

2008 SECOND QUARTER REPORT

April 1 – June 30, 2008



NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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I. Quarterly Highlights

- The NSEDC Board of Directors held their 2008 second quarter meetings in Nome from April 17-18, 2008.
- The NSEDC Board of Directors hired Robert “Bob” Walsh as Chief Executive Officer.
- In the 2nd quarter, NSEDC’s completed the purchase of the *Alaska Ocean* and reformation of Glacier Fish Company with Nissui as a partner.
- In the 2nd quarter, NSEDC worked towards establishing a wholly owned for-profit subsidiary, Siu Alaska Corporation, to hold certain assets.
- In June, NSEDC staff hosted Nissui representatives from Japan and Washington state in the region.
- NSEDC representatives attended the Western Alaska Community Development Association meetings held on April 9th and June 10th.
- NSEDC management attended the North Pacific Fishery Management Council meetings in Kodiak in June. Agenda topics included salmon by-catch issues.
- NSEDC’s new tender vessel *T/V Egavik* arrived in the Norton Sound and assisted in NSSP freight and tender operations in the 2nd quarter.
- NSEDC purchased a freezer vessel which will be stationed in Unalakleet and assist Southern Norton Sound Seafood Products expansion into roe operations.
- NSEDC awarded \$36,859 to twenty-four students in scholarships during the second quarter.
- Twenty-six residents of member communities or of nearby communities worked on the *F/V Northern Glacier*, *F/V Pacific Glacier*, *F/V Glacier Bay* and the *F/V Norton Sound* earning a total of \$192,044.94 in wages in the second quarter.
- Two residents participated in an ammonia refrigeration operator training program in Raleigh, North Carolina in the second quarter.
- In the 2nd quarter, Delta Western began fuel deliveries for to communities participating in NSEDC’s 2008 Consolidated Bulk Fuel program.
- NSEDC hired fourteen summer interns that worked where?.
- The NSFR&D Clean Waters Program commenced on June 26th in Golovin to assist the community in identifying, hauling out and disposing of debris along their beaches and riverbanks.

- NSFR&D staff assisted the UAF Marine Advisory Program Agent with a blue king crab study in Diomede.
- NSFR&D staff did aerial surveys to document the health of the herring stock, as it remains the largest potential fishery in the Norton Sound.
- NSFR&D continued a partnership with Nome Beltz High School to facilitate a work-study program in the 2nd quarter.
- Construction on the Nome cold storage facility upgrades continued in the 2nd quarter.
- In the first quarter, 9,628 pounds of winter crab was delivered by six fishermen to Norton Sound Seafood Center in Nome for a total ex-vessel price to the fishermen of \$27,276.
- Fourteen fishermen delivered 113,325 pounds (90.663 tons) of bait herring during the second quarter for a total ex-vessel price to the fishermen of \$54,397.50.
- Ten fishermen delivered 28,417 pounds of Open Access Norton Sound red king crab in the summer fishery during the quarter for a total ex-vessel price to the fishermen of \$88,330.20.
- Eight fishermen delivered 3,201 pounds of open access Norton Sound red king crab in the winter fishery during the quarter for a total ex-vessel price to the fishermen of \$9,603.00.

A. Outreach

NSEDC management and staff performed a number of outreach projects/activities during the second quarter.

- NSEDC Board of Directors held their 2008 second quarter meetings in Nome from April 17th-18th at the Nome Eskimo Community boardroom.
- NSEDC Board of Directors notified residents of the 2008 second quarter meetings by placing an ad in the Nome Nugget Newspaper.
- NSEDC placed four newspaper advertisements during the second quarter.
- NSEDC board and staff were in Gambell on April 16th-17th and held a community dinner in honor of the late Gilbert Ungott.
- NSEDC staff conducted Fishermen's Meetings in Stebbins, St. Michael, Unalakleet, Shaktoolik, Koyuk, Elim, Golovin, Teller, Brevig Mission, and Nome in the 2nd quarter.
- NSEDC staff traveled to Savoonga and participated in a community meeting in the 2nd quarter.
- NSEDC staff traveled to Elim, Golovin, St. Michael, and Stebbins in June to assist individuals with Small Business Initiative applications and work with local organizations on on-going NSEDC projects.
- NSEDC staff traveled to Elim in May to attend a community meeting to discuss Uranium mining.
- NSEDC distributed a newsletter to all NSEDC member community box holders in the 2nd quarter.
- In the second quarter, NSEDC had Community Outreach Liaisons in thirteen of our member communities with NSEDC offices in Unalakleet and Nome serving those communities. The NSEDC liaisons are sent informational fliers, applications, and other information to circulate within their communities.
- NSEDC has a web page on the internet (www.nsedc.com) in which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC.
- NSSP has a web page on the internet (www.nortonsoundseafood.com).

B. Employment

Employment Data Form

Table 1
EMPLOYMENT DATA FORM
June 30, 2008

	Quarter		Year-to-Date	
	People	Wages	People	Wages
Management/Administrative				
NSEDC	7	\$139,703.69	14	\$268,380.93
NSSP	7	\$81,707.65	12	\$154,236.34
Total Management/Administrative	14	\$221,411.34	26	\$422,617.27
CDQ Pollock Related				
A/B Season	22	\$135,113.08	43	\$319,307.51
C/D Season	0	\$0.00	0	\$0.00
Total Pollock Related	22	\$135,113.08	43	\$319,307.51
NSSP Employment	63	\$84,238.49	64	\$84,709.99
Other NSEDC Employment				
Skippers, Deckhands, Shoreside, etc.	8	\$27,409.00	8	\$27,409.00
Total Other NSEDC Empl.	8	\$27,409.00	8	\$27,409.00
Other Fishing				
GFC - Longline	4	\$56,931.86	5	\$62,837.88
Aleutian No. 1	0	\$0.00		
O/A Norton Sound Winter Red King Crab	8	\$9,603.00	15	\$36,879.00
O/A Norton Sound Red King Crab	10	\$88,330.25	10	\$88,330.25
NSEDC CDQ Red King Crab	0	\$0.00	0	\$0.00
YDFDA CDQ Red King Crab	0	\$0.00	0	\$0.00
Norton Sound Salmon	0	\$0.00	0	\$0.00
Norton Sound Herring	14	\$54,397.50	14	\$54,397.50
NSEDC CDQ Halibut	0	\$0.00	0	\$0.00
Total Other Fishing	36	\$209,262.61	44	\$242,444.63
NSEDC Community Outreach Liaisons	13	\$19,500.00	13	\$39,000.00
Interns				
NSEDC Administration	2	\$10,100.38	4	\$24,835.57
NSEDC Salmon Rehab.	8	\$22,246.40	10	\$26,521.98
Alaska Dept. of Fish & Game	1	\$5,623.39	1	\$5,623.39
Kawerak, Inc.	0	\$0.00	0	\$0.00
Native Village of Unalakleet	0	\$0.00	0	\$0.00
City of Koyuk	0	\$0.00	0	\$0.00
Kawerak, Inc.- Unalakleet	0	\$0.00	0	\$0.00
Fisheries Development	3	\$11,434.38	4	\$20,842.38
Total Interns	14	\$49,404.55	19	\$77,823.32
GRAND TOTALS	170	\$746,339.07	217	\$1,213,311.72
	NSEDC =	\$236,017.24	NSEDC =	\$412,613.25
	NSSP =	\$318,276.89	NSSP =	\$418,553.08
	Partners =	\$192,044.94	Partners =	\$382,145.39

Employment Summary

Management/Administrative – Fourteen employees were employed by NSEDC/NSSP at various offices in the region, and fourteen employees were employed in the administrative offices in Anchorage during the quarter.

CDQ Pollock – Glacier Fish Company paid wages to twenty-two residents of NSEDC member communities or nearby communities who were employed aboard the *F/V Northern Glacier* and the *F/V Pacific Glacier* during the quarter.

Community Breakdown:

- 6 employees from Unalakleet
- 3 employees from Shishmaref
- 3 employees from Stebbins
- 2 employees from Anchorage
- 1 employee from Nome
- 1 employee from Brevig Mission
- 1 employee from Teller
- 1 employee from Gambell
- 1 employee from Nulato
- 1 employee from Mountain Village
- 1 employee from Kotlik
- 1 employee from Eagle River

NSSP Employment – NSEDC employed 63 employees during the quarter.

Community Breakdown:

- 45 employees from Unalakleet
- 12 employees from Nome
- 2 employees from Savoonga
- 1 employee from Shaktoolik
- 1 employee from Wasilla

Other NSEDC Employment – Eight employees were employed during the quarter.

Community Breakdown:

- 6 employees from Shaktoolik
- 1 employee from Unalakleet
- 1 employee from Elim

Other Fishing –

Three residents of member communities or of nearby communities was employed aboard the *F/V Norton Sound* during the quarter.

Community Breakdown:

- 1 employee from Shishmaref
- 1 employee from Elim
- 1 employee from Nome

One resident of member communities or of nearby communities was employed aboard the *F/V Glacier Bay* during the quarter.

Community Breakdown: 1 employee from Brevig Mission

Eight fishermen delivered 3,201 pounds of open access Norton Sound red king crab in the winter fishery during the quarter.

Community Breakdown: 8 fishermen from Nome

Ten fishermen delivered 28,417 pounds of Open Access Norton Sound red king crab in the summer fishery during the quarter.

Community Breakdown: 6 fishermen from Nome
3 fishermen from Shaktoolik
1 fisherman from Golovin

Fourteen fishermen delivered 113,325 pounds (90.663 tons) of bait herring during the second quarter.

Community Breakdown: 12 fishermen from Unalakleet
2 fishermen from Elim

NSEDC Community Outreach Liaisons – Thirteen residents held liaison positions during the quarter.

Community Breakdown: 1 liaison from St. Michael
1 liaison from Stebbins
1 liaison from Shaktoolik
1 liaison from Koyuk
1 liaison from White Mountain
1 liaison from Brevig Mission
1 liaison from Teller
1 liaison from Wales
1 liaison from Diomede
1 liaison from Savoonga
1 liaison from Gambell
1 liaison from Elim
1 liaison from Golovin

Interns – Fourteen internship positions were sponsored by NSEDC during the fourth quarter.

Community Breakdown: 8 interns from Nome
2 interns from White Mountain
2 interns from Unalakleet
1 intern from Shaktoolik
1 intern from Elim

C. Training

Training Data Form

**Table 2
TRAINING DATA FORM
April 1 thru June 30, 2008**

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post-Secondary	24	\$36,859.00	112	\$203,760.00
Vocational	0	\$0.00	16	\$32,000.00
Voc-Tech				
Basic				
Advanced				
Other Training				
Fisheries Related	0	\$0.00	15	\$28,563.24
Student Loans				
CDQ Staff				
CDQ Board				
Other	2	\$5,849.10	2	\$5,849.10
Other Expenditures				
To Education Institute				
Education Endowment				
TOTAL	26	\$42,708.10	145	\$270,172.34

Training Summary

Twenty-six students received funding in the second quarter: twenty-four students received funding for post-secondary and two received Other Training.

II. Administration

A. Board Activities

Board of Director Meetings

The NSEDC Board of Directors held their 2008 second quarter meetings in Nome from April 14-18, 2008.

Substantial Decisions

A number of items and proposals were reviewed and approved by the NSEDC Board of Directors during the second quarter including:

- Robert “Bob” Walsh was hired as the Chief Executive Officer.
- The Large Vessel Revolving Loan Program was capped at \$300,000, with direction to transfer any funds in excess funds, but not to exceed \$200,000, to the Revolving Loan Program.
- Deductions on delinquent loan accounts were increased from 10% to 15%, with the exception of the first delivery.
- The Board approved execution of a management agreement with Glacier Fish Company.
- The Board approved entering into a partnership to form and operate a value-added seafood processing company.
- Work toward a hard cap of Chinook with provisions to protect our CDQ allocation.
- The Board approved up to \$25,000 to assist the community of Elim with a study of the proposed Uranium mining project.
- The Board authorized the formation of a for-profit subsidiary.

III. Harvesting Report

CDQ Harvest Activities

Pollock

The entire A season directed pollock harvest took place in the 1st quarter. There was 1,875.506 metric tons of B season pollock harvested by the *F/V Northern Glacier* in the 2nd quarter.

Pacific Cod

There was no directed harvest of Pacific cod in the 2nd quarter.

Atka Mackerel/Pacific Ocean Perch

The *F/V Seafreeze Alaska* harvested 178.757 metric tons of Atka mackerel in the 2nd quarter.

Yellowfin Sole / Rock Sole

The *F/V Seafreeze Alaska* harvested 333.594 metric tons of yellowfin sole and 147.781 metric tons of rock sole in the 2nd quarter.

Sablefish (black cod)

CDQ black cod has been transferred to both YDFDA and BBEDC for harvest on their longline vessels and harvest was just beginning at the end of the 2nd quarter.

Bristol Bay Red King Crab

There was no harvest of Bristol Bay Red King Crab in the 2nd quarter.

Bering Sea Opilio Crab

Approximately 265,000 pounds of opilio crab allocated to the *F/V Baranof* was harvested in the 2nd quarter, completing the 400,000 pounds allocated for the season. Harvest rates were excellent for opilio crab and as the *Baranof* is a catcher-processor, NSEDC also shares in the processing side of the profits in this venture.

Bering Sea Bairdi Crab

The *F/V Baranof* harvested a small amount of bairdi crab in the 2nd quarter. Like most if not all vessels in the fleet, they experienced very poor catch rates for legal bairdi, but did manage to catch about 70% of their allocation for the season. Per regulation, only 75% of CDQ crab can be caught on a catcher-processor, and due to the troubles experienced with the Bairdi fishery this year, NSEDC was unable to secure a harvester to take the roughly 25,000 pounds of crab with a catcher vessel.

The Sea Boat coop (who worked on our IFQ bairdi) had too much IFQ to catch to allow for any additional crab.

Aleutian Island Brown Crab

There was no directed harvest of brown crab in the 2nd quarter.

IFQ Harvest Management

Sablefish (black cod)

In the 2nd quarter, Fishermen's Wild Alaska Seafood harvested approximately 29,000 pounds of central gulf IFQ sablefish.

Halibut

NSEDC's 3B IFQ halibut was harvested by Fishermen's Wild Alaska Seafood.

Crab 2007/2008

NSEDC's IFQ for opilio crab is split into catcher processor (CPO) quote and catcher vessel (CVO) amounts. The final 2/3 of our CPO quota is 196,900 pounds, assigned to the *F/V Baranof*, was harvested in the 2nd quarter. As with the CDQ, NSEDC shares in the profits of this venture.

The *F/V Baranof* finalized its bairdi fishing with a small amount of catch at the beginning of the 2nd quarter. Approximately 70% of NSEDC's 11,559 pounds of CPO IFQ was harvested by the *Baranof*. Through the Sea Boat coop, about 51% of our 23,258 pounds of IFQ bairdi was harvested.

IV. Confidential Issues

A. Financial Statements

NSEDC Statement of Financial Position First Quarter (Attachment 1)
NSEDC Statement of Activities First Quarter (Attachment 2)
NSEDC Statement of Cash Flows First Quarter (Attachment 3)
NSEDC Budget to Actual First Quarter (Attachment 4)
NSEDC Species Royalty Analysis First Quarter (Attachment 5)
Glacier Fish Company Report
 Fourth Quarter Balance Sheet (Attachment 6)
 Fourth Quarter Income Statement (Attachment 7)
 Fourth Quarter Statement of Cash Flows (Attachment 8)

B. Board of Directors 1st Quarter Meeting Minutes (Attachment 9)

ATTACHMENT 9

NSEDC Board of Directors

1st Quarter Meeting Minutes



FILE COPY

Brevig Mission Diomede Elim Gambell Golovin Koyuk Nome Saint Michael Savoonga Shaktoolik Stebbins Teller Unalakleet Wales White Mountain

**Norton Sound Economic Development Corporation
2008 First Quarter Board of Directors Meeting
Q Building in Gambell & BSNC Boardroom
April 17 & 18, 2008
9:00 A.M.**

CALL TO ORDER

NSEDC Vice-chairman Dean Peterson called the NSEDC 2008 First Quarter Board of Directors' Meeting to order at 10:30 A.M. on April 17, 2008 at the Nome Eskimo Community Building in Nome, as we traveled back from Gambell with bad weather coming in.

APPOINTMENT OF GAMBELL MEMBER REPRESENTATIVE

This will be done after Item H. Financials/Investment Portfolio.

ROLL CALL

Present at the meeting were Mary Menadelook, Ramona Tungiyon, Truman Kava, Frank Oxereok Jr., Reggie Barr, Joe Garnie, Don Stiles, Dean Peterson, Charles Saccheus Sr., Elvina Naranjo, Harvey Sookiayak, Frank Katchatag, Victor Joe, and Wilfred Katcheak. Absent and excused was Dan Harrelson, who was involved in a search and rescue in White Mountain. Staff members present were Janis Ivanoff, Tasha Huffman, Simon Kinneen, Kathy Whelehan, and Jerry Ivanoff.

APPROVAL OF AGENDA

Harvey Sookiayak made a motion to approve the agenda, as amended, with the following changes: 1. Appointment of the Gambell Member Representative being addressed after the Financials/Investment Portfolio, 2. Adding the Elim Uranium Mine and a Petition to move the NSEDC Central Office back to the region under Other Business, and 3. Review of the 2008 Northern and Southern NSSP Budgets being addressed last under Old Business. Frank Oxereok seconded the motion. The motion passed.

APPROVAL OF MINUTES

Harvey Sookiayak made a motion to approve the NSEDC Board of Directors' Meeting Minutes of January 24 & 25, 2008 and March 17, 2008, as a block. Reggie Barr seconded the motion. Under March 17, 2008 minutes, the resolution (regarding the registered agent) was changed from 08-02 to 08-01. The motion passed.

NSEDC INTERIM CEO'S REPORT-Janis Ivanoff

Janis Ivanoff gave the NSEDC Interim CEO's Report. Harvey Sookiayak asked for clarification on the budget of NSSP with the separation of the Southern and Northern NSSP. Charles Saccheus asked for clarification on the bulk fuel program, stating that Elim ran out of stove oil last week, so they will have to borrow from the City of Elim.

PUBLIC COMMENTS

None provided.

FINANCIALS/INVESTMENT PORTFOLIO

Tasha Huffman gave the NSEDC Financials/Investment Portfolio report.

APPOINTMENT OF GAMBELL MEMBER REPRESENTATIVE

Elvina Naranjo made a motion to go into executive session at 10:55 A.M. Wilfred Katcheak seconded the motion. The motion passed.

Don Stiles made a motion to get out of executive session at 11:19 A.M. Frank Oxereok seconded the motion. The motion passed.

Don Stiles made a motion to seat Ramona Tungiyon as the Gambell Member Representative until the next Gambell Election. Harvey Sookiayak seconded the motion. The motion passed.

Ramona Tungiyon was appointed and seated as the Gambell Member Representative and given the oath of office by NSEDC Interim CEO Janis Ivanoff.

We took a break at 11:22 A.M. The meeting reconvened at 11:32 A.M.

COMMITTEE REPORTS

1. Executive Committee

Don Stiles gave the NSEDC Executive Committee Report. Wilfred Katcheak asked for clarification on the formation of a new partnership for value added products of crab. Don Stiles noted that they will be working on acquiring a meat extractor for crab with a finished product that is cooked and processed, ready to eat, giving it more shelf life.

Reggie Barr made a motion to approve the NSEDC Executive Committee Report with all its recommendations. Frank Katchatag seconded the motion. The motion passed.

2. NSSP Working Group

Don Stiles gave the NSSP Working Group Report. Elvina asked for clarification about the pink and roe operation and whether it was limited to just Unalakleet. Don Stiles stated that, knowing Middy, he will try to get as many people involved as possible.

Don Stiles made a motion to approve the NSSP Working Group Committee minutes. Wilfred Katcheak seconded the motion. The motion passed.

3. Fisheries Development Committee

The Fisheries Development Committee Report was deferred until later.

4. Finance Committee

The Finance Committee report was read.

Don Stiles made a motion to approve the NSEDC Finance Committee Report with corrections and all its recommendations. Harvey Sookiayak seconded the motion. Janis informed the board on the recommended 401 (k) contribution for staff for 2007. The motion passed.

5. Rules & Bylaws Committee

Chairman Stiles gave the NSEDC Rules and Bylaws Committee Report. There was discussion on the composition of the compensation committee. Janis clarified that there should be four members on the committee and that policies need to be changed to read that way.

Harvey Sookiayak made a motion to approve the NSEDC Rules & Bylaws Committee Report with its recommendations. Wilfred Katcheak seconded the motion. The motion passed.

Harvey Sookiayak made a motion to approve the payment of per diem at \$350.00 per day for these meetings. Elvina Naranjo seconded the motion. The motion passed.

6. Scholarship Committee

Chairman Joe gave the NSEDC Scholarship Committee Report. Wilfred Katcheak asked if we had a policy to pro-rate scholarships. Jerry informed him that we have been doing this for some time. Dean Peterson asked if we are providing money to teachers of BSSD with scholarships. Jerry informed him that we are funding teacher aides from our region who are working to become certified. Elvina Naranjo asked for clarification on the comment made by Frank Oxereok and possibly changing the minutes. Frank Oxereok clarified that we are trying to be fair to all our students and these monies could be used by a student with a need for our scholarship.

Reggie Barr made a motion to approve the NSEDC Scholarship Committee Report. Mary Menadelook seconded the motion. The motion passed.

7. Compensation Review Committee

Don Stiles gave the NSEDC Compensation Review Committee Report.

Don Stiles made a motion to approve the NSEDC Compensation Review Committee report with its recommendations made during executive session. Harvey Sookiayak seconded the motion. The motion passed.

We took a break at 12:46 P.M. The meeting reconvened at 2:00 P.M.

With Dick Tremaine enroute to Nome from Gambell, we went on to the CDQ Harvest Management Report.

MANAGERS' REPORTS

1. CDQ Harvest Management-Simon Kinneen

Simon Kinneen gave the NSEDC CDQ Harvest Management Report. Don Stiles asked about Glacier Fish Company Bycatch of Chinook Salmon. Simon spoke to the low numbers of GFC Chinook Salmon Bycatch in relation to the rest of the fleet and the move to set a hard cap of Chinook Bycatch. Wilfred Katcheak asked if YDFDA is addressing this issue. Simon informed him that they are doing a good job trying to limit the Chinook Bycatch. We had a lengthy discussion on the hard cap of Chinook Bycatch. Don Stiles asked for other options of the Chinook salmon bycatch issue.

Don Stiles made a motion to work toward a hard cap of Chinook with provisions to protect our CDQ Allocation. Harvey Sookiayak seconded the motion. The motion passed.

2. Written Report

Dean Peterson noted the written reports and asked if there were any questions.

a. Community Benefits Department-Katie Peterson

Don Stiles asked about the status of Small Business Initiative program. Janis expounded on the Small Business Initiative and plans to move forward with a timeline of February 2009. Waiting would give the program exposure at the Kawerak Regional Conference. Don wants the program up and running as soon as possible to provide the economic stimulus. More funds could be budgeted for 2009 to provide another three individuals with this opportunity. To provide exposure, staff can visit the communities to develop this program. Truman asked for clarification on who can apply. Harvey was comfortable with going with the staff recommendation. Wilfred recommended we utilize our community liaisons to get the information out. It was agreed that staff would proceed with proceeding with a 2008 timeline.

With the alternative energy project, Don asked for clarification. Janis went over the planning for this project with NSEDC looking to acquire the patent rights for the unit.

b. HR Department-Camille Cruz

Don spoke to the need for a public relations person and felt that we did not have a need for a sales/marketing person with a good business relationship with Shadow Marketing. Don stated that we need someone on staff to handle public relations.

Don Stiles made a motion to change the focus to acquire a public relations person, instead of a sales/marketing person. Harvey Sookiayak seconded the motion for discussion purposes.

There was lengthy discussion on the position and what it would entail. The consensus from the Board seemed to be that there are positions in place already to handle public relations and that the new CEO's previous job was public relations so he can handle what ever isn't covered already.

Question was called and the motion failed.

We took a break at 3:02 P.M.

Katie Peterson, Charlie Lean, and Dick Tremaine joined the meeting at 3:02 P.M.

The meeting reconvened at 3:11 P.M.

Don Stiles asked when Fred Eningowuk's position would be filled. Harvey recommended hiring someone in house, as we know our people best. Wilfred Katcheak stressed the need to hire another person to monitor our programs in the region. There was discussion on how to measure the success of our programs.

Under the Bulk Fuel program, Don asked what kind of prices we anticipate this year. Janis noted the price of fuel and the cost to get it to our communities. Don asked if we could get a better price break than \$4.09 per gallon with the additional buyers and with the other CDQ Groups joining. Janis noted that the organizations NSEDC works with in the bulk fuel program get a better price than the other organizations in our region that don't participate.

c. Southern Nssp-William Johnson

This was covered in executive session.

d. Northern Nssp-Josh Osborne

This was covered in executive session.

OLD BUSINESS

1. Tender Vessel Update

Janis gave an update on the tender vessels with the plan to move individuals down to Seattle to move our vessel up to our region. Wilfred Katcheak asked who would be traveling.

2. Education Foundation Status Report

Katie Peterson gave the Education Foundation status report, where she stated that we are a quarter of the way complete, more forms need to be filed with the IRS, staff will need direction on the structure of the Education Foundation and the Education, Employment, and Training department. Katie and Janis informed the board on the process.

3. Strategic Planning Update

This was covered in the CEO's Report. Janis clarified the role of the board and the role of the CEO with the strategic planning. Frank would like to get the new CEO up to speed with the strategic planning process. Janis noted that we could have a meeting in early May.

4. 2008 Northern and Southern NSSP Budget Reviews

The NSSP Budget was covered in executive session.

5. Outside Entity Funding Updates

Janis informed the board on the outside entity funding process.

6. Executive Session-Report to Full Board on Transition Plan

This was postponed until tomorrow.

NEW BUSINESS

1. Six CDQ Groups Consolidated Bulk Fuel Program

Janis Ivanoff spoke to the work with the other six CDQ Groups to develop a consolidated bulk fuel program. Janis noted that the other groups would like to expand this program to other entities, in their respective regions, like Kawerak.

2. Resolution Re: 2007 401 (K) Employee Contribution

The 2007 401 (K) Employee Contribution was already covered.

3. Resolution Re: Ratifying Execution of EDA Agreement and Mortgage

Don Stiles made a motion to adopt resolution 08-03. Harvey Sookiayak seconded the motion. The motion passed.

OTHER BUSINESS

Yvonne (Galsy) Ashenfelter joined the meeting at 3:36 P.M.

ELIM URANIUM MINE

Janis Ivanoff brought up the Elim Uranium Mine with possible support for Elim and Koyuk. Charles Saccheus Sr. gave an update on the uranium mine plan. The acid run-off from this mine could contaminate all living creatures, fish and game, in the river systems of our region. Wilfred Katcheak noted that the mines are being developed on land not owned by our native corporations or entities. Charles noted that there are caribou at the proposed mine site. Don Stiles asked for Charlie Lean's insight into this issue. Charlie stated that he wrote a position paper on this proposed mine and felt it is time to act now with the development of the Rock Creek Mine near

Nome. Charlie noted that the Red Dog Mine takes away from the wild pristine Alaska with the increased movement of people. Don asked if there was a need for additional staff to address this issue. Charlie stated that he does not have the expertise. He recommended that we get a knowledgeable person with credentials to properly address this mining issue. Don asked if we have any funds for a consultant. Don recommended that Charlie and Simon submit their position papers before the mine gets approved.

Don Stiles asked for clarification on funds available to assist with this issue. Janis noted that we could do this with a budget amendment. Joe Garnie asked what kind of help NSEDC could provide. Charles said NSEDC could provide funds so the Caribou working group could attend the meetings being held to develop this mining operation.

Don Stiles made a motion for NSFR&D to provide up to \$25,000.00 to hire a consultant to assist Elim. Harvey Sookiayak seconded the motion.

Charlie Lean spoke to developing a cost/benefit analysis of the Elim Uranium Mine.

The motion passed unanimously.

PETITION TO MOVE NSEDC BACK TO THE REGION

Dean Peterson turned the floor over to Frank Katchatag, who brought up the petition to move our NSEDC Central Office back to the region. Frank noted that he spoke with the Unalakleet City Council, who felt that we should do a feasibility study to address the pros and cons of relocating the Central office. Janis brought up the study done in 2005. Truman Kava noted that the petition was also sent to the City of Savoonga. Charles Saccheus asked Frank where he thought would be the best place to relocate. Frank did not know, but felt that we should let our communities know that this petition was brought up. Victor Joe noted that St. Michael IRA is pushing a petition to move the office back to the region. Janis said we will provide the study done in 2005 to the City of Unalakleet.

We recessed for the day at 4:13 P.M.

April 18, 2008 9:00 A.M.

NSEDC Board Vice-chairman Dean Peterson reconvened the meeting at 9:02 A.M. at the BSNC offices.

The roll call was taken with Mary Menadelook, Frank Oxereok, Reggie Barr, Joe Garnie, Don Stiles, Dean Peterson, Elvina Naranjo, Harvey Sookiayak, Frank Katchatag, Victor Joe, and Wilfred Katcheak present. Ramona Tungiyon, Truman Kava, and Charles Saccheus Sr. were absent. Dan Harrelson was absent and excused.

Janis Ivanoff, Katie Peterson, Tasha Huffman, Charles Lean, Simon Kinneen, Kathy Wheelehan, Dick Tremaine, and Jerry Ivanoff were present as staff.

Tim Smith and Laurie McNicholas of the public were present.

FISHERIES DEVELOPMENT COMMITTEE

Charlie Lean gave the NSEDC Fisheries Development Committee Report.

Frank Oxereok Jr. made a motion to approve the Fisheries Development committee report with its recommendations. Elvina Naranjo seconded the motion. The motion passed.

NSIC-Dick Tremaine

a. Glacier Fish Company LLC

Dick Tremaine gave the Glacier Fish Company LLC Report, as Rob Wood was not able to make the meeting. Dick informed the board on the fire on the F/T Glacier Fish Company, where no one was hurt, but the boat sustained an estimated \$15,000,000.00 in damage, but we have insurance coverage.

b. Norton Sound Ventures Dissolution Update

Dick gave a Norton Sound Ventures Dissolution Update.

c. Aleutian #1

Dick gave a report on the Aleutian #1, where all the crab was caught with exceptional fishing. Phil Pryzmont of Nome worked on the boat with raving reviews. Dick stated that the F/V Alaskan Beauty was sold and the F/V Ocean Olympic is up for sale.

Rich Ferry joined the meeting at 9:24 A.M.

Don Stiles asked about the products sold and the exchange of yen for dollars. Dick stated that each sale contract with our buyers determines the form of payment.

d. IFQ

Dick gave an IFQ Update.

Don Stiles made a motion to go into executive session at 9:30 A.M. to discuss the purchase of brown crab pots, Glacier Fish Company, value added crab equipment, the NSEDC Transition Plan, and the NSSP Budget. Elvina Naranjo seconded the motion. The motion passed.

Ramona Tungiyon, Charles Saccheus, and Truman Kava joined the meeting at 9:33 A.M.

Harvey Sookiayak made a motion to get out of executive session at 12:46 P.M. Wilfred Katcheak seconded the motion. The motion passed.

Don Stiles made a motion to approve and amend the NSSP Budget, as presented with adjustments to the Nome Halibut and Savoonga Halibut Revenues. Wilfred Katcheak seconded the motion. The motion passed.

Harvey Sookiayak made a motion for approval of the 2007 NSEDC Statement of Compliance as presented on April 18, 2008. Frank Oxereok Jr. seconded the motion. The motion passed.

Wilfred Katcheak made a motion to approve NSEDC Resolution 08-04, for the formation of a for-profit subsidiary. Harvey Sookiayak seconded the motion. The motion passed.

Don Stiles made a motion to authorize the executive committee to negotiate and approve the compensation amount of the new CEO's Employment Agreement. Frank Oxereok Jr. seconded the motion.

Under discussion, Don Stiles stated that this motion would authorize the committee to execute minor changes to the draft contract but not to change the intent of the contract. Wilfred Katcheak requested that the Executive committee meeting minutes be made available to the Board as soon as possible after the meeting. For future reference, Wilfred requested that all Executive committee meeting minutes be made available to the directors immediately after a

meeting. Elvina Naranjo asked if the Executive committee or the full Board would make the final decision on this. Janis said the motion was to authorize and approve. Harvey Sookiayak noted that it could be approved by the full board on May 12, 2008. Dean Peterson clarified that what he is hearing is the Executive committee will negotiate and then come back to the full Board for final approval. Janis Ivanoff asked if a full Board teleconference would take place after the Executive committee meeting. Yes, directed Harvey Sookiayak.

Question was called. The motion passed.

BOARD COMMENTS

Most Board Members commented on the trip to Gambell and what a good meeting this was. They were glad to show respect to the Ungott family and were grateful to staff for their hard work. Dean Peterson thanked the Board for their patience with him as he chaired the meeting.

Elvina Naranjo basically stated that Dan Harrelson has a full plate and she is concerned that as NSEDC Corporate President, he was not present. There have been important issues brought up recently and the Board could use his input.

Victor Joe mentioned that the fisheries safety orientation class training was cancelled due to lack of people who applied. Not enough people who want to go out fishing.

DATE OF NEXT MEETING

The date of the next meeting will be at the call of the NSEDC Board Chairman.

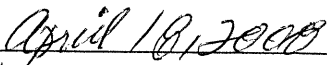
ADJOURNMENT

Harvey Sookiayak made a motion to adjourn the NSEDC 2008 First Quarter Board of Directors' Meeting at 1:06 P.M. Elvina Naranjo seconded the motion. The motion passed.

Dean Peterson, NSEDC Board Vice-chairman



Jerry Ivanoff, NSEDC Corporate Secretary



Date