


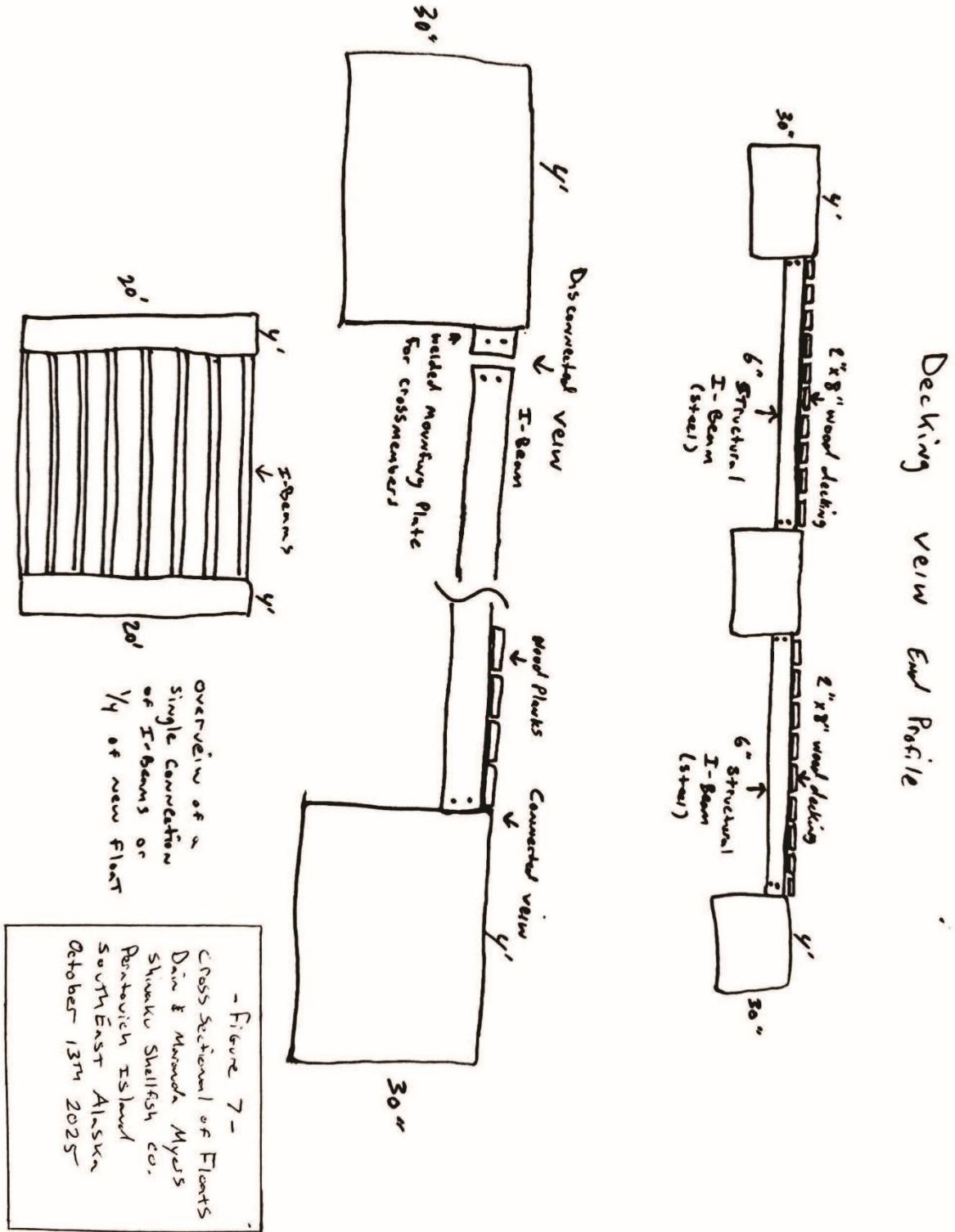
-Figure 3-
Site Plan Map
Dain & Maranda Myers
Shinaku Shellfish Co.
Peratovich Island
South East Alaska
October 13 2025

Attachment A
Amendment Development Plan

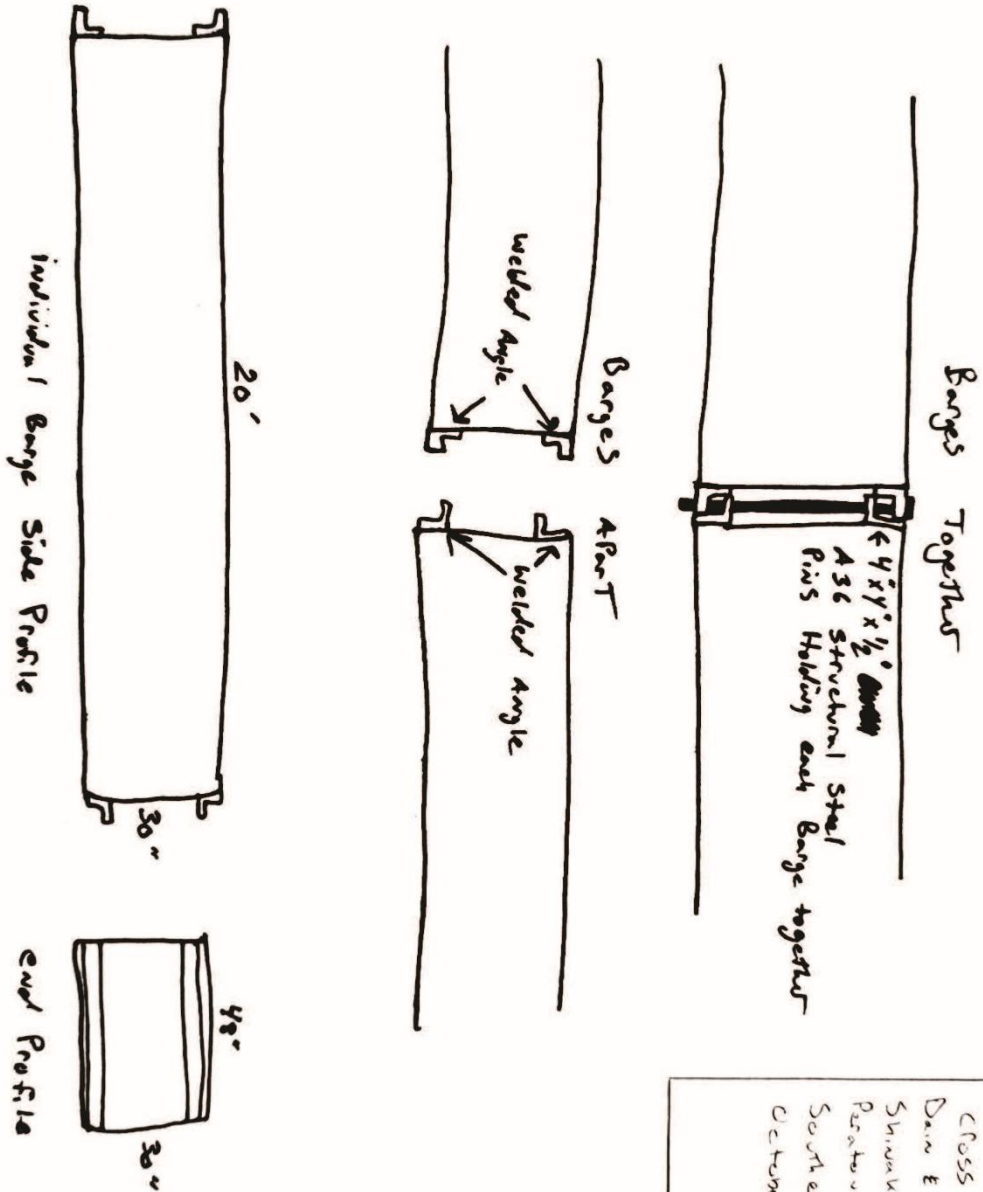


Attachment A
Amendment Development Plan





Attachment A
Amendment Development Plan



- Figure 8 -
Cross Sectional Plans
Dawn E. Marnold Myers
Shirvanu Shellfish Co.
Petersvich Island
Southeast Alaska
October 13th 2025

Attachment B
ADF&G Letter



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Fish and Game

Division of Commercial Fisheries
Headquarters Office

1255 West 8th Street
P.O. Box 115526
Juneau, Alaska 99811-5526
Main: 907.465.4210
Fax: 907.465.4168
Permit Coordinator: 907.465.4724

March 10, 2026

Jen Kopnicky
Department of Natural Resources
Southcentral Regional Land Office
Aquatic Farm Leasing Program
550 West 7th Avenue, Suite 900C
Anchorage AK 99501

Re: Alaska Department of Fish and Game Agency Review Comments
Myers / Shinaku Shellfish Company Aquatic Farm Site Amendment Proposal –
Peratrovich Island **DNR File No. ADL 105346**

Dear Mr. Myers:

The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, **ADL 105346** relevant to criteria specified in authorizations for Aquatic Farming AS16.40.105 and 5 AAC 41 200-400. ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology Section), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section, were part of the initial review. *There are no concerns pertaining to an aquatic farm operation permit amendment at the proposed location.* Any comments from other government agencies or from the public that may impact applicable department provisions will be considered as part of the final department review for an aquatic farm operation permit amendment which will be issued within 30 days of the lease being issued. Recommendations from this preliminary review are summarized below.

Department Advisory

Please advise the applicant that if the project is approved, general conditions pertaining to Alaska Department of Fish and Game statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) amendment will be included in the operation permit. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP amendment.

Division of Commercial Fisheries has reviewed this request and have no concerns.

Gene Conservation Lab has reviewed this request and have no concerns.

Fish Pathology Section has reviewed this request and have no concerns.

Attachment B ADF&G Letter

Jen Kopnicky
Department of Natural Resources
Aquatic Farm Proposal ADL 105346 amendment ADF&G Review Comments

- 2 -

March 10, 2026

Division of Sport Fish has reviewed this request and have no concerns.

Invasive Species Program Coordinator did not comment at this time.

Division of Wildlife Conservation

Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisories or mitigation steps recomunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Large whales, especially humpbacks, are highly susceptible to entanglement in lines in the water; Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline, phone – (877) 925-7773 and the ADF&G Permit Coordinator (907-465-4724).

Access Defense Program: Has reviewed this request and have no concerns.

Seabird Program: Did not comment at this time.

Habitat Section has reviewed this request and has no concerns.

Subsistence Section did not comment at this time.

Our department requests that the Department of Natural Resources consider providing this in their Preliminary Decision as an advisory to the applicant and for public reference.

Thank you for the opportunity to provide comments on this aquatic farm proposal. If you have any questions, please contact me at (907) 465-4724.

Sincerely,



Michelle Morris
Permit Coordinator

ecc: Garold V. Pryor, Aquaculture Section Chief, ADF&G
Dain Myers, Shinaku Shellfish Co.

Attachment C
SAMPLE Lease Amendment Agreement

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
550 West 7th Avenue, Suite 900C
Anchorage, Alaska 99501-3577

Lessee's Name DBA Business Name
AMENDMENT NO. # TO LEASE AGREEMENT
ADL #####

A lease agreement for aquatic farming purposes was issued under file no. ADL ##### to Lessee's Name and/or Business Name, Address, on Lease Issued Date, with an expiration date of Lease Expiration Date. The legal description for this lease is:

Aliquot Part of Section ##, Township ## South, Range ## East, Copper River Meridian, Alaska

Those tide and submerged lands located on the north side of Bay Name, approximately 17 miles west of Town, Alaska and further described as:

Parcel 1: 1,200 feet by 4,800 feet (#### acres) Suspended grow-out lines

NE Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
SE Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
SW Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
NW Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W

The total area encompassed by this aquatic farmsite is #### acres, more or less.

This amendment to the above-referenced lease agreement authorized under ADL ##### is for the following purpose:

- Increase the acreage of the aquatic farm site by XXX acres, more or less, by adding Parcel 2.

The lease agreement authorized under ADL ##### is amended as follows:

1) modifying Section 1. Grant that describes the legal description to cease to read as originally written and reflect the amended legal description.

Section 1. Grant of the lease is modified as follows:

Aliquot Part of Section ##, Township ## South, Range ## East, Copper River Meridian, Alaska

Those tide and submerged lands located on the north side of Bay Name, approximately 17 miles west of Town, Alaska and further described as:

Attachment C
SAMPLE Lease Amendment Agreement

Parcel 1: 1,200 feet by 4,800 feet (#### acres) Suspended grow-out lines

NE Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
SE Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
SW Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
NW Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W

Parcel 2: 1,200 feet by 4,800 feet (#### acres) Suspended grow-out lines

NE Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
SE Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
SW Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W
NW Corner Latitude:	55° XXXXX'N	Longitude:	133° XXXXX'W

Total amended acreage = ### acres, more or less.

2) Modifying Section 2. Compensation and Attachment A – Additional Stipulations of the lease is modified as follows:

The total acres in the lease are adjusted to XXXX acres. Equal annual payments, in advance, on or before the 31st day of January of every year during said term at the rate of

\$450 for the 1 st acre:	1 acre x \$450	= \$ 450.00
\$125 for each additional acre or portion thereof:	# acres x \$125	= \$ #####
	Total:	\$ #####

a) The lessee shall pay to the lessor compensation as follows, without the necessity of any billing by the lessor: **\$X,XXX.00 due on or before DUE DATE of each year.** The lessor may, upon 10 days' notice, review and copy any records of the lessee that are necessary to verify the lessee's compliance with this paragraph.

Modifying Attachment A – Additional Stipulations of the lease is modified as follows:

XX-Acre Aquatic Farm Lease
Annual Lease Fee – \$X,XXX.00
Annual Lease Fee Due by: DATE
Commercial Use Requirement (CUR): \$15,000.00 Annually
(CUR begins no later than 5th year operation or the lease may be terminated)

ALL OTHER TERMS AND CONDITIONS OF THE SUBJECT LEASE REMAIN AS WRITTEN.

Attachment C
SAMPLE Lease Amendment Agreement

Lessee:

Lessee Name

Lessor:

First Last Name
Resource Manager 2, Southcentral Regional Land Office

State of Alaska)
) ss.
_____ Judicial District)

THIS IS TO CERTIFY that on this ____ day of _____, _____, before me personally appeared _____, who executed the foregoing Amendment and acknowledged voluntarily signing the same.

Notary Public in and for the State of Alaska
My Commission Expires: _____

State of Alaska)
) ss.
Third Judicial District)

THIS IS TO CERTIFY that on this ____ day of _____, _____, before me personally appeared _____, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing Amendment and acknowledged voluntarily signing the same.

Notary Public in and for the State of Alaska
My Commission Expires: _____