

Findings and Decision - Renewal Application of Kelly Cove Salmon Ltd. for AQ#1040

1. Overview:

On April 27, 2016, the Nova Scotia Department of Fisheries and Aquaculture (NSDFA) received an application from Kelly Cove Salmon Ltd. (KCS) to renew Aquaculture Licence and Lease #1040 (AQ#1040), as described below:

Table 1. Description of Aquaculture Licence and Lease #1040

Type: Marine Finfish	Size: 8.25 HA
Number: AQ#1040	Cultivation Method: Suspended Cage Cultivation
Applicant: Kelly Cove Salmon Ltd.	Species: Atlantic salmon
Location: Annapolis Basin, Annapolis County	Proposed Term: 10 year Licence/20 year Lease

2. History

The original aquaculture licence and lease for this site was issued as an Experimental Aquaculture Licence and Lease (No. 8300) to Victoria Sea Farms Ltd. on April 27, 1995. No. 8300 was surrendered on May 15, 1996, and AQ#1040 was issued for a ten year term on this date (May 15, 1996 to May 15, 2006). AQ#1040 was assigned to 514853 N.B. Inc. on March 4, 2003. AQ#1040 was assigned to 3069685 Nova Scotia Limited on May 28, 2003. AQ#1040 was renewed on August 23, 2006 for a five year term (May 15, 2006 to May 15, 2011). AQ#1040 was renewed on August 24, 2011 for a four month term (May 15, 2011 to September 15, 2011). AQ#1040 was renewed on March 28, 2012 for a four year and eight month term (September 16, 2011 to May 15, 2016). AQ#1040 was assigned to Kelly Cove Salmon Ltd. on May 21, 2014.

3. Procedure

3.1 Performance Review

A performance review of the information submitted by the operator in support of their renewal application was completed. This review recommended that the site be renewed based on the technical and biological assessment. This performance review is required pursuant to Subsection 72(c) of the Aquaculture Licence and Lease Regulations, and was completed on May 2, 2016.

3.2 Public Comment Period

Notice of the application for the renewal of AQ#1040 for the 30-day public comment period was published on NSDFA's website (<http://novascotia.ca/fish/aquaculture/public-information/>) for the period of May 5, 2016 to June 3, 2016. Notice of the application was also published in the Royal Gazette Part I on May 4, 2016, May 11, 2016, May 18, 2016, and May 25, 2016

Five submissions were received by NSDFA during the 30-day public comment period. These submissions outlined a variety of items, including (but not limited to): The environmental performance of the site, impacts on the local lobster fishery, gear located outside of the site

boundaries, noise from the operation of the site, impacts on bird populations, gear and debris from the site, and disease management practices of the site. These items are addressed below.

4. Factors to be considered

Review of the file indicates that over the past tenure of the lease and licence that the site has had consistent production and records indicate continuous employment. Renewal plan indicates continued production is planned for this site and therefore resulting employment. Should the operator not operate the site as indicated, the Department's site utilization review procedures will be triggered. The renewal plan indicates contribution to the economy through supporting supplies and services.

The performance review noted the presence of fishery activities in the area of the site. Despite concerns raised, there were no ecological concerns identified in the past performance of this site with respect to negative impacts on other fisheries. Environmental Monitoring Program (EMP) results show oxyc levels were maintained from 2012-2014, with hypoxic A results obtained in 2015. Required mitigation procedures were implemented by the operator to address this matter. KCS is required to adhere to all Environmental monitoring provisions of the Aquaculture Management regulations, including the need to maintain sufficient oxyc conditions.

KCS will be required to complete, for NSDFA approval, a Farm Management Plan (to be completed on or before October 26, 2016) as required by the Aquaculture Management Regulations. The Farm Operations section of the Farm Management Plan form AQ#1040 will require the operator to indicate how they will operate AQ#1040 in accordance with industry best practices with respect to items such as interactions with wildlife, noise, maintaining the site in good order, the removal of decommissioned farm supplies and equipment, and the retrieval of gear or debris that has broken loose.

AQ#1040 is one of three marine finfish aquaculture sites issued to Kelly Cove Salmon Ltd. in the Annapolis Basin, along with AQ#1039 and AQ#1041. AQ#1040 is located approximately 100 metres from the shoreline in the northwest portion of the Annapolis Basin. Aquaculture site #1040 is located approximately 2.2 km from the nearest marine aquaculture site (AQ#1041). In addition to AQ#1041, there are three aquaculture sites within 5.0 km of AQ#1040 (AQ#1039, AQ#1343, and AQ#1042). There is no indication that the surrounding waters have exceeded their carrying capacity.

Section 55 of the *Licence and Lease Regulations* requires an aquaculture licence holder to mark each of their sites in a manner determined by the Minister and keep each site marked during the term of their licence. Also, it is a requirement for the equipment and aquacultural produce to remain within the geographic boundaries of that site. Issues surrounding site boundaries were identified during the renewal process, and the operator will be required to adhere to prescribed measures for ensuring the site is within the approved boundaries. Specifically, the operator is required to submit either a boundary amendment application to NSDFA or a site realignment application to Nova Scotia Environment on or before October 26, 2016.

Kelly Cove Salmon Ltd. is required to adhere to all elements of the *Aquaculture Management* regulations. Said regulations outline criteria for containment management. KCS will be required to implement a Farm Management Plan, to be approved by the Department, which will further define their measures to minimize potential impacts on wild salmon. There is no information on file regarding ecological concerns involving species listed through the *Species at Risk Act (SARA)*, including wild Atlantic salmon.

5. Decision

Based on the considerations above, Aquaculture Licence #1040 shall be renewed for a period of 10 years (May 16, 2016 to May 16, 2026) and Aquaculture Lease #1040 shall be renewed for a period of 20 years (May 16, 2016 to May 16, 2036). The Licence and Lease documents shall be prepared in accordance with the standard operating documents of NSDFA, and shall be made publically available subject to the provisions of the *Freedom of Information and Protection of Privacy Act*.

Also, should the operator fail to avail themselves of the prescribed measures for ensuring site boundary compliance, the site boundaries as prescribed in the Licence and Lease document shall be enforced.

In addition, the following condition shall apply.

6. Condition(s)

Kelly Cove Salmon Ltd. shall adhere to the following site marking requirements:

- (a) mark all corners of the leased site with cautionary yellow buoys of a minimum of 60 cm in diameter;
- (b) mark all corners of the leased bottom with a cement block or similar device of a weight sufficient to ensure the cement block or device remains in place at all times; and
- (c) display the licence or lease number at 1 corner of the licensed or leased area.



Brennan Goreham
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Nova Scotia Department of Fisheries and Aquaculture



Date